

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

February 22, 2007

9:05 a.m.

**MEMBERS PRESENT**

Senator Lesil McGuire, Chair  
Senator Hollis French  
Senator Lyda Green

**MEMBERS ABSENT**

Senator Gary Stevens, Vice Chair  
Senator Con Bunde

**COMMITTEE CALENDAR**

CS FOR HOUSE BILL NO. 21(STA)

"An Act relating to the state flag; and relating to the proper retirement of an official state flag."

MOVED CSHB 21(STA) OUT OF COMMITTEE

SENATE BILL NO. 43

"An Act relating to contributions from permanent fund dividends to community foundations, to certain educational organizations, and to certain other charitable organizations that provide a positive youth development program, workforce development, aid to the arts, or aid and services to the elderly, low-income individuals, individuals in emergency situations, disabled individuals, or individuals with mental illness; and providing for an effective date."

MOVED CSSB 43(STA) OUT OF COMMITTEE

SENATE BILL NO. 7

"An Act relating to the voting rights of felons."

MOVED CSSB 7(STA) OUT OF COMMITTEE

SENATE BILL NO. 35

"An Act making an appropriation to the public education fund; making an appropriation to the earnings reserve account of the Alaska permanent fund; making an appropriation to the Alaska housing finance revolving fund; making an appropriation to the constitutional budget reserve fund; and providing for an effective date."

MOVED CSSB 35(STA) OUT OF COMMITTEE

SENATE BILL NO. 36

"An Act relating to sentencing for the commission of certain offenses influenced by alcohol and to the offense of consumption of alcohol in violation of sentence."

MOVED CSSB 36(STA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 21

SHORT TITLE: DISPOSAL OF STATE FLAG

SPONSOR(S): REPRESENTATIVE(S) HARRIS, HAWKER, DAHLSTROM, WILSON

01/16/07 (H) PREFILE RELEASED 1/5/07  
01/16/07 (H) READ THE FIRST TIME - REFERRALS  
01/16/07 (H) STA  
02/01/07 (H) STA AT 8:00 AM CAPITOL 106  
02/01/07 (H) Heard & Held  
02/01/07 (H) MINUTE(STA)  
02/06/07 (H) STA AT 8:00 AM CAPITOL 106  
02/06/07 (H) Moved CSHB 21(STA) Out of Committee  
02/06/07 (H) MINUTE(STA)  
02/07/07 (H) STA RPT CS(STA) NT 6DP  
02/07/07 (H) DP: JOHANSEN, ROSES, GRUENBERG,  
COGHILL, DOLL, LYNN  
02/08/07 (H) TRANSMITTED TO (S)  
02/08/07 (H) VERSION: CSHB 21(STA)  
02/09/07 (S) READ THE FIRST TIME - REFERRALS  
02/09/07 (S) STA  
02/20/07 (S) STA AT 9:00 AM BELTZ 211  
02/20/07 (S) Scheduled But Not Heard

BILL: SB 43

SHORT TITLE: CONTRIBUTIONS FROM PERM. FUND DIVIDENDS

SPONSOR(S): SENATOR(S) THERRIAULT

01/16/07 (S) PREFILE RELEASED 1/5/07  
01/16/07 (S) READ THE FIRST TIME - REFERRALS  
01/16/07 (S) STA, FIN  
02/20/07 (S) STA AT 9:00 AM BELTZ 211  
02/20/07 (S) Heard & Held  
02/20/07 (S) MINUTE(STA)

BILL: SB 7

SHORT TITLE: FELONS' RIGHT TO VOTE

SPONSOR(S): SENATOR(S) DAVIS

01/16/07 (S) PREFILE RELEASED 1/5/07

01/16/07 (S) READ THE FIRST TIME - REFERRALS  
01/16/07 (S) STA, JUD, FIN  
01/25/07 (S) STA AT 9:00 AM BELTZ 211  
01/25/07 (S) <Above Bill Hearing Canceled>  
02/22/07 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 35

SHORT TITLE: APPROP: FUNDS  
SPONSOR(S): SENATOR(S) WILKEN

01/16/07 (S) PREFILE RELEASED 1/5/07  
01/16/07 (S) READ THE FIRST TIME - REFERRALS  
01/16/07 (S) STA, FIN  
02/22/07 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 36

