

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

February 21, 2008

8:11 a.m.

MEMBERS PRESENT

Representative Bob Lynn, Chair
Representative Bob Roses, Vice Chair
Representative John Coghill
Representative Kyle Johansen
Representative Craig Johnson
Representative Andrea Doll
Representative Max Gruenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 54

"An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government."

- HEARD AND HELD

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 261

"An Act establishing a program of public funding for the financing of election campaigns of candidates for state elected offices, to be known as the Clean Elections Act."

- HEARD AND HELD

HOUSE BILL NO. 318

"An Act relating to the location of the convening of the legislature in a special session; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: HB 54

SHORT TITLE: CONSTRUCTION OF LEGISLATIVE HALL

SPONSOR(s): REPRESENTATIVE(s) NEUMAN

01/16/07 (H) PREFILE RELEASED 1/5/07
01/16/07 (H) READ THE FIRST TIME - REFERRALS
01/16/07 (H) STA, FIN
02/21/08 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 261

SHORT TITLE: CLEAN ELECTIONS

SPONSOR(s): REPRESENTATIVE(s) LEDOUX

05/15/07 (H) READ THE FIRST TIME - REFERRALS
05/15/07 (H) STA, JUD, FIN
01/25/08 (H) SPONSOR SUBSTITUTE INTRODUCED
01/25/08 (H) READ THE FIRST TIME - REFERRALS
01/25/08 (H) STA, JUD, FIN
02/21/08 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE MARK NEUMAN
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 54 as prime sponsor.

REX SHATTUCK, Staff
Representative Mark Neumann
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Reviewed the changes made to HB 54 in Version E.

ROSEMARY HAGEVIG, Vice Chair
Alaska Committee
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of the Alaska Committee during the hearing on HB 54.

CLARK GRUENING, Lobbyist
City & Borough of Juneau (CBJ)
Juneau, Alaska

POSITION STATEMENT: Answered a question during the hearing on HB 54.

ALBERT JUDSON
Juneau, Alaska

POSITION STATEMENT: Testified on behalf of himself in opposition to HB 54.

REPRESENTATIVE GABRIELLE LeDOUX
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Offered a brief introduction commencing the hearing on SSHB 261.

SUZANNE HANCOCK, Staff
Representative Gabrielle LeDoux
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SSHB 261 on behalf of Representative LeDoux, prime sponsor.

TIM JUNE, Chair
Alaskans for Clean Elections
Haines, Alaska

POSITION STATEMENT: Testified during the hearing on SSHB 261.

REPRESENTATIVE BERTA GARDNER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on SSHB 261 as co-sponsor.

ACTION NARRATIVE

VICE CHAIR ROSES called the House State Affairs Standing Committee meeting to order at [8:11:12 AM](#). Representatives Coghill, Johansen, Johnson, Doll, and Roses were present at the call to order. Representatives Gruenberg and Lynn arrived as the meeting was in progress.

[8:11:31 AM](#)

HB 54-CONSTRUCTION OF LEGISLATIVE HALL

[8:12:08 AM](#)

VICE CHAIR ROSES announced that the first order of business was HOUSE BILL NO. 54, "An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government."

[8:12:11 AM](#)

REPRESENTATIVE JOHANSEN moved to adopt the committee substitute (CS) for HB 54, Version 25-LS0284\E, Cook, 2/20/08, as a work draft. [No objection was stated and Version E was treated as before the committee.]

[8:12:34 AM](#)

REPRESENTATIVE MARK NEUMAN, Alaska State Legislature, presented HB 54 as prime sponsor. He acknowledged [that other bills have brought about] discussion as to how to give the public greater access to its legislature, but he said HB 54 proposes to do so in a different manner. He explained that the proposed legislature would allow communities to bid on the construction of a legislative hall. Representative Neuman said he had this idea tested by looking for 1,000 acres in the Matanuska-Susitna Borough that could be provided to a real estate developer. He said he actually found a development group that he determined was interested in building a legislative hall in exchange for the property and development rights to it. The developer could develop enough infrastructure around the legislative hall to recoup the money spent on the legislative hall. The developer would then lease that legislative hall back to the legislature for \$1 a year.

[8:15:10 AM](#)

REPRESENTATIVE NEUMAN said the proposed bill would allow virtually any community in the state to come up with a proposal, which he said "may be what Juneau needs to prove that this should be the home for a legislature." He noted that Juneau has a building design that has already been proposed. The passage of HB 54 does not propose to move the legislature, but to allow other communities throughout the state to have the opportunity to house the legislature.

[8:16:43 AM](#)

REX SHATTUCK, Staff, Representative Mark Neumann, Alaska State Legislature, reviewed the changes made to HB 54 in Version E. He explained that the reason for deleting all of Section 1 was that the language was full of rhetoric and of no great value to the content of the bill. Some of the numbers were deleted, he explained, because they seemed too arbitrary. The requirement that any borough or unified municipality must have at least 30,000 residents to be allowed to make a proposal was dropped in

recognition that there could be entities other than municipalities or boroughs - for example, land owned by a Native corporation.

