

**ALASKA STATE LEGISLATURE  
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 2, 2006  
8:06 a.m.

**MEMBERS PRESENT**

Representative Paul Seaton, Chair  
Representative Carl Gatto, Vice Chair  
Representative Jim Elkins  
Representative Bob Lynn  
Representative Jay Ramras  
Representative Berta Gardner  
Representative Max Gruenberg

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

DEPARTMENT OF ADMINISTRATION, DIVISION OF ELECTIONS FOLLOW-UP

- HEARD

OVERSIGHT HEARING(S): DEPARTMENT OF ADMINISTRATION STATE HEALTH  
PLAN PROCUREMENT PROCEDURE

- HEARD

CS FOR SENATE BILL NO. 134(JUD)

"An Act relating to a pilot project to review and investigate certain complaints from victims of sexual assault in the first degree or sexual abuse of a minor in the first degree concerning actions of justice agencies."

- MOVED CSSB 134(JUD) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 134

SHORT TITLE: POLICE INVESTIGATION STANDARDS/ARRESTS

SPONSOR(S): SENATOR(S) BUNDE

03/08/05	(S)	READ THE FIRST TIME - REFERRALS
03/08/05	(S)	STA, JUD
03/17/05	(S)	STA AT 3:30 PM BUTROVICH 205

03/17/05 (S) Heard & Held  
 03/17/05 (S) MINUTE(STA)  
 04/05/05 (S) STA AT 3:30 PM BELTZ 211  
 04/05/05 (S) Moved CSSB 134(STA) Out of Committee  
 04/05/05 (S) MINUTE(STA)  
 04/06/05 (S) STA RPT CS 1DP 4NR NEW TITLE  
 04/06/05 (S) NR: THERRIAULT, ELTON, HUGGINS, DAVIS  
 04/06/05 (S) DP: WAGONER  
 04/06/05 (S) FIN REFERRAL ADDED AFTER JUD  
 04/18/05 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/18/05 (S) Scheduled But Not Heard  
 04/12/06 (S) JUD RPT CS 5DP NEW TITLE  
 04/12/06 (S) DP: SEEKINS, FRENCH, THERRIAULT,  
 HUGGINS, GUESS  
 04/12/06 (S) JUD AT 8:30 AM BUTROVICH 205  
 04/12/06 (S) Moved CSSB 134(JUD) Out of Committee  
 04/12/06 (S) MINUTE(JUD)  
 04/13/06 (S) FIN REFERRAL WAIVED  
 04/20/06 (S) TRANSMITTED TO (H)  
 04/20/06 (S) VERSION: CSSB 134(JUD)  
 04/21/06 (H) READ THE FIRST TIME - REFERRALS  
 04/21/06 (H) STA, JUD  
 05/02/06 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

SCOTT NORDSTRAND, Commissioner  
 Department of Administration  
 Juneau, Alaska

POSITION STATEMENT: Testified during the oversight hearing from  
 the department, regarding the state health plan procurement  
 procedure.

SENATOR CON BUNDY  
 Alaska State Legislature  
 Juneau, Alaska

POSITION STATEMENT: Introduced SB 134 as sponsor.

**ACTION NARRATIVE**

**CHAIR PAUL SEATON** called the House State Affairs Standing  
 Committee meeting to order at [8:06:58 AM](#). Representatives  
 Gatto, Elkins, Lynn, Ramras, Gardner, and Seaton were present at  
 the call to order. Representative Gruenberg arrived as the  
 meeting was in progress.

DEPARTMENT OF ADMINISTRATION, DIVISION OF ELECTIONS FOLLOW-UP

8:07:44 AM

CHAIR SEATON reviewed the answers to questions related to the Division of Elections oversight held on a previous day.

8:10:48 AM

REPRESENTATIVE GATTO expressed gratitude for the answers provided by the division, but said he still wants to know if there is some way that somebody could cheat by duplicating a card used in the voting machines.

8:11:43 AM

CHAIR SEATON asked Representative Gatto to remember that voters sign in, thus the number of voters is recorded. He thanked the division for getting back to committee with answers.

