

HOUSE FINANCE COMMITTEE  
March 29, 2007  
[1:37:57 PM](#)

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [1:37:57 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Harry Crawford  
Representative Richard Foster  
Representative Les Gara  
Representative Mike Hawker  
Representative Reggie Joule  
Representative Mike Kelly  
Representative Mary Nelson  
Representative Bill Thomas, Jr.

MEMBERS ABSENT

None

ALSO PRESENT

Representative Paul Seaton; Katherine Shows, Staff,  
Representative Paul Seaton; Representative Mark Neuman; Rex  
Shattuck, Staff, Representative Mark Neuman; Richard Luther,  
Special Assistant, Department of Education and Early  
Development; Paula Scavera, Legislative Liaison, Department  
of Labor and Workforce Development; Paul Dick, Tax Division,  
Department of Revenue; Christine Marasigan, Staff,  
Representative Gabrielle LeDoux; Chip Wagoner, Executive  
Director, Alaska Conference of Catholic Bishops; Mike  
Lessman, Office of Children's Services, Department of Health  
and Social Services; Hanna Sebold, Assistant Attorney  
General, Department of Law; Carl Rose, Executive Director,  
Alaska Association of Alaska School Boards

PRESENT VIA TELECONFERENCE

None

SUMMARY

HB 137 "An Act amending the requirements for the  
identification card needed for sport fishing,  
hunting, and trapping without a license by  
residents who are 60 years of age or more."

CSHB 137 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Fish and Game.

HB 2 "An Act relating to the vocational education account and appropriations from that account; and providing for an effective date."

HB 2 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Administration.

HB 61 "An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes, including vocational education programs and courses at the secondary school level; and providing for an effective date."

CSHB 61 (W&M) was heard and HELD in Committee for further consideration.

HB 29 "An Act relating to infants who are safely surrendered by a parent shortly after birth."

CSBH 29 (JUD) was heard and HELD in Committee for further consideration.

HOUSE BILL NO. 137

"An Act amending the requirements for the identification card needed for sport fishing, hunting, and trapping without a license by residents who are 60 years of age or more."

Vice-Chair Stoltz MOVED to ADOPT the work draft for HB 137, labeled 25-LS0118\R, Kane, 3/28/07. There being NO OBJECTION, it was so ordered.

REPRESENTATIVE PAUL SEATON, sponsor, explained the costs to the Department of Fish and Game for dispersing complimentary sport fishing and hunting licenses to Alaska National Guard members and to residents 60 years and older. The process would involve cross referencing PFD lists and sending new TID cards.

[1:41:02 PM](#)

Representative Seaton reported that the enforcement section was removed from the bill.

[1:43:30 PM](#)

Representative Kelly related a personal experience with the PID. He suggested another way of dealing with the problem of having to reissue new cards.

[1:44:54 PM](#)

Representative Seaton related that the estimate of loss from abuse of the cards is \$137,000 per year. Anyone with a PID will get a new card in the mail. There is a lot of unverifiable abuse, which is a problem with the current method. Representative Kelly thought it would be another layer of bureaucracy and an unwelcome hassle for current cardholders.

[1:47:47 PM](#)

Co-Chair Chenault asked if there is a way to issue a fix-it ticket for current cardholders. Representative Seaton replied that the enforcement portion of the bill was removed in order to accomplish that. Everyone who is qualified will get a new license in the mail.

Representative Joule wondered if bar coding would work, or other technology. Representative Seaton thought the PFD qualification requirement would take care of the problem.

Representative Kelly suggested another way to check for eligibility by requiring a valid Alaska driver's license along with a PID. Representative Seaton said he has not thought about it. Representative Kelly thought it would solve most of the problems.

[1:54:05 PM](#)

KATHERINE SHOWS, STAFF, REPRESENTATIVE SEATON, pointed out that other states have varying driver's license requirements. Some seniors may qualify for a PFD and yet have an out-of-state license.

Co-Chair Meyer noted that the legislation was amended to incorporate amendments by Representative Thomas.

Representative Thomas explained that the amendments incorporated into Sections 1 - 3 would provide a free license to active members of the Alaska National Guard (ANG). He clarified that the gift is not an inducement to join the ANG, but a way to allow members to relax before they are deployed. There will be 1,400 Guard members by the end of the year. He said that the other body has no problem with this amendment.

[1:58:20 PM](#)

Vice Chair Stoltze wondered if this could be a separate bill. Representative Thomas replied how the decision was made to attach the amendments to the bill. Vice Chair Stoltze commented in favor of those amendments.

Co-Chair Meyer pointed out that the bill has a 3-year sunset. Representative Kelly asked who requested this addendum. Representative Thomas said it was his way to say thank you to National Guard members.

