

MINUTES
SENATE FINANCE COMMITTEE
April 08, 2004
8:00 AM

TAPES

SFC-04 # 76, Side A
SFC 04 # 76, Side B

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 8:00 AM.

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice-Chair
Senator Fred Dyson
Senator Ben Stevens
Senator Donny Olson

Also Attending: REPRESENTATIVE BRUCE WEYHRAUCH; PORTIA PARKER, Deputy Commissioner, Department of Corrections; MARK ANTRIM, Commissioner, Department of Corrections; MARTHA MOORE, Department of Health and Social Services; CINDY CASHEN, Executive Director, Mothers Against Drunk Driving, Juneau Chapter; MONIQUE BARTEAUX, 16-year old student of Juneau-Douglas High School, representing MADD and Youth In Action; SHELDON WINTERS, Attorney representing State Farm Insurance

Attending via Teleconference: From Anchorage: DON SMITH, Administrator, Alaska Highway Safety Office;

SUMMARY INFORMATION

HB 375-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 377-APPROP:MENTAL HEALTH BUDGET

The Committee adopted committee substitutes incorporating the recommendations of the budget subcommittees. The bills were held in Committee.

SB 336-CORRECTIONS: FEES/SURCHARGE

The Committee heard from the Department of Corrections. The bill reported from Committee.

HB 213-PROVISIONAL DRIVER'S LICENSE

The Committee heard from the sponsor, the Alaska Highway Safety Office, the Department of Health and Social Services, the Department of Administration, Mothers Against Drunk Driving, Youth In Action, the insurance industry and teenagers. The bill was held in Committee.

Co-Chair Green chaired this portion of the meeting.

#HB 375

#HB 377

CS FOR HOUSE BILL NO. 375(FIN) am

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and

CS FOR HOUSE BILL NO. 377(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Co-Chair Wilken moved to adopt SCS CS HB 375, 23-GH2040\C, as a working draft

There was no objection and the committee substitute was ADOPTED.

Co-Chair Wilken moved to adopt SCS CS HB 277, 23-GS2042\S, as a working draft.

The committee substitute was ADOPTED without objection.

Co-Chair Green ordered both bills HELD in Committee.

Co-Chair Wilken chaired the remainder of the meeting.

#SB336

CS FOR SENATE BILL NO. 336(JUD)

"An Act imposing a correctional facility surcharge on persons convicted of a crime under state law and on persons whose

probation is revoked; relating to fees and expenses for interstate transfer of probation or parole; and providing for an effective date."

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

Co-Chair Wilken stated this bill, sponsored by the Senate Rules Committee at the request of the Governor, "imposes a surcharge on a person arrested and sentenced to a term of imprisonment. The amount of the surcharge depends on the seriousness of the crime."

PORTIA PARKER, Deputy Commissioner, Department of Corrections, testified this bill would impose \$100 surcharge to those convicted of a felony and a \$50 surcharge to those convicted of a misdemeanor. In addition, she stated a surcharge of \$100 is imposed to those serving probation, which is suspended unless the offender violates the terms of their probation, the probation is revoked and the offender is returned to custody.

Ms. Parker continued that this legislation would also impose a \$100 application fee for probationers and parolees transferring residency to another state under the interstate compact. She noted most other states currently impose this fee. She furthered that this provision would require that bond be posted before the probationer or parolee could transfer to another state. She gave the reason for this fee as the high expense to retrieve and transport back to Alaska, an offender who has violated parole conditions. She qualified this fee is far below the actual costs, but would serve to offset the expenses. She added that most jurisdictions, whether counties, municipalities or states, impose these fees, commonly referred to as "booking charges" in amounts from \$50 to as high as \$50 per day.

MARK ANTRIM, Commissioner, Department of Corrections, expressed the proposed fee amounts are average or below average the amounts charged in other jurisdictions. He added that the bonding fee amount of \$1250 is derived from U.S. Marshals Service calculations based on the average cost of retrievals across the country.

Co-Chair Wilken asked why the fiscal note reflects a rapid increase in costs, then levels off.

Ms. Parker replied this is a common with the implementation of all new court fees or collections. She stated this fiscal note was drafted based on other situations whereby new court fees were imposed. She calculated the increase would level off at

approximately 60 to 65 percent collection rate, which is estimated to be approximately \$1.3 million.

Senator Dyson appreciated the intent of the legislation. He asked if assets of a parolee could be seized to fulfill a standing restitution order, if that parolee were returned to Alaska for violation of parole conditions.

