

ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE

March 20, 2008

8:06 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. 353

"An Act relating to the blocking of certain Internet sites at public libraries and to library assistance grants."

- MOVED CSHB 353(STA) OUT OF COMMITTEE

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."

- FAILED TO MOVE OUT OF COMMITTEE

HOUSE BILL NO. 266

"An Act relating to the approval and administration of child care services by the Department of Administration primarily for the benefit of state officers and employees; and providing for an effective date."

- MOVED CSHB 266(STA) OUT OF COMMITTEE

HOUSE BILL NO. 366

"An Act relating to an exemption from public disclosure of certain appropriations from the dividend fund; and providing for an effective date."

- MOVED HB 366 OUT OF COMMITTEE

HOUSE BILL NO. 412

"An Act relating to the membership of the Alaska Legislative Council and the membership of the Legislative Budget and Audit Committee."

- BILL HEARING POSTPONED

HOUSE CONCURRENT RESOLUTION NO. 23

Proposing amendments to the Uniform Rules of the Alaska State Legislature relating to withdrawing measures, to sponsors of measures, to prefiling measures, and to the three readings of bills.

- BILL HEARING POSTPONED

HOUSE BILL NO. 402

"An Act relating to elections; relating to the definition of 'political party'; and providing for an effective date."

- BILL HEARING POSTPONED

PREVIOUS COMMITTEE ACTION

BILL: HB 353

SHORT TITLE: PUBLIC LIBRARY INTERNET FILTERS

SPONSOR(s): REPRESENTATIVE(s) KELLER

02/06/08	(H)	READ THE FIRST TIME - REFERRALS
02/06/08	(H)	STA, FIN
02/28/08	(H)	STA AT 8:00 AM CAPITOL 106
02/28/08	(H)	Heard & Held
02/28/08	(H)	MINUTE(STA)
03/04/08	(H)	STA AT 8:00 AM CAPITOL 106
03/04/08	(H)	Heard & Held
03/04/08	(H)	MINUTE(STA)
03/06/08	(H)	STA AT 8:00 AM CAPITOL 106
03/06/08	(H)	Heard & Held
03/06/08	(H)	MINUTE(STA)
03/18/08	(H)	STA AT 8:00 AM CAPITOL 106
03/18/08	(H)	<Bill Hearing Rescheduled to 03/20/08>
03/20/08	(H)	STA AT 8:00 AM CAPITOL 106

BILL: HB 261

SHORT TITLE: PUBLICALLY FINANCED 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
02/21/08 (H) Heard & Held
02/21/08 (H) MINUTE(STA)
03/06/08 (H) STA AT 8:00 AM CAPITOL 106
03/06/08 (H) Scheduled But Not Heard
03/15/08 (H) STA AT 11:00 AM CAPITOL 106
03/15/08 (H) Heard & Held
03/15/08 (H) MINUTE(STA)
03/20/08 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 266

SHORT TITLE: STATE EMPLOYEE DEPENDENTS CHILD CARE CTRS
SPONSOR(S): REPRESENTATIVE(S) KERTTULA

01/04/08 (H) PREFILE RELEASED 1/4/08
01/15/08 (H) READ THE FIRST TIME - REFERRALS
01/15/08 (H) STA, HES, FIN
03/18/08 (H) STA AT 8:00 AM CAPITOL 106
03/18/08 (H) Scheduled But Not Heard
03/20/08 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 366

SHORT TITLE: DISCLOSURE : APPROPRIATIONS FROM PFD FUND
SPONSOR(S): REPRESENTATIVE(S) CRAWFORD

02/13/08 (H) READ THE FIRST TIME - REFERRALS
02/13/08 (H) STA, FIN
03/20/08 (H) STA AT 8:00 AM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE WES KELLER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 353 as prime sponsor.

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

POSITION STATEMENT: Testified during the hearing on HB 261 on behalf of Representative LeDoux, prime sponsor.

REPRESENTATIVE BETH KERTTULA
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Introduced HB 266 as prime sponsor.

LEAH CARPENETI, Staff
Representative Beth Kerttula
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 266 on behalf of Representative Kerttula, prime sponsor.

FATE PUTMAN, Assistant Business Manager/Legislative Lobbyist
Alaska State Employees Association/American Federation of State,
County and Municipal Employees (ASEA/AFSCME) Local 52
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 266.

REPRESENTATIVE HARRY CRAWFORD
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 366 as prime sponsor.

DEBBIE RICHTER, Director
Central Office
Permanent Fund Dividend Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 366.

JERRY BURNETT, Legislative Liaison, Director,
Administrative Services Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 366.

ACTION NARRATIVE

CHAIR BOB LYNN called the House State Affairs Standing Committee meeting to order at [8:06:08 AM](#). Representatives Roses, Johansen, Johnson, and Lynn were present at the call to order.

Representatives Coghill, Gruenberg, and Doll arrived as the meeting was in progress.

HB 353-PUBLIC LIBRARY INTERNET FILTERS

8:07:08 AM

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 353, "An Act relating to the blocking of certain Internet sites at public libraries and to library assistance grants."

[Before the committee as a work draft, adopted on 3/6/08, was the committee substitute (CS) for HB 353, Version 25-LS1356\M, Bannister, 3/5/08.]