Representative Seaton said the bill was part of a bill from another committee and the chair gave permission from that committee to attach these amendments.

Co-Chair Meyer noted that the fiscal note needs to be rewritten.

[2:03:11 PM](#)

Representative Foster MOVED to REPORT CSHB 137 (FIN) out of committee with individual recommendations and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 137 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Fish and Game.

[2:05:23 PM](#)

HOUSE BILL NO. 2

"An Act relating to the vocational education account and appropriations from that account; and providing for an effective date."

REPRESENTATIVE MARK NEUMAN, sponsor, explained that HB 2 is a way to obtain private industry's money for vocational education. He cited problems related to No Child Left Behind and the need to assure credits for vocational education classes. He related statistics regarding graduation rates and the need for skilled labor. He noted support for the bill by AFL-CIO.

[2:08:49 PM](#)

Co-Chair Chenault asked who would control the money that is put into this account.

REX SHATTUCK, STAFF, REPRESENTATIVE MARK NEUMAN, replied that the legislature has total appropriation of that money. Recommendations would be made by the Department of Labor and Workforce Development (DLWD) in consultation with the Department of Education and Early Development (DEED).

[2:09:55 PM](#)

Representative Gara wondered if this bill would divide the money going to the general fund instead of bringing in new money. Representative Neuman indicated out that that information is in HB 61.

Representative Foster pointed out that a handout from Carl Rose, Executive Director of AASB, states that under the current foundation formula 20 percent of school education funds are for special education, bilingual education, and vocational education. In the Bush, no money is left for vocational education. He asked if HB 2 might alleviate this problem. Representative Neuman agreed that that situation happens. This bill would allow private industry to put money into vocational education.

Vice Chair Stoltze inquired what percentage of kids do not go on to college. Representative Neuman reported that 47.3 percent of Alaska Natives and 62.2 percent of other races graduate high school. Overall, about 8 percent go on to a 4-year college program.

[2:13:16 PM](#)

CARL ROSE, EXECUTIVE DIRECTOR, ALASKA ASSOCIATION OF ALASKA SCHOOL BOARDS, reported on the history of the 20 percent block grant. In 1999, the 20 percent block grant was put into place to share the responsibility for special education, vocational education, and bilingual education. Currently, with the immigration policy, those requirements can't be met. There is no money left for vocational education. He questioned, "Don't we want to say what we mean and mean what we say?" If vocational education is a priority, there should be an account for it. He testified in support of the bill.

[2:15:22 PM](#)

Co-Chair Meyer asked how the money would be appropriated.

PAULA SCAVERA, LEGISLATIVE LIAISON, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, explained that the bill creates a special account in the general fund. The funds are appropriated by the legislature to the Department of Labor for programs approved by the Commissioner of the Department of Education and Early Development. Co-Chair Meyer wondered if the account could be susceptible to being swept into the CBR.

Co-Chair Meyer asked if the Alaska Workforce Investment Board would develop criteria for the programs. Ms. Scavera replied that there is no criteria and the board serves to advise.

[2:19:14 PM](#)

Representative Foster emphasized how important training programs are in his district for jobs that are not state jobs. Less than 1 percent of jobs in his district are state jobs and require training which is not available in the area. Often workers are imported from other areas to do the work.

Representative Thomas related how workers in his area were trained by unions and then had no jobs to come back to. He requested follow up after training is completed. Ms. Scavera recalled the example Representative Thomas was referring to. She reported that this is a concern of the new commissioner. Representative Thomas added that it is difficult to get hired without work experience.

[2:23:05 PM](#)

Representative Kelly asked about the Department of Labor's role. Representative Neuman repeated that the Department of Labor would work in consultation with the Department of Education. Representative Kelly voiced concern about the Department of Labor's role. Representative Neuman addressed who controls the funds; the Department of Labor has the awareness and flexibility to meet the demands of the state where they are needed. He suggested that the two departments would work together. Representative Kelly voiced a preference for it to be handled in the Department of Education. Representative Neuman explained that the needs of No Child Left Behind have to be met. Grade level standards have to be met. Representative Kelly repeated his concern.

[2:27:12 PM](#)

Vice Chair Stoltze thought that the Department of Labor was the right place for this account. He wondered what issues arose in the previous committee regarding this bill.

Representative Neuman reported that over the past two years there was some discussion about structure. He questioned if a board was necessary. He thought the commissioners could do the job.

Representative Joule recalled a time when post-secondary level vocational training programs were in the Department of Labor. He pointed out the advantage of the fund coming before the legislature to be appropriated.

[2:31:34 PM](#)

Representative Gara said he is not overly concerned about where the money goes because it goes into the general fund. He thought the worry about the language was not a big concern.

