

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

April 8, 2003

3:40 p.m.

MEMBERS PRESENT

Senator Gary Stevens, Chair
Senator John Cowdery, Vice Chair
Senator Fred Dyson
Senator Gretchen Guess

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

SENATE BILL NO. 158

"An Act transferring the Council on Domestic Violence and Sexual Assault from the Department of Public Safety to the Department of Health and Social Services; and providing for an effective date."

HEARD AND HELD

SENATE CONCURRENT RESOLUTION NO. 6

Relating to the location of the state's new seafood laboratory.

MOVED SCR 6 OUT OF COMMITTEE

SENATE BILL NO. 148

"An Act relating to allowable absences for certain members of the armed forces and their spouses and dependents for purposes of eligibility for permanent fund dividends; and providing for an effective date."

MOVED SB 148 OUT OF COMMITTEE

SENATE BILL NO. 146

"An Act relating to a commemorative veterans' license plate; and providing for an effective date."

MOVED SB 146 OUT OF COMMITTEE

CS FOR HOUSE BILL NO. 52(JUD)

"An Act relating to the forfeiture of property used to possess or distribute child pornography, to commit indecent viewing or photography, to commit a sex offense, or to solicit the commission of, attempt to commit, or conspire to commit

possession or distribution of child pornography, indecent viewing or photography, or a sexual offense."

MOVED SCS CSHB 52 (STA) OUT OF COMMITTEE

#SB 22

SENATE BILL NO. 22

"An Act limiting the factors that may be considered in making a crime victims' compensation award in cases of sexual assault or sexual abuse of a minor."

BILL POSTPONED TO 4/10/03

PREVIOUS ACTION

SB 146 - No previous action to record.

SB 148 - No previous action to record.

SB 158 - No previous action to record.

SJR 6 - No previous action to record.

HB 52 - No previous action to record.

WITNESS REGISTER

Paulette Schuerch

Alaska State Capitol, Room 119

Juneau, AK 99801-1182

POSITION STATEMENT: Introduced SB 158

Kristy Tibbles

Alaska State Capitol, Room 119

Juneau, AK 99801-1182

POSITION STATEMENT: Answered questions on SB 158

Juanita Hensley

Special Assistant

Department of Public Safety

PO Box 111200

Juneau, AK 99811-1200

POSITION STATEMENT: Testified on SB 158

Karleen Jackson

Deputy Commissioner

Department of Health &

Social Services

PO Box 110601

Juneau, AK 99801-0601

POSITION STATEMENT: Testified on SB 158

Marcia McKenzie

P.O. Box 33977
Juneau, AK 99803
POSITION STATEMENT: Testified on SB 158

Caren Robinson
No address provided
POSITION STATEMENT: Testified on SB 158

Lori Huginan
Alaska Network on Domestic Violence
130 Seward Street, Room 130
Juneau, AK 99801
POSITION STATEMENT: Testified on SB 158

Deb Knaff
Sitkans Against Family Violence
P.O. Box 6136
Sitka, AK 99835
POSITION STATEMENT: Testified on SB 158

Carol Gooden-Rice
Advocates for Victims of Violence
No address provided
POSITION STATEMENT: Testified on SB 158

Anna Fairclough
Standing Together Against Rape (STAR)
1057 W. Fireweed Lane, Suite 230
Anchorage, AK 99503
POSITION STATEMENT: Testified on SB 158

Michelle DeWitt
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POSITION STATEMENT: Testified on SB 158

Elena Aluskak
Children's Advocate
P.O. Box 2965
Bethel, AK 99559
POSITION STATEMENT: Testified on SB 158

Brenda Stanfill
No address provided
POSITION STATEMENT: Testified on SB 158

Kimberlee Vanderhoof

No address provided

POSITION STATEMENT: Testified on SB 158

Doug Bell

Alaska Seafood International

6689 Seafood Drive

Anchorage, AK 99518

POSITION STATEMENT: Testified on SCR 6

Ron Miller

Alaska Industrial Development & Export Authority

Department of Community & Economic Development

PO Box 110800

Juneau, AK 99811-0800

POSITION STATEMENT: Testified on SCR 6

Kristin Ryan

Director of the Division of Environmental Health

Department of Environmental Conservation

410 Willoughby

Juneau, AK 99801-1795

POSITION STATEMENT: Testified on SCR 6

Tom Livingston

Livingston Slone Architects

No address provided

POSITION STATEMENT: Testified on SCR 6

Matt Tanaka

Department of Transportation &

Public Facilities

3132 Channel Dr.

Juneau, AK 99801-7898

POSITION STATEMENT: Testified on SCR 6

Annette Skibinski

Staff to Senator John Cowdery

Alaska State Capitol, Room 101

Juneau, AK 99801-1182

POSITION STATEMENT: Testified on SB 148

Larry Persily

Deputy Commissioner

Department of Revenue

PO Box 110400

Juneau, AK 99811-0400

POSITION STATEMENT: Testified on SB 148

Gale Haller

No address provided

POSITION STATEMENT: Testified on SB 148

Charles Hosack

Deputy Director

Department of Administration

PO Box 110200

Juneau, AK 99811-0200

POSITION STATEMENT: Testified on SB 146

Representative Lesil McGuire

Alaska State Capitol, Room 403

Juneau, AK 99801-1182

POSITION STATEMENT: Sponsor HB 52

ACTION NARRATIVE

TAPE 03-16, SIDE A

CHAIR GARY STEVENS called the Senate State Affairs Standing Committee meeting to order at 3:40 p.m. Present were Senators Dyson, Cowdery, Guess and Chair Gary Stevens.

