

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

February 3, 2005

8:05 a.m.

MEMBERS PRESENT

Representative Kurt Olson, Co-Chair
Representative Bill Thomas, Co-Chair
Representative Pete Kott
Representative Gabrielle LeDoux
Representative Mark Neuman
Representative Sharon Cissna
Representative Woodie Salmon

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 25

"An Act relating to the sharing of fisheries business tax revenue with municipalities; and providing for an effective date."

- FAILED TO MOVE OUT OF COMMITTEE

HOUSE BILL NO. 69

"An Act relating to contracts for the provision of state public assistance to certain recipients in the state; providing for regional public assistance plans and programs in the state; relating to grants for Alaska Native family assistance programs; relating to assignment of child support by Alaska Native family assistance recipients; relating to paternity determinations and genetic testing involving recipients of assistance under Alaska Native family assistance programs; and providing for an effective date."

- MOVED HB 69 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 25

SHORT TITLE: REFUND OF FISH BUSINESS TAX TO MUNIS

SPONSOR(S): REPRESENTATIVE(S) SEATON

01/10/05 (H) PREFILE RELEASED 12/30/04
01/10/05 (H) READ THE FIRST TIME - REFERRALS
01/10/05 (H) CRA, FIN
01/20/05 (H) CRA AT 8:00 AM CAPITOL 124
01/20/05 (H) Heard & Held
01/20/05 (H) MINUTE(CRA)
02/03/05 (H) CRA AT 8:00 AM CAPITOL 124

BILL: HB 69

SHORT TITLE: PUBLIC ASSISTANCE PROGRAMS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/12/05 (H) READ THE FIRST TIME - REFERRALS
01/12/05 (H) CRA, HES, FIN
02/03/05 (H) CRA AT 8:00 AM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE PAUL SEATON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As the sponsor of HB 25, answered questions.

MICHAEL KAMPNICH, Harbormaster

City of Craig

Craig, Alaska

POSITION STATEMENT: Testified in support of HB 25.

JEFF CURRIER, Manager

Lake & Peninsula Borough

King Salmon, Alaska

POSITION STATEMENT: Testified that he didn't agree with the rationale of HB 25.

CHRIS HLADICK, Manager

City of Unalaska

Unalaska, Alaska

POSITION STATEMENT: Expressed concerns with HB 25.

JULIE DECKER, Executive Director

Southeast Alaska Regional Dive Fisheries Association (SARDFa)

Wrangell, Alaska

POSITION STATEMENT: Testified in support of HB 25.

VALERY McCANDLESS, Mayor

City of Wrangell

Wrangell, Alaska

POSITION STATEMENT: Testified in support of HB 25.

BOB JUETTNER, Administrator

Aleutians East Borough

Sand Point, Alaska

POSITION STATEMENT: Testified on HB 25.

CLARK CORBRIDGE, Manager

City of King Cove

King Cove, Alaska

POSITION STATEMENT: Expressed concerns with HB 25.

KATHERINE FARNHAM, Director

Division of Public Assistance

Department of Health and Social Services (DHSS)

Juneau, Alaska

POSITION STATEMENT: Presented HB 69 on behalf of the governor, sponsor.

SHARON OLSEN, Director

Employment and Training

Tlingit-Haida Central Council

Juneau, Alaska

POSITION STATEMENT: During discussion of HB 69, discussed Tlingit-Haida Central Council's NFAP and its future plans.

MOLLY MERRIT-DUREN, Director

Employment Training Services

Cook Inlet Tribal Council (CIRI)

Anchorage, Alaska

POSITION STATEMENT: During discussion of HB 69, discussed CIRI's desire to become a temporary assistance provider for tribal families.

ACTION NARRATIVE

CO-CHAIR BILL THOMAS called the House Community and Regional Affairs Standing Committee meeting to order at [8:05:32 AM](#). Representatives Olson, Thomas, Kott, LeDoux, Neuman, and Salmon were present at the call to order. Representative Cissna arrived as the meeting was in progress.