8:07:10 AM

REPRESENTATIVE WES KELLER, Alaska State Legislature, presented HB 353 as prime sponsor. He cited two sentences of a handout entitled, "Fact Sheet Web Filtering," prepared by the Department of Administration [included in the committee packet], which read as follows [original punctuation provided]:

HB 353 contemplates securing independent internet connectivity in libraries throughout the State. With such independent connections, an end-point home solution, such as **NetNanny, Norton Internet Security or WebWatcher for \$60-\$100 per station** would accomplish the goals sought in HB 353.

REPRESENTATIVE KELLER emphasized that HB 353 does not address the standard of filtering, but presumes that librarians care about the children of Alaska. He characterized filtering as an inexpensive safeguard.

8:09:29 AM

CHAIR LYNN stated his understanding that a filter can be set at any level of protection, and he surmised that a password would be used.

REPRESENTATIVE KELLER related his understanding that that is correct. He added that filters are available at Wal-Mart and are user friendly.

CHAIR LYNN clarified that the purpose of the proposed legislation is to require filters in libraries, but the level at which the filter is set would be left up to the management of each library. He reminded the committee that Version M of the bill exempts the University of Alaska library system from the proposed required filters, because the majority of its users are adults.

[8:11:41 AM](#)

REPRESENTATIVE ROSES reviewed that at the prior bill hearing, there had been testimony from librarians of many libraries across the state that there is no need for filters, because children use a separate section of the library close to the librarians' station where they are constantly being monitored. He recalled that there had been discussion about having an amendment to the bill that would allow "blocking" or "monitoring" so that the legislation would not hamper those libraries that were already monitoring their equipment. Representative Roses spoke of testimony from [two librarians from Tok, Alaska], during which they had emphasized that having to add filters to the library may result in the closing of the library.

[8:13:59 AM](#)

REPRESENTATIVE ROSES moved to adopt Amendment 1, which read as follows [original punctuation provided]:

Page 1, line 1, following "**blocking**":
Insert "**or monitoring**"

Page 1, line 11, following "**filters**":
Insert "**or monitoring**"

Page 1, line 13, following "shall":
Insert "(1)"

Page 1, line 14, following "AS 11.61.128(1)(A) - (F)":
Insert "; or
(2) use an alternate monitoring system to prevent the viewing of Internet sites that depict the items described in AS 11.61.128(1)(A) - (F)"

Page 2, line 3:
Delete "technology measure "

Insert "Internet software filter for the adult or not use the alternate monitoring system"

Page 2, following line 5:

Insert a new paragraph to read:

"(2) "alternate monitoring system" means a monitoring system that does not use Internet software filters; in this paragraph, "monitoring system" includes a method that enables public library staff to see the screens of computers in the public library;"

Renumber the following paragraph accordingly.

REPRESENTATIVE COGHILL objected for discussion purposes.

REPRESENTATIVE ROSES spoke to Amendment 1.

8:15:40 AM

REPRESENTATIVE DOLL said she supports the amendment, but does not support the bill. She remarked that if the amendment is adopted, there is no longer any point to the bill.

REPRESENTATIVE ROSES said that was his first reaction to Amendment 1; however, he explained that it would allow libraries the option, without a tremendous amount of additional expense, to relocate their computers to separate the areas where adults and children use computers. In response to a question from Chair Lynn, he said the bill would mandate libraries to use filters or lose funding, which is why Amendment 1 is necessary to give libraries another option.

8:18:16 AM

REPRESENTATIVE KELLER concurred with Representative Doll and spoke against Amendment 1, which he said provides no definition of "monitoring".

CHAIR LYNN echoed Representative Doll's remark that Amendment 1 would kill the bill.

REPRESENTATIVE ROSES, in response to Representative Keller, pointed out that Amendment 1 does define "alternate monitoring system" in the proposed language that would be added to Page 2, following line 5 [text provided previously].

8:19:33 AM

REPRESENTATIVE COGHILL removed his objection to Amendment 1. He said the bill sponsor's intent is to prevent the viewing of Internet sites that show items described in AS 11.61.128(1)(A)-(F), and Amendment 1 would allow for monitoring to prevent that same viewing.

[8:21:08 AM](#)

REPRESENTATIVE GRUENBERG objected to Amendment 1. He warned that Amendment 1 could cause controversy between the state and small libraries. He said, "We're going to be faced with a large loss of revenue." He mentioned information from Ms. Berg [who testified at the previous bill hearing] that shows that in Chiniak, population 52, the total operating revenue is \$6,350, and the amount of state grants equals \$6,250. He said, "They will have to shut down if somebody finds that they're not totally monitoring this stuff." Representative Gruenberg stated that the second reason he opposed Amendment 1 is "because this legislation is tied into the criminal code ..., and at least potentially, this could render librarians and their staff liable, as accessories, at least, to a felony." He said libraries may not have to buy blocking, but they will have to use staff time, and "there is not a dime put into this."

[8:22:37 AM](#)

A roll call vote was taken. Representatives Johansen, Johnson, Doll, Roses, and Coghill voted in favor of Amendment 1. Representatives Gruenberg and Lynn voted against it. Therefore, Amendment 1 passed by a vote of 5-2.