The first order of business was SB 158.

#SB 158

SB 158-MOVE DOMESTIC VIOLENCE COUNCIL TO DHSS

PAULETTE SCHUERCH, legislative intern to Senator Ben Stevens, read from the sponsor statement:

SB 158 would transfer the Council on Domestic Violence and Sexual Assault (Council) to the Department of Health and Social Services (DHSS). Alaska Statute 18.66 established the Council under the Department of Public Safety (DPS) in 1981. This statute gives the Council the authority "...to provide for planning and coordination of services to victims of domestic violence or sexual assault or to their families and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs." This coordination includes providing emergency safe housing, counseling, education/outreach services, and technical assistance to programs such as Advocates for Victims of Violence, Abused Women's Aid

in Crisis, Arctic Women in Crisis, Alaska Women's Resource Center, South Peninsula Women's Services, Standing Together Against Rape and Sitkans Against Family Violence to name a few.

The mission of DHSS is to "promote and protect the health and well-being of Alaskans." DHSS has in place established programs and services that will be beneficial to the Council on Domestic Violence that include:

- Division of Administrative Services that deals with federal granting agencies
- Division of Alcoholism and Drug Abuse to assist in developing prevention and education
- Division of Family and Youth Services that have 29 field offices for child protective services in place

SB 158 would create a closer working relationship between the Council and DHSS as required in AS 18.66.050 (12) & (14) for developing standards, procedures and continuing education on domestic violence. A 2002 sunset audit review performed by Legislative Budget and Audit showed that this had not yet been accomplished. Adoption of this bill will provide adequate resources to enhance their capabilities and become a more efficient Council program under DHSS.

SENATOR JOHN COWDERY said this appears to make sense, but at the same time it makes sense to leave the Council on Domestic Violence and Sexual Assault with the Department of Public Safety (DPS). It's a question of which makes most sense.

KRISTY TIBBLES, legislative assistant for Senator Ben Stevens, said because there is reorganization under the new Administration and specifically because the Council for Victims Justice, the Victims Crime Compensation Board and the Violent Crimes Compensation Board are moving from DPS to DHSS, the sponsor feels it is appropriate to transfer the Council on Domestic Violence and Sexual Assault at this time as well.

SENATOR COWDERY asked whether there was any economic incentive for the move.

MS. TIBBLES replied a potential benefit would be that since DHSS has more federal grant writers than DPS, they might be better able to assist the Council in this area.

SENATOR COWDERY asked if this would be a positive impact for the victims.

MS. TIBBLES said she believed so.

SENATOR COWDERY asked how many people would be affected.

MS. TIBBLES wasn't sure.

CHAIR GARY STEVENS questioned whether the move would in any way lessen the role played by DPS in cases involving violence.

MS. TIBBLES replied a DPS representative was available to respond then said, "We certainly hope it does not lessen the role at all. We've come a long way to take those domestic crimes serious..."

SENATOR GRETCHEN GUESS declared a conflict because she is a STAR (Standing Together Against Rape) board member. She questioned the proposed move because there would be no monetary impact. The argument that DHSS has more grant writers isn't defensible because that department has many divisions and writes more federal grants. She inquired whether the sponsor had a commitment that DHSS would dedicate a grant writer to domestic violence and sexual assault issues because she couldn't find anything in writing that indicated there would be more money dedicated to these issues.

MS. TIBBLES acknowledged there was no such commitment then noted the 2002 legislative audit recommended the Council work more closely with DHSS.

SENATOR GUESS advised that recommendation was made with reference to specific issues that have been resolved.

Her second question dealt with the reference to the statute regarding standards with DHSS, but it's actually domestic violence standards. She noted the sponsor statement repeatedly made reference to domestic violence, but those in the sexual assault advocacy community understand sexual assault is not a domestic crime. She questioned the reasoning for moving criminal issues to DHSS and asked whether she was correct that the statute was just on domestic violence.

MS. TIBBLES wasn't sure.

SENATOR GUESS said she was quite certain that was the case and Ms. Tibbles might want to check that.

She made reference to a letter from the Governor that requested that the Council stay at DPS and asked whether he had changed his position.

MS. TIBBLES replied the Governor originally considered moving the Council to DHSS then chose not to do so. It is her understanding that the Administration has now assumed a neutral position.

SENATOR GUESS asked why domestic violence grants wouldn't be transferred between departments by reimbursable services agreement (RSA) as is now the case. Currently the Council receives RSA money from the federal health education and social services as well as the Department of Justice. She couldn't understand why that wasn't a viable alternative if DHSS does in fact have more comprehensive grant writing capabilities.

MS. TIBBLES acknowledged that could be an alternative.

CHAIR GARY STEVENS asked the Department of Public Safety representative to come forward.

JUANITA HENSLEY, special assistant to the commissioner of DPS, advised the department is neutral on the bill. Arguments could be made for either maintaining the status quo or for moving the Council to DHSS; the decision is up to the Legislature. In either case, DPS Commissioner Tandeske is committed to support any domestic violence and sexual assault cases. Of course she couldn't predict whether subsequent commissioners would be as committed.

