

**ALASKA STATE LEGISLATURE**  
**SENATE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

January 26, 2005

1:34 p.m.

**MEMBERS PRESENT**

Senator Gary Stevens, Chair  
Senator Bert Stedman  
Senator Thomas Wagoner  
Senator Johnny Ellis  
Senator Albert Kookesh

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 14

"An Act relating to municipal initiative and referendum elections."

HEARD AND HELD

SENATE BILL NO. 51

"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 SB 51 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: SB 14

SHORT TITLE: MUNICIPAL ELECTIONS

SPONSOR(s): SENATOR(s) STEVENS G

01/11/05	(S)	PREFILE RELEASED 12/30/04
01/11/05	(S)	READ THE FIRST TIME - REFERRALS
01/11/05	(S)	CRA

01/26/05 (S) CRA AT 1:30 PM FAHRENKAMP 203

BILL: SB 51

SHORT TITLE: PUBLIC ASSISTANCE PROGRAMS

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/12/05 (S) READ THE FIRST TIME - REFERRALS

01/12/05 (S) CRA, HES, FIN

01/26/05 (S) CRA AT 1:30 PM FAHRENKAMP 203

**WITNESS REGISTER**

Linda Murphy, Clerk  
Kenai Peninsula Borough  
144 North Binkley Street  
Soldotna, AK 99669

**POSITION STATEMENT:** Supports SB 14

Mona Lisa Drexler, Clerk  
Fairbanks North Star Borough  
PO Box 71267  
Fairbanks, Alaska 99707

**POSITION STATEMENT:** Supports SB 14

Laurie Sica, Clerk  
City and Borough of Juneau  
155 So. Seward Street  
Juneau, AK 99801

**POSITION STATEMENT:** Supports SB 14

Katherine Farnham, Director  
Health & Social Services  
Division of Public Assistance  
360 C Street, Ste 814  
Anchorage, AK

**POSITION STATEMENT:** Introduced SB 51

**ACTION NARRATIVE**

**CHAIR GARY STEVENS** called the Senate Community and Regional Affairs Standing Committee meeting to order at 1:34 pm. Present were Senators Kookesh, Ellis, Wagoner, Stedman and Chair Gary Stevens.

**SB 14-MUNICIPAL ELECTIONS**

1:35:34 PM

CHAIR GARY STEVENS announced the first order of business to be SB 14, which is a bill that he introduced last year, but that didn't make it through the process after it was amended. Several boroughs have requested the legislation, which is intended to help local governments avoid costly special initiative and referendum elections because these types of elections are expensive and tend to have low voter turnout. SB 14 gives communities the option of waiting until the next regular election or proceeding with a special election if they choose to do so.

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SB 14 doesn't apply to home rule municipalities and the Alaska Municipal League, Fairbanks North Star Borough, Kenai Peninsula Borough, Mat-Su Borough, Ketchikan Gateway Borough, the City of Juneau and several other communities have expressed support for the bill.

CHAIR GARY STEVENS noted that Mrs. Murphy from Kenai was largely responsible for the bill.

MRS. LINDA MURPHY, Kenai Peninsula Borough clerk, thanked Senator Gary Stevens for introducing the bill and said that the chair had given a good explanation of the bill. She emphasized that special elections can be very expensive to a community. Because they aren't budgeted items, each time there is a special election, a supplemental appropriation is necessary.

She urged members to move the bill and remarked that she was hopeful it wouldn't get held up with unrelated amendments as happened last year.

MONA LISA DREXLER, Fairbanks North Star Borough clerk, spoke with the approval of her assembly in support of SB 14 stating that it's a priority for her borough. She reported that in Alaska there are about 140 municipalities that must follow Title 29 on special elections. About 21 municipalities are home rule communities and the bill would not affect them.

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In closing she said, "But whether you're a municipality that has a population base of 340 people, such as Elum, or 86,500, such as the Fairbanks North Star Borough, a special election is costly, timely and traditionally the turnout is very low."

LAURIE SICA, City and Borough of Juneau (CBJ) clerk, stated that Juneau is a home rule municipality so they follow their own rules for elections.