Commissioner Antrim replied that as a matter of practice, the Department does not permit parolees or probationers to leave the State if a restitution order is outstanding. He qualified that if an offender flees the jurisdiction, the situation is different.

Senator Dyson clarified that parolees are not permitted to transfer out of Alaska if a restitution order is outstanding.

Commissioner Antrim affirmed.

Senator Bunde pointed out that suspects are often encouraged to plead guilty, as the costs to the State are lower if no trial is involved. He wondered whether the proposed surcharge would provide a disincentive to offenders to plead guilty.

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

Senator Bunde objected for discussion.

Senator Bunde proposed waiving this fee for those who plead guilty.

Commissioner Antrim informed that the expenses incurred in booking a suspect are significant, which this fee would partially offset.

Ms. Parker furthered that 90 percent of criminal cases are settled either with a plea agreement or a bargaining of the charges imposed. Therefore, she stated that an exemption for these offenders would eliminate the majority of revenue generated from the fee program.

Senator Bunde removed his objection to reporting the bill from Committee.

Without objection, CS SB 336 (JUD) MOVED from Committee with fiscal note #2 of \$46,500 from the Department of Law.

#HB213

CS FOR HOUSE BILL NO. 213(FIN)

"An Act relating to a provisional driver's license and to issuance of a driver's license; and providing for an effective date."

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

Co-Chair Wilken stated this bill, sponsored by Representative Weyhrauch "implements a graduated driver's license three-tier system that requires the issuance of provisional driver's licenses to 16 to 17-year old drivers."

REPRESENTATIVE BRUCE WEYHRAUCH testified Mothers Against Drunk Driving (MADD) and the Youth in Action group presented this concept to him a year ago. He admitted he had had no idea of the particulars of this issue, but after reading public policy publications, he garnered more information.

Representative Weyhrauch informed that this legislation had six hearings before the House Transportation Committee and additional hearings before the House Finance Committee and the Senate State Affairs Committee. He reported that 40 states have passed some form of a graduated driver's license program.

Representative Weyhrauch commented that Alaska is unique in the scope and types of drivers in both rural and urban areas. Subsequently, he stated this legislation had to accommodate many viewpoints and ideals.

[Note: The graphs utilized in this presentation were not provided for inclusion into the record]

Representative Weyhrauch pointed to a graph showing that the accident rate of every 1000 licensed drivers between the ages of 16 and 17 is significantly higher than the rest of the population.

Representative Weyhrauch presented another graph demonstrating the higher crash rate per 10,000 trips for teens driving with passengers in the vehicle. As the number of passengers increase, so does the accident rate, he said. He stated that statistically, as drivers age, they become more accustomed to the distractions around them.

Co-Chair Wilken asked the source of this information.

Representative Weyhrauch cited the National Council of State Legislatures.

Representative Weyhrauch indicated that most crashes involving teen drivers occur in the hours after school and at night, according to another graph.

Representative Weyhrauch stated this legislation applies portions of statutes from other states. He admitted that teenagers would be inconvenienced for the first six months they are driving. He told of parents stressing the need for the new drivers to transport siblings, which he assured this bill would allow. He also noted this bill would also allow for certain driving in rural areas, such as to and from fish camps.

Senator Olson asked the other exemptions provided in this bill.

Representative Weyhrauch replied that in addition to the aforementioned, exemptions would also be provided for passengers who are under the age of 21 and are the legal guardian of the driver, and for children of the driver. He furthered that driving to and from work is allowed until 1:00 am provided the driver is traveling the "most direct [and] safe route."

Senator Olson pointed out that "midnight sun" has a role in summer activities and he supported the exemption for off road driving in rural areas.

DON SMITH, Administrator, Alaska Highway Safety Office, testified via teleconference from Anchorage in support of the bill. He asserted that the driving restrictions and additional training teen drivers would receive would save lives and reduce accidents. He opined that most teens would support the provisional driver's license program once they understand the issue.

MARTHA MOORE, Department of Health and Social Services, testified in Juneau and read a statement into the record as follows.

I have actually studied this using Alaskan statistics, hospital statistics and mortality statistics; and in fact, Alaska data on this particular point does reflect the national statistics. Specifically, young drivers were almost three times more likely than adults to be involved in crashes that resulted in hospitalization of the crash victims, and 2.6 times more likely to be involved in a crash involving a fatality. And also as well, the crashes were more likely to be due to a human factor, which means something to do with driver behavior.