SENATOR FRED DYSON stated the staff and volunteers from STAR deal directly with the police at crime scenes by assisting in gathering evidence and in accompanying the victim to the hospital to arrange for services. This is the point where most interaction with state agencies occurs.

SENATOR GUESS said the Senator brought up a good point and there is a broader policy issue here. Because the relationship between public safety officers and victims and people who support the victims is the most important relationship there is in victim's

services, she questioned why a move to DHSS would be considered. Although she is impressed with Commissioner Tandeske's commitment to domestic violence and sexual assault, decisions should be made that plan beyond the tenure of one commissioner or this Administration. Why risk this established relationship?

MS. HENSLEY replied the Council on Domestic Violence and Sexual Assault oversees the policies on domestic violence in the state. It is a granting agency that grants monies to victim's programs. That won't change; advocacy work doesn't come from public safety other than when the police officer takes the victim to the hospital.

SENATOR GUESS agreed then pointed out the role the Council plays in facilitating different groups was being overlooked. The Council has worked hard to establish and maintain a working rapport with the department and housing the Council there has facilitated that.

Again she asked whether the Governor had changed his mind with regard to where the Council should reside.

MS. HENSLEY replied the Administration is neutral at this time; it's a legislative decision. She didn't believe the commissioner had spoken directly to the Governor on this issue.

SENATOR GUESS suggested it was important that someone from the Administration testify on the bill before it was moved from the committee because it's important to know the Governor's position.

There were no further questions for Ms. Hensley.

CHAIR GARY STEVENS asked the DHSS representative to come forward.

KARLENE JACKSON, Deputy Commissioner for the Department of Health and Social Services, testified they are similarly ambivalent regarding the move. Good arguments could be made either way. At this time DHSS has a seat on the Council. The department is in the midst of a reorganization that involves five different components from the Department of Administration (DOA) and the Department of Education and Early Development (DEED) so they aren't looking for new work. However, they would welcome the Council if the Legislature should make the decision to move it to DHSS. Although she's a newcomer, she finds they

have a good working relationship with DPS and wherever the Council is placed, they will make the situation work.

SENATOR COWDERY asked whether any safety issues would be jeopardized if the Council were to move to DHSS.

MS. JACKSON replied she isn't the best person to answer the question. Although the current working relationship between DPS and DHSS is very good, that could change, which could become a safety issue. Other than that, many divisions within DHSS work with DPS issues.

There were no further questions asked of Ms. Jackson.

CHAIR GARY STEVENS noted there were a number of people that wanted to testify.

MARCIA MCKENZIE advised she wrote to each committee member stating her deep concerns regarding the proposed move. It is well established that domestic violence and sexual assault are major crimes that can be life threatening. Among other things, shelters help victims do safety planning which includes coordinating access to law enforcement when needed. Because restraining orders aren't always as effective as expected or hoped, close ties to law enforcement are all the more important. Over the course of the 15 years she was in the field, there was a marked and welcome change in attitude. She assumes the committee members are concerned about the victims and their safety and asked them to look beyond the Administration and seek the views of the victims groups. She asked the committee to look at the granting process to see whether DHSS could realistically receive more federal grants. Her experience causes her to doubt that; the Council seems to get all the federal money that is available.

CAREN ROBINSON, Alaska Women's Lobby representative, testified she has a very personal stake in this legislation. In 1981 she was one of the legislators who worked with victims and victims programs for a year to craft good legislation. They started in the DHSS commissioner's office and through a long deliberative process they set up the Council on Domestic Violence and Sexual Assault. One of the final decisions was to house the Council in the Department of Public Safety, which is "one of the best things that's ever happened to changing the attitudes and setting the direction this state has gone." Not only did Alaska set a model for the rest of the nation, the Reagan

Administration honored them for having the foresight to place the Council in the Department of Public Safety.

In 1994 the Attorney General's Task Force on Family Violence recommended the following for the justice system:

Family violence should be recognized and responded to as a criminal activity. Law enforcement officers, prosecutors, and judges should develop a coordinated response to family violence and communities should develop a multi disciplinary team to investigate, process and treat all instances of family violence especially cases of physical and sexual abuse of children.

In Alaska people were made aware that the top law enforcement officer was committed to work to end domestic violence and sexual assault.

LORI HUGINAN from the Alaska Network on Domestic Violence and Sexual Assault (Network) explained the Network is the coalition of the community-based programs that are primarily funded through the Council. She echoed Ms. Robinson's testimony and asked members to table the bill.

She advised she wanted to talk about the funding sources. Although they appreciate Senator Ben Steven's efforts to find more federal dollars for the Council, and they agree programs are under funded and that there are areas of the state that don't offer programs, it's not been their experience that there are not more federal dollars available for the programs than the Council is already receiving. The Council receives money from the Family Violence Prevention and Services Act, the Victims of Crime Act, Rape Prevention and Sexual Assault Prevention block grant, and the Center for Disease Control. They were receiving money for temporary assistance for needy families but that money won't be available in FY04. There are also some statewide initiatives the Council funds then RSAs the money to other departments for intervention and prevention services.

