

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 7, 2005

8:09 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. 160

"An Act limiting the use of money of the state and its political subdivisions to affect an election."

- MOVED CSHB 160(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 231

"An Act relating to the definition of 'municipality' for purposes of human services community matching grants."

- MOVED CSHB 231(CRA) OUT OF COMMITTEE

HOUSE BILL NO. 176

"An Act exempting the state and its political subdivisions from daylight saving time."

- MOVED HB 176 OUT OF COMMITTEE

HOUSE BILL NO. 28

"An Act relating to the municipal dividend program; and providing for an effective date."

- MOVED HB 28 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 160

SHORT TITLE: PUBLIC FUNDS & BALLOT PROPS/CANDIDATES

SPONSOR(S): REPRESENTATIVE(S) STOLTZE

02/18/05 (H) READ THE FIRST TIME - REFERRALS
02/18/05 (H) CRA, STA
03/17/05 (H) CRA AT 8:00 AM CAPITOL 124
03/17/05 (H) Heard & Held
03/17/05 (H) MINUTE(CRA)
04/07/05 (H) CRA AT 8:00 AM CAPITOL 124

BILL: HB 231

SHORT TITLE: HUMAN SERVICES GRANT ELIGIBILITY

SPONSOR(S): REPRESENTATIVE(S) WILSON

03/23/05 (H) READ THE FIRST TIME - REFERRALS
03/23/05 (H) CRA, HES, FIN
04/07/05 (H) CRA AT 8:00 AM CAPITOL 124

BILL: HB 176

SHORT TITLE: ELIMINATE DAYLIGHT SAVING TIME

SPONSOR(S): REPRESENTATIVE(S) SALMON

02/25/05 (H) READ THE FIRST TIME - REFERRALS
02/25/05 (H) CRA, STA
04/07/05 (H) CRA AT 8:00 AM CAPITOL 124

BILL: HB 28

SHORT TITLE: MUNICIPAL DIVIDEND PROGRAM

SPONSOR(S): REPRESENTATIVE(S) MOSES

01/10/05 (H) PREFILE RELEASED 12/30/04
01/10/05 (H) READ THE FIRST TIME - REFERRALS
01/10/05 (H) CRA, STA, FIN
03/29/05 (H) CRA AT 8:00 AM CAPITOL 124
03/29/05 (H) Heard & Held
03/29/05 (H) MINUTE(CRA)
04/05/05 (H) CRA AT 8:00 AM CAPITOL 124
04/05/05 (H) Scheduled But Not Heard
04/07/05 (H) CRA AT 8:00 AM CAPITOL 124

WITNESS REGISTER

REPRESENTATIVE BILL STOLTZE

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 160.

REPRESENTATIVE PEGGY WILSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: As the sponsor, presented HB 231.

JANET CLARKE, Assistant Commissioner

Division of Management and Finance Services

Department of Health and Social Services (DHSS)

Juneau, Alaska

POSITION STATEMENT: During discussion of HB 231, provided information with regard to the history of the Human Services Community Matching Grants program.

HEATHER WHEELER, Deputy Director

Department of Health and Human Services

Municipality of Anchorage

Anchorage, Alaska

POSITION STATEMENT: Related that the Municipality of Anchorage's Department of Health and Human Services supports HB 231 if funding for the program is increased.

DIANE DISANTO, Community Development Specialist

Office of the Mayor

Municipality of Anchorage

Anchorage, Alaska

POSITION STATEMENT: Testified that the Municipality of Anchorage would support the legislation if the three communities [currently receiving the grants] were held harmless with an additional appropriation of \$394,000.

ELLEN KRSNAK

Catholic Social Services

Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 231, but noted that it's critical that the three communities currently in the program are held harmless.

ANDY HARRINGTON

Alaska Legal Services

Arctic Alliance for People

Fairbanks, Alaska

POSITION STATEMENT: Testified that Arctic Alliance for People hasn't taken a position on HB 231.

ROSEMARY HAGEVIG, Board of Directors

Southeast Conference

Juneau, Alaska

POSITION STATEMENT: Related that [HB 231] is a piece of the puzzle that would help continue current social services.

MOIRA SMITH, Staff

to Representative Woodie Salmon

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Presented HB 176 on behalf of its sponsor, Representative Salmon.