[8:23:31 AM](#)

REPRESENTATIVE COGHILL moved to report CSHB 353, Version 25-LS1356\M, Bannister, 3/5/08, as amended, out of committee with individual recommendations and the accompanying fiscal notes.

[8:23:43 AM](#)

REPRESENTATIVE DOLL objected. She said she sees the bill as the state intruding even more into the businesses of municipalities and individuals, and even though the bill has been "softened," she cannot, on principle, support it.

[8:23:46 AM](#)

REPRESENTATIVE COGHILL disagreed that the bill was softened. He said he thinks the requirement is still in place for a system of monitoring in order to obtain grant monies. Furthermore, he said, "Even though you reference a criminal code for the description of the pornography, this is just based on granting, and so, I don't anticipate there would be any criminal code issues."

[8:24:57 AM](#)

REPRESENTATIVE GRUENBERG responded that AS 11.61.128 could render librarians and their staff liable to criminal prosecution.

[8:25:26 AM](#)

A roll call vote was taken. Representatives Johnson, Roses, Coghill, and Lynn voted in favor of moving CSHB 353, Version 25-LS1356\M, Bannister, 3/5/08, as amended, out of committee. Representatives Gruenberg, Doll, and Johansen voted against it. Therefore, CSHB 353(STA) was reported out of the House State Affairs Standing Committee by a vote of 4-3.

The committee took an at-ease from [8:26:24 AM](#) to [8:28:05 AM](#).

HB 261-PUBLICALLY FINANCED ELECTIONS

[8:28:19 AM](#)

CHAIR LYNN announced that the next 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."

[Before the committee as a work draft, adopted on 3/15/08, was committee substitute (CS) for SSHB 261, Version 25-LS0929\M, Bullard, 2/21/08.]

[8:28:22 AM](#)

CHAIR LYNN closed public testimony.

[8:28:43 AM](#)

SUZANNE HANCOCK, Staff, Representative Gabrielle LeDoux, Alaska State Legislature, testified during the hearing on SSHB 261 on

behalf of Representative LeDoux, prime sponsor. For the benefit of Chair Lynn, who had been absent during previous meetings' discussions of SSHB 261, she reviewed the bill sponsor's involvement at those meetings.

8:29:46 AM

REPRESENTATIVE JOHNSON said he was lukewarm on the proposed bill until a couple days ago when a special interest group in Virginia ran an add in Anchorage with his name in it that claimed he is a corrupt legislator because of a "no recommendation" vote he made on a bill. He said there is not a lot he can do about it. He spoke of the possibility of not being able to fight off a well-funded group with public funds and the ability of a group to raise money to attack an individual. He remarked, "If they're attacking me for a vote I haven't made, imagine what they're going to do for the votes I have made." He offered his understanding that the group in Virginia has not registered with the Alaska Public Offices Commission (APOC) and there is no way to trace where its money comes from. He clarified:

Where my opposition to this bill was slight before, it is now become vehement. I ..., and the people that support my points of views, need the ability to assist me in fighting this outside attack, and I don't see any other way we can do it with public funds. And unless this bill takes a serious turn and either eliminates third-party expenditures or seriously curtails third-party expenditures, there's no way I can even support it.

CHAIR LYNN said the issue to which Representative Johnson referred is related to aerial wolf hunting and has absolutely nothing to do with "these other issues."

8:32:58 AM

REPRESENTATIVE ROSES said the bill does address the issue that Representative Johnson brought up. He added, "Quite frankly, the way it addresses it is even scarier than the process." He continued:

If an independent expenditure occurs in a campaign, and you feel as the candidate - and you are participating in the Clean Elections process - that you have been wronged, you have the ability to appeal

to the ... administrator of the Clean Elections process, and require them within two days to determine whether or not you've been wronged by this third-party expenditure.

If indeed the determination is that you have been, then they have to match whatever amount of money was spent to attack you or to support the candidate running against you, up to three times the allowable ... expenditure for the year. Well, what is an allowable expenditure for the year? In the primary [election] year, it's \$17,600. So, three times that would be \$52,800 that could be matched to you as a candidate if you participate in the Clean Elections process, because third-party candidates or [political action committees] (PACs) are working against you or for the candidate that is opposing you. That's for the primary. In the general [election] it's three times \$26,400, which is \$79,200.

So, ... are the citizens of this state ready to put their permanent fund dividends at risk to fund political campaigns? Because I can tell you right now, if you take \$79,200 and \$52,800, ... that's over \$130,000. If we have 50 ... candidates running potentially every year. What's the limit? I mean, where does this go?

REPRESENTATIVE ROSES said he has seen the ad to which Representative Johnson referred, and although it does not mention his own name, it just as easily could have, since he sits on the same committee and passed the same bill out of committee. He stated that if he were part of a Clean Elections process and saw that the entire legislature had been called corrupt, he would go to the administrator and say, "I have been wronged by this ad; I need to defend myself; this is an expenditure that qualifies; I need the matching fund."

[8:35:29 AM](#)

REPRESENTATIVE ROSES stated that the proposed bill does not address in-kind contributions, and he questioned how the Clean Elections process would deal with that issue. He emphasized that there are numerous issues of concern that he will state for the record if the bill continues to move forward. He said the objective of the bill has not worked in other states that have tried Clean Elections. There have been states that have passed

a Clean Elections Act only to repeal it, and others funded Clean Elections, then withdrew the funding. He mentioned California's Proposition 89, regarding Clean Elections, which was failed by 75 percent of those who voted.