[8:20:53 AM](#)

REPRESENTATIVE NEUMAN mentioned "page 1, starting on line 5, and over into page 3," then spoke of changing the word "must" to "may" on page 3, lines 3 and 4. He credited the former Representative Rokeberg for first bringing forth this legislation. He indicated that language referring to the ferry system was in deference to the concerns of Representatives Doll and Johansen.

[8:22:03 AM](#)

REPRESENTATIVE GRUENBERG asked for the definition of "base payments" - a term used on page 3, line 26.

REPRESENTATIVE NEUMAN replied:

The intent of this is a developer who builds a legislative hall would not charge the legislature in excess of \$1 per year for use of that building.

REPRESENTATIVE GRUENBERG asked about other charges, such as service, utility, and taxes.

REPRESENTATIVE NEUMAN indicated that that concern has already been addressed in the fiscal note, which shows that the costs would be covered for a wide range of expenses.

REPRESENTATIVE GRUENBERG asked why the sponsor did not specify that the total charge could not be more than a certain amount a year. He explained, "Because a sharp lawyer ... will advise the client to term them anything that can get around this so that they can charge more."

MR. SHATTUCK directed attention to the language on page 3, lines [27-31], which directs the Alaska Legislative Council to consider whether the proposed site has basic utility services, adequate airport access, and adequate access by road, air, or ferry. He said there was no intent to exclude any possibilities, and he said the word "total" could work.

[8:25:11 AM](#)

REPRESENTATIVE JOHANSEN directed attention to page 1, line 9, which shows a deadline for the Alaska Legislative Council of December 15, 2008. He asked, "Has [legislative] council worked on any of this, and is that an emphasis deadline?"

REPRESENTATIVE NEUMAN replied that if the members of the Alaska Legislative Council feel they need longer, the dates can be changed fairly easily.

REPRESENTATIVE JOHANSEN directed attention to page 2, lines 5-7, which read:

(1) a private office for each legislator and that legislator's staff, with the offices for the Speaker of the House of Representatives and the President of the Senate to be larger than other legislator's offices;

REPRESENTATIVE JOHANSEN noted, as a practical issue, that the staff of the House and Senate Finance Committees is twice as large as that of a minority member, yet the bill language would have everyone's office the same size except that noted. He said, "I'm sure there must be some flexibility in addressing the needs of the state."

REPRESENTATIVE NEUMAN replied that that's why he had talked about replacing the word "must" with "may" on page 2, lines 3 and 4. He said, "Those are nothing more than a basic guideline."

REPRESENTATIVE JOHANSEN directed attention to page 2, line 17, which would require a courtroom in the legislative hall. He questioned the need for a courtroom in the [legislative hall].

REPRESENTATIVE NEUMAN responded that the bill language was pulled from Representative Rokeberg's original bill language. He proffered, "It's easier to provide the maximum amount of things that may be in a building and then start deleting and taking them out instead of adding things on."

[8:27:59 AM](#)

REPRESENTATIVE GRUENBERG said the proposed requirement for a courtroom would require input from the court system, which might have an effect on how the bill moves. He said he is not aware of other state capitols that have supreme court chambers within them.

REPRESENTATIVE NEUMAN expressed his willingness to remove that language.

[8:29:54 AM](#)

REPRESENTATIVE DOLL asked why Representative Neuman is proposing to repeal the Fiscally Responsible Alaskans Needing Knowledge (FRANK) Initiative of 1994.

REPRESENTATIVE NEUMAN said he thinks the FRANK Initiative is a double-edged sword. He stated:

The FRANK Initiative asks to provide costs to cover the expenses to Juneau for its social and economical losses to Juneau. What are the social and economic losses to Mat-Su or Kenai or Fairbanks or Anchorage?

REPRESENTATIVE NEUMAN deferred to Mr. Shattuck for further comment.

[8:30:50 AM](#)

MR. SHATTUCK referred to the statutes related to the FRANK Initiative, AS 44.06.050-060, which read as follows:

Sec. 44.06.050. Purpose of AS 44.06.050 - 44.06.060.
The purpose of AS 44.06.050 - 44.06.060 is to guarantee to the people their right to know and to approve in advance all costs of relocating the capital or the legislature; to insure that the people will have an opportunity to make an informed and objective decision on relocating the capital or the legislature with all pertinent data concerning the costs to the state; and to insure that the costs of relocating the capital or the legislature will not be incurred by the state without the approval of the electorate.

MR. SHATTUCK indicated that the FRANK Initiative exists to reveal costs to the public, but since the bill would provide a legislative hall at the minimal cost of \$1, the public may have "a higher degree of confidence," and thus the FRANK initiative "may not be the higher need that's strongly stated." He also indicated that there may be some legal issues related to combining a bid process with the FRANK Initiative.

[8:33:25 AM](#)

MR. SHATTUCK, in response to Representative Gruenberg, said he does not have the aforementioned feedback from Legislative Legal and Research Services in writing.

REPRESENTATIVE GRUENBERG asked that the sponsor make copies of any legal opinions he receives available to the committee.

