

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

March 4, 2008

9:06 a.m.

MEMBERS PRESENT

Senator Lesil McGuire, Chair
Senator Gary Stevens, Vice Chair
Senator Hollis French
Senator Lyda Green
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 265

"An Act relating to drivers' licenses and identification cards issued to sex offenders and child kidnappers."

MOVED CSSB 265(TRA) OUT OF COMMITTEE

SENATE BILL NO. 276

"An Act relating to project labor agreements."

MOVED CSSB 276(STA) OUT OF COMMITTEE

HOUSE BILL NO. 259(efd add)

"An Act establishing the first week of every March as Alaska History Week; and providing for an effective date."

MOVED HB 259(efd add) OUT OF COMMITTEE

SENATE BILL NO. 296

"An Act relating to the crime victim compensation fund."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 265

SHORT TITLE: SEX OFFENDERS & CHILD KIDNAPPERS

SPONSOR(S): SENATOR(S) MCGUIRE

02/13/08	(S)	READ THE FIRST TIME - REFERRALS
02/13/08	(S)	TRA, STA
02/21/08	(S)	TRA AT 1:00 PM BUTROVICH 205
02/21/08	(S)	-- MEETING CANCELED --

02/28/08 (H) TRA AT 1:00 PM CAPITOL 17
02/28/08 (H) -- Rescheduled to 03/04/08 --
03/03/08 (S) TRA RPT CS 2DP 1NR NEW TITLE
03/03/08 (S) DP: KOOKESH, WIELECHOWSKI
03/03/08 (S) NR: OLSON
03/04/08 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 276

SHORT TITLE: STATE CONSTRUCT'N PROJECT LABOR AGREEMENT
SPONSOR(S): SENATOR(S) BUNDE

02/15/08 (S) READ THE FIRST TIME - REFERRALS
02/15/08 (S) STA, L&C
02/28/08 (S) STA AT 9:00 AM BELTZ 211
02/28/08 (S) Heard & Held
02/28/08 (S) MINUTE(STA)
03/04/08 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 259

SHORT TITLE: EFFECTIVE DATE: MEDICAL ASSISTANCE LAWS
SPONSOR(S): RULES BY REQUEST OF LEGISLATIVE COUNCIL

02/04/08 (S) READ THE FIRST TIME - REFERRALS
02/04/08 (S) STA, FIN

BILL: SB 296

SHORT TITLE: CRIME VICTIM COMPENSATION FUND
SPONSOR(S): STATE AFFAIRS

02/27/08 (S) READ THE FIRST TIME - REFERRALS
02/27/08 (S) STA, FIN
03/04/08 (S) STA AT 9:00 AM BELTZ 211

WITNESS REGISTER

TREVOR FULTON, Staff
to Senator McGuire
Alaska State Legislature
POSITION STATEMENT: Presented SB 265 and SB296.

DEBBIE RICHTER, Director
Permanent Fund Dividend Division
Department of Revenue
Juneau AK
POSITION STATEMENT: Answered questions regarding SB 265.

KATHY MONFREDA, Chief

Criminal Records Bureau
Department of Public Safety
Anchorage AK

POSITION STATEMENT: Answered questions regarding SB 265.

CHRIS ASHENBRENNER, Executive Director
Council on Domestic Violence and Sexual Assault
Juneau AK

POSITION STATEMENT: Spoke in support of SB 265.

REPRESENTATIVE ANNA FAIRCLOUGH
Alaska State Legislature
Juneau AK

POSITION STATEMENT: Presented HB 259

GERAD GODFREY, Chair
Violent Crimes Compensation Board
Juneau AK

POSITION STATEMENT: Spoke in favor of SB 296.

ACTION NARRATIVE

CHAIR LESIL MCGUIRE called the Senate State Affairs Standing Committee meeting to order at [9:06:05 AM](#). Senators French, Green, Bunde, and McGuire were present at the call to order. Senator Stevens arrived shortly thereafter.

SB 265-SEX OFFENDERS & CHILD KIDNAPPERS

CHAIR MCGUIRE announced the consideration of SB 265.