A highlighted initiative is the Services Training Officers and Prosecution (STOP) program. Since its 1996 inception, they have RSAD over \$1.1 million to DPS, \$1.1 to DOL, \$290,000 to the court system, and over \$1.8 million to victim's services and other discretionary projects. During this time the administrative costs have been kept to about five percent of the distributed amount. They have encountered no difficulties in

being able to accept federal dollars whether the money came through DHSS or the Department of Justice. Similarly, they have not exhibited problems in being able to accept RSAs from other state departments or RSAing to other state departments.

Housing the Council in DPS has not been a hindrance to acquiring federal dollars and she asked for support in keeping the Council in DPS.

DEB KNAFF from Sitka read a statement from Grace Brooks urging the committee to keep the Council on Domestic Violence and Sexual Assault housed in the Department of Public Safety. Both domestic violence and sexual assault are crimes that would receive more public awareness under DPS than DHSS. Moving the Council would set the state back 20 years to when domestic violence was considered and responded to as a private family matter. Domestic violence is a crime against a victim but it also diminishes a community and deserves a community response. Similarly, sexual assaults are nearly always felony crimes that don't fit with a social services treatment program.

CAROL GOODEN-RICE from Valdez testified against moving the Council from DPS to DHSS. Both domestic violence and sexual assault are crimes that involve power and control and thrive in isolation. She couldn't understand how DHSS would be able to advocate for both victims and perpetrators of these crimes. She raised that question because it is not uncommon for perpetrators to have interactions with DHSS and the Division of Alcohol and Drug Abuse. These crimes are not a private family matter.

ANNA FAIRCLOUGH, Executive Director of STAR, echoed the sentiments of those who spoke previously regarding the need to keep the Council on Domestic Violence and Sexual Assault housed in the Department of Public Safety. She asked the record to reflect that the Governor's letter had not been refuted and she didn't believe he was neutral on the issue. She had a letter that made it clear he wanted the Council to remain in DPS.

She appreciated Senator Dyson acknowledging that STAR went to Alaska Regional Hospital 255 times last year when the Anchorage Police Department called them. They went to the crime scene and were in the room supporting the victim while forensic evidence was collected. Last year they responded to children 355 times, but if family calls for help were included the total would rise to about 1,200.

They are a part of the multi-disciplinary team that is part of the goal for response in the State of Alaska. The Council has been housed in DPS for 22 years and to move it to DHSS would be a step backward. Both are crimes and rape is a felony crime, which is a public safety issue.

SENATOR DYSON asked why STAR didn't also go to Providence Hospital.

MS. FAIRCLOUGH replied the Anchorage Police Department sent out an RFP and has a three-year contract with Alaska Regional Hospital to provide services.

MICHELLE DeWITT, Executive Director of Tundra Women's Coalition in Bethel, testified in opposition to SB 158. The Coalition provides shelter and outreach to victims of domestic violence, sexual assault, and child sexual abuse. She assured everyone the Department of Public Safety is the best place to coordinate services to crime victims. These are crimes and need to be responded to as such.

As an administrator and counselor she finds housing the Council in DPS facilitates and strengthens relationships. It's also important for victims to have voices in public safety and having the Council there provides a direct link.

She works with program grants on a daily basis and has been well pleased with the Council's grant writing and administration. The Council is an excellent resource and it is excellent in the public safety infrastructure.

ELENA ALUSKAK, a children's advocate from Bethel, testified in opposition to SB 158. She is pleased with the current funding arrangements. Keeping the Council in DPS helps support the knowledge that domestic violence and sexual assault are crimes and need to be treated as crimes.

BRENDA STANFILL, Executive Director for the Interior Alaska Center for Nonviolent Living in Fairbanks echoed the previous testimony. Sexual assault is a felony crime and those victims need support from advocates and law enforcement that work together while they go through the difficult forensic exam. There was a time when law enforcement and domestic violence advocates didn't work well together, but having the Council in DPS has helped built a positive relationship. It's important that the Council is seen as part of the "safe team" and if it were moved to DHSS they would become separate. "This has got to

be a team issue. It's something as a community we have to stand up and say this is not okay and as a team we are going to address this to make this stop. I urge you to keep the Council on Domestic Violence and Sexual Assault in the Department of Public Safety."

KIMBERLEE VANDERHOOF from Fairbanks related the story about Dorothy Hobson who was murdered by her husband in February 2001 in front of her children. She told several more domestic violence stories in which women were ultimately murdered. She reported, "In 1991 81 percent of women presenting to hostels nationwide for suicide attempts were battered women." Domestic violence is not a human services issue; it's a public safety issue. As a legal advocate for the Fairbanks women's shelter, she has worked with thousands of domestic violence and sexual assault victims. Part of her job was to establish relationships with law enforcement officers so she could refer victims and encourage a trust between victims and law enforcement. While she maintained a good relationship with human service providers, she relied on law enforcement to focus on victim safety.

It's important to keep the Council in DPS. When law enforcement officers are most at risk responding to domestic violence calls; when work place violence is a concern of Alaskan employers as it impacts local economies; when in 1995 80 percent of homicides in Alaska were domestic violence related and when 25 percent of the 1996 domestic violence deaths were of children this absolutely demonstrates that domestic violence is a safety issue. "It is a well educated, responsible government which supports victims by acknowledging that domestic violence and sexual assault are brutal crimes. Maintaining the Council within the Department of Public Safety is responsible government."

There was no further testimony.

CHAIR GARY STEVENS expressed appreciation for all the comments and testimony. He announced SB 158 would be held in committee.

