

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 11, 2010

8:07 a.m.

**MEMBERS PRESENT**

Representative Bob Lynn, Chair  
Representative Paul Seaton, Vice Chair  
Representative Carl Gatto  
Representative Craig Johnson  
Representative Peggy Wilson  
Representative Max Gruenberg  
Representative Pete Petersen

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 251

"An Act relating to liens on vehicles; and providing for an effective date."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 349

"An Act relating to the Statewide Suicide Prevention Council."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 336

"An Act relating to electronic voting procedures for electric and telephone cooperatives; and providing for an effective date."

- MOVED CSHB 336(STA) OUT OF COMMITTEE

HOUSE BILL NO. 400

"An Act relating to emergency compensation from the Violent Crimes Compensation Board."

- MOVED OUT OF COMMITTEE

HOUSE BILL NO. 348

"An Act relating to the membership of the state personnel board."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 251

SHORT TITLE: VEHICLE LIENS/TOWING/STORAGE/TRANSPORT

SPONSOR(s): REPRESENTATIVE(s) RAMRAS

01/08/10	(H)	PREFILE RELEASED 1/8/10
01/19/10	(H)	READ THE FIRST TIME - REFERRALS
01/19/10	(H)	STA, JUD
03/09/10	(H)	STA AT 8:00 AM CAPITOL 106
03/09/10	(H)	Heard & Held
03/09/10	(H)	MINUTE(STA)
03/11/10	(H)	STA AT 8:00 AM CAPITOL 106

BILL: HB 349

SHORT TITLE: SUICIDE PREVENTION COUNCIL MEETINGS

SPONSOR(s): REPRESENTATIVE(s) FAIRCLOUGH

02/17/10	(H)	READ THE FIRST TIME - REFERRALS
02/17/10	(H)	STA
03/11/10	(H)	STA AT 8:00 AM CAPITOL 106

BILL: HB 336

SHORT TITLE: ELECTRIC & TELEPHONE COOPERATIVES' VOTING

SPONSOR(s): STATE AFFAIRS

02/10/10	(H)	READ THE FIRST TIME - REFERRALS
02/10/10	(H)	CRA, STA
03/09/10	(H)	CRA AT 8:00 AM BARNES 124
03/09/10	(H)	Moved Out of Committee
03/09/10	(H)	MINUTE(CRA)
03/10/10	(H)	CRA RPT 3DP 1NR
03/10/10	(H)	DP: HARRIS, KELLER, MUNOZ
03/10/10	(H)	NR: HERRON
03/11/10	(H)	STA AT 8:00 AM CAPITOL 106

BILL: HB 400

SHORT TITLE: VIOLENT CRIMES EMERGENCY COMPENSATION

SPONSOR(s): STATE AFFAIRS

02/23/10	(H)	READ THE FIRST TIME - REFERRALS
02/23/10	(H)	STA, FIN

03/11/10 (H) STA AT 8:00 AM CAPITOL 106

BILL: HB 348

SHORT TITLE: PERSONNEL BOARD MEMBERSHIP

SPONSOR(s): LYNN

02/17/10 (H) READ THE FIRST TIME - REFERRALS  
02/17/10 (H) STA, JUD  
03/11/10 (H) STA AT 8:00 AM CAPITOL 106

**WITNESS REGISTER**

REPRESENTATIVE JAY RAMRAS  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Testified as sponsor of HB 251.

CRYSTAL KOENEMAN, Staff  
Representative Anna Fairclough  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 349 on behalf of Representative Fairclough, sponsor.

NANCY MANLY, Staff  
Representative Bob Lynn  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 336 on behalf of the sponsor, the House State Affairs Standing Committee, which is chaired by Representative Lynn.

BILL STEYER, Director  
Government Relations/Corporation Communications  
Chugach Electric Association, Inc.  
Anchorage, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 336.

NANCY MANLY, Staff  
Representative Bob Lynn  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 400 on behalf of the sponsor, the House State Affairs Standing Committee, which is chaired by Representative Lynn.

GRIER HOPKINS, Staff

Senator Joe Thomas  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided information related to HB 400 on behalf of Senator Thomas, sponsor of SB 266, a companion bill to HB 400.

KATE HUDSON, Administrator  
Violent Crimes Compensation Board (VCCB)  
Juneau, Alaska

**POSITION STATEMENT:** Provided information during the hearing on HB 400.

GERAD G. GODFREY, Chair  
Violent Crimes Compensation Board  
Juneau, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 400.

MICHAEL SICA, Staff  
Representative Bob Lynn  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 348 on behalf of Representative Lynn, sponsor.

#### **ACTION NARRATIVE**

[8:07:20 AM](#)

**CHAIR BOB LYNN** called the House State Affairs Standing Committee meeting to order at 8:07 a.m. Representatives Johnson, Gruenberg, Petersen, and Lynn were present at the call to order. Representatives Seaton, Gatto, and Wilson arrived as the meeting was in progress.