[9:06:54 AM](#)

TREVOR FULTON, Staff to Senator McGuire, Alaska State Legislature, said the state sex offender registry is popular and effective in identifying convicted sex offenders in communities. The Permanent Fund Dividend (PFD) has the most complete data base in Alaska. SB 265 combines the resources of the PFD division and the Department of Public Safety's sex offender registry. By withholding PFDs from sex offenders that are out of compliance with the registry, SB 265 aims to bring in the one out of ten sex offenders who have not registered. It provides an incentive to register, so it will reduce the burden on law enforcement of tracking down non-compliers. Most importantly, SB 265 gives Alaskans an improved means to identify convicted sex offenders who may be living in their community.

MR. FULTON said CSSB 265(TRA), Version M, is before the committee.

The committee took a brief at-ease at [9:09:46 AM](#).

[9:11:39 AM](#)

CHAIR MCGUIRE said a cursory look at those out of compliance revealed that about two thirds would have applied for and qualified for the PFD.

SENATOR BUNDE said a memo from Tam Cook [Director, Legislative Legal Services] notes that a convicted felon is not eligible for a PFD, and he asked if that prohibition ends after serving time.

DEBBIE RICHTER, Director, Permanent Fund Dividend Division, Department of Revenue, said the sex offender would only be denied a dividend while incarcerated.

KATHY MONFREDA, Chief, Criminal Records Bureau, Department of Public Safety, said the department supports SB 265. It is an opportunity to improve compliance. Two thirds of non-compliant sex offenders applied for a dividend check last year.

[9:15:15 AM](#)

SENATOR BUNDE asked if the PFD division will withhold the dividend and notify law enforcement if SB 265 passes.

MS. RICHTER said her division does not address the sex offender registry at all. A match is made with the Department of Corrections for people incarcerated with misdemeanors or felonies. The division will not deny the dividend under SB 265, but would withhold payment for one year until the offender becomes compliant.

SENATOR BUNDE asked if she will notify the department.

MS. RICHTER said information will be coming from the Department of Public Safety. Eligibility work will need to be done because the sex offender would need to prove compliance.

[9:17:38 AM](#)

SENATOR BUNDE said he doesn't understand the process.

CHAIR MCGUIRE said the process will be established. The point is to bring sex offenders into compliance when applying for a dividend. Currently a similar process works for those who are convicted criminals. She has been working with Ms. Monfreda and

Ms. Richter to come up with a process and doesn't want to dictate every minute detail in statute. This will just tell them to do it, and they will come up with a system.

[9:19:04 AM](#)

SENATOR FRENCH said, "I would assume that should the dividend be delayed and should the sex offender who isn't registered with the right address [indecipherable] convicted during that year, during the period of delay, then the dividend will be denied."

MS. RICHTER said that is correct.

SENATOR FRENCH said he is no friend of sex offenders, but many of the failures to register are highly technical, and sometimes it is a matter of being one day behind. It can be a paperwork problem, and so it seems fair to hold back on the dividend for the time and see if the prosecutor has a strong case. If the person is convicted of failure to register, then the dividend is withheld. If it turns out the case is dropped and the sex offender is registered at the right address - which is really the idea - then "all is well."

[9:20:22 AM](#)

CHAIR MCGUIRE said if the dividend was denied, it opens up the appeals process and the question of rights. If there was a legitimate attempt to register or a paperwork problem, then there would be an administrative nightmare.

SENATOR GREEN asked about the fiscal note.

MS. RICHTER said the fiscal note does not address just the impact of the bill on the PFD division. SB 265 will affect every functional area of the division minimally. The situation now is that the division is backlogged in appeals. There are 4,000 appeals and the division is about 8 months behind. The eligibility staff also handles public response, "so we're not able now to deal with the volume of contact that we get during application season and during payment season." She is asking for two positions including an eligibility specialist, which takes a year to fully train. The contractual portion of the fiscal note for \$96,000 is the cost of hiring the contractor to write the agency interface that the division lost when it switched to the new database system. The new system will be very efficient over time, but pieces are not written. This \$96,000 writes that interface and makes this match with DPS possible.

[9:23:15 AM](#)

SENATOR GREEN asked if those costs will be incurred with or without SB 265.

MS. RICHTER said the division received the bid but does not have the funding to implement it.

SENATOR BUNDE said that should have been a budget request.

MS. RICHTER said she was not aware that this would be an unintended consequence of rolling the system over until after the budget passed.

SENATOR BUNDE asked if the division is funded out of the permanent fund.

MS. RICHTER said her division is funded out of money that is transferred to pay the dividends.

