

MINUTES
SENATE FINANCE COMMITTEE
March 27, 2006
9:04 a.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately [9:04:20 AM](#).

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Fred Dyson
Senator Bert Stedman

Also Attending: SENATOR CHARLIE HUGGINS; DARWIN PETERSON, Staff to Co-Chair Green; SHARLEEN GRIFFIN, Director, Division of Administrative Services, Department of Corrections, DON ETHERIDGE, Alaska State AFL-CIO; DEBORAH GRUNDMANN, Staff to Senator Huggins;

Attending via Teleconference: From Anchorage: DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration; From an offnet location: MATTHEW KERR

SUMMARY INFORMATION

SB 310-EMPLOYMENT OF PRISONERS

The Committee heard from the sponsor, the Department of Corrections and a labor union. The bill was reported from Committee.

SB 189-REQUIREMENTS FOR DRIVER'S LICENSE/I.D.

The Committee heard from the sponsor, the Department of Administration and a member of the public. The bill was reported from Committee.

SB 289-INSURANCE

This bill was scheduled but not heard.

#SB310
[9:04:56 AM](#)

SENATE BILL NO. 310

"An Act relating to the employment of prisoners; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

DARWIN PETERSON, Staff to Co-Chair Green, presented this bill sponsored by the Senate Finance Committee. He overviewed the sponsor statement, which reads as follows.

The legislation that created the Alaska Correctional Industries program and commission was repealed on July 1, 2005. The primary purpose of SB 310 is to provide the necessary statutory authority so the Department of Corrections can continue providing inmate work and training programs without interruption.

SB 310 is needed to provide for employment of prison inmates under AS 33.30. This employment program will be funded from Receipt Support Services funds. The bill provides the necessary statutory authority to participate in critical federal Prison Industry Enhancement (PIE) programs. It also grants the authority to actively participate and partner with private enterprise. These partnerships will provide realistic work experience and vocational training for prisoners under conditions similar to those that prevail in the private sector. SB 310 will allow the department to make a deduction from the offenders' wages to apply to the cost of confinement. These receipts will support the prison employment program.

In addition, the prison employment program will allow inmates to work toward financial responsibility by taking deductions from wages to pay for child support, victim restitution, criminal fines, civil judgments, fees for utilities, as well as other obligations.

SB 310 is a vital piece of legislation if we are to continue inmate work and vocational training programs in our correctional facilities.

[9:07:15 AM](#)

Senator Dyson recalled several years prior that limited space exacerbated a problem with classifying long-term prisoners and housing them in one location where investments in training them would be feasible. He asked if progress has been made to address this.

[9:07:54 AM](#)

SHARLEEN GRIFFIN, Director, Division of Administrative Services, Department of Corrections, testified that the problem has been somewhat abated. She told of the women's sewing shop at the Hiland Mountain Correctional Center, and the recently opened men's sewing shop located at the Meadow Creek site. That facility has a large labor force despite the rotations. The inmates who are working and the production managers are able to train other inmates. The wood furniture shop is located at the Seward facility, which houses a long-term stable work force. The Lemon Creek Correctional Center houses the laundry industry and a sterile laundry program. No problems with the workforce or training exist at the Juneau location.

[9:08:45 AM](#)

Senator Dyson was encouraged. He reminded that the Division of Parks and Outdoor Recreation and the Department of Transportation and Public Facilities considered utilizing prison labor for trail work and brush clearing. This was deemed unfeasible because the agencies would not know the number of qualified workers would be available. He asked if a program in which inmates participate as day laborers would be possible.

[9:09:34 AM](#)

Ms. Griffin replied that such activities are possible, although notice would be required, as institutions are "very scheduled". Staff availability and classification of inmates suitable for travel outside the facility must be accommodated in advance.

[9:10:03 AM](#)

Senator Dyson requested an update on these efforts.

[9:10:19 AM](#)

Ms. Griffin assured she would report future progress to him. Over the past few years, inmates have done brush clearing work for the Alaska Railroad Corporation, as well as community work near the Point Mackenzie Correctional Farm. Offenders housed at the Lemon Creek Correctional Center have painted some of the Department's central administration offices.

[9:10:46 AM](#)

Senator Dyson appreciated these efforts.

[9:10:52 AM](#)

Co-Chair Green noted that the ability to provide day labor services would be dependant upon the level of confinement of inmates, whether minimum, medium or maximum security.

[9:11:14 AM](#)

Senator Stedman asked the percentage of inmates who participated in a work training program who furthered employment in that field upon release from prison. He asked if the results of the programs are to occupy inmates' time or train them for jobs.