An interesting study came out a couple years ago by the

Actuaries Institute for Highway Safety. It was a 20-year study from 1975 to 1996. In it a couple of really important points of the study, is that even though the overall death rates for crash rates are declining, those for 16-year olds doubled in that same 20-year period. The second point that came out of that study was that the death rates of 17 to 19-year olds was twice that of older drivers, but the death rate for 16-year olds was three times that of older drivers.

The reason these 16-year olds are at such high risk is first and foremost youth. Immaturity alone is the most significant factor that puts these kids at risk. Inexperience is also a factor, but older drivers with that same inexperience are not as much at risk as the 16-year old. Also risk taking behavior, which is typical often of teens and distractions while driving, which just increases when other teens in the car.

But the good news in all of this is that since 1996, 38 states have adopted a graduated licensing program. It has contributed to drastically lowering the death and crash rates of 16-year old drivers in those states.

This legislation does three important things. It helps youth gain experience while practice driving under supervision of an adult. It puts off licensures for six months; in that 16th year of life, it doesn't sound like much but it's very important, this six months - allowing them to gain the maturity they need. It removes the highest risks factors for the first six months of unsupervised driving by restricting nighttime driving and teen passengers in the same car. For these reasons, the Department supports the bill.

Senator Bunde commented that seatbelts also prevent death and injury and spoke to recently passed legislation allowing failure to wear a seatbelt be pursued as a primary offense.

Ms. Moore contended that this age group is least likely to "buckle-up" and that although many factors increase risk, the single most protective factor is seatbelt use.

Senator Bunde requested the sponsor consider requiring 16 and 17 year-old drivers to wear seat belts.

Representative Weyhrauch told of his experiences with his children's adamant attitude in insisting seatbelt use by all vehicle occupants.

Senator Dyson remarked that states implementing a provisional

drivers' license program have well documented reduced fatality and accident rates. He asked if insurance rates for teen drivers have been reduced in these states.

Representative Weyhrauch deferred to a representative of the insurance industry. He cited earlier testimony that if this provision driver's license program had been in place earlier, lives would have been saved. He noted that insurance premiums increase for accidents and traffic tickets, and therefore surmised this program would assist in avoiding rate increases.

Representative Weyhrauch agreed with Ms. Moore that statistics for Alaska are similar to national averages.

CINDY CASHEN, Executive Director, Mothers Against Drunk Driving (MADD), Juneau Chapter, read her testimony into the record as follows.

This is the MADD, Alaska Chapter's number one priority for past two years and we're very grateful for this Committee to hear it today. MADD advocates that each state adopt laws provided for graduated licensing privileges to persons younger than 21. Early driving experiences must be acquired in a lower risk environment through extended restriction of no alcohol use, primary seatbelt enforcement, limitations on nighttime driving and teenage passengers.

According to the Alaska Highway Safety Office in the year 2000 there were 3,889 crashes involving 16 to 20-year old Alaska teenagers. That's the highest figure, by over 1,000, of all age groups. In the year 2001, that figure rose by over 500 involving 4,105.

In Alaska and other states, the hours between midnight and 6:00 a.m. are the most dangerous. In the year 2000, there were 168 alcohol-related crashes between 12:00 and 1:00 a.m. and 177 between 1:00 a.m. and 2:00 a.m. We don't want our kids out on the street at that time. It's dangerous for them as well as anyone else on the street.

I'd like to end - I took a look at Alaska Highway Safety numbers at three places in Alaska of various populations: Kodiak, Anchorage and Barrow. We wanted to see how the driving numbers stood up with the teenagers there and if there was a difference in their population, if it mattered. In Kodiak, 34 percent of all crashes involved teenage drivers, and in Anchorage it was 28 percent and in Barrow it was 26 percent. The Alaska rate was 28 percent. For evening crashes, which

involved teenage drivers: in Kodiak it was 22 percent, Anchorage and Barrow both had 25 percent and all of Alaska was 26 percent. These figures come from the Alaska Highway Safety Office. What this shows is that it doesn't matter where in Alaska that teenagers need assistance with a three-tiered graduated driver's license program.

Senator Bunde surmised that the witness supports that those subject to the provisional license program should be subject to a primary seatbelt law.

Ms. Cashen responded, "definitely."

MONIQUE BARTEAUX, 16-year old student of Juneau-Douglas High School, representing MADD and Youth In Action, read her testimony into the record as follows.