SHORT TITLE: SENTENCING FOR ALCOHOL-RELATED CRIMES  
SPONSOR(S): SENATOR(S) THERRIAULT

01/16/07 (S) PREFILE RELEASED 1/5/07  
01/16/07 (S) READ THE FIRST TIME - REFERRALS  
01/16/07 (S) STA, JUD, FIN  
01/23/07 (S) STA AT 9:00 AM BELTZ 211  
01/23/07 (S) Heard & Held  
01/23/07 (S) MINUTE(STA)  
01/25/07 (S) STA AT 9:00 AM BELTZ 211  
01/25/07 (S) Scheduled But Not Heard  
01/30/07 (S) STA AT 9:00 AM BELTZ 211  
01/30/07 (S) PEACE OFFICER CONVICTED OF MURDER  
02/01/07 (S) STA AT 9:00 AM BELTZ 211  
02/01/07 (S) -- Rescheduled from 01/30/07 --  
02/22/07 (S) STA AT 9:00 AM BELTZ 211

**WITNESS REGISTER**

REPRESENTATIVE JOHN HARRIS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 21 as sponsor.

SENATOR GENE THERRIAULT  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 43 and SB 36 as sponsor.

SENATOR BETTYE DAVIS  
Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Presented SB 7 as sponsor.

THOMAS OBERMEYER, Staff  
to Senator Bettye Davis  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 7 on behalf of Senator Davis,  
sponsor.

MICHAEL MACLEOD-BALL, Executive Director  
American Civil Liberties Union of Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Spoke in favor of SB 7.

DWAYNE PEEPLES, Deputy Commissioner,  
Department of Corrections  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions regarding SB 7.

DENISE MORRIS  
Alaska Native Justice Center  
Anchorage, Alaska

**POSITION STATEMENT:** Spoke in favor or SB 7.

ALONZO PATTERSON, Reverend  
Former Parole Board Chair  
Anchorage, Alaska

**POSITION STATEMENT:** Spoke in favor or SB 7.

DR. WILLIAM GREENE, President  
National Association for the Advancement of Colored People  
(NAACP), Alaska  
Anchorage, Alaska

**POSITION STATEMENT:** Spoke in favor or SB 7.

DANIEL LEVITAS, Consultant  
American Civil Liberties Union  
Atlanta, Georgia

**POSITION STATEMENT:** Spoke in favor of SB 7.

CAROL KAPLAN  
National Association for the Advancement of Colored People  
Washington D.C.

**POSITION STATEMENT:** Spoke in favor of SB 7.

DAVE STANCLIFF, Staff

to Senator Gene Therriault  
Alaska State Capitol  
Juneau, Alaska

**POSITION STATEMENT:** Presented SB 36 on behalf of Senator Therriault, sponsor.

**ACTION NARRATIVE**

**CHAIR LESIL MCGUIRE** called the Senate State Affairs Standing Committee meeting to order at [9:05:57 AM](#). Present at the call to order were Senator Green, Senator French, and Chair McGuire.

**CSHB 21(STA)-DISPOSAL OF STATE FLAG**

CHAIR MCGUIRE announced the consideration of CSHB 21(STA).

[9:06:59 AM](#)

REPRESENTATIVE JOHN HARRIS, Alaska State Legislature, sponsor of HB 21, said the bill brings state statute "into compliance with the same thing we do for federal flags" with regard to their disposal. The American Legion wanted direction on how to dispose of the Alaska flag, he said. Language about where to fly the flag has been dropped from this bill; it only covers the disposal of certain flags and a description of what constitutes those flags.

[9:07:42 AM](#)

SENATOR GREEN motioned to report CSHB 21(STA) from committee with individual recommendations and attached fiscal note(s). There being no objection, it was so ordered.

**SB 43-CONTRIBUTIONS FROM PERM. FUND DIVIDENDS**

CHAIR MCGUIRE announced the consideration of SB 43.

[9:08:43 AM](#)

SENATOR GENE THERRIAULT, Alaska State Legislature, sponsor of SB 43, said he had an amendment, labeled 25-LS0365\A.1, Cook, as follows:

Page 2, line 8, following "contribution.":

Insert "The electronic dividend application form must include notice that no money contributed will be used for administrative costs incurred in implementing this section and that money from the dividend fund will not be used for that purpose."