HB 25-REFUND OF FISH BUSINESS TAX TO MUNIS

CO-CHAIR THOMAS announced that the first order of business would be HOUSE BILL NO. 25, "An Act relating to the sharing of

fisheries business tax revenue with municipalities; and providing for an effective date."

CO-CHAIR OLSON moved to adopt CSHB 25, Version 24-LS0169\F, Utermohle, 1/28/05, as the working document. There being no objection, Version F was before the committee.

8:06:28 AM

REPRESENTATIVE PAUL SEATON, Alaska State Legislature, sponsor, noted that the committee packet should include letters of support and charts. He reminded the committee that this legislation only addresses the portion of the fisheries business tax for those fish landed in a municipality or borough and exported unprocessed. The legislation doesn't change the 50 percent of the fisheries business tax for those fish processed in the state or for those processed within the state but outside of a municipality. Representative Seaton turned attention to the document entitled "Distribution of Fish Business Tax on Fish Exported Unprocessed" that is based on the estimate of what the 2005 return will be, which is \$743,000. The more recent chart specifies the actual [return] for 2004, which was \$534,000. Therefore, there has been growth. Representative Seaton pointed out that the committee packet should also include a chart showing the growth of the program going back to 1999. In response to concerns that he has heard, Representative Seaton explained that formula takes the tax generated across the state and proportionally distributes that to each of the 14 fisheries management areas based on total poundage processed in the area. "Within that management area then there's another formula that distributes generally it's 50 percent based on an equal share basis, each community applying and 50 percent on population or there's a longer formula that distributes it based on actual impacts," he explained. This legislation addresses the division between the management areas so that the tax generated in a particular area would return to that area rather than to the location of the largest amount of poundage processed in the state.

8:11:33 AM

REPRESENTATIVE LEDOUX inquired as to the impacts to a community when fish are landed in a community but not processed in that community.

REPRESENTATIVE SEATON specified that [the impact to the community could be the use of infrastructure to prepare the fish

to be shipped out fresh], which would include cranes, harbor facilities, washing facilities, et cetera. For example, troll-dressed salmon landed in Juneau [and exported elsewhere] are unprocessed per the Department of Natural Resources' definition of processed. The location within the state where fish are processed would receive the revenue, the 50 percent split. This legislation doesn't impact the aforementioned. He reiterated that this legislation only impacts that fish which is brought into a community and then exported [out of state] unprocessed. If the fish is processed outside of the state, the tax base is lost although the price for that unprocessed "fresh" fish is higher. He mentioned that there has been review of the possibility of coordinating DNR's definition of processed and the Department of Revenue's definition, however, those definitions serve different purposes.

8:14:41 AM

REPRESENTATIVE LEDOUX expressed concern because she can't identify which communities will win and which will lose under this legislation. She expressed further concern that smaller communities may be disproportionately impacted by this legislation.

REPRESENTATIVE SEATON clarified that this [formula] isn't tied to the size of the community. He informed the committee that DOR hasn't collected data in a manner by which it could be broken down [by community]. Furthermore, confidentiality requirements specify that DOR can't provide a community-by-community breakdown unless there are three major processors in a community. Still, this legislation specifies that taxes generated in a community will be shared with that community. Therefore, those communities dealing more in high value fresh marketing will have the tax returned to the community, such as would be the case with Chignik. He turned to the community of Unalaska and the Bering Sea rationalization, which many anticipate will result in more King crab being flown out live because it's a higher value product. As the aforementioned happens, the direct tax benefit from that 50 percent is lost. He acknowledged that [Unalaska] is the largest port in the area by poundage, which the distribution formula favors. Fisheries have grown away from the state's tax structure, he said. Representative Seaton explained that in 1991 the legislature decided that 50 percent of the raw fish tax would be distributed back to the local communities where the processing took place. At that time everything was processed in Alaska. However, now fisheries have moved toward fresh fish being flown out and

processed elsewhere, which results in a higher value for the fishermen. Representative Seaton specified that if a community doesn't send out fresh product, then it can't expect to have the tax returned. He informed the committee that [under this legislation] Kodiak will gain \$52,000 in revenue that it's currently losing by exporting unprocessed fish outside of the state.