[8:34:03 AM](#)

REPRESENTATIVE JOHANSEN directed attention to language within the sentence on page 3, beginning on [line 20], which read:

On completion of the specifications, the Alaska Legislative Council shall solicit proposals for construction of the legislative hall to be operated, maintained, repaired, and managed by the legislative council for use by the legislature as the location for regular and special sessions and for interim work.

REPRESENTATIVE JOHANSEN said he knows he is no attorney, but stated his assumption that "the" means "the one and only." He asked if the proposed language would limit legislative sessions only to the location [of the winning bid].

[8:34:45 AM](#)

REPRESENTATIVE NEUMAN told Representative Johansen that he could "read into it what you want to see." He added, "I guess it's always at the will of the governor to call the location, but it's the intent of this bill to allow the legislative council to develop a plan for the legislature to meet in a legislative hall."

REPRESENTATIVE JOHANSEN said he thinks the language of the bill speaks for itself; it specifies that the legislative hall would be the - emphasis on "the" - location for regular and special sessions and for interim work. He explained, "I'm just trying to comport those two ideas of having special sessions on the road, which seems like a pretty popular idea these days, and limiting it to one building in particular."

[8:35:44 AM](#)

MR. SHATTUCK responded that the intent was never to be that restrictive.

REPRESENTATIVE NEUMAN reiterated his understanding that the governor chooses the location of a special session.

[8:36:07 AM](#)

REPRESENTATIVE GRUENBERG concluded that according to the bill language, if Juneau were to win the bid, all legislative regular and special sessions and interim committee hearings would have to take place in Juneau.

[8:36:32 AM](#)

REPRESENTATIVE NEUMAN said that is true; however, he reiterated that the governor ultimately chooses the location for a special session.

REPRESENTATIVE GRUENBERG asked, "So, there might be a conflict between this and the governor's inherent powers?"

REPRESENTATIVE NEUMAN said he is not saying that there is a conflict "with this or anything."

[8:37:29 AM](#)

REPRESENTATIVE JOHANSEN directed attention to page 4, lines [5-8], which read as follows:

SELECTION OF A PROPOSAL. The Alaska Legislative Council shall review all proposals, conduct inspection, and select a proposal or reject all proposals by August 29, 2009. If a proposal is selected, the legislative council shall enter into contracts, leases, and other agreements necessary to carry out the terms of the proposal.

REPRESENTATIVE JOHANSEN surmised that the bill proposes to delegate all the power to decide which proposal to choose to one committee, which he said he finds troubling, because he said this is an extremely important issue. He asked if it is the bill sponsor's intent to focus the power to one committee.

[8:38:33 AM](#)

REPRESENTATIVE NEUMAN responded that he thinks the proposal could be brought before the legislature for acceptance, but

after that, he said, the Alaska Legislative Council should "take it from there."

REPRESENTATIVE GRUENBERG stated that it is a concern of the minority members that the Alaska Legislative Council is one of only two committees that does not provide for proportional representation; by statute, there is only one minority member serving on that council.

[8:40:14 AM](#)

REPRESENTATIVE JOHANSEN asked how the bill, if passed, would influence the "Block 39" project in Anchorage. In response to a request for clarification, he offered his understanding that the Alaska Legislative Council is working toward some sort of facility in Anchorage and "there's quite a bit of money being tossed around."

REPRESENTATIVE NEUMAN offered his understand that the area in question is being considered for a judicial building, but perhaps Anchorage would want to come up with a proposal to add to that.

[8:41:19 AM](#)

REPRESENTATIVE COGHILL confirmed that the Block 39 plan would house the judicial branch, but would also replace the offices currently being used by the Anchorage legislators. Furthermore, it would include a parking garage. He commented on the doubling of costs and "sticker shock."

MR. SHATTUCK said it is too early in the process to understand how [Block 39] and [any possible legislative hall in Anchorage] would interact.

[8:42:43 AM](#)

REPRESENTATIVE NEUMAN said Representative Coghill brought up good point that the cost of [the building in Block 39] has doubled. He said HB 54 insulates the legislature from that sort of inflation, through its proposed cost of \$1 a year.

[8:43:12 AM](#)

REPRESENTATIVE GRUENBERG asked if the sponsor has checked with any municipalities or private parties to find out if anyone would be willing to make a bid, should HB 54 pass.

REPRESENTATIVE NEUMAN answered yes. He directed attention to a feasibility review provided by the Matanuska-Susitna Borough [available in the committee packet]. He offered further details. He stated that not only would he not have proposed this legislation if he thought it was a "pie in the sky" idea, he went one step further and found a developer interested in the project. In response to Representative Gruenberg, he said he started with Mat-Su borough and asked his own community what they had to offer. He stated that what the Mat-Su Borough did is absolutely no different from what can be done in other communities.

[8:46:20 AM](#)

REPRESENTATIVE DOLL said the sponsor has testified that this proposal is an invitation to all communities to participate in the bidding process, including Juneau; however, in his sponsor statement, he wrote that the bill is actually about access and that Juneau is difficult to access. She remarked that she wonders whether the bill is really an invitation for others or whether it is "an argument for a particular builder."