PAULA RAK

Wrangell, Alaska

POSITION STATEMENT: Testified in opposition to HB 176.

LYNN WILLIS

Eagle River, Alaska

POSITION STATEMENT: Testified in support of HB 176.

ADAM BERG, Staff

to Representative Carl Moses

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: During discussion of HB 28, offered to answer questions.

ACTION NARRATIVE

CO-CHAIR KURT OLSON called the House Community and Regional Affairs Standing Committee meeting to order at [8:09:16 AM](#). Representatives Olson, Thomas, LeDoux, Neuman, and Salmon were present at the call to order. Representatives Kott and Salmon arrived as the meeting was in progress.

HB 160-PUBLIC FUNDS & BALLOT PROPS/CANDIDATES

CO-CHAIR OLSON announced that the first order of business would be HOUSE BILL NO. 160, "An Act limiting the use of money of the state and its political subdivisions to affect an election."

[8:09:32 AM](#)

CO-CHAIR THOMAS moved to adopt CSHB 160, Version 24-LS0586\F, Kurtz, 4/6/05, as the working document. There being no objection, Version F was before the committee.

8:09:45 AM

REPRESENTATIVE BILL STOLTZE, Alaska State Legislature, sponsor, said that he took to heart the comments made at prior hearings regarding not limiting local school boards/districts when communicating information on school bonds. Therefore, the legislation has been narrowed to [address only] state matters.

8:11:50 AM

CO-CHAIR THOMAS moved to report CSHB 160, Version 24-LS0586\F, Kurtz, 4/6/05, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 160(CRA) was reported from the House Community and Regional Affairs Standing Committee.

HB 231-HUMAN SERVICES GRANT ELIGIBILITY

8:12:20 AM

CO-CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 231, "An Act relating to the definition of 'municipality' for purposes of human services community matching grants."

8:12:41 AM

REPRESENTATIVE PEGGY WILSON, Alaska State Legislature, sponsor, explained that HB 231 expands the definition of a qualified municipality to include a consortium of municipalities located in the same geographic region with a combined population that exceeds 50,000. The aforementioned would allow organizations such as the Southeast Conference to form a consortium in order to receive funding for social services in the region. She informed the committee that the Human Services Community Matching Grants program is receiving \$1.2 million from the state in general funds (GF) this coming year. In order to qualify for the aforementioned grants, communities must: provide a 30 percent matching fund; comply with the grant application procedures; and establish a citizens' advisory group. Currently, the only qualified communities are Fairbanks, Anchorage, and Mat-Su. She pointed out that the [committee packet] should include a listing of the subrecipients of the grants in the aforementioned communities, which include valuable community services. Although Representative Wilson said that she supported such community services, it's difficult for those farther away to utilize such services. Therefore, this is a

fairness issue. Under HB 231, municipalities and boroughs located in the same geographic region with a combined population in excess of 50,000 could form a consortium to qualify for these grants.

REPRESENTATIVE WILSON explained that the accompanying fiscal note assumes that two additional geographic regions, the Gulf region and the Southeast region, would be able to form a consortium. The Gulf region encompasses the Kenai Peninsula Borough, the Kodiak Island Borough, and the Valdez/Cordova Census Area. The communities included in the Southeast region are illustrated in a map [included in the committee packet] of the Southeast Conference. If HB 231 is enacted, the Southeast Conference would assist with the formation of a consortium.

[8:16:57 AM](#)

REPRESENTATIVE LEDOUX asked if the [consortium] would have to be the area mentioned because some of the communities included in the Gulf region aren't in the Alaska Regional Development Organization (ARDOR) of the area. She pointed out that Kodiak is part of the Southwest Municipal Conference ARDOR that connects to the Aleutian chain.

REPRESENTATIVE WILSON specified that as long as [the region] met the criteria and the guidelines established in the legislation, any area could form a consortium. She said that the requirement that the combined population of the [consortium] be in excess of 50,000 is in existing statute.

REPRESENTATIVE LEDOUX inquired as to why the aforementioned population requirement is specified in statute.

REPRESENTATIVE WILSON explained that she wanted to maintain the same qualifications while allowing those in the same geographic area the ability to form a consortium and set priorities with regard to what organizations receive the benefits.