REPRESENTATIVE ROSES stated that Clean Elections is a serious issue that has the potential to be costly to the state and to totally revamp the way Alaska's elections system works. He said he thinks the committee should be examining every single report available regarding Clean Elections to determine whether the information is appropriate and whether or not amendments need to be made to the bill. He explained that although there are elements of the bill that are good and try to reestablish confidence of the public in the political process, the bill will actually unravel the whole process and will not meet its own objective.

[8:37:53 AM](#)

CHAIR LYNN noted that the bill had been amended to remove the reference to Clean Elections from title, and now the title uses the term, "public funding of elections".

[8:38:38 AM](#)

REPRESENTATIVE JOHANSEN stated his opposition to SSHB 261.

[8:39:24 AM](#)

REPRESENTATIVE DOLL expressed appreciation for the comments that had been made, but said she thinks the issue is one that needs discussing and, thus, should make it to the House floor. She stated support for SSHB 261.

[8:40:18 AM](#)

REPRESENTATIVE ROSES concurred with Representative Doll's remark that the bill needs lots of discussion, but said that will not happen on the House floor in a substantive manner without delving into the aforementioned reports. He offered further details.

[8:42:12 AM](#)

REPRESENTATIVE DOLL said she would support holding the bill if such a discussion would be held.

CHAIR LYNN said because of the 90-day session, there is probably not the time available to have this discussion.

8:43:02 AM

REPRESENTATIVE JOHNSON said he appreciates what Representative Roses said about public action committees. He said he does not think the bill addresses "the kind of attack that's going on against us right now," which is why he does not support the proposed legislation.

8:44:10 AM

REPRESENTATIVE GRUENBERG noted that SSHB 261 would be heard next by the House Judiciary Standing Committee and the House Finance Committee, so there would be plenty of time to discuss the issues.

8:44:26 AM

REPRESENTATIVE GRUENBERG moved to report the committee substitute (CS) for SSHB 261, Version 25-LS0929\M, Bullard/2/21/08, out of committee with individual recommendations and the accompanying fiscal notes.

8:44:32 AM

REPRESENTATIVES ROSES, JOHNSON, and COGHILL objected.

8:44:52 AM

REPRESENTATIVE ROSES said he realizes that the legislature is in a 90-day session and the committee has limited scheduled meeting times; however, he indicated that he would be willing to schedule additional meeting times to give time for adequate discussion of the bill. He offered to head a public forum.

CHAIR LYNN indicated the need to hold Saturday meetings because of the 90-day session.

REPRESENTATIVE ROSES said he also appreciates the fact that the bill is scheduled to be heard by two other House committees. He stated that when a bill is sent to a committee on which he sits, he hopes that the prior committee did a good job working on the bill before passing it on, rather than sending it on in fragments, hoping that the next committee will put it back together. He said he thinks the committee is rushing the

process and using the 90-day session as an excuse. He stated, "I feel like we want to move this on because it has some controversy connected to it. I feel like we're moving it on because it's a bill that has a lot of difficulty and will garner a tremendous amount of attention and support. That's exactly why I can't move it out of this committee."

[8:47:16 AM](#)

A roll call vote was taken. Representatives Gruenberg, Doll, and Lynn voted in favor of moving CSSSHB 261, Version 25-LS0929\M, Bullard, 2/21/08 out of committee. Representatives Roses, Coghill, Johansen, and Johnson voted against it. Therefore, Version M failed to move out of committee by a vote of 3-4.

HB 266-STATE EMPLOYEE DEPENDENTS CHILD CARE CTRS

[8:47:56 AM](#)

CHAIR LYNN announced that the next order of business was HOUSE BILL NO. 266, "An Act relating to the approval and administration of child care services by the Department of Administration primarily for the benefit of state officers and employees; and providing for an effective date."

[8:48:38 AM](#)

REPRESENTATIVE BETH KERTTULA, Alaska State Legislature, introduced HB 266 as prime sponsor. She said, "At the heart of this is the hope that the state can step forward in allowing departments and employees - if they find it necessary - to have space for a private contractor to come in and do childcare." She said that [providing that child care] would have a huge economical and societal impact on Alaska. She noted that there is a committee substitute available, which clarifies that the department would actually have to make a determination as to whether there was a lack of availability of child care sufficient to justify an approval of a child care center, and which clarifies that there is "no intent to have any competition."

[8:50:17 AM](#)

REPRESENTATIVE GRUENBERG moved to adopt the proposed committee substitute (CS) for HB 266, Version 25-LS0846\E, Wayne/Mischel,

3/17/08, as a work draft. There being no objection, Version E was before the committee.

8:50:36 AM

REPRESENTATIVE KERTTULA, in response to a question from Representative Gruenberg, noted that the new language added in Version E is found on page 2, lines 3-6, which read as follows:

(b) Before approving the establishment of a program that provides child care services under AS 39.90.200 - 39.90.290, the department shall review the availability of state-licensed child care services in the municipality in which the program would be located to determine if there is a lack of availability sufficient to justify the approval.

