

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**April 24, 2006**  
**9:06 a.m.**

**CALL TO ORDER**

Co-Chair Lyda Green convened the meeting at approximately [9:06:34 AM](#).

**PRESENT**

Senator Lyda Green, Co-Chair  
Senator Gary Wilken, Co-Chair  
Senator Con Bunde, Vice Chair  
Senator Bert Stedman  
Senator Lyman Hoffman  
Senator Fred Dyson

**Also Attending:** GINGER BLAISDELL, Staff to Co-Chair Green; RYNNIEVA MOSS, Staff to Representative John Coghill; TAMMY SANDOVAL, Deputy Commissioner, Office of Children's Services, Department of Health and Social Services

**Attending via Teleconference:** There were no teleconference participants.

**SUMMARY INFORMATION**

SB 231-BUDGET: CAPITAL & OTHER APPROPRIATIONS

The Committee heard an overview of a proposed committee substitute. The bill was held in Committee.

HB 408-DEFINITION OF CHILD ABUSE AND NEGLECT

The Committee heard from the sponsor and the Department of Health and Social Services. Two amendments were adopted and the bill was reported from Committee.

#SB 231

[9:07:00 AM](#)

SENATE BILL NO. 231

"An Act making appropriations, including capital appropriations and appropriations to capitalize funds; and providing for an effective date."

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

Co-Chair Green announced that a committee substitute would be released for review.

GINGER BLAISDELL, Staff to Co-Chair Green, outlined the proposed CS SB 231, 24-GS2034\F, as follows.

Section 1 includes the capital projects as adjusted to the Governor's capital bill (SB 231). The start date for these projects is July 1, 2006. Generally, all deferred maintenance was combined into a single appropriation for each agency and was fully funded at the Governor's requested level.

Section 4 includes the capital projects as adjusted to the Governor's regular supplemental bill (SB 263). The start date for these projects is immediate.

Section 7 includes the operating projects as adjusted to the Governor's regular supplemental (SB 263). The start date for these projects is immediate. Some of the Governor's requested supplemental items are still under review by the House and Senate Co-Chairs and will be considered for addition in the next version of this capital bill (SB 231).

Sections 10 - 25 are the language sections and include provisions that become effective immediately (from FY 06 supplemental requests), fund transfer provisions and reappropriations that will become effective on June 30, 2006, and some language that will become effective July 1, 2007.

District Reappropriations begin with Section 26 - 42. Please double check this section to ensure that your local communities' reappropriations are included as requested.

Section 43 is the language for the Constitutional Budget Reserve for FY 06 and FY 07 and includes an increase for the Department of Revenue, treasury division for investment fee increases.

All projects that will be included in the Tobacco Bond legislation have been removed from this bill. The House will complete their work on the Tobacco Bond bill and add the projects before it is forwarded to the Senate. We will work closely with the House to coordinate projects and insure inclusion in both bills.

Legislative priorities will be included in the next CS that will be provided on Wednesday or Thursday. Amendments will be heard on Saturday morning beginning at 9:00am. Please have all amendments to my office by 4:00pm Friday, April 28th.

Tomorrow and Wednesday we will hear from the agencies regarding the committee's changes to the Governor's requested capital projects and FY 07 supplemental needs. Each agency should take no longer than 10 minutes and discuss only critical needs. The order of testimony will be:

Tuesday:

Department of Corrections  
Department of Education and Early Development  
Department of Labor and Workforce Development  
Department of Commerce, Community and Economic Development  
Department of Environmental Conservation  
Department of Natural Resources  
Department of Transportation and Public Facilities

Wednesday:

University of Alaska  
Department of Law  
Department of Public Safety  
Department of Revenue  
Department of Administration  
Alaska Court System  
Department of Fish and Game  
Department of Health and Social Services

Department of Military and Veterans Affairs

Thursday and Friday we will hear public testimony. If public testimony is brief we will continue to hear other bills in committee.

No action was taken on the proposed committee substitute or the bill.

The bill was HELD in Committee.

AT EASE [9:13:11 AM](#) / [9:14:17 AM](#)

#HB408

[9:14:23 AM](#)

SENATE CS FOR CS FOR HOUSE BILL NO. 408(JUD)

"An Act relating to the standard of proof required to terminate parental rights in child- in-need-of-aid proceedings; relating to a healing arts practitioner's duty to report a child adversely affected by or withdrawing from exposure to a controlled substance or alcohol; relating to disclosure of confidential or privileged information about certain children by the Departments of Health and Social Services and Administration; relating to permanent fund dividends paid to foster children and adopted children; relating to child abuse or neglect investigations and training; amending Rule 18, Alaska Child in Need of Aid Rules of Procedure; and providing for an effective date."