[8:18:43 AM](#)

REPRESENTATIVE SALMON echoed Representative LeDoux's concerns with regard to the population requirement, and highlighted that the entire northern half [of the state], other than Fairbanks, isn't eligible. He characterized the population requirement as unfair.

REPRESENTATIVE WILSON agreed, but specified that the population requirement is in existing statute. Changing the population requirement in statute would be up to committee. This legislation merely attempts to make [the ability to form a consortium] available to others in the state.

[8:19:42 AM](#)

REPRESENTATIVE LEDOUX inquired as to the rationale why these population specifications are in statute.

[8:20:17 AM](#)

JANET CLARKE, Assistant Commissioner, Division of Management and Finance Services, Department of Health and Social Services (DHSS), informed the committee that the [Human Services Community Matching Grants] program originated in the 1980s when the state had a lot of money. These were social service block grants, which were designated grants without statutory authority that, at the time, were only provided to Anchorage and Fairbanks. In the late 1980s and 1990s during budget reductions, there was concern that the program wasn't in statute, and thus former Representative Boyer proposed this statute in order to form the statutory support. The rationale at the time, she recalled, was that Fairbanks and Anchorage were disproportionately impacted for social services because they were large hub communities to which people migrated for services. In 1992 the statute was devised. Due to population increases, the Matanuska-Susitna Borough now qualifies, which changed the dynamic of the underpinning appropriation to the two large communities. Last year the legislature increased the appropriation to accommodate the Matanuska-Susitna Borough entering the program.

[8:22:35 AM](#)

REPRESENTATIVE LEDOUX asked whether changing the definition of "municipality" would kill the entire [Human Services Community Matching Grants] program.

MS. CLARKE answered that such would be for the committee to decide. However, she highlighted that things have definitely changed in DHSS's budget in regard to the funds available to other social service agencies in other parts of the state. For instance, there used to be more designated BRUs or grants to named recipients for social service agencies and now all those are competitive grants.

[8:23:43 AM](#)

REPRESENTATIVE SALMON reiterated his concern with this legislation being based on population.

MS. CLARKE clarified that the state doesn't choose which grantees receive the funds, rather local municipalities go through a process of allocating these funds. Therefore, this is a pass-through from the state to the local municipalities, which is why population was used as a basis for prorating the amount appropriated. The idea, she specified, is that this is a block grant concept and the state isn't involved in choosing the subgrantees.

[8:25:19 AM](#)

REPRESENTATIVE CISSNA surmised then that there is less funding in DHSS to give out to smaller areas that would've been covered in other ways.

MS. CLARKE agreed, and specified that this is the only state pass-through program that DHSS has.

REPRESENTATIVE CISSNA turned attention to the out migration from small communities to urban centers, which places a weight on social services in urban areas and simultaneously there is nothing to stop the out migration. Therefore, she surmised that the social services in a local community could stabilize the community somewhat.

MS. CLARKE said that's not her area [of expertise], although it sounds logical.

[8:27:26 AM](#)

MS. CLARKE drew attention to the fiscal note. She explained that although it's a zero fiscal note, a couple of different scenarios were provided. She emphasized that if there isn't a larger appropriation to this program and the legislation passes, the amount received will be prorated. If the legislature wanted to pass HB 231 and hold everyone harmless under the scenarios outlined in the fiscal note, it will cost an additional \$394,000.

[8:28:29 AM](#)

HEATHER WHEELER, Deputy Director, Department of Health and Human Services, Municipality of Anchorage, related that the municipality's Department of Health and Human Services supports HB 231 if funding for the program is increased. She highlighted that through grants to local nonprofit agencies, the Human Services Community Matching Grants supports basic safety-net services critical to the state's most vulnerable citizens. She echoed earlier comments with regard to Anchorage being a hub attracting many people from all over the state, and therefore Anchorage's community matching grant program provides services to those traveling to Anchorage who end up so disadvantaged. If the definition of municipality changes such that more municipalities are able to receive the funding, the appropriation needs to increase as well. Passing HB 231 and increasing the appropriation for the Human Services Community Matching Grants will allow more communities to provide the essential safety-net services to prevent or alleviate serious mental or physical hardship in the state.

