

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**March 31, 2003**  
**10:01 AM**

**TAPES**

SFC-03 # 36, Side A

**CALL TO ORDER**

Co-Chair Gary Wilken convened the meeting at approximately 10:01 AM.

**PRESENT**

Senator Gary Wilken, Co-Chair  
Senator Lyda Green, Co-Chair  
Senator Con Bunde, Vice Chair  
Senator Ben Stevens  
Senator Lyman Hoffman  
Senator Robin Taylor

**Also Attending:** REPRESENTATIVE KEVIN MEYER; KAYE KANNE, President, Midwives Association of Alaska; LINDA SYLVESTER, Staff to Representative Bruce Weyhrauch; JOANNE GIBBONS, Program Administrator, Division of Family & Youth Services, Department of Health and Social Services; TOM CHERIAN, Acting Director, Division of Family & Youth Services, Department of Health and Social Services

**Attending via Teleconference:** There were no teleconference participants.

**SUMMARY INFORMATION**

HB 71-EXTEND BOARD OF MIDWIVES

The Committee heard testimony from the sponsor and the industry. A committee substitute was adopted and the bill reported from Committee.

HB 12-HARASSMENT BY ELECTRONIC COMMUNICATION

The Committee heard from the sponsor and reported the bill from Committee.

SB 123-ELIMINATE REVIEW OF ADOPTION SUBSIDIES

The Committee heard testimony from the Department of Health and Social Services and reported the bill from Committee.

#hb71

HOUSE BILL NO. 71

"An Act extending the termination date of the Board of Certified Direct-Entry Midwives."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this bill would extend the Board of Midwives until June 30, 2007.

Senator B. Stevens moved to adopt committee substitute, Version 23-LS0439\D as a working draft.

Co-Chair Wilken objected to explain that the committee substitute adds new language to Section 2, subsection 08.65.060 that requires an applicant to pass an examination about Alaska laws that apply to this profession. He stated that this language was recommended on page 11 of the Division of Legislative Audit report dated August 15, 2002 [copy on file].

Co-Chair Wilken removed his objection.

There being no further objection, the committee substitute was ADOPTED as a working draft.

KAYE KANNE, President, Midwives Association of Alaska, voiced support voiced of the bill, and that she approved of the State law exam requirement.

Co-Chair Wilken noted that, while other pertinent issues were discussed in the previous hearing on this bill, the determination is that the Board would address the issues at its upcoming November meeting.

LINDA SYLVESTER, Staff to Representative Bruce Weyhrauch, voiced appreciation for the Committee's support of this "clean bill."

Senator B. Stevens moved to report the bill from Committee with individual recommendations and accompanying previous fiscal note.

Co-Chair Wilken interjected that, because the committee substitute changes the title of this House of Representatives bill, a Senate Concurrent Resolution would accompany the bill.

There being no objection, SCS HB 71 (FIN) was REPORTED from Committee with individual recommendations and previous \$28,200 fiscal note #1, dated February 10, 2003, from the Department of Community and Economic Development.

#hb12

CS FOR HOUSE BILL NO. 12(JUD) am  
"An Act relating to the crime of harassment committed by use of electronic communication."

This was the first hearing for this bill in the Senate Finance Committee.

Co-chair Wilken explained that this bill would "broaden the crime of harassment to include anonymous or obscene email or email that threatens bodily injury."

REPRESENTATIVE KEVIN MEYER, the bill's sponsor, expressed that this bill would expand harassment language to include electronic communications, as, he declared, this sort of harassment is becoming more common as computers become more accessible to people. He disclosed that this bill is the result of law enforcement personnel being frustrated by not being able to prosecute people they could identify as harassing people in this manner. He stated that the Class B misdemeanor penalty for this type of crime could serve to prevent more serious crimes from being committed. He stated that electronic communication is defined in a House Judiciary Committee Letter of Intent that accompanies the bill, and he noted that the bill was amended during a House of Representatives floor session to add the words "sexual contact" to page 1, line 14. He voiced that the addition of these words strengthens the bill.

Co-Chair Wilken asked for further information regarding the Class B penalty.

Rep Meyer responded that the penalty for "a Class B Misdemeanor is no more than 90 days in jail or a \$2,000 fine."

Co-Chair Green moved to adopt the House Judiciary Committee Letter of Intent.

There being no objection, the Letter of Intent was ADOPTED.

Co-Chair Green moved to report the bill from Committee with individual recommendations, accompanying fiscal notes, and the Letter of Intent.