[8:21:07 AM](#)

REPRESENTATIVE CISSNA inquired as to which communities have more than three processors because such information would seem to anecdotally suggest the impacts.

REPRESENTATIVE SEATON said that the best information he has been able to obtain is the chart ["Distribution of Fish Business Tax on Fish Exported Unprocessed"] in the committee packet. He pointed out that most communities don't have over three significant processors, and therefore due to the confidentiality requirements of DOR the information can't be released by community.

[8:23:41 AM](#)

REPRESENTATIVE CISSNA related her understanding that some communities recognize this problem and already have a tax. Therefore, she questioned why this couldn't be addressed locally in the areas without a fish tax.

REPRESENTATIVE SEATON reiterated that the purpose of HB 25 is to share the revenue with communities as originally intended in 1981. However, the fisheries have developed away from the original definition of processed fish, which wasn't foreseen in the original tax distribution. With regard to those areas with additional taxes, Representative Seaton said that's a different question than whether the state would want to distribute part of its tax money back to the impacted communities. The question becomes whether that distribution should be to where the impacts occur because the impacted communities can be identified. Representative Seaton specified that HB 25 merely says that those taxes generated within a municipal community will be shared back with that community rather than being distributed broadly based on poundages processed across the state.

[8:27:51 AM](#)

REPRESENTATIVE NEUMAN asked if it's a substantial amount of money for those communities negatively impacted.

REPRESENTATIVE SEATON answered that most [of the negatively impacted communities face a loss] of less than \$1,000. A chart [entitled "ESTIMATED DCCED Payments"] reviews the difference in funding. This chart only shows what comes out and isn't distributed, and therefore one must keep in mind that the same amount will come back to the communities and be distributed based on what communities generate the money. Representative Seaton informed the committee that each region can propose a distribution formula to DCCED, which could mitigate most of the losses.

[8:30:27 AM](#)

REPRESENTATIVE NEUMAN surmised then that there is a mechanism by which those communities that are negatively impacted can go to their own local government to mitigate the [loss].

REPRESENTATIVE SEATON replied yes.

[8:30:45 AM](#)

REPRESENTATIVE LEDOUX asked if that would be true of all the negatively impacted communities, including the communities in the Lake & Peninsula Borough. She further asked if the Lake & Peninsula Borough would receive more money under this legislation, and thus the communities within the borough could [seek help from the] borough.

REPRESENTATIVE SEATON specified that the Lake & Peninsula Borough is an aggregate area. "When you take the tax back to the communities that generate the revenue," the Alaska Peninsula aggregate area is going to lose revenue because under the current distribution formula the large volume of fishery poundage generated in Unalaska results in Unalaska receiving the taxes generated in northern Southeast, southern Southeast, Kodiak, and Kenai. Therefore, the tax shifts from the areas generating the revenue to the largest port. He noted that the Lake & Peninsula can change its formula to accentuate the smaller communities.

[8:33:43 AM](#)

MICHAEL KAMPNICH, Harbormaster, City of Craig, related the City of Craig's support for HB 25. Craig is a small coastal

community where commercial fishing is important to the local economy. Mr. Kampnich informed the committee that the City of Craig operates three harbors, two docks with cranes, and an ice house. The aforementioned facilities, as well as other facilities, support the commercial fishing fleet. Over the years, the revenue the City of Craig has received from the raw fish tax has been used to purchase equipment and materials for the harbor facilities and have also been used as matching funds for larger harbor or marine-related projects the city has undertaken. As the fishing industry has bounced back, an increasing amount of fish are being shipped out because of the demands for quicker delivery and higher quality. While the aforementioned is good for fishermen and the industry as a whole, it has left the City of Craig with a decreasing string of revenue from the fisheries business tax. In conclusion, Mr. Kampnich said, "House Bill 25 reestablishes the important link between fishery landings and revenues received by the communities. This, at a time when it is more important than ever for communities to support the industry in their effort to produce the highest quality product possible."