[8:30:30 AM](#)

DIANE DISANTO, Community Development Specialist, Office of the Mayor, Municipality of Anchorage, stressed that the Human Services Community Matching Grants are matching grants. She acknowledged that there may be a reduction in this program, and if that's the case she assumed that the municipality would oppose the legislation. Therefore, Ms. DiSanto said that the municipality would support the legislation if the three communities [currently receiving the grants] were held harmless with an additional appropriation of \$394,000. She related that [the Municipality of Anchorage] would like to support the funding being restored to the \$2.2 million level of four years ago.

[8:32:14 AM](#)

ELLEN KRSNAK, Catholic Social Services, informed the committee that Catholic Social Services is a subgrantee for this grant. She explained that this grant supports three of Catholic Social Services' programs in Anchorage, which served approximately 18,000 people last fiscal year. Many of those folks are from around the state and they seek services in Anchorage. Catholic Social Services is supportive of this legislation, but it's critical that the three communities currently receiving it are held harmless.

[8:33:29 AM](#)

ANDY HARRINGTON, Alaska Legal Services, Arctic Alliance for People, explained that the Arctic Alliance for People Program is a coalition of nonprofits in the Fairbanks area. He stated that the Arctic Alliance hasn't taken a stand on HB 231. He related that last year when the Mat-Su Borough's population increased to the point at which it could be included, the Arctic Alliance worked to help with its inclusion. Mr. Harrington said that he is personally in favor of extending the program to include other parts of the state. He then stressed the importance of anyone supporting this legislation to also make the commitment to include an additional appropriation in order to ensure that the programs in the existing communities don't suffer. In Fairbanks, these grants have declined by about 40 percent over the past few years. Mr. Harrington said that it's important to review the agencies that have been able to obtain funding under these grants as well as those agencies submitting worthwhile proposals that haven't been able to obtain funding due to decreased funding. The program works well, he opined, due to local control, local match, and volunteerism. However, in order for the program to work well, the state will have to put up its share to ensure that no harm is done in those municipalities currently operating the program and to ensure that those communities new to the program are able to get as much use from the program as the three existing communities have.

[8:36:37 AM](#)

REPRESENTATIVE KOTT asked whether the existing grantees were impacted when the Mat-Su Borough qualified.

MR. HARRINGTON answered that in the end there was no net effect on existing grantees when the Mat-Su Borough entered the program. He informed the committee that the aforementioned was due to the hard work of the Anchorage nonprofits, the Fairbanks 501(c)(3)s, and the agencies in the Mat-Su Borough.

[8:37:53 AM](#)

ROSEMARY HAGEVIG, Board of Directors, Southeast Conference, informed the committee that she is also the executive director of Catholic Community Services (CCS), which provides social services throughout Southeast Alaska. Ms. Hagevig recalled a couple of years ago the incoming president of Southeast Conference recognized that the economic development aspirations of Southeast Conference couldn't be realized without solid infrastructure for health, social services, and education.

Therefore, Southeast Conference established a health and social services committee, which has discussed this matching grant opportunity.

MS. HAGEVIG related that due to the geography of Southeast Alaska, [Southeast Conference] realized that it would never be able to attain the statutory requirements related to population. After reviewing the region's infrastructure, it was realized that the Southeast Conference and United Way are strong organizations in Southeast Alaska. The Southeast region is approaching a population of 70,000, although it's dispersed. Ms. Hagevig said that Southeast Conference is the entity that she envisioned would provide the necessary advisory committee group for the region. She highlighted that in Southeast Alaska there are already a number of communities contributing to social services activities. Therefore, there should be no difficulty in obtaining the required 30 percent match. Ms. Hagevig related that social service providers in Southeast Alaska are looking at opportunities to do what they can to improve the quality of life for the people being served. This [grant program] would be a piece of the puzzle to help continue to provide current services.

[8:42:31 AM](#)

REPRESENTATIVE KOTT asked if the 70,000 figure for the population in Southeast is from the U.S. Census.

MS. HAGEVIG specified that the total population of Southeast Alaska is between 65,000-70,000. She reiterated that Southeast's population is dispersed among many small communities and many different types of local government structures. In response, Ms. Hagevig said she couldn't say for sure whether the population number she used is from the U.S. Census.

[8:43:12 AM](#)

REPRESENTATIVE CISSNA surmised then that Southeast Conference would provide services to any community in Southeast.