Page 3, lines 21 - 24:

Delete all material and insert:

"(d) Unless an appropriation specifically directs that the money be used for costs incurred in implementing this section, the department may not use money from the dividend fund for administrative costs incurred in implementing this section even if it has been appropriated for costs of administering the dividend program. The department may not use money contributed under (a) of this section for administrative costs incurred in implementing this section. Contributions shall be distributed to each organization as soon as practicable."

SENATOR THERRIAULT said the amendment makes clear that no money from the dividend fund or the general fund will be used for administrative expenses. The bill sets up a three-year pilot program, and the Rasmuson Foundation has agreed to fund those administrative expenses. This makes it clear that for the three-year period all the costs will be borne by Rasmuson. He was told that it didn't make sense to discuss funding after the three years, because the program will sunset at that time. If the legislature chooses to extend the program, it can allow a portion of the contributions to fund it, he stated.

CHAIR McGUIRE motioned to adopt 25-LS0365\A.1 as Amendment 1. Hearing no objection, it was so ordered.

SENATOR GREEN asked about a letter from the Department of Revenue (DOR).

The Committee took an at-ease from [9:11:41 AM](#) to [9:12:45 AM](#).

SENATOR THERRIAULT said he talked with dividend staff, and they are considering a new database system. The DOR letter discusses that new payment system, and the \$300,000 in FY08 would be covered by the Rasmuson Foundation. He is not expecting it to impact this year's dividend. He believes that with that amount of money and with the change in the dividend system, that the change will be built in.

[9:14:11 AM](#)

SENATOR FRENCH asked what the DOR means by limiting the charity assignment, and if that is for everyone or per applicant.

SENATOR THERRIAULT said he wasn't sure, but he would imagine it is one charity assignment per applicant. He said the DOR can only do what the technology allows it to do.

CHAIR MCGUIRE said it could become an evolving process, and the sponsor could discuss this between now and the finance hearing.

SENATOR THERRIAULT agreed, and said the finance committee can scrutinize the fiscal note.

CHAIR MCGUIRE said a compromise is to run a pilot or have a sunset, but that is something she would not support because once the infrastructure is in, "you'd want to keep it going."

CHAIR MCGUIRE moved to report SB 43 [as amended] from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 43(STA) moved from committee.

[9:17:26 AM](#)

SB 7-FELONS' RIGHT TO VOTE

CHAIR MCGUIRE announced the consideration of SB 7.

[9:18:00 AM](#)

SENATOR BETTYE DAVIS, Alaska State Legislature, sponsor of SB 7, said her aide would introduce the bill.

THOMAS OBERMEYER, staff to Senator Bettye Davis, described the bill as an opportunity for a second chance to reenter society for felons. It is of great significance to Alaska because there are over 5,000 felons who have been disenfranchised and a great many are minorities, which should bring cause for alarm. He read a statement from Justice Marshall, as follows:

It is doubtful whether a state can demonstrate either a compelling or rational policy interest in denying former felons the right to vote. Ex-offenders have already paid their debt to society. They are as much affected by the actions of government as any other citizen and have as much of a right to participate in governmental decision making. Furthermore, the denial of a right to vote to such persons is hindrance to the efforts of society to rehabilitate former felons and convert them into law abiding and productive citizens.

MR. OBERMEYER said some states allow felons to always vote, but SB 7 just asks that felons be allowed to vote once they are released from prison instead of waiting until after probation and parole. It would require some change in the Department of Corrections (DOC) and the Division of Elections to recognize those affected by the bill. There are 5.5 million people prohibited from voting in the United States now. "These people are coming back to society...America is the land of second chance, and when the gates of the prison open, the path ahead should lead to a better life." He noted that 47 percent of those incarcerated in Alaska are Alaska Native and 11 percent are African American. This is the last form of disenfranchisement in the United States. Alaska's laws weren't enacted in a discriminatory process so are likely constitutional, he said.

[9:22:47 AM](#)

CHAIR McGUIRE surmised that the bill doesn't allow a felon to vote while in prison. She asked what district they would vote in, and she assumed it would be wherever they took up residency.

MR. OBERMEYER spoke with the Division of Elections and the lieutenant governor and said it could be done simply and without added costs. Instructions could be put on a website.

CHAIR McGUIRE asked why the original law was enacted.