#### **HB 251-VEHICLE LIENS/TOWING/STORAGE/TRANSPORT**

[8:08:03 AM](#)

CHAIR LYNN announced that the first order of business was HOUSE BILL NO. 251, "An Act relating to liens on vehicles; and providing for an effective date."

[8:08:58 AM](#)

REPRESENTATIVE JAY RAMRAS, Alaska State Legislature, as sponsor of HB 251, stated that towing companies are often called upon by

emergency services to tow a vehicle, but don't always get paid for their services. He explained that sometimes "powers greater than they are" have the ability to get the vehicle out of the impound yard. The proposed legislation would "put them before the lien holder."

[8:10:11 AM](#)

REPRESENTATIVE GATTO described a hypothetical situation in which he has sold his car to someone, with the understanding that that person will make a certain monthly payments for a certain amount of time. He said, "I fully expect that if there ... [are] any extra liens on it, they would be secondary to me, because that was the original lien." He said if the buyer still owes \$2,000 and the vehicle is towed to a lot at a cost of \$100 and sits for two months at a rate of \$100 a day, "I have essentially extinguished all of my legitimate ownership of the vehicle ..., and instead it went to a towing company." He concluded, "That's my fear of what will happen to an ordinary guy who is first in line, and then somebody, by this law, can say, 'I can displace you.'"

[8:11:29 AM](#)

REPRESENTATIVE RAMRAS stated his personal belief that overwhelmingly, vehicles are owned by banks and often predatory lenders, and rarely does a transaction occur that includes time payments between two individuals where a tow charge "comes between the person to whom the funds are owed."

[8:13:03 AM](#)

REPRESENTATIVE GATTO said he understands, but wanted to see what the response would be. He said this is a matter of proportions. He stated, "So, if this is an incidental amount of loss to a corporation, but a major loss to an ordinary business owner who's just got his neck above water and that's all, then I understand."

[8:13:53 AM](#)

REPRESENTATIVE GRUENBERG said he is prepared to move the bill out of committee, with the understanding that the next committee of referral will address issues such as being careful of the rights of financial institutions. He said part of the problem is in another section of Title 28, which gives a towing company only a possessory lien, and that requires the towing company to

keep possession of [the vehicle] to protect itself. He said it may be necessary to rework that part of Title 28. Representative Gruenberg said otherwise what Representative Gatto said is correct and it is "the little guy who owns the car" who will pay the consequences.

[8:15:19 AM](#)

REPRESENTATIVE JOHNSON mentioned other recourses, such as small claims and garnishing the permanent fund dividend. He concluded, "So, I don't know how big an issue this really is."

[8:16:04 AM](#)

REPRESENTATIVE GRUENBERG said in his part of town there are a lot of poor people. Sometimes a person gets pulled over for a burned out tail light and the police find out the person does not have insurance. The vehicle then goes to the towing lot and sits there because the owner does not have the money to get it out. He said this has been a concern of his for a long time.

[8:16:23 AM](#)

REPRESENTATIVE GRUENBERG moved to report HB 251 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 251 was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [8:16:40 AM](#) to [8:18:14 AM](#).

#### **HB 349-SUICIDE PREVENTION COUNCIL MEETINGS**

[Contains discussion of HB 123.]

[8:18:15 AM](#)

CHAIR LYNN announced that the next order of business was HOUSE BILL NO. 349, "An Act relating to the Statewide Suicide Prevention Council."

[8:18:26 AM](#)

CRYSTAL KOENEMAN, Staff, Representative Anna Fairclough, Alaska State Legislature, testifying on behalf of Representative Fairclough, sponsor of HB 349, reminded the committee that HB 123, [introduced by Representative Fairclough and passed into law in 2009], added more members to the Suicide Prevention

Council and prolonged its existence by extending a sunset provision. Since then, she said, the council members have found it more difficult to establish a quorum. The proposed legislation, HB 349, would give the council the option to establish a quorum by means of teleconference, when necessary.

[8:19:34 AM](#)

CHAIR LYNN, after ascertaining that there was no one who wished to testify, closed public testimony.

[8:20:06 AM](#)

REPRESENTATIVE JOHNSON moved to report HB 349 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 349 was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [8:20:22 AM](#) to [8:22:27 AM](#).

**HB 336-ELECTRIC & TELEPHONE COOPERATIVES' VOTING**

[8:22:29 AM](#)

CHAIR LYNN announced that the next order of business was HOUSE BILL NO. 336, "An Act relating to electronic voting procedures for electric and telephone cooperatives; and providing for an effective date."

[8:22:44 AM](#)

REPRESENTATIVE GRUENBERG moved to adopt the proposed committee substitute (CS) for HB 336, Version 26-1458\R, as a work draft. There being no objection, Version R was before the committee.