Representative Crawford related his experience with apprentice training programs for construction workers. He noted a problem with trained workers not getting employment. Representative Neuman reported how helpful the applied sciences are.

[2:34:09 PM](#)

Representative Foster recalled a survey of his district. He pointed out how training has improved.

Representative Foster MOVED to REPORT HB 2 out of committee with individual recommendations and accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HB 2 was REPORTED out of Committee with a "do pass" recommendation and with zero fiscal note #1 by the Department of Administration.

[2:35:56 PM](#)

HOUSE BILL NO. 61

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes, including vocational education programs and courses at the secondary school level; and providing for an effective date."

REPRESENTATIVE MARK NEUMAN, sponsor, explained that HB 61 is a change in title to a current tax credit available to postsecondary schools, which now would allow the credit for secondary schools. He thanked Representative Hawker for his assistance on the CS.

[2:36:51 PM](#)

REX SHATTUCK, STAFF, REPRESENTATIVE MARK NEUMAN, referred to the applicable statutes relating to the bill. He explained that the tax credit can be used against the tax due for cash contributions accepted for direct instruction, research, educational support purposes, including libraries and museums, and contributions to endowment, by an Alaskan university foundation or by a non-profit, private, or public, two-year or four-year college accredited by a regional accreditation association. A section was added to include secondary school level vocational educational courses and programs. The tax works by giving a credit depending on the amount of contribution.

[2:39:09 PM](#)

Representative Thomas asked about a potential amendment. Mr. Shattuck noted a concern about leaving Seward's AVTEC out due to its unique nature. Representative Neuman thought that AVTEC was included already and the amendment was not necessary.

Representative Kelly asked why the bill would exclude private secondary programs, such as one funded by a corporate sponsor. Representative Neuman replied that a state-funded tax credit should be for a state-funded program. Representative Kelly disagreed; he pointed out that private universities are eligible. He asked why accredited non-public schools are excluded.

[2:42:38 PM](#)

Representative Nelson thought Representative Kelly might be referring to tribal colleges. Representative Kelly said he is referring to secondary private schools with a corporate donor. Representative Neuman said it was not his intent to exclude them. He was just trying to extend the opportunity to secondary level schools. Representative Kelly asked if an amendment could be worded to include private secondary schools. Representative Neuman pointed out that it is his intent to keep the fiscal note zero. Representative Kelly thought it would be a positive step to change the bill to include private secondary schools.

[2:45:21 PM](#)

Representative Nelson wondered if the People's Learning Center in Bethel would benefit from this bill. Representative Neuman thought it would because it is a secondary school. Representative Nelson said it is not in the school district.

Mr. Shattuck said that the way the bill is written the People's Learning Center would not be included. The bill does not include non-profits. Representative Neuman was open to expanding the bill to include them. Mr. Shattuck related the history of what has been received in the past.

Mr. Shattuck observed that non-profits would not be included in HB 61. Representative Neuman interjected that they would be covered under HB 2.

[2:50:39 PM](#)

Representative Kelly stated that he was not worried about the fiscal note.

Representative Neuman explained that HB 2 makes it easier for contributions at the federal level to be considered under "defined public purpose".

Mr. Shattuck explained how federal tax credits would work. The state and federal government would be responsible for their own share.

[2:53:26 PM](#)

In response to a question by Co-Chair Meyer, Ms. Scavera did not believe that AVTEC would be covered by this legislation. Co-Chair Meyer concluded that the People's Learning Center would not be covered as well. Ms. Scavera agreed. Co-Chair Meyer questioned the effect on the fiscal note and revenue to the state with an expansion of the program.

PAUL DICK, TAX DIVISION, DEPARTMENT OF REVENUE could not respond to the question, since it would be impossible to predict the amount of students that would switch studies, but he did not think the impact would be great.

[2:55:38 PM](#)

Representative Kelly asked what would need to be done to certify a non-profit or private institution for accreditation.

RICHARD LUTHER, SPECIAL ASSISTANT, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT observed that there are a number of secondary programs that are not accredited. Representative Kelly concluded that accreditation would not be required. Mr. Luther explained that accreditation covers all programs within a school.

[2:59:51 PM](#)

Representative Joule thought there was only one tribal college in Alaska in Barrow. Ms. Scavera thought that school would qualify because it is accredited.

Representative Nelson noted that Bethel has a center that teaches flying and wondered if it would fall under the legislation. Ms. Scavera explained that it would probably not be covered if it is not associated with a school district.

[3:01:33 PM](#)

Representative Kelly suggested that there may be an opportunity to expand the legislation.

Representative Hawker acknowledged the merit of expanding vocational programs, but cautioned that the "gate" not be

opened too wide. He observed that school districts are a recognizable, qualified target.