MS. MONFREDA said her office will work out the details with the PFD division. The division fears a spate of calls from sex offenders, and she will try to minimize that.

CHAIR MCGUIRE asked the percentage of people out of compliance.

[9:25:18 AM](#)

MS. MONFREDA said about 90 percent of sex offenders are compliant, and the state is trying to improve that. Not all are in Alaska, and it takes an investigation to track people.

CHRIS ASHENBRENNER, Executive Director, Council on Domestic Violence and Sexual Assault, Juneau, said SB 265 is a great tool for tracking sex offenders for safety and accountability.

SENATOR FRENCH moved to report CSSB 265(TRA) from committee with individual recommendations and accompanying fiscal notes. Hearing no objections, CSSB 265(TRA) passed out of committee.

SB 276-STATE CONSTRUCT'N PROJECT LABOR AGREEMENT

CHAIR MCGUIRE announced the consideration of SB 276.

[9:28:25 AM](#)

SENATOR BUNDE noted an amendment to SB 276 to address the concerns by Senator French the last time the committee discussed the bill to make sure people have accurate information.

[9:29:16 AM](#)

SENATOR BUNDE moved Amendment 1, labeled 25-LS1247\M.1, Wayne, as follows:

Page 2, following line 9:

Insert a new subsection to read:

"(c) An employer or labor representative who participates in or administers a fringe benefits program that is available for selection by an employee under (b) of this section shall provide to the employee a written description of the fringe benefits program within seven days after a request by the employee."

Reletter the following subsection accordingly.

Page 2, line 28, following "agreement;":

Insert "an employer or labor representative who administers a fringe benefits program that is available for selection by an employee under this paragraph shall provide the employee with a written description of the fringe benefits program within seven days after a request by the employee;"

SENATOR FRENCH objected.

SENATOR BUNDE said Amendment 1 requires that an employee under a project work agreement is informed within the first seven days of employment detailing union and non-union benefit plans.

SENATOR FRENCH removed his objection, and Amendment 1 passed.

SENATOR BUNDE said the bill gives people who work under a project labor agreement an opportunity to be vested in the union benefit plan if it is the most beneficial or to continue with the benefit plan of their employer. During the Trans Alaska Pipeline project, people went to work and they were not employed long enough to vest. There has been a change. In those days it was a ten-year vesting period and now it is five. But five years is quite a long time, so it may be in a person's best interest to continue with their non-union program.

[9:32:04 AM](#)

SENATOR BUNDE moved to report SB 276, as amended, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 276(STA) passed out of committee.

HB 259-ESTABLISHING ALASKA HISTORY WEEK

CHAIR MCGUIRE announced the consideration of HB 259. [Before the committee was HB 259(efd add).]

[9:33:10 AM](#)

REPRESENTATIVE ANNA FAIRCLOUGH, Alaska State Legislature, said HB 259 establishes the first week of March as Alaska History Week. The idea came from a national history program where Alaska has many contestants. National History day focuses on a topic and this year it is conflict and compromise. The bill will "align us so that our students could compete nationally and also to honor the different things that have happened to make Alaska the great state that it is by designating the first week of March as Alaska History week." The earthquake, Alaska's purchase, and the Iditarod all occurred in March. A history week will recognize all the great Alaska accomplishments. It doesn't require the schools to do anything, but it creates an avenue for them to participate nationally with other colleagues.

[9:35:02 AM](#)

SENATOR STEVENS said he objects to the first statement of her sponsor statement that speaks of Alaska having a short history. We have a longer history than most. Most people on this continent came through Alaska.

REPRESENTATIVE FAIRCLOUGH said she will change that.

[9:35:43 AM](#)

CHAIR MCGUIRE asked if schools teach Alaska history.

REPRESENTATIVE FAIRCLOUGH said it is taught in Anchorage, but she doesn't think it is mandated by the state.

CHAIR MCGUIRE said she benefitted from learning it in school. The basic background of Alaska benefitted her.

REPRESENTATIVE FAIRCLOUGH said Alaska has a rich heritage. Teachers can teach to the point in time of history week.

[9:37:13 AM](#)

CHAIR MCGUIRE wishes she can mandate Alaska history in California schools.

SENATOR BUNDE said he had a college requirement to take a state history class and asked if that is the case in Alaska.

REPRESENTATIVE FAIRCLOUGH said Alaska history was not a part of her accreditation.