#

#SCR 6

SCR 6-LOCATION OF NEW SEAFOOD LAB

CHAIR GARY STEVENS asked Senator Wagoner to introduce the bill.

SENATOR THOMAS WAGONER, bill sponsor, stated there are two current issues pertaining to the resolution.

- The lease on the existing seafood lab located in an old Piggly Wiggly Store in the Matanuska Valley is not available for releasing.
- The Alaska Industrial Export Authority currently owns a 250,000 square foot underutilized, state of the art seafood processing facility in Anchorage. There is no evidence that indicates the processing unit will be used to process fish in the foreseeable future.

He paraphrased from the sponsor statement:

The funding history for replacement of the lab began in FY 1999 with a \$145,700 appropriation for a feasibility study. In FY 2001, at a cost of \$240,000, the Department of Environmental Conservation contracted for a conceptual design. A state-owned parcel adjacent to the Anchorage Department of Health and Social Services public health lab was determined as the most accessible and economical site for a new lab. In FY 2002, an appropriation of \$1.3 million was allocated for a complete design.

This year, the legislature is being asked to approve a bond bill for construction costs of some \$14.285 million.

This resolution suggests that a better use of state funds would be to incorporate the proposed lab into the existing AIDEA owned building that currently houses Alaska Seafood International (ASI).

AIDEA has provided \$50 million for construction and long-term financing for the processing building and retains a 29 percent equity position in ASI and ownership of the plant and land underlying the plant.

The state could realize substantial cost savings by construction of the lab within this existing state owned facility.

SENATOR JOHN COWDERY understood Alaska Seafood International does some lab work in the facility and wondered whether this would become an extension of that lab or remain separate.

SENATOR WAGONER advised the proposal was exploratory in nature but the design called for the two to remain separate. He

remarked \$15 million is a lot of money for the state to spend on a lab particularly when much of the lab, as designed, is devoted to office space.

SENATOR COWDERY asked how many square feet were needed for the lab and whether it was available in the AIDEA building without jeopardizing ASI needs.

SENATOR WAGONER replied they need a little more than 20,000 square feet and it wouldn't jeopardize ASI needs in the foreseeable future.

CHAIR GARY STEVENS asked Doug Bell to speak to the ASI position.

SIDE B
4:25 pm

DOUG BELL, Alaska Seafood International representative, advised they are neutral with regard to the resolution. They do have the room and would be willing to share the space.

CHAIR GARY STEVENS asked for confirmation that this would present no conflict and ASI would be comfortable working with the seafood lab.

MR. BELL assured him there were no space issues.

SENATOR FRED DYSON asked for the square footage of the AIDEA building.

MR. BELL replied the building has 202,000 square feet and they occupy about 25 percent.

SENATOR COWDERY asked whom the seafood lab would pay for use of the facility.

MR. BELL wasn't sure those arrangements had been made but they were open to the discussion.

SENATOR COWDERY asked what the state was currently getting in return for its \$50 million investment in the AIDEA building. He said, "I know you had about 80 something in it."

MR. BELL replied he was correct. Currently AIDEA is deferring ASI rent and that will continue until October 2003.

SENATOR COWDERY asked whether the seafood lab rent would be similarly deferred.

MR. BELL advised AIDEA would have to speak to that question.

SENATOR COWDERY asked whether ASI would have any problems paying rent beginning in October.

MR. BELL was unable to give a definitive answer but, at this point, it would be difficult.

SENATOR COWDERY stated for the record he hosted a legislative lunch using ASI donated product.

CHAIR GARY STEVENS asked if an AIDEA representative was present and was advised they were on line.

SENATOR GRETCHEN GUESS asked whether the operating costs would remain the same regardless of where the lab was located.

SENATOR WAGONER said personnel costs would probably remain the same and lab costs are basic. He advised it would be a three way process between ASI, AIDEA and DEC and AIDEA could speak to the costs better than anyone else.

SENATOR COWDERY asked him to state for the record exactly what the lab would do.

SENATOR WAGONER explained the lab runs a variety of tests on dairy products, on animal meats and meat products, and shellfish products. Any food tests the state is required to run are handled in the lab.

SENATOR GUESS advised one of the arguments for moving the lab into Anchorage was to provide better access to the airport.

SENATOR WAGONER agreed time is of the essence when testing a food product. This is a more complex issue than he was initially aware.

CHAIR GARY STEVENS added this is extremely important to the seafood industry particularly when testing for paralytic shellfish poisoning.

He announced Matt Tanaka from DOT, Tom Livingston from Livingston Sloan Architects, Elise Hsieh from the Department of

Law, Ron Miller and Sara Fisher-Goad from AIDEA were all on-line and available to answer questions.

He asked an AIDEA representative to speak to the questions regarding payments.

RON MILLER, AIDEA representative in Anchorage, testified they have discussed the DEC and DOTPF proposed plans and have proposed rental rates for that portion of the building. The arrangement would be a lease between AIDEA and DEC for the space in the facility.

CHAIR GARY STEVENS asked how ASI fit into the picture.

MR. MILLER explained AIDEA owns the building, ASI leases the building and the lease payments are deferred until October 2003. Should DEC move into the building and ASI continue to occupy the building after October, AIDEA would make some lease adjustment to ASI since they would be occupying less space. They would make a separate lease agreement with DEC.

There were no further questions for Mr. Miller.