[8:36:20 AM](#)

JEFF CURRIER, Manager, Lake & Peninsula Borough, highlighted that under this proposal there would be negative impacts on about 100 communities in the state. He further highlighted that 69 percent of the funding being shifted through this legislation comes from the Alaska Peninsula. Furthermore, this comes at a time when most of communities, particularly in the Lake & Peninsula Borough, face falling prices. Mr. Currier stated that he doesn't agree with the rationale behind this legislation. Mr. Currier requested the committee give very careful consideration to HB 25.

[8:38:08 AM](#)

CHRIS HLADICK, Manager, City of Unalaska, said that he is confused with DOR's numbers because one can't really see the winners, although the losers are obvious. He pointed out that the City of Unalaska stands to lose \$180,000, and therefore the City of Unalaska isn't going to be in favor of HB 25. Mr. Hladick said although he could understand communities wanting to capture some tax of exported unprocessed fish, he said he couldn't understand it if it's at the expense of other communities. In closing, Mr. Hladick related that the mayor and city council of the City of Unalaska will be against HB 25.

[8:40:00 AM](#)

JULIE DECKER, Executive Director, Southeast Alaska Regional Dive Fisheries Association (SARDFA), related SARDFA's support of HB 25. She highlighted that the market is demanding more live and fresh seafood. For example, the geoduck fishery has increased live shipments to over 90 percent of the annual quota, which has increased the value by about 300 percent. However, the communities that have supported [development of the geoduck industry] are being penalized because the tax on the live seafood is being redistributed to coastal communities throughout the state. She didn't believe the aforementioned is fair. Furthermore, the communities have to provide much infrastructure for [fresh seafood to be exported]. She echoed the sponsor's earlier comments that the marketplace has changed since the implementation of the fisheries business tax.

[8:42:26 AM](#)

VALERY McCANDLESS, Mayor, City of Wrangell, related support for HB 25. As is the case in many communities in Southeast Alaska, Wrangell is in a transitioning economy. The fishing industry is also making a transition and shipping more live product. Although this live product would be classified as "unprocessed" fish, it impacts the local community through use of a myriad of services. Therefore, it's very important to capture this tax revenue stream, particularly in light of the lack of municipal revenue sharing funds. "It is critical for us to capture the fair level of taxes for what is really happening in the fishing industry," she emphasized. Ms. McCandless commended the sponsors for bringing this legislation forward because it's important that laws reflect what is really happening in the fishing industry.

[8:44:26 AM](#)

BOB JUETTNER, Administrator, Aleutians East Borough, commented that all coastal communities share common concerns and are dealing with a lot of infrastructure to support the fishing industry. Mr. Juettner indicated that in the Aleutians East Borough there is only one industry, the commercial fishing industry. Therefore, everything done in the borough is geared toward the commercial fishing industry, which has changed [over the years]. Mr. Juettner suggested that this is a local issue. He informed the committee that the communities on the Alaska Peninsula tax the fishing industry at all levels. Mr. Juettner further suggested that the committee needs to review the

definition of "processed" and [write] the legislation in terms of passing the test of time not just a current change in market conditions. In conclusion, Mr. Juettner emphasized the need for the law to match reality.

[8:48:36 AM](#)

CLARK CORBRIDGE, Manager, City of King Cove, said that he has the same concerns as Mr. Juettner articulated. The City of King Cove has a lot of infrastructure that is impacted by vessels coming in but not processing the fish in King Cove, such as the port and harbor facilities, water, sewer, and support services like emergency and police. Therefore, the loss of revenue due to HB 25 will significantly impact King Cove. He predicted that the passage of HB 25 will have a devastating impact on the communities smaller than King Cove where the revenue lost will proportionally be a greater portion of the community's budget.