[9:37:57 AM](#)

SENATOR STEVENS moved to report HB 259 from committee with individual recommendations and attached fiscal note(s). There being no objection, HB 259 (efd add) moved from committee.

The committee took a brief at-ease at [9:38:49 AM](#).

SB 296-CRIME VICTIM COMPENSATION FUND

VICE-CHAIR STEVENS announced the consideration of SB 296.

[9:43:16 AM](#)

TREVOR FULTON, Staff to Senator McGuire, Alaska State Legislature, said SB 296 creates a non general fund program for the Violent Crimes Compensation Board (VCCB), which generates funds for the board with no additional outlay of state funds. The arguments for and against putting dedicated funds into statute are familiar territory. It would be the 83rd such fund on the books. It is difficult to argue that the state is better off forgoing the additional \$0.60 in federal grants that would be generated for every dollar put into the compensation fund. The mission of the VCCB is to mitigate the financial hardships innocent victims can suffer as a direct result of violent crime. The board may pay for medical expenses, counseling, lost income, funeral expenses, and other costs for Alaska victims of violent crimes. SB 296 will generate additional funds for this program without additional appropriations.

[9:45:04 AM](#)

SENATOR GREEN read a part of the bill and asked where the connection is with the source of the money that is coming in. She asked what funds the bill is talking about.

SENATOR FRENCH said the sponsor statement says that the VCCB awards \$1.3 million every year. In paragraph three, it says if the VCCB can get these funds that it's taking to pay into the budget, it would have gotten an extra \$.60 on every dollar in federal grants. The last sentence says without any effort the VCCB would have gained almost \$1 million in ten years. "You must not be talking about all of the money received, because if you're giving out \$1 million a year and you're [getting] \$0.60 on every dollar, if you just get that money into a special fund, then you should be talking about \$600,000 a year." There is a disconnect between the money coming from the federal government and the money the VCCB is taking in.

9:47:15 AM

VICE-CHAIR STEVENS said the bill is not moving today because Chair McGuire has left.

GERAD GODFREY, Chair, Violent Crimes Compensation Board, Juneau, said he doesn't understand the question. When anyone comes to the board with a claim, they sign a subrogation agreement. The maximum for any victim is \$40,000. That is entirely compensatory. It has to be tangible losses, like medical, counseling, lost wages, and relocation expenses. For example, someone comes who was a victim of a DWI. "We know they're going to win a lawsuit insurance settlement," but that will take time. But this person is out of work and bills are piling up. The board gives money, and it is a de facto loan. When the person tries to pay it back, the board has no means to accept it - it has no receipt authority. That money that operated as a loan while awaiting a suit could compensate other victims, but instead it goes into the general fund. The \$0.60 on the dollar is available regardless of what the state puts up. The board is funded through garnished PFDs of felons.

9:50:36 AM

MR. GODFREY said during the Murkowski administration, "we were looking at a \$400,000 decrement because the PFD average had gone down so much. However that money gets put up, it is eligible for \$0.60 to the dollar in federal matching funds." There is no cap on the federal money. He spoke of a graph illustrating the money that originated from the board's initial funding, which came from the garnished PFD money. "When it comes back to us, we don't get it; it goes to the general fund." If that money were put back into the VCCB fund, it would be eligible, yet again, for the \$0.60 federal match. Ultimately, if the board was given the money that it recuperates, in the next era of decrements the board believes it could sustain itself.

9:52:58 AM

SENATOR GREEN suggested a review of the language in Section 1, because she finds it confusing. She asked, "Is it improper to use the word such as subjugation, or court-ordered restitution?"

SENATOR FRENCH said the clearer the better.

SENATOR FRENCH said he is fuzzy on the details. It is not clear why some dollars count for the federal match and why some don't.

MR. GODFREY said all the money the state puts up, whatever the source, is eligible for the sixty cents on the dollar. The money

that is eligible that the VCCB puts up this year that didn't get expended because of recuperation comes back and is eligible again, rather than a different allocation of money. "If \$30,000 was put up this year and therefore it's eligible for sixty cents to the dollar federal money, and it was utilized in the form of that illustration I gave you, like the DWI victim, that \$30,000, and it comes back to us again, next year that same \$30,000 is yet again eligible for sixty cents to the dollar. Rather than using new money, we're using the same money to get that sixty cents on the dollar again."