KRISTIN RYAN, Director for the Division for Environmental Health, explained DEC started a process with DOTPF to see whether SJR 6 was feasible. DOTPF manages state leases and DEC does not. A significant portion of the funds have already been allocated to design the lab that would be built on state-owned land next to the public health facility so they wanted to act quickly to determine the feasibility of this proposal. The current lease expires in December 2006 and a new lab must be in place on or before that time.

With regard to Senator Cowdery's questions about lab functions she explained it tests raw dairy product to make sure the fat content is correct and to ensure the pasteurization process is working. Every portion of dairy products that are sold to the military and to schools must be state certified. The lab also tests shellfish for paralytic shellfish poisoning, and reindeer and other large animals shipped out of state for brucellosis. It also performs the Fish Monitoring Project analysis to test for persistent organic pollutants such as heavy metals.

DOT director Matt Tanaka contracted with Livingston Slone to analyze the AIDEA building as an option to relocate the lab. She noted preliminary information was in the packets and page 2 provides a comparative analysis.

CHAIR GARY STEVENS asked if she was referring to the Seafood and Food Safety Laboratory Replacement spreadsheet dated 4/3/03.

MS. RYAN said that was correct. It compares building the lab as planned to building it in a portion of the AIDEA building that is leased by ASI.

Putting the lab in that building would save the state a bit more than \$700,000. The reason the savings is not greater is that the state has already spent \$1 million in design work and that is a sunk cost. If the lab were to share the ASI space, the state would have to start over. Only \$2 million could be saved in construction costs because the requirements for a lab are very specific. All heating and ventilation systems would have to be completely separate and the only existing infrastructure that could be used is the floor and one wall. Contingency costs are about \$500,000 more to put the lab in the building ASI leases because of the unexpected costs to modify an existing structure.

SENATOR COWDERY asked if she said it would cost \$500,000 more to put the lab in the existing facility.

MS. RYAN responded it would cost about \$700,000 less to use the ASI leased building. The \$500,000 covers contingencies.

They worked with the Department of Revenue to analyze the impacts to the funding options. For one thing, certificates of participation couldn't be used to modify an existing state facility, which means the construction costs would require a \$13.2 million general fund appropriation.

SENATOR DYSON asked, "As opposed to what?"

MS. RYAN explained the lab that is already designed could be funded with certificates of participation. They could sell bonds and debt service would assume the annual cost of paying back that bond debt. The Governor is introducing a bond bill to provide that option if the Legislature elects to take that route.

If the lab were built in the ASI leased building, DEC would have concerns about vibration to their microscopes and scales from ASI or other tenants. Fulcrum scales that measure one part per billion are so sensitive that a person walking into the room can impact the reading. DEC has discussed these concerns with AIDEA with regard to ASI and other tenants. The lab would occupy just

ten percent of the building and house 14 people. Labs are built as stations for each type of analysis that is done with each station representing a function.

SENATOR COWDERY asked if sharing the building would cause problems.

MS. RYAN replied it might because lab equipment is sensitive to vibration and fumes.

CHAIR GARY STEVENS asked about the seafood processing business already on the premises.

MS. RYAN replied ASI business is compatible with the lab but there could be ethical issues because the lab would oversee and regulate ASI.

SENATOR COWDERY asked whether another food vending entity would have an impact on the lab.

MS. RYAN said they regulate any food processing and might test their products. AIDEA would have to determine the possible conflicts with every potential tenant.

SENATOR DYSON said he was startled by the cost to convert one quarter of the building. He asked whether the heating system was hot air.

TOM LIVINGSTON with Livingston Slone Architects replied the existing system was built for manufacturing and food processing occupancy. The lab would need a separate ventilation system to prevent mixing and contamination. More control over the ventilation systems is also required.

SENATOR DYSON restated his question regarding the heating system.

MR. LIVINGSTON replied they propose to put in a stand-alone heating and ventilation system specifically for the lab. The projected cost per square foot is \$85, which is commensurate with Anchorage building costs.

SENATOR DYSON asked if it was correct that the temperature and environment in the lab had to be carefully controlled.

MR. LIVINGSTON said that was true. They designed the lab to occupy a corner of the two-story building. For economy and to

utilize the volume effectively they propose a two-story build-out within that space. Two insulated exterior walls and the roof and floor slab could be used, but all interior utility systems would be independently provided. The lab would be an independent building with the opportunity to expand the building outside the current footprint at some point.

SENATOR DYSON asked if the existing heating system was hot air.

MR. LIVINGSTON replied it was hot air with an air exchange rate that is lower than required by the seafood lab.

SENATOR DYSON asked why they couldn't use a heat exchanger off the existing hot air system to provide a hydronic system or whatever was needed for the proper environmental control in that quarter of the building.

MR. LIVINGSTON advised they are trying to utilize existing systems wherever possible and would tap into the emergency power system.

SENATOR COWDERY asked whether placing an environmentally sensitive lab in the building would jeopardize any other options for usage.

MR. MILLER responded it is a concern that DEC would be a preemptive tenant. They also noted the proposed footprint would take up two or three of the current loading docks, which might serve as a disincentive for a future tenant.

CHAIR GARY STEVENS asked him to comment on what has already been spent in the design phase of a new lab because he understood \$145,000 was spent on a feasibility study.

MR. MILLER explained that money was spent by DEC and DOTPF.