[8:50:01 AM](#)

REPRESENTATIVE NEUMAN inquired as to how serious communities will be impacted.

MR. CORBRIDGE related that information he has indicates that passage of the current version of HB 25 will result in places such as Cold Bay and False Pass losing about half of the revenues they currently receive. He noted that both Cold Bay and False Pass have no revenue to lose.

[8:50:57 AM](#)

REPRESENTATIVE LEDOUX said she didn't feel comfortable with HB 25 without figures. She opined that it's difficult to believe that no more specific figures can be obtained to determine the winners and losers. Therefore, she said she would be remiss in passing out HB 25.

[8:51:55 AM](#)

REPRESENTATIVE CISSNA concurred with Representative LeDoux, and questioned whether there has not been discussion with enough communities to mollify those who have concerns. She acknowledged that the fishing industry has changed enormously. Therefore, it's probably good to take time with this matter and perhaps have a subcommittee work on it.

[8:53:43 AM](#)

CO-CHAIR OLSON moved to report CSHB 25, Version 24-LS0169\F, Utermohle, 1/28/05, out of committee with individual recommendations and the accompanying fiscal notes.

[8:53:55 AM](#)

REPRESENTATIVE LEDOUX objected.

[8:54:02 AM](#)

A roll call vote was taken. Representatives Neuman, Olson, and Thomas voted in favor of reporting CSHB 25, Version 24-LS0169\F, Utermohle, 1/28/05, out of committee. Representatives Cissna, Salmon, Kott, and LeDoux voted against it. Therefore, CSHB 25, Version F, failed to be reported out of the House Community and Regional Affairs Standing Committee by a vote of 3-4.

HB 69-PUBLIC ASSISTANCE PROGRAMS

[8:54:59 AM](#)

CO-CHAIR THOMAS announced that the final order of business would be HOUSE BILL NO. 69, "An Act relating to contracts for the provision of state public assistance to certain recipients in the state; providing for regional public assistance plans and programs in the state; relating to grants for Alaska Native family assistance programs; relating to assignment of child support by Alaska Native family assistance recipients; relating to paternity determinations and genetic testing involving recipients of assistance under Alaska Native family assistance programs; and providing for an effective date."

[8:55:33 AM](#)

KATHERINE FARNHAM, Director, Division of Public Assistance, Department of Health and Social Services (DHSS), began by explaining the Temporary Assistance for Needy Families (TANF) program, which is a federally funded program that is matched by state dollars at a maintenance of effort level. The TANF was revamped significantly after the welfare reform of 1996, which allowed for block grants to states for the monies that go to needy families in order to provide cash assistance and benefits into a welfare to work program. She referred to a chart that illustrated the success of that block grant program and the

welfare reform initiative. She informed the committee that Alaska's program [TANF] has won three years of high performance bonuses based on the success of employing Alaskans who were on welfare. Since the peak [of welfare assistance] in April 1984, there has been a reduction of 58 percent in the number of cases on welfare. The aforementioned saves the state \$66.1 million in cash benefits.

MS. FARNHAM explained that the same law in 1996 allowed tribal organizations to run similar tribal or community/regional-based TANF programs. About 37 tribal TANF organizations are operating nationwide, of which three are in Alaska. In order for the tribal organizations to have a program that's fair and equitable to the state's program, the legislature decided to include a state component in the tribal programs, which is the Native Family Assistance Program (NFAP). In 2000, the legislature established NFAP with a sunset of June 30, 2005. The following four regions were designated as able to establish a tribal TANF program: Tanana Chiefs Conference, Tlingit-Haida Central Council, Association of Village Council Presidents (AVCP), and Metlakatla Indian Community. The first three have been running programs since 1999-2000. Ms. Farnham pointed out that the federal law allows all 12 regional nonprofits and Metlakatla Indian Community to run a tribal TANF program. However, state law only allows for the aforementioned four tribal organizations.