MR. OBERMEYER said Alaska likely followed what other states did. He said two states allow felons to vote all the time, some states use the language in SB 7, about 21 states have the same law Alaska has, and some never allow felons to vote. He said some felons in Alaska don't know they are allowed to vote after probation. He said 600,000 felons re-enter society every year.

[9:26:32 AM](#)

CHAIR McGUIRE made a comment about non-felons who don't vote. She said she couldn't see why those who have paid their debt to society shouldn't be allowed to vote.

MR. OBERMEYER said disenfranchisement has a long history, but society is now rejecting practices that were formally accepted.

[9:27:39 AM](#)

SENATOR GREEN said she can't support this at all. The sentence comprises probation and parole when the felon is still under certain obligations. The loss of the ability to vote is part of the conviction, and it isn't over when they walk out the door.

SENATOR FRENCH said this is difficult. He is a former prosecutor and knows it is not easy to get convicted of a felony. He asked about how it will work for Alaska, and where the statistic of 5,000 felons comes from.

MR. OBERMEYER said he wasn't sure but about 47% are Native and 11 percent are African American. He said the Division of Elections doesn't oppose the bill. In response to Senator Green that this is part of the sentence, "it's my understanding that in the past there was opposition by the Department of Corrections because so many of these people were recidivists and they didn't want to go through the aggravation of trying to reestablish them on the rolls." It will be simpler with electronic data use. He said recidivism is a problem because of drug use, and there needs to be rehabilitation in the medical community and not just in prison. This is just one step in encouraging people to get back in society.

CHAIR McGUIRE asked if someone on probation would be a "bad voter." Some restrictions make sense, like contacting a victim or drinking, but encouraging positive things, like getting an education or voting—"I just can't see the other side of it."

[9:32:32 AM](#)

MR. OBERMEYER said a past argument is that felons would vote liberal.

CHAIR McGUIRE said she is trying to understand the policy.

SENATOR DAVIS asked if Senator French wanted more information.

SENATOR FRENCH said he wants to hear from the DOC to learn how many people this will affect.

SENATOR DAVIS said the department was contacted.

[9:34:39 AM](#)

JASON HOOLEY, Special Assistant, Office of Lieutenant Governor, said he is testifying for Whitney Brewster, the director of the Division of Elections. He said the division is not opposed to the bill. He asked how the DOC intends to notify the division when a voter has been incarcerated for a felony of moral turpitude and when individuals are released from prison so they can restore voting rights. He explained, in detail, the current process and the difficulties of information exchange between the DOC and the division. He noted that the committee substitute

makes an important change in Section 1, which specifies that the DOC should funnel all notifications through the director.

[9:40:11 AM](#)

SENATOR FRENCH made a motion to adopt the committee substitute labeled, 25-LS0100\M, Bullard, as the working document. Hearing no objection, version M was before the committee.

CHAIR MCGUIRE said it is disturbing that some who should be able to vote still don't have that right because the information is not transmitted in a timely manner.

MR. HOOLEY said that is disturbing to his division as well.

[9:41:27 AM](#)

SENATOR FRENCH said it seems that the division should be wildly enthusiastic about this bill because of the clear distinction of a person behind bars and one who is not.

SENATOR GREEN asked if a felony involving moral turpitude is the only one that is restored and not the lesser felonies.

MR. HOOLEY said the lesser felonies don't fall under the moral turpitude label and don't lose the right to vote.

SENATOR FRENCH asked for the list of the lesser felonies.

MR. HOOLEY said felonies of moral turpitude are felonies that are wrong in and of themselves--murder and assault for example.

[9:43:33 AM](#)

CHAIR MCGUIRE asked the other testifiers to confine their remarks to those that have not yet been made.

[9:44:21 AM](#)

MICHAEL MACLEOD-BALL, Executive Director, American Civil Liberties Union of Alaska (ACLU), said he submitted testimony. He asked the committee to think about who would get the right to vote as a result of SB 7. The Alaska constitution has a specific right of reform, which the courts have interpreted to include a right to rehabilitation. Rehabilitation is what incarceration is attempting to do, he stated. Parole and probation comes when someone plays by the rules and they ought to get the small reward of voting. "That's all part of this grand scheme that we have to try to reintegrate these offenders into society." He added that "if it's deemed to be better for society that somebody is reintegrated into society at a particular point in

the sentence, shouldn't we also include with that the right to participate in civil society through the franchise?"