Representative Neuman echoed concerns of Representative Hawker.

CSHB 61 (W&M) was heard and HELD in Committee for further consideration.

[3:04:56 PM](#)

HOUSE BILL NO. 29

"An Act relating to infants who are safely surrendered by a parent shortly after birth."

CHRISTINE MARASIGAN, STAFF, REPRESENTATIVE LEDOUX, spoke in support of the legislation and noted that it has the ability to save lives of children up to 21 days old. Parents would not be prosecuted for giving up a child up to 21 days old. There is similar legislation in 47 other states.

Representative Thomas clarified that Village Public Safety Officers would be considered as peace officers.

[3:09:00 PM](#)

In response to a question by Representative Hawker, Ms. Marasigan explained that the legislation was expanded from last year's version in order to increase the potential receivers of a child to include community health aides and peace officers. Clergy were also included by the last committee.

Representative Crawford asked why 21 days were chosen. Ms. Marasigan explained that the 21 day period was a compromise amongst agencies consulted on the legislation. She noted that there was a greater potential for child abuse beyond a month.

[3:12:09 PM](#)

Representative Gara observed that previous legislation passed by the House also used 21 days. Ms. Marasigan added that the definition of neo-natal is "under 28 days of age".

Vice Chair Stoltze asked about the termination of child support obligations. Ms. Marasigan replied that the Department of Law could address that issue. Vice Chair Stoltze asked about federal tribal rights as they relate to abandonment. Ms. Marasigan pointed out that the Indian Child Welfare Act emphasizes the safety of the child first.

[3:15:55 PM](#)

Co-Chair Meyer wondered what rights the father has if the mother brings in the child. Ms. Marasigan deferred to the Department of Law to answer.

Representative Gara spoke to criminal vs. civil liabilities according to current law regarding loss of custody. Ms. Marasigan thought that this would fall under the abandonment statute. Representative Gara summarized the requirements of the statute.

[3:17:24 PM](#)

CHIP WAGONER, EXECUTIVE DIRECTOR, ALASKA CONFERENCE OF CATHOLIC BISHOPS, spoke in favor of HB 29. He spoke of the larger societal issues. He addressed the fiscal note and the necessity of publicizing the program.

Co-Chair Meyer asked about the father's rights in abandonment cases.

HANNA SEBOLD, ASSISTANT ATTORNEY, DEPARTMENT OF LAW, replied that this bill is a mechanism that kicks the Child in Need of Aid statute into place. Finding a child in need of aid does not terminate a parent's right. There is a process of six months to determine termination of parents' rights.

[3:22:33 PM](#)

Representative Hawker asked about the receiver paragraph on page 2, lines 5-11. He questioned the wording of lines 7 and 8 regarding "physician" and "hospital employee".

MIKE LESSMAN, OFFICE OF CHILDREN'S SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, thought the interpretation of when a physician would receive an abandoned child is loose. Ms. Sebold suggested a comma after physician on line 7, for clarification. Representative Hawker concurred.

[3:25:14 PM](#)

Representative Gara asked about temporary foster care and the following home visit. Ms. Sebold said it is not a strict six-month period, but is intended to provide time for a home study. Representative Gara asked if the child immediately goes to the adoptive family if one is available. Ms. Sebold clarified that the child will be placed for six months and then a home study takes place.

Representative Hawker returned to the receivers list and noted two categories added since previous legislation. A "member of the clergy" and a "community health aide" are new. The previous categories are clearly professional

people with training. He wondered if OCS is comfortable with the new additions.

Mr. Lessman said he could not provide any guarantees. Where there are no hospitals in rural Alaska, a community health aide would substitute. Representative Hawker questioned the validity of a clergy.

[3:30:44 PM](#)

Ms. Marasigan addressed Representative Hawker's concerns. She defined clergy as someone who is working in a ministry. She related the history of the church as a place to receive abandoned children.

Co-Chair Meyer asked where clergy is defined. Ms. Marasigan thought it was a Department of Law definition. Representative Hawker maintained that a clergy may not be medically trained to deal with abandoned babies. Ms. Marasigan related that other committees had similar concerns. She thought that abandonment was an emergency situation. Representative Hawker agreed.

[3:35:00 PM](#)

Representative Gara suggested a general statement such as the parent leaves the infant in the physical custody of a person who the parent "reasonably believes would provide safe care", rather than a list of people who the baby could be left with.

Vice Chair Stoltze agreed with the intent of the bill. He echoed Representative Hawker's concern about the definition of clergy.

Co-Chair Meyer announced that the bill would be held over to address the concerns.

HB 29 was heard and HELD in Committee for further consideration.

#### ADJOURNMENT

The meeting was adjourned at 3:38 PM.