[8:47:20 AM](#)

REPRESENTATIVE NEUMAN, in response to Representative Doll, reiterated the intent of bill. He indicated that his sponsor statement addresses the lack of access in Juneau, because he hears that concern expressed by his constituents and has experienced "lack of access to Juneau" personally. He remarked that even the ferry system has, at times, been incapacitated by high winds.

[8:49:24 AM](#)

REPRESENTATIVE JOHNSON stated that the concept of building in exchange for property is not a new one. He recalled the time when there was discussion regarding moving the capital to Willow, Alaska, and at that time, an individual came forward with a proposal to "do an exchange acre for acre." He said, "That was never on the [FRANK] Initiative that we could have done it for free back in the day when it was trying to go to Willow."

[8:50:59 AM](#)

REPRESENTATIVE JOHANSEN said he does not think his constituency wants the capital in Ketchikan. He noted that when the ferry system was pulled out of service, the winds in the Lynn Canal had reached 100 knots. He said out of the numerous bills introduced over the years related to the moving of the legislature and/or capital, many of them have had limiting factors regarding population or the area that was required for the construction of a capital or legislative hall. He said he does not think the City & Borough of Juneau is being proactive enough in providing adequate facilities. He asked the sponsor, "Are those type of limiting factors in here?"

REPRESENTATIVE NEUMAN said a limiting factor of \$30,000 was removed from Version E. He directed attention a sentence on page 4, beginning on line 8, which read:

If the proposal selected includes a site wholly or partially on state land, the legislative council shall take all action necessary to arrange for the transfer of the land to the municipality at no cost, including the introduction of legislation to accomplish that purpose.

REPRESENTATIVE NEUMAN told Representative Johansen that there are a lot of areas in his district and in other places around the state where development is possible, and the bill provides an opportunity to make state land useful.

[8:55:17 AM](#)

REPRESENTATIVE NEUMAN, in response to Representative Lynn, who had just arrived, reviewed the previous remarks regarding the FRANK Initiative.

[8:58:11 AM](#)

REPRESENTATIVE GRUENBERG said it appears that the \$1 dollar per year proposed on page 3 would only involve operating expenses, but he said he does not see anything in the bill that specifies that the [legislative hall and the cost of constructing it] "must be totally borne by someone other than the legislature." He said "base payments by the legislature in excess of \$1 per year" sounds like operating expenses.

MR. SHATTUCK responded that "the proposal may not require a base payment." He explained that the intent behind the base payment was targeted at the cost of building the legislative hall. He

commented that the operating costs are reflected in the newly acquired fiscal note and the sponsor is "exploring the actual operating costs." He said the intent is that the legislature would not pay for "the building of the new legislative hall."

9:00:30 AM

REPRESENTATIVE NEUMAN, in response to a question from Representative Gruenberg related to the sentence on page 3, beginning on line 25, and the sentence on page 4, beginning on line 8 [text for both provided previously], said his intent is that the legislature would lease the legislative hall back from either a developer or community for \$1 a year, and if the proposal selected includes a site that is on state land, he said "we'll try to do all we can." He continued:

I think [the] legislative council will be required to get that land to the community, to help develop that community and expand the growth in that community for whatever reason, whether it's Juneau, Anchorage, Fairbanks, Kenai, wherever the case may be. And yeah, the community would own that land; ... and they would lease ... the building and the complex and the land and the parking lot and everything involved here for a buck a year back to the legislature.

9:03:09 AM

ROSEMARY HAGEVIG, Vice Chair, Alaska Committee, testified on behalf of the Alaska Committee. She said the Alaska Committee was formed in 1994 as a nonprofit group comprised of volunteers in Juneau, and the group's main purpose is to improve access and address facility issues with respect to making Juneau a better capital city.

MS. HAGEVIG, regarding access issues, reminded everyone that the Alaska Committee, in conjunction with the City & Borough of Juneau, has taken a lot of initiative to improve access for the people of Alaska to their state capital. She listed, for example, the following: the Alaska Committee's partnership with KTOO television in providing Gavel to Gavel; Alaska Airlines' work with the Alaska Committee to improve the constituent airfare process and its past selection of the Juneau International Airport as the primary airport for state-of-the-art landing facilities that are now incorporated in the rest of the country and much of the world; the hard work of volunteers to make surface connectivity to the rest of the state a reality

by expanding the Lynn Canal Highway, a process that is close to getting the necessary permits; and an Internet streaming project and exploration of the possibility of having fixed cameras in the committee rooms - both with the help of KTOO.

MS. HAGEVIG said it seems that the focus of this issue has shifted from access to facilities, and the Alaska Committee is cognizant of the fact that the legislature does need better facilities and is willing to work on that issue. Responding to prior testimony that CBJ had not done enough, she pointed out that both the Terry Miller building and the Masonic Temple were donations, the latter most recently given, and she indicated that those buildings, in addition to the capitol, are viewed as a complex that will be "a good working facility to conduct the people's business." That said, Ms. Hagevig said the Alaska Committee knows that the capitol building has some shortcomings, including: limited seating in the galleries and [lack of sufficient] parking. She stated, "We stand ready to work with the legislature to address those shortcomings."