There being no objection, CS HB 12 (JUD)am was REPORTED from Committee with previous zero fiscal note #1, dated February 5, 2003 from the Department of Law; previous zero fiscal note #2, dated February 5, 2003 from the Department of Public Safety; and previous indeterminate fiscal note #3 dated February 3, 2003 from the Department of Administration. The bill was accompanied by the Letter of Intent from the House Judiciary Committee.

#sb123

SENATE BILL NO. 123

"An Act relating to adoptions that include a subsidy payment by the state; eliminating annual review of the subsidy paid by the state after adoption of a hard-to-place child has occurred; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken stated that this bill would eliminate the annual review required in current statute regarding the monthly subsidy paid to those individuals who adopt or become legal guardians of hard-to-place children in State custody.

JOANNE GIBBONS, Program Administrator, Division of Family & Youth Services, Department of Health and Social Services confirmed that this legislation "would eliminate the requirement for the annual evaluation process for subsidized adoptions or guardianships." She explained that, originally, the annual review was intended to be a cost containment measure; however, she revealed, that no savings have resulted from the process. She explained that federal guidelines governing the guardianship program specify that the parents must inform the State of "any changes in their circumstances that might affect their adoption assistance payment." Additionally, she noted, the State is not allowed to reduce the subsidy without the consent of the family. She announced that, rather than reducing the subsidy amount, the Department has found that the annual review often results in an increase of the subsidy payments to parents. Therefore, she continued, the Department has determined that the elimination of the annual review would specify

that parents are responsible for notifying the State of any changes in their circumstances and that the elimination of the review would result in cost savings as indicated in the fiscal note.

Co-chair Wilken asked how Medicaid eligibility would be affected by the removal of the annual review.

Ms. Gibbons responded that, while Medicaid is required to conduct an annual review of its recipients, it would be sufficient for the Department to provide the Division of Medical Assistance with a list of the eligible children in the program who are receiving Medicaid.

Co-Chair Wilken clarified that the families would be responsible for contacting the State were a change in circumstances to occur.

Ms. Gibbons stated that, should this bill become law, the Department would correspond with all participating adoptive parents and guardians to inform them of the elimination of the annual review and that, were their circumstances to change, they would be required to notify the Department and request a subsidy review.

Senator Taylor asked whether a family's subsidy could be reduced or eliminated without notification.

Ms. Gibbons replied no.

Senator Hoffman asked how the review process is addressed in other states.

Ms. Gibbons responded that, "it varies from state to state" in that some do "an exhaustive" review while others do nothing. She asserted that the federal government does not require nor support an annual review being conducted.

Senator Hoffman asked whether the Department has received any cost containment benefits from the review.

Ms. Gibbons responded that the Department has not.

Co-Chair Wilken asked the difference in the federal verses State adoption subsidies, and he asked whether the guardianship program is subsidized.

Ms. Gibbons that the difference between a federal and State adoption subsidy "is that the children whose needs are funded through a State adoption subsidy are not eligible for Title 4E" which is a "federal program that funds services for children in

State custody." She clarified that the backup material reflects the amount the State pays for those children who do not meet the federal eligibility requirements for the Title 4E program. She informed that the federal government does not reimburse the State for guardianships.

Co-Chair Wilken understood that the guardianship program receives State general funds and that the adoption program is funded by Title 4E and general fund money.

Ms. Gibbons responded that is correct.

Co-Chair Wilken asked the definition of a hard-to-place child.

Ms. Gibbons responded that a hard-to-place child is one for whom it is difficult to find a permanent family placement due to special needs such as severe mental illness or a physical condition. She stated that federal criteria also includes children who are part of a sibling group as single children are easier to place. She noted that the Department could supply the Committee with a complete list.

Co-Chair Wilken asked the percent of children in State custody who are considered hard-to-place.

Ms. Gibbons responded that approximately 90 percent of the children in the Division of Family and Youth Services' custody are classified as hard-to-place. She stated that the Department does not have information on the percent of hard-to-place children in private adoption scenarios.

Co-chair Wilken and other Committee members voiced surprise at the number of hard-to-place children in State custody.

Co-Chair Wilken asked how frequently the subsidy rate table is reviewed.

TOM CHERIAN, Acting Director, Division of Family and Youth Services, Department of Health and Social Services replied that the foster care subsidy rate table is reviewed only when the Legislature authorizes a change in the foster care base rate.

Co-Chair Green offered a motion to REPORT the bill from Committee with individual recommendations and accompanying fiscal note.

There being no objection, SB 123 MOVED OUT OF COMMITTEE with previous negative \$270,000 fiscal note #1, dated February 27, 2003 from the Department of Health and Social Services.

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**ADJOURNMENT**

Co-Chair Gary Wilken adjourned the meeting at 10:22 AM