Today I'm here with MADD, as well as Youth In Action. Together, they're focused on helping prevent underage drinking and problems caused by it, such as driving drunk. I'm here today to speak in favor of the GDL [graduated driver's license] bill. I support this bill because I believe it will help drop the amount of driving accidents involving teens. I believe this because of states, like North Carolina, the car crashes involving teens was dropped by 57 percent. Money-wise, in California and Maryland, the report of money saved on lifesaving and injury reduction, was much more than the cost of administering the GDL program 74 to one.

In conclusion, I urge you to vote yes on the GDL bill.

Co-Chair Wilken recognized Ms. Barteaux as appearing in public service announcements promoting the provisional drivers' license program.

Representative Weyhrauch noted that some teens react to this proposal negatively, but when explained how it would save lives and involve minimal inconvenience their opposition lessens.

SHELDON WINTERS, Attorney representing State Farm Insurance, addressed the issue of insurance premiums, informing that no research has been done to determine whether the graduated drivers' license program has resulted in reduced insurance rates. He pointed out, however that most insurance companies offer discount programs for youths that meet certain requirements, such as no accidents and passage of a driver's education course. He acknowledged that insurance claims "drive" rates, and since this program reduces accidents, rates would be impacted.

Mr. Winters spoke from his experience as defense counsel in numerous accident claims, citing the disproportionate number of accidents involving young people licensed to drive for only a short time. He pointed out that injuries occur to passengers and occupants of other vehicles in addition to the teen drivers. He indicated he could provide many examples of avoidable accidents that would have not occurred if were this law in effect.

Mr. Winters agreed that when children are riding in vehicles with their parents, they are often diligent about seatbelt use, but questioned whether this diligence is as strong in situations of teens riding with their peers.

Senator Bunde commented that despite high premiums, it is difficult for insurance companies to operate in Alaska because of high loss rates.

Mr. Winters agreed the loss rates are high in Alaska. He told of discussions relating to medical malpractice and high loss rates. He stressed that any efforts to reduce loss rates is beneficial.

DEVAN HARDY, teenager, testified via teleconference from Mat-Su, about the numerous driving laws in existence that are ignored, such as driving under the influence. She predicted this bill would only encourage more rebellion and result in more teens running away from home. She also remarked upon the high cost to enforce a graduated drivers license program.

Senator Olson asked whether the witness supports or opposes this bill.

Ms. Hardy opposed the bill, as she surmised teen drivers would not obey the law.

Senator Bunde asked whether all laws pertaining to teenagers should be repealed to eliminate teen rebellion.

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Ms. Hardy answered no and further commented on restricted driving privileges for teen drivers.

Co-Chair Green referenced subsection (1) to Sec. 28.15.057. Restrictions on driver's license issued to a person under 18., in Section 2 of the committee substitute, which reads as follows and

stipulates that a driver's license may not be issued unless the person has:

(1) been licensed under an instruction permit issued under AS 28.15.051 or under the law of another state with substantially similar requirements for at least six months;

Co-Chair Green asked if the laws of other states have been sufficiently reviewed to determine implementation.

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration, testified via teleconference from an offnet location about data the Division maintains regarding requirements of other states with graduated drivers licenses programs. He explained how the Division would review applications from teens relocating from other states to determine whether to issue provisional drivers licenses, based on the driving experience of each teen applicant.

Senator Olson asked if nonresident teen drivers would be subject to the graduated drivers licenses provisions.

Mr. Bannock replied that nonresident drivers licenses are valid for 90 days in Alaska.

Senator Bunde noted the effective date of January 1, 2005. He asked if the graduated provisions for a license issued in December 2004 would go into effect in January 2005.

Representative Weyhrauch answered no; only licenses issued after January 1, 2005 would be subject to the provisions of the program.

Senator Bunde asked whether enforcement would be difficult given the two-year grandfather clause.

Representative Weyhrauch admitted it could be challenging, but stressed this occurs each time similar age requirement changes are enacted.

Senator Bunde asked what penalties would be imposed for infractions.

Representative Weyhrauch responded the penalties would likely relate to points against a drivers license, although he was unsure the number of points each infraction would receive.

Co-Chair Wilken characterized this bill as significant legislation.

Co-Chair Wilken ordered the bill HELD in Committee.

Juneau-Douglas High School students participating in the Close-Up program introduced themselves to the Committee.

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ADJOURNMENT

Co-Chair Gary Wilken adjourned the meeting at 08:55 AM