8:50:48 AM

REPRESENTATIVE ROSES said although he supports the concept of the bill, he is concerned that if a child care contractor allowed into a state building were to "fold," the state would be responsible for taking over the operation of the child care center.

8:51:29 AM

LEAH CARPENETI, Staff, Representative Beth Kerttula, Alaska State Legislature, on behalf of Representative Kerttula, prime sponsor of HB 266, directed attention to page 3, lines 3-4, which read:

(b) Upon approval of the department, the sponsoring state agency may be responsible for the operation of the child care center when

- (1) procedures under AS 36.30 fail to procure a qualified service provider; or
- (2) the service provider's contract is cancelled and attempts to procure another qualified service provider are unsuccessful.

MS. CARPENETI explained that there are enough "hoops" to jump through and the responsibility would not revert automatically.

8:52:27 AM

REPRESENTATIVE ROSES referred to a sentence that begins on page 3, line 13, which read:

Neither the operator nor any personnel employed by or at a child care facility shall be considered to be employees of the state unless a state agency operates the facility under AS 39.90.240(b).

REPRESENTATIVE ROSES said that language concerns him. He acknowledged that plenty of people need child care, but he does not think the state needs to be in the position of running child care facilities. He said if the state opens the door to child care in one place, it will have to do so everywhere across the state.

REPRESENTATIVE KERTTULA said she appreciates Representative Roses' concern, but it is not the intent of the bill that that happen. She said the plan uses components such as finding a provider and departmental decision-making. She added, "But it certainly is a policy call for the committee if you want to allow that as a fail-safe or not. We did keep it in as an absolute last choice."

[8:54:18 AM](#)

REPRESENTATIVE JOHANSEN mentioned the child care in the Federal Building and asked for information pertaining to it.

MS. CARPENETI, in response to questions from Representative Johansen, noted that HB 266 is modeled on the federal bill that made possible the child care facility in Juneau's Federal Building. She noted that that facility used to be run by an organization based in Fairbanks, but a few years ago it changed to a board-run organization. She offered her understanding that the space for the child care facility in the Federal Building is provided [by the federal government]. The proposed legislation would allow for the state to provide the space or pass the cost for it along to the independent contractor.

REPRESENTATIVE JOHANSEN asked if there is any possibility that the federal government could end up "on the hook" regarding any part of the aforementioned child care facility.

MS. CARPENETI relayed that all the individual federal agencies in Juneau's Federal Building come together to cover the following costs of the child care facility: rent, utilities, and maintenance.

REPRESENTATIVE JOHANSEN asked for confirmation that the state would not operate the facility but would have a contract with an organization that would operate it.

[8:57:25 AM](#)

REPRESENTATIVE KERTTULA pointed out that while not in Juneau, in other arenas in the country the federal government does operate child care centers.

MS. CARPENETI added that the federal government could choose to operate the child care facility in Juneau's Federal Building if it wanted to.

[8:58:03 AM](#)

REPRESENTATIVE GRUENBERG directed attention to a "Legislative Research Report" dated June 19, 2007, [included in the committee packet], which he said shows a trend in the United States to provide [child care].

REPRESENTATIVE KERTTULA confirmed that some states do provide child care.

REPRESENTATIVE GRUENBERG observed that at least 22 states do so.

[8:58:50 AM](#)

MS. CARPENETI, in response to Representative Gruenberg, said she does not know how many private companies offer their employees child care services, although the numbers of employers that do are increasing. She said the bill sponsor has statistics that show the positive benefits of onsite child care. She said the reason for the increase in facilities is because more and more households have "all of the available parents" in the workforce. In response to a follow-up question from Representative Gruenberg, she confirmed that an increasing number of companies are offering "pro-family" or "work life" options, which include not only onsite child care, but also the opportunity to work from home. Furthermore, some employers will buy "slots" in nearby child care facilities for their employees to use when their children have sick days, for example.

REPRESENTATIVE GRUENBERG asked, "Do you know if the state provides that kind of alternative working arrangement that would alleviate the need for child care?"

MS. CARPENETI replied that she does not believe the state buys any child care slots. In response to a follow-up question, she said she knows an increasing number of states are looking into "options like that," but she said she would have to look into the matter to find out more in-depth information.

REPRESENTATIVE GRUENBERG remarked that it certainly makes it easier for parents to work when states offer options related to child care. Parents fight a difficult situation if they cannot get child care or work via telecommunication. He asked what kind of financial arrangement is made by states that offer child care options and whether it is affordable for employees.

[9:01:59 AM](#)

REPRESENTATIVE KERTTULA offered her understanding that California and Florida offer a sliding scale fee.

[9:02:28 AM](#)

REPRESENTATIVE JOHNSON asked if there is any provision in the state's union contract that would require the state to provide child care in all its facilities once it offers it in one.

REPRESENTATIVE KERTTULA responded as follows:

I have no idea, and if that were the case, that would be a completely separate issue from this. This was inserted into the bill solely as ... the complete, last option, so that there was some stop gap. If the committee thinks it's inappropriate to start at this point with that, we can take it out of the bill and talk about it more. But it was really for the areas where we know there aren't any child care providers at this point.

REPRESENTATIVE JOHNSON explained that he does not want the State of Alaska to find itself in the position of having to provide child care statewide, and he would like the record to show that that would not be the result of the proposed legislation.