[9:11:50 AM](#)

Ms. Griffin was unsure the percentages. However, participation in these programs teaches general responsibility and prepares inmates for work environments. It also provides a management tool.

[9:12:56 AM](#)

Senator Stedman understood the general benefits. He relayed that as a college student in the state of Oregon, he recalled other students in the vocational technical programs, who were furthering their training received while they were in prison. The training they got while incarcerated assisted them in having a career, the ability to earn a good income and support their families if they decided to remain law abiding.

[9:13:46 AM](#)

Co-Chair Green surmised this is the goal. She was unsure that "you can always inspire others with your own dream in these settings."

Co-Chair Green understood that the legislature had incorrectly allowed a program to lapse. This legislation would allow funding appropriated to the program to be transferred to that program.

[9:14:13 AM](#)

Ms. Griffin affirmed. She also stressed this legislation is necessary to allow continuation of the inmate employment program. The statutes that had lapsed included a provision that this program would have no obligation to workers' compensation insurance. Without this legislation, the program is questionable because the State would be required to provide workers' compensation insurance for inmate labor.

Ms. Griffin continued that this bill would allow the Department to participate in prison industry enhancement programs certified through the Correctional Industries Association, which is supported by the Bureau of Justice Assistance. These programs allow the State to enter relationships with private businesses to sell products across state lines. They are governed by several requirements to ensure against unfair competition with private vendors; that the State pays the prevailing wage for those jobs, that studies are done to determine the impact of these industries; and allowances for the cost of care to allow the offender to help support the cost of the program.

[9:15:52 AM](#)

DON ETHERIDGE, Alaska State AFL-CIO, testified in support of the prison industry program. However, he was concerned with the provision of this bill making one person the determiner of the minimal effects on the current workforce. Incorrect decisions could put people out of work. He supported the inmate work program and has hired inmates of the halfway house as day laborers.

[9:17:11 AM](#)

Co-Chair Green asked if other statutes address the competition issue.

[9:17:21 AM](#)

Mr. Etheridge was unsure.

[9:17:25 AM](#)

Ms. Griffin informed that the Correctional Industries Association, which administers the Prison Industry Enhancement Act for the federal government, has mandatory criteria. One requires that a prison industry program could not impact labor unions or existing workers.

[9:18:00 AM](#)

Co-Chair Green requested a copy of those requirements [copy on file].

[9:18:11 AM](#)

Mr. Etheridge was not aware of this criterion. He pointed out that prison industry has replaced union labor in brush cutting.

[9:18:46 AM](#)

Co-Chair Green surmised that union workers could return to brush cutting activities, as inmate labor would be reduced for this task.

[9:18:59 AM](#)

Mr. Etheridge responded that at-risk youth groups are undertaking brush-cutting projects across the state. The labor source for this activity is not fair competition.

[9:19:23 AM](#)

Senator Stedman noted the legislative appropriations for large capital projects are increasing the needs for workers. He asked the labor pool available for these new construction projects versus smaller projects, including brush cutting and license plate manufacturing. He asked if a worker shortage exists.

[9:20:16 AM](#)

Mr. Etheridge replied that some fields are experiencing a worker shortage. The unions are making significant efforts statewide in training more workers through apprenticeship programs in all fields of labor.

[9:21:19 AM](#)

Senator Stedman commented on the difficulty of the issue. Incarcerated inmates need to be occupied and need job training. Also, workers must have employment.

[9:22:03 AM](#)

Mr. Etheridge agreed. The union's concern is the use of workers earning minimum wage to replace other workers who would be out of a good job. This could result in the displaced workers being incarcerated when they are out of work and "do something stupid" to try to pay their bills.

[9:22:56 AM](#)

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendations and new fiscal notes.

There was no objection and SB 310 MOVED from Committee with a zero fiscal note dated 3/24/06 from the Department of Labor and Workforce Development and a zero fiscal note dated 3/24/06 from the Department of Corrections.

#SB189

[9:23:13 AM](#)

CS FOR SENATE BILL NO. 189(STA)

"An Act relating to issuance of identification cards and to issuance of driver's licenses; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

[9:23:42 AM](#)

SENATOR CHARLIE HUGGINS, sponsor of this bill testified it is important to the country and to the state. It provides that Alaska "does its part." In May 2005, President George W. Bush signed the Real ID Act into law, which establishes requirements that states must comply with.