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She reported that the mayor was not interested in changing the CBJ code unless this change is made at the state level, but she would very much like SB 14 to pass because in the last two years CBJ had two special elections and each cost about \$35,000. Although she didn't believe the assembly would have put the issues on a regular ballot because they were timely, she anticipates another issue for special election in 2005 that is not timely.

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CHAIR GARY STEVENS said the only criticism he's heard on the bill is some saying that it takes power out of the peoples' hands. However, the local borough assembly or council can decide whether the issue is timely enough to hold a special election. If not, they would have the option of waiting until the regular election. He asked whether she thought that was agreeable.

MS. SICA replied it does make it a more political decision at the assembly, but they certainly weigh the timeliness of issues and they are elected to serve the public.

SENATOR JOHNNY ELLIS noted that he is new to the committee and was unfamiliar with the issues that came up last year that caused the bill to fail.

SENATOR GARY STEVENS said an amendment was made that brought in the Anchorage elections, which resulted in the bill being sidetracked. "Other than that, I think the bill would have moved right on through without any problem," he said.

SENATOR ELLIS said he remembers the blowup

SENATOR THOMAS WAGONER announced that he might amend the bill. He explained that he likes the fact that Washington State requires a 60 percent voter turnout for special elections or the election isn't certified. This forces issues to be carried over to a regular election whenever possible so that a majority of the people decide on the issue. As a result, there are very few special elections that promote special interest issues.

He said he would look into the matter further.

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SENATOR GARY STEVENS agreed that special elections frequently have a smaller turnout than regular elections. He said that working for increased voter turnout is part of the rationale behind SB 14.

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SENATOR GARY STEVENS asked whether there were further comments, questions or concerns. He said the motion before the committee was to approve, with the attached fiscal note, and asked if there was objection.

SENATOR ELLIS asked whether it was a motion to move the bill from committee with individual recommendations.

SENATOR GARY STEVENS asked Senator Wagoner to restate his motion.

SENATOR WAGONER motioned to move SB 14 from committee with individual recommendations and attached zero fiscal note.

SENATOR ELLIS asked if an amendment might be offered at another stage of the process.

SENATOR WAGONER said yes, he'd have to study the matter further and talk with legislative legal to determine whether there was a constitutional question.

SENATOR ELLIS asked if this might not be the appropriate committee to consider the amendment particularly since this is the only committee of referral.

SENATOR GARY STEVENS agreed that this was the only committee that would hear the bill.

SENATOR WAGONER said he could amend the bill on the floor and assured members that he wouldn't ambush the chair or the committee.

SENATOR ELLIS pointed out that although he wouldn't intend to do so, committee work conducted on the floor could be problematic.

SENATOR WAGONER said it's up to the chair.

SENATOR ELLIS asked how quickly he could prepare the amendment.

SENATOR WAGONER said he'd have his staff contact Tam Cook in legislative legal to discuss the possibilities.

SENATOR ELLIS stated that if there were another committee of referral it would be reasonable to move the bill since the bill presented no problems in the original form. He assured members that he had no reason to block the bill, but he thought the CRA Committee should consider the amendment if it could be done expeditiously.

SENATOR GARY STEVENS said he understood, but he wasn't sure the suggested amendment would fit within SB 14.

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SENATOR WAGONER said people that run municipal governments frequently have an agenda to bring up special elections and this wouldn't keep them from using that authority to further their agenda. The taxpayers would lose and his amendment would address that.

SENATOR GARY STEVENS said he was willing to hold the bill.

SENATOR WAGONER said that was agreeable.

SENATOR ELLIS thanked the chair and said this was the only committee that the public could weigh in on the idea and that was all he asked.

SENATOR GARY STEVENS announced he would hold SB 14 in committee.

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**SB 51-PUBLIC ASSISTANCE PROGRAMS**

SENATOR GARY STEVENS announced SB 51 to be before the committee and asked Ms Farnham to introduce herself.

KATHERINE FARNAM, director of the Division of Public Assistance, said she would give background for the Temporary Assistance for Needy Families Program to frame the Native Family Assistance Program.

In 1996 the State of Alaska began to rework welfare reform through a state block grant that helped families work toward self-sufficiency. She pointed to a chart illustrating that Alaska has reduced the number of families on temporary assistance by 58 percent. At the high point, there were 13,000 families on temporary assistance and in October 2004 there were just 5,500. This success is attributable to the flexibility provided by the block grant program and the emphasis on welfare to work. The program also instituted a five year lifetime limit for welfare benefits.