MS. FARNHAM pointed out that the same state law required the division to submit a report to the legislature highlighting the relative merits and successes of the tribal TANF program. The report highlights the successes of the three programs and reinforces the notion that flexibility and local control - knowing the families and economies - make for a stronger, more successful program. In fact, the tribal organizations are doing a better job than the state in very rural areas where the economic challenge is very significant. Therefore, the administration is in support of making NFAP permanent in statute and offering it to all 12 regional nonprofits and Metlakatla, which would then match the federal legislation.

MS. FARNHAM noted that HB 69 has a fiscal note that is based on new tribal organizations, specifically Cook Inlet Tribal Council, who have expressed a strong interest in running their own program. The Cook Inlet Tribal Council has been working with the state since May 2004 to prepare for a tribal TANF serving Alaska Native and American Indian residents in the Anchorage area. The aforementioned is a significant population

and would form one of the nation's largest TANF programs. The fiscal note identifies how current federal funds going to the state for that population would be reduced because that money would go directly to Cook Inlet Tribal Council. She pointed out that since the federal block grant would drop, the state's maintenance of effort level would drop and produce general fund (GF) savings for the state. Ms. Farnham informed the committee that two other regions, Bristol Bay Native Association (BBNA) and Maniilaq Association, are seriously reviewing this and have issued letters to the federal government and the state. Therefore, with the passage of this legislation there could potentially be six regions with tribal TANF programs by the end of fiscal year 2006.

[9:02:30 AM](#)

REPRESENTATIVE SALMON inquired as to the amount of the state match.

MS. FARNHAM answered that the maintenance of effort level is 75 percent of the federal block grant, and offered to provide the committee with the specific amount after some staff work.

[9:03:52 AM](#)

REPRESENTATIVE NEUMAN related his understanding that this legislation would lower the amount the state is providing, and then asked if the state will receive more federal money.

MS. FARNHAM confirmed that this legislation reduces the maintenance of effort requirement, which is the GF match. The state will not increase the federal amount it receives. In fact, the federal amount the state receives would be reduced if Cook Inlet Tribal Council establishes a NFAP because it will go directly to Cook Inlet Tribal Council. Specifically, the GF reduction as a function of the Cook Inlet transfer would be about \$2 million, and the federal reduction is \$2.8 million and will go directly to Cook Inlet Tribal Council in the future.

[9:05:16 AM](#)

MS. FARNHAM returned to Representative Salmon's question, and specified that the current maintenance of effort, GF, is \$41 million, which is 75 percent of the federal amount. The federal amount the state receives is roughly \$60 million. In further response to Representative Salmon, Ms. Farnham specified that the GF component to Tanana Chiefs Conference is \$2.4 million

annually, Tlingit-Haida Central Council is about \$2.6 million, and AVCP is about \$3.7 million. The annual cost for the NFAP for those three organizations is \$8.7 million in state funds.

[9:06:49 AM](#)

CO-CHAIR THOMAS surmised then that the four fiscal notes total \$8.7 million.

MS. FARNHAM explained that the four fiscal notes are the result of different components of money changing. For example, one of the fiscal notes reflects the fact that the federal money will be taken out of the state and given directly to Cook Inlet Tribal Council. Another fiscal note pertains to taking state funds and moving those to the NFAP for Cook Inlet Tribal Council. Furthermore, there is a fiscal note pertaining to child support collections, which is built in to the funding of the some of the TANF programs. There is also a fiscal note pertaining to child care benefits. Ms. Farnham noted that no fiscal note is necessary for the three existing tribal TANF programs, assuming continuation of the legislation.

[9:08:10 AM](#)

REPRESENTATIVE CISSNA surmised that this successful model, the TANF program, is replicated in other communities, and the state saves money in terms of the fact that the state doesn't perform what is now done by the local entities. She asked if there is also a savings because the state is dealing with Native organizations. She recalled that the federal government increases its participation if [the state] works with Indian Health Service (IHS) entities.