Senator Huggins stated that legal residents and US citizens would not be impacted by this legislation. It would cause difficulty for people in the country illegally by preventing them from obtaining a drivers license.

Senator Huggins informed that the Division of Motor Vehicles accepts 15 to 20 types of documents for drivers' license issuance. The drivers' license of a person residing in the US as a college student, or residents "on an indefinite visit to the United States of America from outside" would expire after one year.

Senator Huggins concluded that this legislation would provide it very difficult or impossible for a person in the United States illegally to obtain a drivers license in the state of Alaska.

[9:25:29 AM](#)

Co-Chair Green noted the large demonstration held in Washington, DC on US immigration policy that where recently held.

Co-Chair Green asked if this legislation would require additional identification from US citizens.

[9:26:02 AM](#)

Senator Huggins replied that this bill would not change the status of those people.

[9:26:10 AM](#)

Senator Stedman shared that he had unsuccessfully attempted to use his State-issued Senate ID card to board an airline.

[9:26:36 AM](#)

Senator Huggins told of a possible argument in opposition to this bill is a claim that it is an attempt at implementing a

national identification system. However, this bill would not accomplish this.

[9:27:05 AM](#)

Co-Chair Wilken noted the reference to "conditional resident alien" on page 1, line 8 of the bill, and asked if this pertains to a person with a "green card".

[9:27:20 AM](#)

DEBORAH GRUNDMANN, Staff to Senator Huggins, read the federal definition of conditional resident alien as follows.

A conditional resident alien is any alien granted permanent resident status on a conditional basis. Example: a spouse of a US citizen, an immigrant investor who is required to petition for the removal of the set of conditions before the second anniversary of approval of his or her conditional status.

Ms. Grundmann was unsure if this included individuals holding a green card.

[9:28:39 AM](#)

DUANE BANNOCK, Director, Division of Motor Vehicles, Department of Administration, testified via teleconference from Anchorage that Senator Huggins adeptly explained why this legislation is important. It would make the Division compliant with the federal Real ID Act.

Mr. Bannock stated that under the provisions of this bill, to obtain an Alaska drivers' license a person must be a US citizen or prove that they are residing in the country legally. In the case of legal residents who are not US citizens the expiration date of the drivers' license would be different.

Mr. Bannock spoke to misinformation regarding the Real ID Act, of which this legislation is one component. As a result of past administration policies of the Division, Alaska is already nearly compliant with the federal law. The majority of the Division's policies have been established in regulation. This bill would make much of the regulation statutory.

9:30:49 AM

MATTHEW KERR testified via teleconference from an offnet location that he opposed this bill and the federal Real ID Act. He predicted significant financial costs associated with frequent license renewals. A foreign student would be required to visit the Division up to five times during their four-year education, which would be inconvenient to the student and cumbersome for the Division. If he were a student from another country attending college in the US and this legislation were in effect, he would ignore its provisions and continue to utilize his drivers' license from his home country. This would result in increased public safety expenses. Drivers operating motor vehicles in the US should receive training to drive in this country. The driving laws and requirements for obtaining a license in Russia are considerably different.

9:36:55 AM

Co-Chair Green indicated she would distribute a written copy of the Mr. Kerr's testimony if he provided it to her office.

9:37:03 AM

Senator Huggins asserted that Mr. Kerr just explained why this legislation is necessary. Protection against foreigners intending harm to the US is not the sole task of each state's Division of Motor Vehicles, or state law enforcement, the Federal Bureau of Investigation, or the Central Intelligence Agency. It is the responsibility of all these agencies.

Senator Huggins was not concerned that a foreign-national college student attending the University of Alaska, Anchorage must renew his or her drivers' license each year. A college student in North Carolina recently "rammed through the population", giving his reason as "he didn't like the people there [be]cause he thought that they were... killing people of his religious group." Senator Huggins stressed, "That's the real world." If the Alaska Division of Motor Vehicles could discourage such occurrences, or contribute in the capture of a non-citizen with similar intentions, this legislation would be successful.

9:38:33 AM

Co-Chair Wilken offered a motion to report the bill from Committee with individual recommendations and accompanying fiscal note.

Without objection CS SB 189(STA) was MOVED from Committee with fiscal note #1 of \$20,000 from the Department of Administration.

[9:38:54 AM](#) AT EASE

[9:39:10 AM](#)

Co-Chair Wilken announced that the budget subcommittees would conclude and the full Committee would consider the FY 07 operating budget during the following weeks. A schedule would be published soon.

#

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [9:39:44 AM](#)