[9:55:52 AM](#)

SENATOR BUNDE said it just recycles the money. It is almost an arbitrage thing. It seems barely legal.

VICE-CHAIR STEVENS said, "But do you object to that?"

SENATOR BUNDE said no.

SENATOR GREEN said the problem is that the money that comes back in from subrogation goes to the general fund and never gets back into your account; therefore, you cannot get the sixty cents.

MR. GODFREY said it is fuzzy, but whatever the state puts up next year - from the general fund, garnished PFDs, or the money that the fund retains -- it will still be eligible for the match. "We are double dipping that same money." The federal money is available regardless of how the state puts it up. The money can be used again after it operates as a de facto loan and get the sixty cents on the dollar that it already received.

SENATOR BUNDE said the bill just cuts out a step - the \$30,000 comes back and goes to the general fund, and the legislature appropriates it, but it may decide not to. But if this is money that VCCB generated, maybe it should go back to them.

MR. GODFREY said exactly.

[9:58:30 AM](#)

MR. GODFREY said the amount that comes back to the VCCB was not expended - it was recuperated. It should still be available to serve its purpose. The board imposed policy limitations on how much it would award certain categories. It had to restrict awards dramatically. It could either help the first 30 percent of claimants with 100 percent of their needs or help all of them at 55 percent of what they were entitled too. He hopes SB 296 will change that.

SENATOR BUNDE said if someone is convicted, they lose their PFD to the victim. When the victim repays, the money goes to the general fund. But this program generates money for the general fund, and if SB 296 passes, that money goes back to the VCCB. "It is money they generated anyway."

VICE-CHAIR STEVENS said the state provides a dollar and it is matched with sixty cents. It gets loaned to a victim, and then when the victim pays it back, it can get a federal match again if it goes into the VCCB fund.

MR. GODFREY said Senator Stevens definitely has the concept.

10:00:57 AM

SENATOR FRENCH said he supports the board, and maybe there should be a revised fiscal note. It sounds like the state would be spending less general funds.

SENATOR GREEN asked if the board is ever not repaid.

MR. GODFREY said there are limited resources and only three staff. "We do not have a whole lot of motivation - the board itself is all volunteers -- to pursue those people that - everyone had to sign a subrogation agreement - those people that ultimately are going to win a lawsuit and if the perpetrator is solvent - perhaps the perpetrator worked on the Slope and has some cash in the bank or what-have-you. We do not expend the resources to go after that because we can't recuperate it, so it just doesn't serve our purpose to spend our limited resources to pursue somebody who we know can give us back that \$25,000 when we're not going to recuperate it." He said it is not time well spent by the board to pursue money owed to the VCCB. Typically they will retain an attorney, especially if it is not an insurance settlement, and then they are obliged to disclose that. He estimated that 90 percent of the time their attorney will petition the board to ask forgiveness on the subrogation. They will give their best compelling argument as to why. One example may be a resultant injury that requires more therapy. The board wants an attorney to give a good pitch, "and we pretty much take it at the first blush ... because to spend the resources to vet out the veracity of what the attorney is saying ... he's going to make the best argument and sometimes we buy it, sometimes we don't." If the board knew it could recuperate it, it would spend more time and ask for more documentation and some follow-up from the attorney. "Yes, there's times when we do not recuperate money that was due us."

[10:04:35 AM](#)

SENATOR GREEN suggested that it would be difficult to approximate what the board could get back from people, and she asked if his attitude would change if SB 296 passes.

MR. GODFREY said it would change because the board could become self sufficient by recuperating that money -- and lean on the general fund less and less to the point of not needing it at all. There would then be more motivation to go after it. He would probably develop a series of steps for an attorney to go through. "We would like to go after the money whether it's going to the general fund or not; we just don't have the resources."

SENATOR GREEN asked if he would object to language in the bill asking the board to pursue the payments.

MR. GODFREY said he would have no problem with that.

VICE-CHAIR STEVENS suggested working on the sponsor statement.

SENATOR FRENCH said he would like to hear from the people who prepared the fiscal note and who oversee the funds.

VICE-CHAIR STEVENS said also to pursue Senator Green's idea.

MR. GODFREY said the board has been working on this for years and he appreciates the opportunity to provide clarity.

VICE-CHAIR STEVENS set SB 296 aside and adjourned the meeting at [10:08:03 AM](#).