MS. FARNHAM confirmed that it's a reduction in funds to the state, but not an increase in the shift to the federal government. The amount of the block grant to the Native organizations is based on the 1994 families on welfare. The exact amount the state would've received for that block grant is passed on to the Native organization on a dollar-for-dollar basis. Ms. Farnham related that the model is to provide as much wrap around, family-oriented services as possible, which has been better done by the tribal organizations.

[9:10:26 AM](#)

REPRESENTATIVE LEDOUX related her understanding that [those communities with a NFAP] would provide all the welfare services.

MS. FARNHAM answered that in the three regions that currently have NFAP, the tribal organization serves all of its tribal, Native families. In the western region where AVCP operates, AVCP is contracted by the state to serve all Native and non-Native needs in the region. The same approach is anticipated in Bristol Bay, she related. However, the Cook Inlet Tribal Council will serve all Alaska Natives and American Indians in the region. In further response to Representative LeDoux, she reiterated that to whom the tribal organization provides services would vary by region.

[9:13:13 AM](#)

REPRESENTATIVE KOTT related his understanding that two Native nonprofits are in the process of being authorized to provide assistance under the Native Family Assistance grant. He inquired as to who those Native nonprofits are.

MS. FARNHAM reiterated that currently there are three Native regional nonprofits [providing assistance under the Native Family Assistance grant]. She specified that [the division] has been working with Cook Inlet Tribal Council cooperatively since May while [the division] has just begun to work with BBNA and Maniilaq Association over the last couple of months.

[9:14:26 AM](#)

SHARON OLSEN, Director, Employment and Training, Tlingit-Haida Central Council, related that Tlingit-Haida Central Council serves all of Southeast Alaska. Tlingit-Haida Central Council serves the health, education, employment, and human and public service needs of more than 25,000 tribal members, of which about 4,000 are under age 18. She informed the committee that the Tlingit-Haida Central Council TANF program was the second such program to be in operation. The organization averages 360 cases per month. She noted that less than 18 percent of households Tlingit-Haida Central Council served are two-parent households. The Tlingit-Haida Central Council TANF program estimates an additional 300 potential clients due to child support. Although there may be increases in case loads, there are measures in place to thwart that burden, which is a very effective diversion program. She related that one reason there are increased caseloads is because the organization is present in every community in the region. Tlingit-Haida Central Council has been able to operate the program with existing funds, she noted.

Ms. Olsen said that it has been a challenge to operate a TANF program in an area with such high unemployment. She mentioned the lack of training and meaningful employment.

MS. OLSEN turned to the flexibility that the Native programs bring to TANF. For example, the fatherhood initiative attempts to reconnect fathers with children and meet their responsibilities in supporting their children. She pointed out that Tlingit-Haida Central Council recently received a two-year planning grant to offer a tribal support unit to undertake the [child] support services for the region. The aforementioned is important to add, she opined. She informed the committee that of the 13 regions in Alaska, only one hasn't consolidated the U.S. Department of Labor, Bureau of Indian Affairs, and Health and Human Services funds into one program, one grant, and one reporting system. That consolidation means an organization can do more, which was noted in a recent Office of Management & Budget report which rated the Public Law 102-477 tribes were higher than all other programs within the Department of Interior. Furthermore, Tlingit-Haida Central Council received the Chiefs Award from the Department of Labor [& Workforce Development] because of the ability to provide thorough reports in a timely fashion. She mentioned that Alaska grantees have worked closely through the Alaska Native Coalition on Employment and Training.