OVERSIGHT HEARING(S)

DEPARTMENT OF ADMINISTRATION STATE HEALTH PLAN PROCUREMENT PROCEDURE

8:12:34 AM

CHAIR SEATON announced that the next order of business was the Oversight Hearing for the Department of Administration State Health Plan Procurement Procedure.

CHAIR SEATON announced that the committee may go into executive session during this hearing.

8:13:13 AM

REPRESENTATIVE ELKINS stated his opposition to the oversight. He said he doesn't understand why it is being brought back before the House when it has already been before both bodies. He stated:

I have a problem with the fact that this is under appeal, and I just don't think we should be involved in it. I also believe that the Alaska Constitution prohibits the legislature from interfering in the contract, and in this case by holding these hearings ..., I think we're treading on ground that we should

be [on] .... I just want that a part of the record, because I think that this is not a good idea.

8:14:02 AM

REPRESENTATIVE GARDNER asked Representative Elkins if he would still maintain his objection if the committee does not intend to take any action, but just hears the issue in an effort to learn about the process.

8:14:26 AM

REPRESENTATIVE ELKINS indicated that he would.

8:14:59 AM

SCOTT NORDSTRAND, Commissioner, Department of Administration, announced his availability to discuss the issues surrounding the third-party administrator contract for the state health plans.

8:15:43 AM

REPRESENTATIVE ELKINS stated his understanding that Aetna is appealing, and he asked Mr. Nordstrand where the state stands in the appeal process.

8:15:55 AM

COMMISSIONER NORDSTRAND responded that there has been a protest by Aetna over the outcome of the RFP. He said, "It was initially appealed to a procurement officer." That appeal was denied, and now it has been assigned by an administrative law judge in the Department of Administration. He said because of his involvement in "trying to resolve the issue that came up in the process," he recused himself as the final decision maker in "this particular administrative process." He offered his understanding that the final decision will be issued by Judge Kennedy by May 15. If any of the parties are not pleased with the outcome of the final administrative order, he said, then there would be a process of an appeal to the [Alaska] Superior Court and, ultimately, to the [Alaska] Supreme Court, which he said could take up to two and one half years.

8:17:30 AM

REPRESENTATIVE ELKINS said he doesn't want to "get into another one of those Sheffield things" that happened a few years back.

He asked Commissioner Nordstrand, "Do you feel comfortable ... that the legislature's kind of bouncing around the outside of this whole process, around the edges?"

[8:18:01 AM](#)

COMMISSIONER NORDSTRAND responded:

Certainly I understand that the legislature has an oversight function. This is a very important decision for the state; changing the third-party administrator is no small choice. We believe we went through the process in an appropriate way. We are required ... by statute - it's unique ... to third-party administrators - ... to put it out to bid.

... In terms of comfortableness, ... we're in the process of litigation. I can tell you that every time that I come and speak to the legislature about this topic, it is transcribed, it is sent to the lawyers involved, it is used in the process of litigation, ... my comments to the Senate Labor and Commerce Committee are now memorialized, to some degree, in the briefing, which now was filed on Friday. So, ... I have to be cognizant of that, but I also want to be open to the committee and let you know what I know, so that you can fulfill your oversight function.

REPRESENTATIVE ELKINS said, "I just feel that ... we're injecting politics in the process, and ... I'm real uncomfortable with that."

The committee took an at-ease from [8:19:53 AM](#) to [8:23:42 AM](#).

[8:25:08 AM](#)

CHAIR SEATON asked for a motion to go into executive session.

[8:25:22 AM](#)

REPRESENTATIVE GRUENBERG moved and asked for unanimous consent for the committee to go into executive session to discuss a matter relating to a bidding process and the finances of the State of Alaska concerning health care contracts, which may involve potential litigation, and for designated witnesses to be present and bound by confidentiality.

CHAIR SEATON asked if there was any objection to the motion.

[8:26:33 AM](#)

REPRESENTATIVE GARDNER asked that designated staff be allowed to remain in the room, under the same confidentiality agreement.

[8:26:48 AM](#)

CHAIR SEATON noted that there was no objection. He listed those who would remain in the room: the House State Affairs Standing Committee members, Representative Guttenberg, Scott Nordstrand, Melanie Millhorn, Vern Jones, and legislative staff Louis Flora, Iris Matthews, Cody Rice, Ann Peskoe, and Jane Pierson.