MS. HAGEVIG replied yes, and added that in excess of 50 percent of the United Way agencies are already providing services that are regional in nature. Under the [proposed] statute, she envisioned a competitive process. She stressed that the Southeast region didn't intend to fiscally impact those already receiving funds. Therefore, [Southeast Conference] would hope that the zero fiscal note would be changed to reflect the true

cost as was the case when the Mat-Su Borough was brought into the program.

CO-CHAIR OLSON closed public testimony.

[8:44:46 AM](#)

REPRESENTATIVE LEDOUX suggested amending the population base from "50,000" to "25,000", and inquired as to the sponsor's thoughts on such a change.

REPRESENTATIVE WILSON recalled fighting the legislation regarding the expansion of sewer and water grants because it would result in more participants and not everyone would be able to continue to receive the funds received in the past. However, the House as a whole decided to encompass as many people as possible, and therefore she felt the chance for [passage of HB 231] would be greater. She emphasized that [under HB 231] the rules hadn't been changed, only the pool of [participants]. However, Representative LeDoux's suggestion would seem to change the rules and thus she didn't imagine the body as a whole we be as open to passing the legislation.

REPRESENTATIVE LEDOUX clarified that she is only suggesting changing the consortium of cities.

REPRESENTATIVE WILSON specified that the 50,000 population requirement is already in statute.

REPRESENTATIVE KOTT pointed out that the 50,000 population requirement is [a change] HB 231 would make. Currently, statute specifies that [a municipality ranges in population] from 10,000, 20,000, to 65,000 dependent upon the organization of the city. The language [HB 231] adds refers to a consortium of the entities specified in current statute.

REPRESENTATIVE SALMON indicated his preference for a population [requirement] of 100 people or less. He stated, "But municipal should be the one ... deciding that factor ... that doesn't have numbers."

[8:48:27 AM](#)

REPRESENTATIVE WILSON reviewed the definition of municipality as specified in [AS 29.60.250(2)(A)-(C)].

REPRESENTATIVE LEDOUX reiterated her suggestion for an amendment to change the [new subparagraph (D)] population specification from "50,000" to "25,000". She inquired as to the sponsor's opinion of the aforementioned.

REPRESENTATIVE WILSON indicated that she would be agreeable to Representative LeDoux's suggestion if that's the only way the legislation could be passed.

[8:49:14 AM](#)

REPRESENTATIVE KOTT appreciated Representative LeDoux's suggestion that would address the Kodiak area, but pointed out that it may also result in including the Kenai area. Representative Kott stated that he supports the legislation in existing form and he places trust in the House Finance Committee with regard to expanding the amount of money [available]. He inquired as to how the sponsor envisioned the various entities of the consortium coming to an agreement on a grant application.

REPRESENTATIVE WILSON acknowledged that [an agreement on a grant application] would take much cohesiveness. She pointed out that the Southeast Conference works well together now, and therefore she didn't believe it would be difficult for its members to come together to make priorities. In fact, the Southeast Conference already has groups that provide services throughout Southeast Alaska, which she characterized as one big family.

REPRESENTATIVE KOTT surmised then that the sponsor is relying on the Southeast Conference ARDOR to make this all happen.

REPRESENTATIVE WILSON said that the communities in Southeast Alaska work hard to be self-sufficient as much as possible. However, [the decisions with regard to human services community matching grants] will be as a whole within Southeast Conference. Representative Wilson then expressed concern with the overall funding issue, and emphasized that [she didn't introduce HB 231] to make the situation worse on anyone else. Therefore, she said she was concerned that a further expansion could be problematic [with regard to the funds available].

[8:52:39 AM](#)

REPRESENTATIVE KOTT commented that it's up to the House Finance Committee to make the appropriation for the budget. He remarked that if the pool [of funds] doesn't expand, then he would find himself in a difficult position. However, he recalled comments

on the House floor in which a member related that "we're looking out for all Alaskans" and thus he would support HB 231.

8:53:40 AM

REPRESENTATIVE LEDOUX said that Kodiak could probably live with the population [specification] of 50,000. However, she predicted a large problem unless the term "geographic region" is defined. She opined that under this legislation it seems almost every community in the state could be included as long as they were willing to come together in a geographical area. Therefore, she suspected there would be a major discussion or even litigation with regard to the definition of a "geographic region".