[9:48:53 AM](#)

SENATOR FRENCH asked how many individuals have been released and are still on probation or parole in Alaska.

DWAYNE PEEPLES, Deputy Commissioner, Department of Corrections, said there are 5,546 as of February.

SENATOR FRENCH asked for the average length of probation or parole and what kind of felonies occurred.

MR. PEEPLES said he will get that information to him.

CHAIR McGUIRE said the felonies of moral turpitude matter most to this bill. The list includes rioting, procession of gambling records, and "all kinds of things." She asked for that information and for demographic information.

MR. PEEPLES said locations are tracked, and he will try to develop a matrix by the seriousness of the crimes.

[9:51:26 AM](#)

DENISE MORRIS, Alaska Native Justice Center, noted she would fax her memorandum. She said that Alaska's current restriction on felony voting is limited to felonies of moral turpitude; however, the definition is designed by statute and includes almost all felonies. The theft of something worth over \$499 is a felony. Most assault cases and misconduct involving a controlled substance are felonies. Many individuals don't commit crimes against people, but the crime is a felony nonetheless. Restrictions on voting rights impact Natives more. Alaska Natives constitute 16 percent of the state, but they account for 37 percent of the prisoners. Cultural factors make Natives more susceptible to felony disenfranchisement, she said. Restoring voting rights is an important element to an individual's reintegration back into the community. She said there is some indication that voting reduces recidivism. One study found that 27 percent of nonvoters were rearrested, compared with 12 percent of voters. A recent report by the Alaska Judicial Council showed that recidivism rates were greatly reduced for individuals who went through the therapeutic court. A condition of parole or probation should even require the registration to vote. She concluded by saying that the Alaska Native Justice Center supports lessening the restrictions on felony

disenfranchisement, specifically voting rights, which will bring Alaska into the modern national trend.

9:57:02 AM

ALONZO PATTERSON, Former Parole Board Chair, said he served on the parole board for 12 years and he is involved with the Baptist Church, MLK Foundation, and Alaska Black Leadership Conference. He supports SB 7, and he has been involved with issuing parole releases and probation recidivism. He has looked at the recidivism rates and the disparity in sentencing. The disparity begins long before the person is released from prison. When releasing people, the message is a restoration of their rights, but when the voting rights aren't included it is a farce. Those people can develop an attitude of hopelessness, and recidivism levels rise. It is difficult for these people to get jobs. Looking at the greatest number of people in the institution doesn't indicate discrimination, but "it is culturally impacting because if you have a greater number of minorities in the institution, then you have a greater number of people being impacted in that culture based on the fact that they are not able to have their voting rights." He encouraged the committee to strongly support SB 7.

MR. PATTERSON said the problem of going in and out of jail could mean that a person could spend 20 years trying to serve a 5-year term, "and that recycling process can put your voting rights off a long time." He added, "One's right to vote is one's right to vote whether one votes liberal or whatever. That is a part of their right as a citizen." Denying the right to vote creates an attitude that overcrowds the prison system. He said he works with some of these people as a chaplain, and allowing them to vote and fully participate as citizens of Alaska removes an obstacle from their intended rehabilitation.

10:01:47 AM

DR. WILLIAM GREENE, President, NAACP Alaska, said he has worked with Mr. Patterson for 25 years and has seen a lot of change in inmate life. The bill is part of making them whole and feel like they are a part of society once again. Voting rights give the indication that persons are accepted back into society and not outcasts. Passing the legislation will make the community better, he stated.

DANIEL LEVITAS, American Civil Liberties Union, ACLU, Atlanta, Georgia, said his work focuses specifically on voter disenfranchisement. He has submitted testimony. He said there are 11,132 Alaskans who are disfranchised as a result of felony

convictions. There is a distinction in the law between felonies and felonies of moral turpitude, but mostly everyone convicted of a felony in Alaska ends up being disfranchised. He said he was pleasantly surprised that the Division of Election makes an effort to fully enfranchise those people who haven't committed so-called moral turpitude crimes, but that system isn't fully efficient. Data from 2004 show more than half of these people are out working in the community: 5,000 on felony probation and 927 on parole. These people would be enfranchised through SB 7. There are 20 states that treat felony offenders less harshly than Alaska, and 13 states are considering this same change. This bill will eliminate a tremendous amount of the bureaucratic paperwork complications that disenfranchise people because no one knows their status.