The committee took an at-ease from [8:29:01 AM](#) to [9:49:49 AM](#) in order to hold executive session.

[9:49:50 AM](#)

CHAIR SEATON called the committee back to order and stated that after the executive session he is now more comfortable with the procedures that the state is following.

SB 134-POLICE INVESTIGATION STANDARDS/ARRESTS

[9:51:00 AM](#)

CHAIR SEATON announced that the last order of business was CS FOR SENATE BILL NO. 134(JUD), "An Act relating to a pilot project to review and investigate certain complaints from victims of sexual assault in the first degree or sexual abuse of a minor in the first degree concerning actions of justice agencies."

[9:51:22 AM](#)

The committee took an at-ease from [9:51:57 AM](#) to [9:52:13 AM](#).

[9:52:18 AM](#)

SENATOR CON BUNDY, Alaska State Legislature, introduced SB 134 as sponsor. He said the bill is a response to a constituent who, after being a victim of a sexual assault, couldn't get his/her calls returned "or even communication with the local police department." Senator Bundy stated that the unfortunate result of that is that victims are victimized again and suffer

from thinking that their experience "was not held in enough serious regard by our system." He indicated that the reason for the lack of communication may have been that the police are human and make mistakes, or that "they have the press of other business." He said victims who go through this experience are even less likely to report the crime, because they may question why they should go through the torture if they are not going to be taken seriously.

SENATOR BUNDY said, "SB 134 seeks to make the investigative process easier and more thorough for sexual abuse and sexual assault victims by providing another place for them to go if communication with law enforcement hasn't been successful." He said he worked closely with the Department of Law and the Department of Public Safety on the bill. He stated that to his knowledge "all the departments and organizations support SB 134." He explained that the bill would allow the Office of Victims' Rights (OVR) to intercede on behalf of a sexual abuse or assault victim, if the victim contacts OVR in the investigation or reporting stage of prosecuting a sex crime. He said the bill requires that the investigative complaint be the result of a major crime, either unclassified sexual assault or unclassified abuse of a minor.

SENATOR BUNDY said the bill sets up a pilot program that would end in September 2008, and he explained the reason for using a pilot program is that although the problem addressed is widespread and only the tip of the iceberg has been seen, it is not yet known how intensive the program will be. He stated that the bill has the support of both urban and rural communities.

[9:55:10 AM](#)

SENATOR BUNDY related that the bill would allow OVR the same rights and responsibilities while handling these cases as it does when the case goes to court. The big difference would be that the bill would allow OVR to look into the investigation, rather than waiting until there is a charge and the case ends up in court. He stated, "We don't charge any organization with setting standards for police investigations; however, the attorneys for OVR are charged with determining if there's been negligence in the investigation, and then will go about in assisting their victim." Senator Bundy described SB 134 as a "simple and common sense bill," and he asked for the committee's support of it.

[9:56:42 AM](#)

REPRESENTATIVE GATTO moved to adopt CSSB 134(JUD) as the work draft. There being no objection, it was so ordered.

[9:58:10 AM](#)

SENATOR BUNDY, in response to an observation made by Representative Gatto, explained that the Senate State Affairs Standing Committee version contained language that "was not enthusiastically supported by law enforcement." He added, "They didn't want the activity that was called for that would basically pull the certification of an officer who messed up an investigation."

[9:58:36 AM](#)

CHAIR SEATON told Representative Gatto that there are three fiscal notes in the committee packet from the Senate Judiciary Standing Committee.

[9:58:56 AM](#)

SENATOR BUNDY noted that they are zero fiscal notes.

[9:59:19 AM](#)

REPRESENTATIVE RAMRAS stated that he thinks SB 134 is a great bill that recognizes an important problem.

[9:59:40 AM](#)

CHAIR SEATON, after ascertaining that there was no one to testify, closed public testimony.

[9:59:50 AM](#)

REPRESENTATIVE ELKINS moved to report CSSB 134(JUD) out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSSB 134(JUD) was reported out of the House State Affairs Standing Committee.

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [10:00:19 AM](#).