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MS. FARNAM said the effort to help families move to employment and self-sufficiency has certainly been successful and when FY 04 is compared to FY 97, it shows that \$66 million in cash benefits have been saved.

She pointed out that their Native partnerships have contributed to the success of their program. When the 1996 federal legislation enabled the state's block grant, it instituted the ability for tribal organizations to offer temporary assistance programs directly.

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In the federal law, 12 regional Native non-profits plus Metlakatla were identified as able to run their own temporary assistance program. There are state matching funds for the program and the maintenance of effort associated with temporary assistance federal monies is at nearly an 80 percent level. Because of the success in employment and work participation, it will be at the 75 percent level in years to come, she said.

MS. FARNAM continued to explain that to operate a tribal program at a level that is comparable to a state run program, some state funds are required to go with the federal grant that they would get directly on an approved program. To authorize the state funds, the Legislature in 2000 introduced the Native Family Assistance Program, which is the program under discussion in SB 51.

In Alaska, Tlingit Haida Central Council, Tanana Chiefs Conference, and the Association of Village Council Presidents have been running a tribal TANF program since 2000. Those three non-profits serve 20 percent of the Alaska Natives on temporary assistance in the state.

Because it was a new way of serving families, legislators elected to set it up as a time limited program that sunsets June 30, 2005. It also identified four tribal organizations that were eligible instead of the 13 designated in the federal law. Those are the three mentioned previously and Metlakatla. Three of the four non-profits have been running very successful programs that outperform what the state could have done in those same years. This is due to familiarity of the culture, the families and the economic needs in the region.

MS. FARNAM pointed to the legislatively required report that provides information on how the organizations achieved their gains, how they built their programs and the advantages of integrating those services with others that are provided.

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Nationally, 37 tribes have started tribal TANF programs that help about 8400 families. The three Native non-profits have been serving about 1,000 families in Alaska and receive about \$8.7 million from the Native Family Assistance Program each year. This is in support of the federal money to give them fair and equitable resources to continue running their program rather than continuing a state program.

Currently there are three other Native non-profits that are working to set up their own tribal TANF programs. Without extending the sunset date and reauthorizing the program, they wouldn't be able to develop programs and receive state funds. The three additional Native non-profits are the Cook Inlet Tribal Corporation, the Bristol Bay Native Association and Maniilaq Association.

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MS. FARNAM recommended making the program permanent and expanding it to match the organizations that the federal government authorizes for tribal TANF.

She noted that the fiscal note is based on the fiscal changes associated with including Cook Inlet Native Association (CINA). Instead of receiving federal money for the Cook Inlet families, that federal money would go directly to CINA. Money would be taken out of general fund expenditures that currently go into Alaska Temporary Assistance Program and place it in the Native Family Assistance Program.

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This reduces the federal block fund by the amount that Cook Inlet would receive directly, which reduces the maintenance of effort limit so there would be an associated net general fund savings.

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SENATOR GARY STEVENS recapped saying the service goes to the people wherever they are. If they were living in Anchorage they would be served as fairly as if they lived in Cook Inlet (CIRI).

MS. FARNAM said yes, their policy has been that their services have been for all Natives in the area not just corporate shareholders.

SENATOR THOMAS WAGONER remarked that it looks to be an excellent program. He questioned whether there is overlap between her agency and tribes that are working with the families.

MS. FARNAM said that in very rural areas with a predominantly Native population her agency elected to contract with the Association of Village Council Presidents (AVCP) to serve all regional residents to avoid duplication of services. She said they would likely continue to do that in regions such as Bristol Bay.

In some of the more populated areas such as Cook Inlet or in Southeast, they collaborate closely with the regional non-profit partners. Tribal organizations are often better able to integrate services than the state.

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SENATOR WAGONER said, "You avoid turf wars."

MS. FARNAM replied, "We don't turf war."

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SENATOR ALBERT KOOKESH asked whether there would be turf wars if the bill were to die.

MS FARNAM assured him there would be grave difficulties if the bill didn't pass. It would be particularly difficult for the

three existing programs because they would be entitled to federal money, but they wouldn't have the \$8.7 million in state money that is necessary to provide a fair program.