[9:08:00 AM](#)

MS. HAGEVIG stated, "Representative Neuman has proposed to deal with this by suggesting that the capital should be located in a different part of the state and making it more accessible to the people in ... the rest of the state." She said the Alaska Committee does not disagree that the people of Alaska should have access to their government, but she emphasized that the Alaska Committee has made important strides in making that a reality. She said improving the footprint of the historic capitol building is certainly something that the Alaska Committee would advocate. She stated:

Should the capitol move away from Southeast Alaska, this will have a socio-economic impact on this entire region, not just the community of Juneau. And I guess I would compare that to the threat that the railbelt communities experienced when the [Base Realignment and Closure] (BRAC) Commission was threatening to close down military bases. ... Southeast Alaska ... actively supported all of the work that went into maintaining those military bases. So, it's not just that we are looking out for our own interest, but that we really do relate to what is important to the rest of the state.

[9:09:43 AM](#)

MS. HAGEVIG referred to the bill title, which read as follows:

"An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government."

MS. HAGEVIG stated, "I think that while all of these bills purport not to move the capital, the fact is that if you do move the legislative branch of government, in effect you are moving the capital, and this is something that we remain gravely concerned about." Ms. Hagevig said the Alaska Committee is also very concerned about any efforts made to remove the FRANK Initiative, an initiative that was passed again by the voters of the state in 2004 by an over 2:1 margin. She said even though HB 54 has a zero fiscal note attached, "it simply is not logical to think that it can really happen without some significant expense accruing to the project." She said the Alaska Committee believes that the FRANK Initiative should be retained "so that the transparency occurs and the people of the state have an opportunity to react to [the] true cost of moving anything."

[9:11:14 AM](#)

REPRESENTATIVE JOHANSEN stated that he believes HB 54 gives every opportunity for Juneau to participate. He expressed his frustration that Juneau decided to keep the playground [next to the Terry Miller building] rather than using that space to expand the campus footprint of the capitol. He characterized that as "a conscious decision made to protect the playground facility at the expense of supporting having better facilities for this capitol." He asked Ms. Hagevig if the Alaska Committee has a vision of what the capitol facilities will look like in 10 years.

[9:13:07 AM](#)

MS. HAGEVIG replied that she was on the CBJ Assembly at the time the decision was made to transfer ownership of the Terry Miller Building to the legislature, and at that time, she noted, "there were some issues and concerns about the downtown park as a playground for the children in downtown Juneau." She assured Representative Johansen that if HB 54 was to pass and Juneau was to put forth a project [bid], "all of the land in this immediate area would be something that we would have to take a very hard look at." She said the Alaska Committee has worked with its

architects to conceptualize what might happen to the current foot print of the capitol and its surrounding area to create a better capitol building. She said the focus of the Alaska Committee in the last few years has been on access, because she said the committee was led to believe that was a primary concern, not only to the legislature, but also to the people of Alaska. However, she stated that as the shift moves from access to facilities, the Alaska Committee will also shift its focus.

MS. HAGEVIG, in response to a question from Representative Johansen, said a couple years ago Mayor Botelho and the CBJ Assembly conducted a design/build competition [for a new capitol]. She said that did not end successfully, but "certainly something else like that would occur." She noted that the land [at the corner of Egan and Main Street] where plans are being made to build a 216-space parking garage is "land that has been set aside traditionally for a new legislative hall."

[9:15:56 AM](#)

MS. HAGEVIG, in response to Representative Gruenberg, confirmed that if HB 54 were to pass, Juneau would submit a bid to provide a legislative hall, and would do so enthusiastically.

[9:16:17 AM](#)

REPRESENTATIVE JOHNSON asked if the passage of HB 54 would expedite Juneau's process regarding facilities.

MS. HAGEVIG answered yes. She said the Alaska Committee has considered conceptual plans, not only for the current footprint, but for the aforementioned design/build competition. In response to a follow-up question from Representative Johnson, she said she is not certain that all the prior years of planning would be an advantage to Juneau. She explained:

As I look at the list of who sits on the legislative council and where they come from in the rest of the state, and I'm hearing lots of conversation here about people needing, out of necessity, to represent their own constituencies, I only see two representatives from Southeast Council on that committee of 14, I believe, and so, I'm ... obviously concerned about the makeup of that committee with respect to dealing with this particular issue.

MS. HAGEVIG, in response to Representative Johnson, clarified that she did not mean to imply that she or the people of Juneau do not trust the legislature or the legislative process. She said CBJ would need to consider enhancing the historic capitol or "doing something with the parking garage construction that is scheduled to begin in the very near future."

REPRESENTATIVE GRUENBERG asked Ms. Hagevig if the [proposed] repeal of the FRANK Initiative enhances Ms. Hagevig's level of trust in the legislature.

MS. HAGEVIG responded that the repeal of the FRANK Initiative is a major concern for the Alaska Committee. She continued:

We believe this was an initiative that was taken to the public, that it passed with an over 2:1 margin, and ... I believe that this is an important enough issue, because it really does lead us towards ... where the capital will be located in the state. I mean, in reality, no other state in the nation bifurcates its state government to this extent.