MR. LEVITAS said here have been few studies, but one shows a clear link between voting behavior and lower re-arrest rates. The problems in the notification system would be fixed by SB 7, he concluded. Registration instructions and eligibility can be handed to people as they walk out of prison.

[10:08:59 AM](#)

CAROL KAPLAN, National Association for the Advancement of Colored People (NAACP), said the NAACP "logic is simple: by allowing individuals to invest in their community through the electoral process, they are more likely to feel a sense of ownership and become productive members of that society and less likely to return to...anti-social destructive behavior that led to their previous incarceration."

CHAIR MCGUIRE asked the will of the committee.

SENATOR FRENCH moved to report the CS for SB 7, labeled, 25-LS0100\M, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 7(STA) moved from committee.

### **SB 35-APPROP: FUNDS**

CHAIR MCGUIRE announced the consideration of SB 35.

[10:11:04 AM](#)

SENATOR GARY WILKEN, Alaska State Legislature, sponsor of SB 35, said that during the last election he had to correct four people who said the state spent everything last year. "Last year we saved 46 percent of our surplus," which was \$649 million, he said. Some people knew it but characterized savings as spending,

and some simply didn't know it. He said there are "a couple of billion dollars in surplus in 07 and 08, and so I wanted to get out to the folks that we have places that we can put that." SB 35 is an appropriation fund, called "bank-a-billion" in marketing terms. He said Alaska revenues will be record-high from the new profit-based petroleum tax, but it will not be known until March or later. SB 35 will save this expected surplus of \$1.35 billion into four separate savings accounts: \$250 million each to the Public Education Fund; Alaska Housing Finance Corporation (AHFC) capital account; Permanent Fund Earnings Reserve Account; and Constitutional Budget Reserve Account. "The deposit of a billion dollars in four separate, unique accounts forces the Legislature to save for the future, a time when our state's financial picture might be different than today."

10:14:25 AM

SENATOR FRENCH asked what the status is of the public education fund and what the governor is planning for it.

SENATOR WILKEN said last year there was \$565 million, "which we used," and there is now \$509 million. The governor proposes to drain that to fund K-12. "The effect of that would be to use the \$509 million, but then you would not use your surplus so the surplus, on June 30, would automatically...that particular \$509 million would then drift into the [Constitutional Budget Reserve]."

SENATOR FRENCH said if the legislature spent within its means and kept the budget somewhere between the governor's and legislature's budget, all this money would be swept into the CBR at the end of the fiscal year.

SENATOR WILKEN said, yes. The bill would divert three fourths of that to three separate accounts.

SENATOR FRENCH asked for the current AHFC capital account.

SENATOR WILKEN said \$300 million was put in that account. He noted that "we all thought, last year, that we had taken \$300 million and put it into a capital account" in AHFC, but that is not the case, because it is still in the general fund, "and there's a fence around it." Lines 1-5 on page 2 of the bill are incorrect, and he said he has an amendment to fix it. That money is currently roped off in the general fund, so the bill will move another \$250 million to it.

SENATOR FRENCH asked if the amendment would move the funds out of the general fund into the AHFC capital account itself.

SENATOR WILKEN said no, it matches the \$250 million with the \$300 million that is in the general fund.

SENATOR FRENCH surmised it would still reside there with a fence around it.

SENATOR WILKEN said he just found out about this yesterday. The bill is written for money to go into the revolving fund, and that isn't correct. "I don't think any of us knew that this hadn't been moved over into Alaska Housing Finance fund." The important point is that it is roped off, he stated.

SENATOR GREEN asked if an appropriation is generally made to the AHFC capital account.

SENATOR WILKEN said, no, former Governor Murkowski wanted \$400 million, "and so we took that and said, OK let's rope it off, but if you don't need it, it could be used for something else."

[10:18:36 AM](#)

SENATOR FRENCH asked what currently is in the Permanent Fund Earnings Reserve Account and the Constitutional Budget Reserve.

SENATOR WILKEN said the permanent fund had \$4.5 billion in realized earnings, and the Constitutional Budget Reserve had \$2.46 billion at the end of December.