REPRESENTATIVE WILSON commented that it's not easy for different areas to pull together and work well together. Therefore, before the aforementioned could occur it would require much work ahead of time. Representative Wilson opined that it would work in Southeast because the area has already been doing so for years.

CO-CHAIR OLSON commented that the Kenai Peninsula Borough and the Kodiak area have worked together on a number of issues.

8:56:03 AM

REPRESENTATIVE CISSNA commented that governments [and their boundaries] are arbitrary. She inquired as to how a certain community size is tied to the matching part of the program.

REPRESENTATIVE WILSON explained that the requirement to come up with the 30 percent related to the reason why an umbrella organization is necessary. [The umbrella organization] could be different for each area, which is why "it" is left open and has the money passing through the umbrella organization to disperse the funds.

REPRESENTATIVE CISSNA restated her question regarding whether there is any relationship between the raising of the [matching] money and the population.

8:58:34 AM

MS. CLARKE surmised that Representative Cissna was asking whether obtaining matching funds would be easier if a larger umbrella group sponsored the program responsible for the match.

REPRESENTATIVE CISSNA asked if the aforementioned is part of the thinking with the size requirements.

MS. CLARKE recalled that the match requirements were passed in 1992 so that the local communities had ownership of the program. At the time of passage, she didn't believe there were thoughts about the size because the constructs were established to support the Anchorage and Fairbanks communities.

[8:59:38 AM](#)

REPRESENTATIVE KOTT turned attention to the fiscal analysis and surmised that it suggests that the Southeast and Gulf Coast regions would be eligible for this grant program.

MS. CLARKE explained that the fiscal note was intended to provide a couple of scenarios because of the lack of definition of "region" in the legislation and thus could be open to some interpretation. She explained that the analysis left the situation as it is for the Municipality of Anchorage, the Mat-Su Borough, and the Fairbanks North Star Borough and merely reviewed other areas that would qualify based on the regional scenario. She informed the committee that [in the scenarios of the fiscal note], the census districts and areas were used, ARDOR regions weren't presumed. Certainly, if an ARDOR region was defined, it would change things. [The legislation] seems fairly open in regard to which regions could come together in a consortium. Therefore, the fiscal note [scenarios] merely provide an idea of the impact of the legislation. In further response to Representative Kott, Ms. Clarke confirmed that a region could be tied to an [ARDOR].

REPRESENTATIVE LEDOUX inquired as to why the Southwest region wasn't included as a region that could enter into this [program].

MS. CLARKE highlighted the language "same geographic region" and the [other] regional constructs specified were reviewed, and thus the Southwest region wasn't included because its population doesn't exceed 50,000.

[9:02:42 AM](#)

CO-CHAIR OLSON said that he tended to agree with Representative Kott that if HB 231 is moved out "clean," it would ultimately be "fixed" in the House Finance Committee.

[9:02:59 AM](#)

REPRESENTATIVE KOTT said that he tends to support HB 231. He suggested that the members with an interest in this could work with the House Finance Committee regarding whether there will be any additional funding. He then noted that sometimes communities can do well without relying on the state.

[9:03:49 AM](#)

REPRESENTATIVE KOTT moved to report HB 231 out of committee with individual recommendations and the accompanying fiscal notes.

[9:04:04 AM](#)

REPRESENTATIVE LEDOUX objected, and moved that the committee adopt Amendment 1, which would [on page 1, line 8] change the "50,000" population specification to "35,000".

[9:05:02 AM](#)

REPRESENTATIVE KOTT withdrew his motion to report HB 231 from committee.

[9:05:06 AM](#)

CO-CHAIR OLSON objected to Amendment 1.

[9:05:30 AM](#)

REPRESENTATIVE SALMON inquired as to how large the pool of communities would be under the population specification of "35,000".

CO-CHAIR OLSON said that he didn't believe anyone in the room could answer that question.

REPRESENTATIVE SALMON suggested then that the committee should hold HB 231 until an answer is received. He said that he didn't have a problem with the 35,000 population specification, although it doesn't include the areas in his district.

REPRESENTATIVE CISSNA remarked on the challenged nature of smaller towns in Alaska. This legislation provides incentives for communities to work together and review the common good of a larger group of people. Representative Cissna characterized

this legislation as having positive possibilities, and perhaps the 35,000 population specification will provide more hope to a more diverse group.