REPRESENTATIVE KERTTULA said she doesn't think the committee would not want to preclude "that." She stated her belief that people should have child care throughout state agencies.

REPRESENTATIVE JOHNSON said he supports the concept of the bill, but reiterated that he doesn't want the state to end up responsible for paying for child care facilities.

[9:05:27 AM](#)

FATE PUTMAN, Assistant Business Manager/Legislative Lobbyist, Alaska State Employees Association/American Federation of State, County and Municipal Employees (ASEA/AFSCME) Local 52, said there is nothing in the collective bargaining agreement that addresses child care facilities in state facilities. He stated, "I would consider it to be probably a permissive subject of collective bargaining. It may be something that in the future we would want to do, but our intent would be, of course, that everybody be able to have child care services in their facilities." He added, "It wouldn't be something that we would prohibit anybody else from doing."

MR. PUTMAN, in response to Representative Johnson, said he thinks the idea of collective bargaining is that everyone is treated the same.

REPRESENTATIVE JOHNSON concluded that that means providing child care in just one state facility could be an issue.

[9:07:36 AM](#)

REPRESENTATIVE DOLL said she would like to see the state take leadership and offer child care to all its state employees. She talked about the economic impact of parents in the workforce.

CHAIR LYNN said he does not want to expand the bill to include child care facilities throughout the state.

[9:09:13 AM](#)

REPRESENTATIVE GRUENBERG asked how much an employer's offering child care increases that employer's competitiveness in attracting and keeping good employees.

REPRESENTATIVE KERTTULA said the amount of people who have contacted her office regarding the issue indicates that the employer's competitiveness would be increased quite a bit. She said there is research supporting that.

[9:09:50 AM](#)

REPRESENTATIVE JOHNSON, regarding Representative Doll's point, said some legislators want to control the growth of government while others do not. He said although this issue is one that he would want to embrace, he is not a proponent of increasing the power of government to do a job that the private sector can do. He stated, "I'm not prepared to make the leap that the state should be every thing to every person." He said he would dislike seeing the state putting Juneau's child care facilities out of business by taking over the role of child care provider.

[9:10:49 AM](#)

REPRESENTATIVE JOHANSEN said he supports the concept of the bill, because the benefit of having children nearby their parents at work is that it is good for employees' morale and increases job attractiveness. However, he said he does not support getting "hooked into having a state-run day care center."

CHAIR LYNN indicated that he concurs with most of what Representative Johansen expressed.

REPRESENTATIVE DOLL opined that the proposed legislation is important and needs to be passed. She assured fellow committee members that she wants to stay on track and "not move into the larger issues."

[9:13:31 AM](#)

REPRESENTATIVE KERTTULA clarified that the idea of having a state agency run the child care is intended only for areas in which there is no other choice. She proffered that if it is the committee's wish to amend the bill to take out that fail-safe measure, then the following sections would need to be removed from the bill: page 3, lines 3-8 and 13-15. She said passing the bill without that language would highlight the areas where the fail-safe was needed, and another bill could be introduced at that point to address the issue.

[9:14:42 AM](#)

REPRESENTATIVE ROSES agreed with all of the positive aspects of the bill mentioned thus far, but emphasized the importance of letting the public know that the state would be providing only the space, not picking up the tab for running the service. He said his daughter runs a child care facility and the biggest issues she faces are regarding space, utilities, and complying

with state law - not her ability to run the center or hire employees.

[9:16:18 AM](#)

REPRESENTATIVE ROSES moved to adopt Conceptual Amendment 1, as follows:

Page 3, lines 3-8:
Delete language

Page 3, lines 13-15, following "program.":
Delete "Neither the operator nor any personnel employed by or at a child care facility shall be considered to be employees of the state unless a state agency operates the facility under AS 39.90.240(b)."

REPRESENTATIVE ROSES clarified that the intent of Conceptual Amendment 1 is "to remove the fail-safe for the state taking over the operation." Even without the language, he said, he thinks the bill is a valuable asset for state employees.

[9:17:19 AM](#)

REPRESENTATIVE GRUENBERG objected to Conceptual Amendment 1. He talked about the problem the State of Alaska is having in recruiting and retaining employees under its latest retirement system plan, and he predicted that employees will quite working for the state in areas that would have no child care if Conceptual Amendment were to be adopted. He said he views HB 266 as a first measure in addressing the problem of lack of retention. He said he would encourage the state to provide alternative methods of working for the state, such as telecommuting, because he said Alaska is a state that is mainly rural.

[9:19:40 AM](#)

REPRESENTATIVE ROSES stated that he thinks the proposed legislation, even with the proposed amendment, will still attract and retain employees. He explained that the proportional cost of child care will be proportionally less in a state-owned facility, and he said that will attract workers.

[9:20:52 AM](#)

REPRESENTATIVE KERTTULA said the bill was much larger in scope four years ago and has been streamlined. She expressed appreciation for the feedback of the committee, and said she thinks that Representative Roses is correct that the bill, even with Conceptual Amendment 1, will serve to attract employees to work for the State of Alaska. She said she would prefer the bill "have a little bit of movement today," rather than demand the fail-safe provision be left in it.

[9:22:07 AM](#)

REPRESENTATIVE GRUENBERG removed his objection. There being no further objection, Conceptual Amendment 1 was adopted.