[9:21:41 AM](#)

MS. OLSEN highlighted Tlingit-Haida Central Council's Tribal Vocational Rehabilitation (TVR) program, which furthers what it's doing with TANF families. A recent study related that one-third of individuals receiving employment-related services from other programs such as TANF have specific learning disabilities. As the TVR program partners more extensively with TANF, the number with disabilities served by TVR is expected to increase. She informed the committee that Alaska Natives rank second highest in the state with children with disabilities. She related that those students who can't pass their exit exam at high school will be TANF and TVR clients in the future. Therefore, it's important to continue what Tlingit-Haida Central Council has begun. She noted that the Tlingit-Haida Central Council TVR center was built to prepare for welfare reform and offers life, office, basic computer, financial planning skills, as well as other specialized training. In conclusion, Ms. Olsen urged the passage of HB 69, and encouraged the state to work directly with [the tribal organizations'] TANF and child support

programs in order to ensure families receive the assistance necessary and more families become self-sufficient.

[9:23:59 AM](#)

REPRESENTATIVE NEUMAN highlighted [from Ms. Olsen's written testimony] that all regions in Alaska, save Maniilaq are not operating under Public Law 102-477.

MS. OLSEN pointed out that it's a voluntary program, and noted that Maniilaq will be consolidated and [operating under Public Law 102-477] very soon. She opined that they weren't [operating under Public Law 102-477] because they were much smaller than other regions.

[9:24:48 AM](#)

REPRESENTATIVE KOTT turned to Tlingit-Haida Central Council's child support enforcement program. He surmised that Ms. Olsen wasn't suggesting that the Child Support Enforcement Division would decentralize its functions to the Native entity, but he requested she comment.

MS. OLSEN specified that a [federal] law recently passed allowing tribes in the U.S. to operate their own child support enforcement programs. First, up to a two-year grant was offered to allow tribes to research and prepare for the implementation of a child support enforcement program. Tlingit-Haida Central Council is in the first-year planning grant stage and will be meeting with the state next week to review memorandum of agreements. If this program enhances what is already being done [by Tlingit-Haida Central Council], then it will be pursued.

[9:26:33 AM](#)

REPRESENTATIVE KOTT surmised then that the current state system could be decentralized and the tribal organizations could take over child support enforcement.

MS. OLSEN replied yes, and highlighted that the organization is already working with these families.

[9:27:34 AM](#)

MOLLY MERRIT-DUREN, Director, Employment Training Services, Cook Inlet Tribal Council (CIRI), informed the committee that Cook Inlet Tribal Council serves the Anchorage area and the CIRI

villages. She reviewed the services CIRI provides, including those related to employment and training, child and family, substance abuse, and education. Ms. Merrit-Duren said that CIRI is poised and would like to become a temporary assistance provider for tribal families. She highlighted that many of the Native nonprofits, such as CIRI, have been providing case management for welfare to work participants. In fact, CIRI has been doing the aforementioned for over eight years, with an average case load of 600-800 participants. By becoming a tribal TANF, CIRI would add the eligibility piece. She noted that CIRI has worked closely with AVCP, Tlingit-Haida Central Council, and TCC, and have been encouraged that this is the right thing to do. She noted that CIRI is also a consolidated Public Law 102-477 provider, which provides additional flexibility.

MS. MERRIT-DUREN informed the committee that the original 1994 caseload in Anchorage for Alaska Natives and American Indians was 1,123. As of November 2004, the caseload was 692. During this timeframe Anchorage has experienced a large influx of Alaska Natives and American Indians. Also during this timeframe, CIRI was able to help to decrease the Native American and American Indian caseload by 62 percent. She highlighted that many Native nonprofits are sophisticated organizations. In fact, CIRI is a provider of accounting services for 39 nonprofits in the community of Anchorage. Furthermore, CIRI has no financial single audit findings. Additionally, CIRI provides information technology services for five nonprofits in the Anchorage area.

[9:33:25 AM](#)

REPRESENTATIVE NEUMAN moved to report HB 69 out of committee with individual recommendations [and the accompanying fiscal notes]. There being no objection, HB 69 was reported from the House Community and Regional Affairs Standing Committee.

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at [9:33:35 AM](#).