[9:19:44 AM](#)

REPRESENTATIVE JOHANSEN noted that the language on page 1, line 8, of the proposed bill, specifies that the legislative hall be "new". He asked Ms. Hagevig if she thinks that language would preclude a proposal that included the current capitol building.

MS. HAGEVIG said she does not believe that such a proposal would be precluded, because it would include the total complex area, which would be made up of predominately new construction. She added, "But we do have two options here in Juneau, and we would have to weigh that very carefully."

VICE CHAIR ROSES noted that the bill sponsor had nodded his head in affirmation of what Ms. Hagevig said.

[9:21:05 AM](#)

REPRESENTATIVE DOLL thanked Ms. Hagevig for the work she has done in documenting the efforts that the community of Juneau has made over a period of many years to accommodate the legislature.

[9:21:33 AM](#)

REPRESENTATIVE JOHANSEN said he thinks "new" means "new," thus, he is concerned with "the language that would exclude the upgrades of the current facilities to fit under this proposal."

[9:22:59 AM](#)

CLARK GRUENING, Lobbyist, City & Borough of Juneau (CBJ), in response to a question from Representative Gruenberg, informed the committee that the land upon which the capitol and the Terry Miller building sit is owned by the state.

[9:24:20 AM](#)

ALBERT JUDSON, said he is a citizen who is conscientious about the name, Alaska, which means, "The Great Land." He said when Alaska was being considered for statehood, a legislator in the Lower 48 said, "I see men of great spirit founding this great land." Mr. Judson said he would like to see men "match the mountains of this great state" - to stand up and be counted for the great spirit that built the state and be committed and dedicated to preserving Alaska as The Great Land. He said he does not see that spirit reflected in HB 54.

MR. JUDSON said there is a law that all bills must contain a single subject. He pointed out that the proposed legislation addresses the construction of a legislative hall, as well as "repealing provisions of the capital and legislature and everything else."

MR. JUDSON said the issue of relocating the capital and/or the legislature and legislative functions has already been brought to the people, and, in 2002, every district in Anchorage voted "no" - they wanted to keep the capital, all legislative sessions, and the legislature in Juneau. Furthermore, they wanted the right to know the total cost of all bondable issues, as well as the socio-economic and environmental impacts to the move itself. Mr. Judson said when he sees that the representatives in Anchorage have submitted HB 54, he would have to say that they are out of line with the wishes of the people of Anchorage and the rest of the state.

MR. JUDSON continued:

In HB 54, when it talks about the construction of a legislative hall, at the very beginning it shows how the capitol building is falling into disrepair and falling apart and all kinds of complaints about what's

happening here. Well, when I look at the original constitution that was signed to make Alaska a state, that constitution says that the legislature shall have a duty to maintain the capital. The legislature shall have the duty to maintain the capital. It's the legislature's duty; it's what the people wanted.

MR. JUDSON said he came to the capitol to testify because he opposes "something that's disruptive and destroys something good." He said he would like to know how many times the representatives who submitted HB 54 have voted to enhance Juneau as the capital. He asked why Juneau has to fight for every single penny and survive on subsistence wages, when it is the capital city. He said Juneau is a place everybody should be proud of - a place every Senator and Representative should fight to enhance, so that people who come to Juneau will say, "Wow, this is the capital? Isn't it really something!" He stated that he would like to see all legislators pulling in one direction - the same direction that the founders envisioned when they founded the state as a great land, and he said he does not see such unity in HB 54. The proposed legislation, he said, "does not reflect anything that is good and upright and open and honest, and that is why I am opposed to it."

[9:32:24 AM](#)

MR. JUDSON continued:

How ... do you repay the killing of the Alaskan spirit? How do you repay that? It is impossible. How do you repay disrupting people's lives when they've worked here in the capital, when they live here in the capital, when they do everything that's possible here, and they're making a life for their family? How do you repay the ... destruction to people's lives? I don't see it. I don't see [it] reflected here in this bill; I don't see anything good ... in relocating the capital. I see nothing but disruption and destruction.

MR. JUDSON talked about the coming recession and "the economics of this bill," and the inflation that people are facing. He said people in Alaska have always counted every penny for their survival and "they're holding on to that penny right now just to survive." Mr. Judson described HB 54 as "a square peg in a round hole." He concluded:

... This bill is totally out of alignment. It should be eliminated. It should be destroyed for the good of the people, to keep the people together, to keep us going in one direction, to help us to reach the name - The Great Land, to help us reach the pinnacle of our existence, our livelihood, all the things that the founders fought for, including my parents - including my parents. They were always proud of the state. I would like something to reflect my pride. I would like something to continue that commitment and that dedication.

9:35:40 AM

REPRESENTATIVE LYNN remarked on the eloquence of Mr. Judson's testimony.

9:36:07 AM

VICE CHAIR ROSES closed public testimony.