CHAIR GARY STEVENS noted \$240,000 was spent on conceptual design. He asked whether the \$1.3 million appropriated in FY 02 had been expended.

MR. MILLER advised they were not involved; DEC and DOTPF might be able to answer the question.

CHAIR GARY STEVENS asked Mr. Tanaka whether the \$1.3 million FY 02 design appropriation had been expended.

MR. TANAKA replied part had been expended. Footnote (1) on the spreadsheet states that if the decision is made by 4/15/03 about \$650,000 would be available to carry forward for the design of a lab in the building ASI leases. To date they have spent somewhere in excess of \$700,000 on the design of a lab to go next to the existing public health lab on Tudor Road. That design effort would be shelved if the direction were changed to pursue building a lab in the ASI building. When comparing the two proposals and including sunk costs for the Tudor Road lab, the projects are a wash. Both would be \$14 million projects.

SENATOR COWDERY noted he wanted to move the bill on to Finance, but he questioned whether the change of direction proposed by SCR 6 would actually save the state money.

He made a motion to move SCR 6 from committee. There being no objection, it was so ordered.

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#SB 148

SB 148-PFD: ALLOWABLE ABSENCE FOR MILITARY SVC

ANNETTE SKIBINSKI, staff to Senator Cowdery, introduced SB 148 by relating a story about a constituent who was activated and sent overseas for ten months then left Alaska on personal business upon his return. He was gone more than the 45 days allowed and was subsequently denied a dividend.

The existing statute allows a member of the military to remain outside Alaska for up to 45 days a year in addition to the time served on active duty. SB 148 would amend the statute to allow a 180 day absence from Alaska per year in addition to active duty time. Spouses and dependent children would be similarly exempted.

She noted the \$30,000 fiscal note reflects the retroactive clause. The Department of Revenue would use dividend funds to notify military personnel of the new statutory provision and extended deadline.

SENATOR COWDERY commented the existing statute appears to penalize those called to active duty and he was sure that was unintended.

SENATOR FRED DYSON remarked the bill makes sense.

SENATOR GRETCHEN GUESS agreed and said she would like to move the bill.

CHAIR GARY STEVENS advised there were others that wanted to testify.

MS. SKIBINSKI noted the individual that precipitated the bill was recalled to active duty and unavailable to testify.

CHAIR GARY STEVENS asked Mr. Persily to give an explanation of the costs associated with the retroactive clause.

LARRY PERSILY, Deputy Commissioner to the Department of Revenue, explained extending the application deadline would require extensive notification. The department would search the database and identify everyone who claimed military absence in recent years and notify them of the changes. It would be a wise use of a small amount of dividend funds to send a letter and application to everyone who may be qualified due to the extended deadline.

CHAIR GARY STEVENS asked what the impact would be to extend the deadline to September 15, 2003. He asked how the department would estimate how much money to hold to pay the late applicants.

MR. PERSILY replied they would have to make the determination on the dividend before any late applications came in and were reviewed. They would examine the number of applications in June, July, August and September plus those under review and make the estimate. The dividend fund has a few million dollar balance that rolls over every year because it's not possible to estimate exactly how many checks would be paid. They would make sure sufficient funds were held out to cover any successful applications submitted under the extended deadline.

He further explained this would also cover people who are discharged from the military and have just 45 days to return to Alaska. It's the intent of the statute to have them return because they have been claiming Alaska as their home and collecting the dividend while they were stationed elsewhere. With this change they would have 180 days to return to Alaska after their discharge. As noted by the sponsor, it would also cover people called to active duty unexpectedly. Both populations would be covered.

SENATOR COWDERY asked whether he supported the bill.

MR. PERSILY replied he has no problem with the legislation. The department just asks that the intention is clear.

GALE HALLER from Dillingham asked that the bill be amended to include cases such as hers. She is an Alaska resident and married someone in the military who did not meet residency requirements to receive a dividend. When her husband was transferred out of state she moved with him. As a result, she became ineligible to receive a dividend herself because her absence was not exempted. She argued her eligibility should not be based on the eligibility of her spouse.

SENATOR GUESS asked that Ms. Skibinski clarify the problem Ms. Haller spoke to.

MS. SKIBINSKI remarked Mr. Persily might have more information than she, but at one time military personnel were covered and spouses and children were not. She agreed to look into the matter further if the Chair so desired.

CHAIR GARY STEVENS said they would stick to the bill before the committee, but asked Mr. Persily to clarify that particular situation.

MR. PERSILY said, "If I understand correctly, the law says if you leave the state on an allowable absence, you can remain eligible for the dividend. If you are accompanying your spouse who's on an allowable absence, you and your children can remain eligible. In this case, because the husband was not eligible, her departure was not an allowable absence. She was not accompanying an eligible Alaskan on an allowable absence." This would apply to military, to students, or to someone going out for medical care. If a person leaves the state to care for a terminally ill parent and the spouse goes too both remain eligible, but the spouse has no rights if the individual tending to their parent isn't eligible.

SENATOR COWDERY asked if it was correct that this bill would make it possible for military personnel to remain out of state for up to 180 days, but at 181 days they would be ineligible.

MR. PERSILY said if, in addition to military service, someone stayed away for 181 days before they came back to Alaska, they, their spouse, and their children would all be denied.

SENATOR COWDERY recapped the story that precipitated the bill.