[10:19:06 AM](#)

SENATOR GREEN made a motion to adopt Amendment 1, labeled 25-LS0271\C.1, Kane, as follows:

Page 1, line 3:

Delete "**housing finance revolving fund**"

Insert "**Housing Finance Corporation**"

Page 2, lines 1 - 5:

Delete all material and insert:

"\* **Sec. 3.** ALASKA HOUSING FINANCE CORPORATION. The sum of \$250,000,000 is appropriated to the Alaska Housing Finance Corporation for the purpose of funding capital projects, including financing expenses, from the general fund available after all other appropriations for the fiscal year ending June 30, 2007, are accounted for, but before the deposit

required under art. IX, sec. 17(d), Constitution of the State of Alaska, is made. It is the intent of the legislature that the Alaska Housing Finance Corporation may transfer this money and the earnings to a subsidiary of the Alaska Housing Finance Corporation on or after July 1, 2007, under AS 18.56.086."

CHAIR MCGUIRE announced that without objection, Amendment 1 carried.

SENATOR GREEN asked why Senator Wilken used a dollar figure instead of a percentage for the funds in the bill.

SENATOR WILKEN said the term, bank-a-billion is cute and it works. He said the legislature should have a sense of how much it wants to save. He said "all of us" worked on it last year, and campaign time came "and we struggled to talk about savings." He said "savings" was a four-letter word for many years, and the state is blessed with surpluses, and savings is not spending, he explained, "you spend it into a savings account."

SENATOR GREEN asked if the bill should say "at least" in case the surplus is higher.

SENATOR WILKEN said that number will move around in finance committee, "the point being, let's save something. Let's put it in four places that we can access at a future time."

10:22:11 AM

CHAIR MCGUIRE said she likes that there are four places because everyone has ideas about where to save. She struggled to convince her constituents that money was set aside last year. This is a vehicle that the finance committee can deal with. She said, "We don't know what the numbers will be or if they'll change or even if those pots of money will be allocated slightly differently, but...the finance committee would be a better resting place for it...until those numbers come in."

SENATOR GREEN made a motion to report SB 35, as amended, from committee with individual recommendations and attached fiscal note(s). Hearing no objections, CSSB 35(STA) moved from committee.

**SB 36-SENTENCING FOR ALCOHOL-RELATED CRIMES**

[10:23:34 AM](#)

SENATOR McGUIRE announced the consideration of SB 36.

[10:24:05 AM](#)

SENATOR FRENCH made a motion to adopt a committee substitute (CS) labeled, 25-LS0282\C, Luckhaupt, as a work draft. Hearing no objection, version C was before the committee.

SENATOR THERRIAULT explained that Chair McGuire had supported including therapeutic courts if the space was available.

DAVE STANCLIFF, staff to Senator Therriault, said the new language begins on pages 3, line 30. It "allows that option to be considered in lieu of an alcohol ban based on the idea that therapy, when it's available, certainly should be considered before something as serious as a ban, perhaps." He said prosecutors and judges would have to agree.

[10:25:42 AM](#)

CHAIR McGUIRE said her inclination toward the bill is negative, because alcoholism is a disease. When it is an underlying part of a serious crime, society must respond, "but my concern is adding on another felony, another felony, another felony...and where does that take us as a society? Do we ever break the cycle or not?" She will accept this compromise, she stated. A compelling argument was the type of individual in a village who displays Jeckel and Hyde characteristics with very serious offenses under the influence of alcohol, that the law might be a tool to have a trooper intervene before the alcohol influence occurred. In a town like Anchorage, she worries about abuse. What she doesn't want to see is a police officer with a vendetta following around an individual in an attempt to get him or her back in jail on a felony. Alcoholism is terrible, but charging people with more felonies might not be the answer. "The more we can do in terms of therapeutic courts and trying to get these folks to get off the alcohol, I think the better off we're going to be as a society."

[10:28:31 AM](#)

SENATOR FRENCH moved to report the CS for SB 36, labeled 25-LS0282\C, from committee with individual recommendations and attached fiscal note(s). Hearing no objection, CSSB 36(STA) moved from committee. He made a motion for a letter of intent to be moved to the next committee as well, without objection.

There being no further business to come before the committee, Chair McGuire adjourned the meeting at [10:29:19 AM](#).