[9:22:27 AM](#)

REPRESENTATIVE DOLL asked if the child care offered in the Federal Building offers a substantial savings to the employees with children.

[9:22:41 AM](#)

MS. CARPENETI indicated that there is a cost savings resulting from the fact that the rent and utilities are paid for by the federal government and the employees are charged on a sliding fee scale, depending on their ability to pay.

CHAIR LYNN remarked that he does not know how much child care costs.

REPRESENTATIVE ROSES proffered that the cost starts at approximately \$215 a week per child.

[9:23:35 AM](#)

REPRESENTATIVE JOHANSEN said he pays \$1,500 a month, total, for his three children's child care.

[9:23:55 AM](#)

REPRESENTATIVE JOHNSON indicated that the adoption of Conceptual Amendment 1 has increased his already existing support of HB 266.

[9:24:39 AM](#)

REPRESENTATIVE JOHNSON moved to report (CS) for HB 266, Version 25-LS0846\E, Wayne/Mischel, 3/17/08, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 266(STA) was reported out of the House State Affairs Standing Committee.

HB 366-DISCLOSURE : APPROPRIATIONS FROM PFD FUND

[9:25:15 AM](#)

CHAIR LYNN announced that the last order of business was HOUSE BILL NO. 366, "An Act relating to an exemption from public disclosure of certain appropriations from the dividend fund; and providing for an effective date."

[9:25:35 AM](#)

REPRESENTATIVE HARRY CRAWFORD, Alaska State Legislature, presented HB 366 as prime sponsor. He said a law that was passed which took the permanent fund dividend away from those who are incarcerated had the unintended consequence of taking child support away from the children of those incarcerated. The proposed legislation, he explained, would allow those children to receive that money.

[9:27:46 AM](#)

REPRESENTATIVE JOHNSON asked if there is any provision in the bill that would allow the Department of Revenue to fill out the application on behalf of the child if the child's incarcerated, non-custodial parent refused or chose not to fill it out.

REPRESENTATIVE CRAWFORD responded that those incarcerated are not able to apply, which is why the bill sets up the ability for the department to provide a grant to the children.

REPRESENTATIVE JOHNSON stated his understanding that the Department of Corrections would actually have to fill out a form to get the money, essentially applying on behalf of the inmate. He said he supports the concept but wants to ensure the mechanism is there to ensure there is communication through the department.

REPRESENTATIVE CRAWFORD reiterated that the bill does not deal with people who are eligible, but rather those who are ineligible due to felony or multiple misdemeanors.

REPRESENTATIVE JOHNSON clarified that he is concerned about the steps the Department of Revenue would take in providing the grant.

[9:30:57 AM](#)

DEBBIE RICHTER, Director, Central Office, Permanent Fund Dividend Division, Department of Revenue, in response to Representative Johnson's concern, explained the process. She said if an incarcerated individual applies for a PFD, he/she is denied. She said the Department of Revenue pays the Department of Corrections based on a calculation, which she specified is not based upon an actual head count.

REPRESENTATIVE JOHNSON stated his assumption that if HB 366 passed, the department would apply a similar calculation to get the money to the appropriate people, and there would not be any real interaction.

MS. RICHTER answered that is correct.

REPRESENTATIVE JOHNSON asked how the process would actually work.

MS. RICHTER said she is not sure, but was assured by Jerry Burnett of the Department of Revenue that the process would be dealt with between [the Child Support Services Division] and the Department of Corrections.

REPRESENTATIVE JOHNSON said that works for him.

[9:33:08 AM](#)

REPRESENTATIVE ROSES stated his support for the concept of bill, although he indicated that the bill "does nothing for those children whose parents are incarcerated that aren't receiving child support." He surmised that those children need the money just as badly as those under the child support provision. He questioned whether - should the bill pass - it would be the responsibility of the Alaska Permanent Fund Board to determine who the money gets funneled to, or if the money would go as a lump sum to be distributed by another entity.

[9:34:31 AM](#)

MS. RICHTER, in response to a question from Representative Johansen, stated that anyone can apply for a PFD, but

incarcerated individuals will be denied. In response to a follow-up question, she explained that an application enters the PFD database and the denial is based on information provided by the Department of Corrections.

9:35:56 AM

REPRESENTATIVE DOLL asked why an incarcerated person would apply if he/she knows the application will be denied.

MS. RICHTER replied that she wishes she knew the answer to that. In response to a question from Representative Doll, she explained that the formula used to figure out how much DOC gets "is not based on the actual eligible people who are incarcerated; it is based on the number of people incarcerated."

9:36:56 AM

JERRY BURNETT, Legislative Liaison, Director, Administrative Services Division, Department of Revenue, confirmed Ms. Richter is correct: the calculation is based on the number of people incarcerated in the prior year, not whether or not they are eligible. The distribution between DOC and the Council on Sexual Assault is done in the budget process and has nothing to do with the number of people incarcerated, he added.

MR. BURNETT, in response to Representative Doll, stated:

I would guess that we'll have a few more people incarcerated this year The formula said 10,188 people ... for the '07 dividend. It will probably be more than that - I'm guessing more people are incarcerated. The dividend this year will be some amount which, based on current projections, will be more than the '07 [dividend]. So, I'm thinking we're dealing with an amount of money here that's totaling somewhere near \$20 million.