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

RYNNIEVA MOSS, Staff to Representative John Coghill, testified that this legislation, introduced at the request of Governor Murkowski, matches attempts Representative Coghill made several years prior to raise the standard for "not providing family support services" from "a preponderance of evidence" to "clear and convincing" evidence. The intent is that the Office of Children's Services make every effort to provide family preservation services and reunite children with family or family members rather than non-family placements.

Ms. Moss reiterated the detailed explanation of the bill given at the previous hearing at the direction of Co-Chair Green. The provision of Section 4 was inserted at the request of Representative Chenault, relating to legislation passed the previous legislative session allowing public officials and their employees to obtain information from the Department of Health and Social Services on behalf of parents. The proposed language stipulates a five-day response requirement to these requests. The Office of Children's Services has indicated such compliance would be possible because the new computer system improves data management.

Ms. Moss noted this legislation would clarify that the Office of Children's Services could release certain information about a crime to the public once a report of harm is filed and that involves public disclosure by a parent, an alleged perpetrator being charged with a crime, or the death or near death of a child.

Ms. Moss pointed out that Section 6 broadens the provisions of this legislation and relevant statutes to include any child or parent in a home.

Ms. Moss stated that Section 7 limits the instances in which a child's Alaska Permanent Fund dividend could be released from trust to when the child is returned to his or her parents, one year after the child is adopted, and when the child reaches the age of 18 years.

[9:17:54 AM](#)

Ms. Moss explained that Section 8 would bring the State into compliance with federal law relating to healing arts. Practitioners of healing arts would be required to report as child abuse to the Office of Children's Services, any indications during childbirth that an infant may be adversely affected by a controlled substance or alcohol.

Ms. Moss noted Section 9 incorporates the provisions of HB 346, sponsored by Representative Mark Neuman, that would require training of social workers to include constitutional and statutory rights of children and families.

[9:18:28 AM](#)

Ms. Moss continued with Section 10 that pertains to indirect court rules related to Sections 1 through 3, raising the standard to clear and convincing evidence.

[9:18:37 AM](#)

Ms. Moss explained the applicability clause addressed in Section 11 involves pending and non-pending cases still within the statute of limitations for appeals.

Ms. Moss stated that Section 12 would provide that the court rule change in Section 10 must pass by a majority of two-thirds of the members of each body of the legislature before Sections 1, 2 and 3 would be effective.

Ms. Moss noted the immediate effective date of all the provisions of this legislation.

[9:19:29 AM](#)

Amendment #1: This amendment inserts "and for placement of a child" to the title of the bill. The amended title reads as follows.

An Act relating to the standard of proof required to terminate parental rights and for placement of a child in child-in-need-of-aid proceedings; relating to a healing arts practitioner's duty to report a child adversely affected by or withdrawing from exposure to a controlled substance or alcohol; relating to disclosure of confidential or privileged information about certain children by the Departments of Health and Social Services and Administration; relating to child abuse or neglect investigations and training; amendment Rule 18, Alaska Child in Need of Aid Rules of Procedure; and providing for an effective date.

This amendment also inserts a new bill section on page 6, following line 6 to read as follows.

Sec. 8. AS 14.14.100(e) is amended to read:

(e) When a child is removed from a parent's home, the department shall place the child, in the absence of clear and convincing evidence [A SHOWING] of good cause to the contrary,

(1) in the least restrictive setting that most closely approximates a family and that meets the child's special needs, if any;

(2) within proximity to the child's home, taking into account any special needs of the child and the preferences of the child or parent;

(3) with, in the following order of preference,

(A) an adult family member;

(B) a family friend who meets the foster care licensing requirements established by the department;

(C) a licensed foster home that is not an adult family member or family friend;

(D) an institution for children that has a program suitable to meet the child's needs.

New Text Underlined [DELETED TEXT BRACKETED]

Co-Chair Green moved for adoption and objected for an explanation.

Ms. Moss reminded the Committee of HB 53, adopted the previous legislative session. Included in the 57 sections of that bill was a provision to lower the standard of determining placement of a child removed from his or her parent's home to a showing of good cause. This amendment restores the previous statutory requirement that clear and convincing evidence must be identified.

9:20:15 AM

Senator Dyson requested further explanation.