SENATOR KOOKESH said his point is that the cost to the state would rise dramatically if the bill didn't pass. He said he didn't want everyone to think this would just benefit the Native community. The state will benefit as much as the Native community because the Native non-profits are shouldering some of the load for the state.

MS. FARNAM agreed and said they have not only taken some of the workload they've done a good job and saved the state money. They estimate that there's been \$33 million in general fund savings since the first tribal TANF program. She emphasized that there would be major shifts in service quality if the tribal organizations continued to serve families without state support.

SENATOR KOOKESH said it works both ways.

MS. FARNAM agreed.

SENATOR GARY STEVENS restated the point saying that state responsibility would increase dramatically if the tribal organizations didn't continue the programs.

MS. FARNAM clarified that it would require reassuming the cases they haven't been managing, which would be a significant effort. If the block grants were turned down the state would receive the money, but the state general fund commitment to the programs would increase.

SENATOR GARY STEVENS thanked Senator Kookesh for bringing up that point.

SENATOR JOHNNY ELLIS said the bill was great and that when the Governor puts out the traditional must-have list at the end of the session she should make sure this was included. It warrants the attention and support.

MS. FARNAM thanked him for the suggestion and the support.

SENATOR GARY STEVENS called Ms. Merritt Duren.

MOLLY MERRITT DUREN, employment training services director for Cook Inlet Tribal Council, explained that they are a non-profit service agency that serves Anchorage and the six CIRI villages.

She said they provide employment training, family substance abuse, and education services. They've been a vendor for the state providing welfare to work TANF services for eight years.

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They serve all Alaska Natives and American Indians in the region and they've become the largest village in the state.

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The 1994 caseload in the Anchorage area was 1,123 and that number was used for the original tribal TANF caseload. As of November 2004 the caseload was 692 while census reports showed the Native population increased from 12,000 to 46,000 during that time. This shows a caseload decrease of 62 percent.

She said they have worked in close partnership with the state and would like legislative support so they could begin being a tribal TANF provider in July 2005.

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To show their ability to become a tribal TANF provider, she informed members that Cook Inlet Tribal Council provides accounting services for 39 non-profits in the state through the Foraker Group, and information technology for five non-profits.

SENATOR WAGONER asked whether there were 46,000 Natives in the entire region or just Anchorage.

MS. MERRITT-DUREN clarified that it was just Anchorage.

SENATOR WAGONER asked how many Natives live in the region they serve.

MS. MERRITT-DUREN thought the 1994 figure was right at 1,300. She added, "We do propose to offer our villages the option of us becoming a tribal TANF provider for them in years two, three, four and we get a little experience under our belt."

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CHAIR GARY STEVENS asked whether the program also served Native Americans that came from outside Alaska.

MS. MERRITT-DUREN replied they serve Alaska Natives and American Indians.

OZZIE SHEAKLEY, Tlingit Haida Central Council representative, informed members that he was representing his boss, Sharon Olsen, and the tribe president, Ed Thomas. He pointed out that Ms. Olsen's testimony was in the report he distributed, but he wanted members to note the employment figures in particular because in some communities, the Native unemployment rate reaches 80 percent.

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He thanked the state for complementing the work they have done. He pointed to a press release stating that the Department of Labor gave them the highest award for work they've done for their people.

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AMANDA BLACKGOAT, financial systems specialist for Tlingit Haida TANF program said she has been with the program since inception in March 2000. They took on their caseload in July 2000.

She noted that the Tlingit Haida TANF program averages over 360 cases per month, which is reduced from the 440 cases they handled in the beginning. In addition, there are 300 potential TANF clients that don't use the program for one reason or another, but they might do so at some point. "The program benefits the culture here in Southeast and Juneau in that we're trying to be specific. We're trying to establish a foundation for our clients. We're trying to be all encompassing in order for them to be self sufficient," Ms. Blackgoat said.

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MR. SHEAKLEY closed saying they support SB 51.

CHAIR GARY STEVENS asked for a motion.

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SENATOR ELLIS motioned to move SB 51 from committee with individual recommendations and four attached fiscal notes. There being no objection, it was so ordered.

There being no further business to come before the committee,  
Chair Gary Stevens adjourned the meeting at [2:17:28 PM](#)