... If these people were eligible and we were garnishing them for child support, we could be potentially garnishing up to \$10 million from those individuals, had they been eligible for dividends and were able to apply. ... There's ... just over 10,000 people who are ... not eligible, but we don't know if they would have been eligible if they weren't incarcerated.

MR. BURNETT noted that "this" will be effective next year, "since all the money is appropriated in the FY 09 budget already."

REPRESENTATIVE DOLL offered her understanding that there are 5,500 people in the prison systems, so when she hears Mr. Burnett say there are 10,000 people, she wonders "where these people are."

MR. BURNETT said he could not say exactly where the people are. He noted that he used to serve the administrative director of the Department of Corrections, and therefore can say that there are a number of people who are incarcerated for short periods of time during any year or were incarcerated in previous years. The average sentence length is not multiple years; therefore, numbers can be easily run up to as many as 40,000 people who may be in and out of prisons in a year. He concluded, "So, ... a count at any time is not representative of the number of people who are in and out of the prison system."

[9:40:44 AM](#)

REPRESENTATIVE COGHILL asked if the grants to minor children of incarcerated individuals would equal the amount of the PFD in any given year.

MR. BURNETT said the proposed legislation does not make that clear.

REPRESENTATIVE COGHILL stated the need to clarify that issue. He asked how a minor child of an incarcerated individual is found.

MR. BURNETT said the Department of Revenue's Child Support Services Division has a case on almost every child who has been subject to child support in Alaska, and the division has identified approximately "5,000 of the 10,000 here."

REPRESENTATIVE COGHILL asked if the expectation is that the grant would be automatic or that there would be an application process involved.

MR. BURNETT replied that the department has not really spent much time related to how this would really work, but since a case is set up for each child, the amount of money going to the children is known, as is the amount of debt from the parents. He made a point of noting, "This does not off-set the debt of

the incarcerated parent in any way." He said he thinks the process would be a fairly simple one.

REPRESENTATIVE COGHILL asked the bill sponsor if his intent is that the grant would be equivalent to a dividend or if it would be in place of a designated child support amount.

[9:42:55 AM](#)

REPRESENTATIVE CRAWFORD answered it would replace the amount of the dividend.

CHAIR LYNN commented that a lot of children should be getting child support but do not.

MR. BURNETT responded that if an application was made, those children would be eligible for child support, and a case could be established. He clarified, "Anyone who's incarcerated, there's an automatic minimum child support due from them on a monthly basis of \$50 for a child."

REPRESENTATIVE COGHILL, in response to a question from Chair Lynn, explained that he is satisfied to have on the record that the intent of the sponsor is to make the grant be the amount of the dividend for that year.

[9:44:33 AM](#)

MR. BURNETT told Representative Coghill:

What we would do if this bill were to pass is we would develop a program - regulations with that amount - and then, during the budget process, for the FY 10 budget, we would go to OMB and propose that the money be split, so that that much money goes to the child support grant program [and] that the rest goes to Corrections and [the] Council on Domestic Violence and Sexual Assault.

[9:45:11 AM](#)

REPRESENTATIVE ROSES asked if a child could apply on behalf of an adult.

MR. BURNETT answered no, since the parent incarcerated would not be eligible for a dividend.

REPRESENTATIVE ROSES explained that he asked the question because although it easy to define who is receiving child support, it is not easy to find those that are not receiving child support. Representative Roses asked if a person can apply on behalf of a disabled parent who cannot apply for him/herself.

MR. BURNETT responded yes. He emphasized the difference in this case is that [incarcerated parents] are not eligible for dividends.

REPRESENTATIVE ROSES asked, "But this would ... allow the child to be eligible for what would have been theirs had they been eligible, correct?"

MR. BURNETT replied:

This method ... goes around the statute in a sense, and allows that child to ... receive that money, which, if their parent were not incarcerated and were eligible, we would be garnishing. We garnish 100 percent of dividends for people who have child support arrearages. There is no limitation on our garnishments.

[9:47:20 AM](#)

REPRESENTATIVE COGHILL stated his understanding that for an incarcerated parent, "this could be in lieu of child support," but a custodial parent could still apply on behalf of a child for the child's dividend, in which case he/she would get the dividend.

MR. BURNETT responded that the child would still get his/her dividend, but in the event that a child does not get a dividend by the time he/she turns 18, because no one has applied on his/her behalf, the child has two years after the 18th birthday to apply for all past dividends.

REPRESENTATIVE COGHILL said, "I just want it to be very clear that this is not replacing a dividend, but [is] in lieu of child support - equivalent to a dividend."

MR. BURNETT replied that that is essentially correct. He added:

Although, it does not relieve the non-custodial parent who is incarcerated of any of their responsibilities.

CHAIR LYNN closed public testimony.

[9:49:08 AM](#)

REPRESENTATIVE COGHILL moved to report HB 366 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 366 was reported out of the House State Affairs Standing Committee.

[9:49:42 AM](#)

REPRESENTATIVE JOHANSEN reported on the work of the House State Affairs Standing Committee's subcommittee assigned to study bills related to the issue of conflict of interest. He reported that there is as yet no recommendation for the full committee.

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at [9:52:24 AM](#).