9:37:07 AM

REPRESENTATIVE NEUMAN suggested removing the words "the capital" and "or any of the present functions of state government" from the bill title, and he reiterated his intent to change "must" to "may" on page 2, line 4.

REPRESENTATIVE COGHILL, regarding the suggested title change, said he thinks the word "capital" should remain as long as the FRANK Initiative repeal language is in the bill. He said, "I would ask that you search that out."

VICE CHAIR ROSES said it is the intent of committee to hold the bill to give time for amendments to be submitted in writing.

REPRESENTATIVE NEUMAN expressed appreciation for Ms. Hagevig's testimony. He suggested, "If Juneau is the best place for a legislative hall, this may just put that little baby to rest here." He said HB 54 may be "the best thing to happen to Juneau." Regarding the issue of access, he said if the capital is on the road system, "then three-quarters of the state's population has access to the state legislature." He expressed appreciation for Gavel to Gavel, but said it is not a system that cannot be duplicated easily. Regarding Alaska Airlines, he said he is certain that the company would offer the same opportunities to members from all around the state to fly to

wherever the legislature meets. He mentioned his experience of falling when trying to navigate on Juneau's snowy hillside residences. Regarding Internet streaming, he said that is a feature that all communities are developing.

REPRESENTATIVE NEUMAN said the House State Affairs Standing Committee heard testimony by both Ms. Hagevig and Mayor Botelho that "we need a new legislative building." He offered his understanding that the building "across the street" was offered up to anyone, but no one wanted it, so the state took it. He expressed appreciation for the architecture of the capitol, noting that as a woodworker, he has studied structure, architecture, and form. However, he listed the hazards in the building, including: [poor accessibility] for those with handicaps, [insufficient] fire escapes, and the possible existence of asbestos.

[9:42:19 AM](#)

REPRESENTATIVE NEUMAN spoke of Juneau's ability to advance other economic opportunities, such as its tourist industry and related tax, and fish tax money that can be used for harbor repairs. He stated that the legislature has worked with Juneau and its surrounding areas in Southeast Alaska to aide in the advancement of economic opportunities in those areas. He reminded the committee that HB 54 is proposing that a developer cover the cost, not the legislature. He stated that he is willing to work on amendment ideas, as long as they don't change the intent of bill.

[9:44:58 AM](#)

VICE CHAIR ROSES announced that HB 54 was heard and held.

The committee took a brief at-ease from [9:45:12 AM](#) to [9:45:19 AM](#), during which time Vice Chair Roses turned the gavel back over to Chair Lynn.

HB 261-CLEAN ELECTIONS

[9:47:00 AM](#)

CHAIR LYNN announced that the last order of business was SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 261, "An Act establishing a program of public funding for the financing of election campaigns of candidates for state elected offices, to be known as the Clean Elections Act."

9:48:11 AM

REPRESENTATIVE GABRIELLE LeDOUX, Alaska State Legislature, offered a brief introduction commencing the hearing on SSHB 261. She stated that money is often a corrupting influence in politics, which is the reason for the proposed legislation. In response to a question from Chair Lynn, she confirmed that she is not associated with the Clean Elections Initiative.

9:49:16 AM

SUZANNE HANCOCK, Staff, Representative Gabrielle LeDoux, Alaska State Legislature, presenting SSHB 261 on behalf of Representative LeDoux, prime sponsor, stated that clean elections enhance democracy and affirm the principle of "one person, one vote" by "reducing the disproportionate influence of large contributors on elections and enabling citizens of all backgrounds to participate equally in the democratic process." She said the proposed legislation would strengthen public confidence in government, while eliminating the danger and perception of corruption cause by the private financing of election campaigns. Furthermore, it would increase the accountability of elected officials to the voting public.

MS. HANCOCK reported that seven states and two cities have already incorporated clean election laws. She said clean elections benefit incumbents who are planning to run for reelection, because their time is freed to deal with issues rather than trying to fundraise. She noted that in 2006, candidates for state offices in Alaska and those groups who supported them raised more than \$17 million. She said the process of fundraising is time consuming and "it's a lot easier to go to special interest groups who can provide you with an opportunity to garner many dollars rather than go to individual people for small amounts of money." She reported that one state with a clean election law in place has found that contributions have increased by 34 percent, and by checking zip codes, it is apparent that those contributions are coming from the poorer members of society rather than the richer ones. She stated, "So, this is an opportunity for people to actually pick their candidates, and for candidates who normally wouldn't have an opportunity to run to be able to pursue public office."

9:51:42 AM

CHAIR LYNN asked the bill sponsor if she would consider an amendment to change the use of the term "clean elections" to "some other less proscriptive word."

REPRESENTATIVE LeDOUX responded that she does not care what the bill is called; it is the substance that matters.

[9:53:04 AM](#)

TIM JUNE, Chair, Alaskans for Clean Elections, said Alaskans for Clean Elections is the sponsor of the Alaska Clean Elections Initiative. In response to Chair Lynn, he said currently both related House and Senate bills share the same language as the initiative. He reported that 33,500 signatures on the initiative were recently submitted to the Division of Elections, of which 24,000 were verified. He also said verification was made regarding the minimum requirement of 34-40 districts. Mr. June said Alaskans for Clean Elections conducted a poll in March 2007 that showed that 70 percent of Alaskans support clean elections.