[9:07:22 AM](#)

A roll call vote was taken. Representatives Cissna, Salmon, and LeDoux voted in favor of the adoption of Amendment 1. Representatives Kott and Olson voted against it. Therefore, Amendment 1 was adopted by a vote of 3-2.

[9:07:52 AM](#)

The committee took an at-ease from 9:08 a.m. to 9:11 a.m.

[9:11:28 AM](#)

REPRESENTATIVE KOTT related his understanding that the new language in HB 231 would mean that the [interested consortium of cities, unified municipalities, and boroughs] would have to apply by October 1st. Therefore, whether the House Finance Committee decides to include an appropriation is moot for this year. Without an effective date, this legislation would pass in May, end up on the governor's desk, and it would be 90 days before it goes into effect. Therefore, he suggested that the Southeast Conference would have its work cut out for it due to the timeframe. Representative Kott suggested then that if the hope is to have this available, then perhaps an immediate effective date would be in order.

MS. CLARKE agreed with Representative Kott's understanding. She explained that current statute requires municipalities to apply October 1st of the year preceding the start of the new fiscal year. She opined that the intent was to allow the legislature to know which communities had applied before going through the appropriation process.

[9:14:03 AM](#)

REPRESENTATIVE KOTT moved that the committee adopt Conceptual Amendment 2, which would provide for an immediate effective date so that all communities would be eligible this year. There being no objection, Conceptual Amendment 2 was adopted.

[9:14:55 AM](#)

REPRESENTATIVE KOTT moved to report HB 231, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 231(CRA) was reported from the House Community and Regional Affairs Standing Committee.

HB 176-ELIMINATE DAYLIGHT SAVING TIME

9:15:54 AM

CO-CHAIR OLSON announced that the next order of business would be HOUSE BILL NO. 176, "An Act exempting the state and its political subdivisions from daylight saving time."

9:16:24 AM

REPRESENTATIVE SALMON, sponsor of HB 176, explained that HB 176 would eliminate daylight saving time, and therefore the passage of this legislation would result in Alaska staying on Alaska Standard time. He opined that the recent time change impacted many. Representative Salmon highlighted that in Alaska the winter days are short and the summer days are long. He acknowledged the arguments regarding the notion that [daylight saving time] saves energy and not having daylight saving time would impact the time with which Alaskans can do business with the Lower 48. In regard to the latter contention, Representative Salmon pointed out that today there are multiple modes of communication that accommodate whatever time zone in which one is located.

9:18:53 AM

MOIRA SMITH, Staff to Representative Woodie Salmon, Alaska State Legislature, stated that in Alaska daylight saving time is unnecessary. Originally daylight saving time was done on a national level primarily to save energy and it works in the Lower 48. However, it doesn't work so well in Alaska because the vast geographic expanse of the state results in the majority of the state being located in areas where the hour saved doesn't provide daylight and thus it doesn't save energy. Furthermore, there are health and safety concerns with the change in time such as the disruption of the circadian clock, which is most prominent in children and teenagers. Moreover, the disruption of business isn't a concern because of the multiple modes of communication available beyond the telephone.

9:21:01 AM

PAULA RAK provided testimony in opposition to HB 176. She indicated that it would be inconvenient for Alaska's time to be two hours different from Seattle for half of the year. Federal statute 15 U.S.C. 260 was established "with regard for the convenience of commerce and the existing junction points and division points of common carriers engaged in interstate commerce." She informed the committee that the convenience of commerce has been defined to include consideration of all impacts upon a community, including impacts on individuals, families, businesses, and other organizations. Because of Alaska's location in the Pacific Northeast, commerce has been historically tied to Seattle, which observes Pacific time. The proposed change would result in Alaska being one hour different from Seattle time in the winter and two hours different in the summer. She reminded the committee that in 1983 elected officials wanted to unify Alaska by combining time zones. However, the proposal to change most of Alaska to Alaska Standard time elicited a loud outcry from Southeast Alaska. She opined that most residents didn't want to change, but rather wanted to stay on Pacific Standard time. This legislation would mean that Southeast Alaska would be an additional hour different from the preferred time zone for part of the year. Ms. Rak highlighted that when Alaska switched to one time zone those the farthest east and west of Alaska were burdened the most in that the time zone wasn't natural for the rhythms of the sun in either area. Therefore, [Alaska Standard time] was touted as a compromise. Ms. Rak suggested that either the state should maintain the current situation or return to the situation prior to 1983. As a business owner, Ms. Rak said she finds it very inconvenient to be four hours different than the East Coast. In fact, this change would result in Alaska being five hours different than the East Coast for part of the year. She said that she would miss the hour of daylight in the spring and fall when the days are shorter. Ms. Rak concluded by relating that if northern residents are unhappy with their time zone, then they should change their situation and leave Southeast Alaska alone.