SENATOR DYSON said, "Let's move it."

CHAIR GARY STEVENS responded we have a motion to move SB 148 with the attached fiscal note and individual recommendations. There being no objection it was so ordered.

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TAPE 2
5:25 pm

#SB 146

SB 146-COMMEMORATIVE VETERANS LICENSE PLATE

SENATOR GRETCHEN GUESS explained SB 146 establishes a license plate that any Alaskan could purchase to support veterans. It is modeled after the current Children's Trust license plate. There would be a \$100 one-time fee in addition to the \$35 renewal fee.

It's a simple bill to help Alaskans show support for veterans. The goal is for the money raised from the sale of the license plates to go to veteran services. The fiscal note is small and would be covered by the revenues generated.

SENATOR JOHN COWDERY asked if this was a tax bill.

SENATOR GUESS responded a tax bill is one where the government requires payment; this is optional.

SENATOR COWDERY asked how many other states offer this license plate and are the proposed charges comparable.

SENATOR GUESS replied the Department of Motor Vehicles (DMV) could answer specifically, but many states have multiple license plate options. She was unaware of any states that offered the plate in support of veterans. She didn't know about comparable costs. The charge for the proposed plate is modeled after the Children's Trust plate.

SENATOR COWDERY asked if the fees would be in addition to standard fee or in place of the standard fee.

SENATOR GUESS replied the fee is the same as the Children's Trust plate, which is in addition to the standard fee.

SENATOR COWDERY mused it is a tax.

CHAIR GARY STEVENS asked Charles Hosack whether he had anything to contribute.

CHARLES HOSACK, Deputy Director with DMV, stated the department supports the bill as a way of supporting veterans. He confirmed the fees are in addition to the regular registration fees. Each year a \$35 fee would be paid in addition to the one time \$100 fee.

Other states have a number of specialty plates and since September 11 some states are proposing laws similar to this to commemorate or support veterans. He didn't know how many had passed or the fee structure. The \$100 one-time fee is the same as the \$100 one-time fee for the Children's Trust plate.

There were no further questions.

SENATOR COWDERY made a motion to move SB 146 with individual recommendations and attached fiscal note. There being no objection, it was so ordered.

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#HB 52

HB 52-SEX CRIME AND PORNOGRAPHY OFFENSES

CHAIR GARY STEVENS announced HB 52 is a bill relating to the forfeiture of property used to possess or distribute child pornography.

REPRESENTATIVE LESIL MCGUIRE, bill sponsor, explained the bill passed the House in this form both last year and this year and they would appreciate support from the Senate.

This would allow the sentencing judge the additional punitive option of seizing the equipment used in the commission of the sex or pornography crime. Of course the offender could repurchase the same type of equipment at some point in the future, but the point is to be punitive and not return equipment that used to commit the crime. An ancillary benefit to law enforcement agencies is they may use the offender's equipment to learn more about predatory techniques.

She was aware Senator Dyson had an amendment to include the corpus of SB 96 and she supported the inclusion.

CHAIR GARY STEVENS asked if the bill passed the House unanimously during the previous session, which would mean the three former House members on the committee voted in favor of the legislation.

REPRESENTATIVE McGUIRE agreed that was the case.

SENATOR JOHN COWDERY commented he receives numerous unsolicited and unsavory emails on his home computer and he finds filters not altogether satisfactory. He wondered if she might address that problem in future legislation.

REPRESENTATIVE McGUIRE said she is committed to continue to work on the problem. There are some first amendment concerns related to eliminating SPAM. She believes legislation is appropriate but not entirely effective.

SENATOR COWDERY suggested requesting help from the U.S. Senators.

SENATOR FRED DYSON said he appreciates the concern and has become increasingly cynical. The amendment he proposes targets the money connection. Six states have passed laws that make it a crime to service the billing function of pornographic sites. To his knowledge, none of those billing services are currently operating in Alaska, but there may well be in the future. Server farms where all the electronic data resides don't have to be where the originator, the consumer, or the billing function occurs. His amendment [SB 96] allows the law to go after the billing firms that provide the connections.

SENATOR DYSON made a motion to adopt a conceptual amendment to include the contents of SB 96 with CSHB 52. It is his understanding that if both pass, legislative legal would merge the two bills and possibly change the title, which would require a concurrent resolution. Amendment #1 was adopted without objection.

SENATOR GRETCHEN GUESS asked if "providing the billing collection" applied only to billing companies in Alaska because if every state passed this type of legislation it would force these billing companies to go overseas to conduct business.

SENATOR DYSON said this posts a "no trespassing" sign at Alaska boundaries and those companies would stay away. States that don't pass this type of legislation would become a refuge and they would have a growth industry.

SENATOR COWDERY suggested contacting the U.S. Senators to make the law as tough as possible.

SENATOR GUESS agreed with Senator Cowdery and noted the next difficulty is overseas.

CHAIR GARY STEVENS asked the record to reflect Lt. Matt Leveque from Anchorage was on line to answer questions.

There were no further questions or comments.

SENATOR GUESS made a motion to move SCS CSHB 52 (STA) from committee with individual recommendations and attached fiscal note. Included was a motion for a concurrent resolution for change of title. There being no objection, it was so ordered.

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There being no further business to come before the committee, Chair Gary Stevens adjourned the meeting at 5:45 pm.