MR. JUNE related that the clean elections system is a voluntary system of campaign funding, which is law in the following seven states: Arizona, Connecticut, Massachusetts, New Jersey, New Mexico, North Carolina, and Vermont. Maine and Arizona have had a clean elections system in place for over a decade, with 84 and 42 percent of candidates "using clean elections," respectively. He stated that it is a "tried and true" system.

MR. JUNE said Alaskans for Clean Elections took the following steps in coming up with its initiative: wrote 22 drafts, including six former legislators in the drafting committee; worked with legislators to get a bi-partisan bill in both the House and Senate - bills which have been vetted through Legislative Legal and Research Services, the Office of the Lieutenant Governor, and the Office of the Attorney General; and used the best of the laws of the aforementioned seven states to come up with the language of the initiative.

MR. JUNE named the following endorsers of the Clean Elections Initiative: constitutional fathers Victor Fisher and George Rogers; former governors Walter J. Hickel and Tony Knowles; leaders from five of the six political parties; Mayors Whitaker, Botelho, Dapceovich, and Shields; U.S. Senate candidates David Cutty and Ray Metcalf; U.S. House candidates Representative Gabrielle LeDoux, Ethan Berkowitz, Dianne Benson, and Jake Metcalf; the National Education Association (NEA); the

International Brotherhood of Electrical Workers (IBEW); AARP; and the Alaska Women's Political Caucus (AKWPC).

9:56:19 AM

MR. JUNE pointed out that the clean elections system is not only funded by general funding, but also by the \$5-dollar contributions that candidates collect to qualify for clean elections. He continued:

... If we assume 100 percent participation, that would include about \$310,000 ... an election cycle from those \$5 contributions. It also includes any leftover campaign money [that] goes back in the clean election fund, and then any fines that are levied. So, I would just like to make a note that that was not included in the fiscal note.

MR. JUNE, regarding the fiscal analysis, noted that in both the Alaska Public Offices Commission's (APOC's) fiscal note and the one prepared for the Clean Elections Initiative, the annual cost was notated as \$6 million a year. He said, "The cost in here is reflective of an election cycle, which happens every two years, so please be sure to divide that by two when you're calculating that cost."

MR. JUNE stated that the cost of a clean elections system would be 3.4 percent of an annual \$10 billion-plus capital operating budget, which he said is "a percent of a percent of a percent." He said the incremental cost of a clean elections system has nothing to do with the budget but everything to do with good government. He asked the committee to support SSHB 261. He read a quote from U.S. Senator and Presidential candidate John McCain, as follows:

Any voter with a healthy understanding of the flaws of human nature and who notices the vast amount of money solicited and received by politicians cannot help but believe that we are unduly influenced by our benefactor's generosity.

9:58:23 AM

MR. JUNE, in response to Chair Lynn, confirmed that a question on the aforementioned poll was whether the person taking the poll favored clean elections. In response to a follow-up

question from Chair Lynn, he said no one was asked if they favored dirty elections.

[9:58:47 AM](#)

REPRESENTATIVE ROSES said both the opening language of the bill and the presentation given describe how a clean elections system enhances democracy and improves the opportunity for voters to participate. He asked Mr. June to expand on that topic and to talk about how clean elections seem to affect the rate of reelection for incumbents.

MR. JUNE responded that in terms of enhancing democracy, the State of Arizona has had a 34 percent increase in voter turnout in non-Presidential election years and a 7 percent increase in Presidential election years since enacting [its Citizens Clean Elections Act]. Furthermore, he noted that Arizona's rate of contributions to political campaigns has increased three-fold. He echoed Ms. Hancock's testimony that the more accessible \$5-dollar contribution has shifted the political donor class from the upper-middle class to the middle and lower classes.

MR. JUNE, regarding incumbency, reported that a study done in California showed that 98 percent of that state's political races were determined by who raised the most money in his/her campaign. In Arizona, he said, incumbency before the state adopted a clean elections system was about 96 percent. He offered his understanding that the rate after Arizona's clean elections system was in place was approximately 76 percent. He said, "So, it has some effect on it, but I would not say a devastating effect." He stated that incumbents obviously have the advantage of getting their names in the news and getting known for the bills they sponsor, and there is not way to affect that advantage. He said, "What this does is really just try to take the money element out of determining who wins and election, and instead put it in terms of issues and voters."

[10:02:07 AM](#)

REPRESENTATIVE BERTA GARDNER, Alaska State Legislature, announced for the record that yesterday the House passed a bill prohibiting all fundraising for political purposes during a legislative session. She said the bill was broadly supported for good reason: "the appearance and potential conflict of raising money during the session." She said she thinks a clean elections system would help address that issue. She asked everyone to consider the following question: "If it's

inappropriate and damaging to the process to collect money on January 15 - the first day of session - why is January 14 significantly different?" She added that that is a rhetorical question.

[SSHB 261 was heard and held.]

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [10:03:05 AM](#).