9:25:20 AM

REPRESENTATIVE KOTT recalled that when this issue has been brought up in the past, the impact to business has been the major issue. However, the sponsor has opined that the impact on businesses shouldn't be as great due to the multiple modes of communication. He inquired as to how this proposal would impact Ms. Rak, as a business person.

MS. RAK said that even with faxes and Internet access, there is still the need to talk with folks on the telephone. Having only three hours of business hours in common with the East Coast is inconvenient. The extra hour of daylight in the early morning doesn't do much good, she opined.

9:27:15 AM

LYNN WILLIS stated his support for HB 176. He began by thanking the sponsors of this legislation. For the third time in six years, such legislation has been introduced and will hopefully receive the full hearing and public debate that it deserves. He reviewed the legislation introduced in prior years. Mr. Willis specified that HB 176 should be law for the following reasons. First, a majority of Alaskans support repeal of daylight saving time. According to a statewide public opinion poll of 505 Alaskans conducted in April 2004 by Dittman Research, 58 percent of Alaskans favor repeal of daylight saving time. Second, there is no need to change clocks because Alaska is the Land of the Midnight Sun. Most of the state is located at high northern latitudes where extremes in day length are part of life. This time of year Southcentral Alaska is gaining an hour of natural daylight about every 10 days. Third, most Alaskans already use daylight saving time year round. With the exception of the far Aleutian Islands, since 1983 all of Alaska lying west of the Yukon territory has been on permanent daylight saving time. Mr. Willis pointed out that from April to October, use of daylight saving time adds an additional hour between the difference in the position of the sun in the sky and the time of the clock. Fourth, no energy is being saved by the use of daylight saving time. Fifth, Alaska should be able to be more than one hour different than Seattle or four hours different than New York for six months of the year. He indicated that computers and other communication technology advances allow communication and most commercial transactions regardless of time or location. Furthermore, Mr. Willis alluded to the notion that Alaska is part of the global economy. He highlighted that the two of the largest nations in Asia, Japan and China, don't practice daylight saving time. Perhaps Alaska could exploit its time difference to provide services not available in other time zones, he opined. In conclusion, Mr. Willis urged support for HB 176.

9:31:35 AM

CO-CHAIR OLSON, upon determining no one else wished to testify, closed public testimony.

[9:32:34 AM](#)

REPRESENTATIVE KOTT moved to report HB 176 out of committee with individual recommendations and the accompanying fiscal notes.

[9:32:46 AM](#)

CO-CHAIR OLSON objected and noted that as a small businessman the difference in time [without daylight saving time] was noticeable and had an impact.

[9:33:07 AM](#)

A roll call vote was taken. Representatives Salmon, Kott, LeDoux, and Cissna voted in favor of reporting HB 176 out of committee. Representative Olson voted against it. Therefore, HB 176 was reported out of the House Community and Regional Affairs Standing Committee by a vote of 4-1.

HB 28-MUNICIPAL DIVIDEND PROGRAM

CO-CHAIR OLSON announced that the final order of business would be HOUSE BILL NO. 28, "An Act relating to the municipal dividend program; and providing for an effective date."

[9:34:31 AM](#)

ADAM BERG, Staff to Representative Carl Moses, Alaska State Legislature, said that he was available to answer questions.

[9:35:19 AM](#)

REPRESENTATIVE CISSNA pointed out that there are some amendments in the committee packet.

CO-CHAIR OLSON informed the committee that [neither of the amendments had been offered].

[9:35:48 AM](#)

REPRESENTATIVE SALMON announced that he would like to withdraw the amendments.

[9:36:00 AM](#)

REPRESENTATIVE CISSNA moved to report HB 28 out of committee with individual recommendations and the accompanying zero fiscal note. There being no objection, it was so ordered.

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at [9:37:09 AM](#).