Ms. Moss noted that the affected statute, AS 47.14.100 stipulates the powers and duties of the Department of Health and Social Services over the care of a child. The passage of HB 53 repealed subsection (e). The rewritten statute lowered the standard from "clear and convincing evidence" to "a show of good evidence to the contrary". This amendment reinstates the stipulation that causes must be clear and convincing.

Co-Chair Green removed her objection to the adoption of the amendment.

Without further objection, the amendment was ADOPTED.

[9:22:51 AM](#)

Amendment #2: This amendment replaces "a child" with "an infant" where it appears in Section 8 on page 6, lines 7 - 15, and provides a definition of "infant" as it applies to this section. The amended language reads as follows.

Sec. 8. AS 47.14.17 is amended by adding a new section to read:

Sec. 47.17.024. Duties of practitioners of the healing arts. (a) A practitioner of the healing arts involved in the delivery or care of an infant who the practitioner determines has been adversely affected by, or is withdrawing from exposure to, a controlled substance or alcohol shall immediately notify the nearest office of the department of the infant's condition.

(b) In this section, "controlled substance" has the meaning given in AS 11.71.900, but does not include a substance lawfully taken under a prescription from a health care provider who is authorized to prescribe the substance.

(c) "infant" means a child who is less than 12 months of age."

Co-Chair Green moved for adoption and objected to obtain an explanation.

Ms. Moss outlined this amendment and informed it would address concerns expressed by the State ombudsman about possible instances in which a practitioner has knowledge of or witnesses a teen consuming alcohol or a controlled substance.

Co-Chair Green removed her objection.

There was no further objection and the amendment was ADOPTED.

[9:24:27 AM](#)

Senator Stedman directed attention to the provision in Section 7 relating to the release of a child's Alaska Permanent Fund dividend from trust to the adoptive parents of that child after one year has passed since the adoption was granted. Dividend amounts were projected to increase significantly and he was concerned that this could affect the decisions of potential adoptive parents.

[9:25:50 AM](#)

Co-Chair Green remarked that once a child is adopted, that child is part of the family and must be treated as part of the family in all ways, including financial matters. This became evident in the well-publicized case of abuse and neglect of adopted children and the absence of social worker supervision after the foster children were adopted into the family.

[9:26:41 AM](#)

TAMMY SANDOVAL, Deputy Commissioner, Office of Children's Services, Department of Health and Social Services, acknowledged Senator Stedman's concerns of potential instances of prospective parents with possibly ulterior motives. Current adoption rules provide for a one-year period before the adoption is fully legalized. Before the adoption were approved however, the Office would have conducted home studies and undertaken other efforts to determine whether the prospective parents were suitable. After one year has passed, the Office no longer has the right to monitor the home and the relationship.

[9:27:46 AM](#)

Senator Dyson appreciated Senator Stedman's concern. Some children eligible for adoption have extensive needs and would require continuing subsidy. Occasionally, adoptive parents realize they are unable to meet those needs and opt to reverse the adoption. However, this usually occurs a short time after the preliminary adoption is granted. The one-year period appears to be adequate.

Ms. Moss agreed, informing that when adoptions fail it usually occurs within the first year.

[9:28:53 AM](#)

Co-Chair Wilken referenced testimony given at the previous hearing on this bill and asked if the concerns of Beverly Smith had been addressed.

[9:29:04 AM](#)

Ms. Moss relayed that Representative Coghill determined that the changes made by Amendment #2 would address most of the concerns

raised by Ms. Smith. An amendment had been offered in another committee to apply the notification requirement to ministers and other religious leaders; however it had failed to be adopted.

[9:30:00 AM](#)

Senator Dyson congratulated Representative Coghill and Representative Chenault on these efforts.

[9:30:21 AM](#)

Ms. Moss furthered that Senator Dyson has been influential as well. Improvements made during the past year have been monumental, and are mostly attributable to staff changes within the Department of Health and Social Services.

[9:31:20 AM](#)

Co-Chair Wilken offered a motion to report SCS CS HB 408 (JUD) as amended from Committee with individual recommendations and accompanying fiscal notes.

There was no objection and SCS CS HB 408 (FIN) was MOVED from Committee with zero fiscal note #1 from the Department of Health and Social Services, Children's Services Budget Request Unit (BRU), Front Line Social Workers component and zero fiscal note #2 from the Department of Health and Social Services, Children's Services BRU, Children's Services Management component.

[9:32:03 AM](#)

Co-Chair Green noted a concurrent resolution relating to the change in title of this bill would be forthcoming.

#

**ADJOURNMENT**

Co-Chair Lyda Green adjourned the meeting at [9:33:00 AM](#)