[8:23:05 AM](#)

NANCY MANLY, Staff, Representative Bob Lynn, Alaska State Legislature, introduced HB 336 on behalf of the sponsor, the House State Affairs Standing Committee, which is chaired by Representative Lynn. She said HB 336 would put into statute the ability for telephone or electric cooperatives to allow members to vote by electronic transmission, as specified by the cooperatives' by-laws. She relayed that the proposed legislation was filed at the urging of cooperatives around the state.

MS. MANLY explained that currently cooperatives may vote only in person or via the postal service, a method which is outdated and could be having a negative impact on member participation in elections and other important matters. Passing HB 336 would permit electronic transmission, but only if approved by each cooperative's by-laws. The bill would not make electronic transmission voting mandatory.

MS. MANLY noted that Matanuska Telephone Association members have already voted to adopt a by-law allowing electronic transmission voting. All it and other cooperatives need now is for the legislature to amend the statute to allow this type of voting.

[8:24:24 AM](#)

BILL STEYER, Director, Government Relations/Corporation Communications, Chugach Electric Association, Inc., related that Chugach Electric Association is a member-owned electric cooperative whose members have already voted to amend the Chugach Electric Association by-laws to allow electronic voting. Mr. Steyer said the term "electronic transmission" is broad, which is why the phrase "as specified by the cooperative" was added in version R. The intent, he said, is to allow each cooperative to set up voting procedures that work for that organization. He said Chugach Electric Association's plan is to allow members to vote via the Internet, but not to send a text message vote on the day of the annual meeting. In response to Representative Johnson, Mr. Steyer offered his understanding that if an organization wanted to allow voting via a facsimile machine, it could do so [under HB 336]; although he said he is not sure that would be a form that Chugach Electric Association would incorporate into its own election procedures.

[8:29:07 AM](#)

REPRESENTATIVE JOHNSON expressed his support of the proposed legislation, but said he is concerned about security. He stated that as a member of a cooperative, he will monitor this issue. He emphasized the importance of getting genuine, member votes.

[8:30:29 AM](#)

CHAIR LYNN said he shares the same concern. He said he does not want a member to be identified as having voted for one candidate over another.

8:30:44 AM

MR. STEYER responded that that is a very legitimate concern that needs to be addressed as soon as the cooperative chooses a vendor for its electronic voting system. He stated that his goal every year is to "have a process that can survive any challenge," which is instrumental in adopting electronic voting. He opined that no organization should pursue electronic voting unless it can ensure the elections are secure.

8:31:57 AM

MR. STEYER, in response to Representative Gatto, said he knows of a couple cooperatives in the Lower 48 that issue both a member number and control number electronically; however, he said he does not know if a member's vote would be discounted if he/she did not submit both numbers at the time of voting.

REPRESENTATIVE GATTO expressed concern that people will find a way to scam the system. He noted that one person out of ten is a victim of identity theft.

8:33:56 AM

MR. STEYER said when Chugach Electric Association began in 1948, people voted in person. In the 1980s, people could, alternatively, vote by mail. He said he was instrumental in developing a three-step process by which to ensure the security of the vote-by-mail system. He said in order to do that he had to think about ways in which a person could scam the system. He related that the vote-by-mail system has been successful for the last 20 years. Now that cooperatives are on the verge of taking another step to electronic voting, it will be important to be equally diligent. Mr. Steyer said, "I can't answer every question about the 'what ifs' and what might happen yet, but I would hope, certainly before we would conduct this process, that we would know those answers and be comfortable."

MR. STEYER, in response to Representative Gatto, talked about the outgoing process, over which he said there is not total control. He emphasized that the control lies in the return, when the roster is checked against the ballots returned. He said voting electronically would be just one option. Currently, 99 percent of Chugach Electric Association members cast their ballots by mail. He offered further details related to voting accuracy.

[8:39:37 AM](#)

MR. STEYER, in response to Representative Gatto, restated that Chugach Electric Association allows each of its members only one vote; however, he said it is true that sometimes people may cast two ballots. He said this happens most usually because the machine used inadvertently stuffs two ballots into an envelope. He said this happens only a half a dozen times each year, out of the 70,000 packets mailed. If both ballots are sent in, the election committee makes the decision as to which one to choose. Most of the time the two ballots are identical. In response to a follow-up question from Representative Gatto, he said one ballot is given to each member. A single person can have a membership, a married couple can have a membership, and one ballot will be given to one of two people who are cohabitating. Commercial customers with more than one location will still receive only one membership. Mr. Steyer said different committees have had varying philosophies regarding how to deal with multiple ballots from one member, and they set procedure accordingly. He reiterated that only one ballot will be counted from each member, and it is up to the election committee whether it is the first or last.

[8:44:56 AM](#)

MR. STEYER, in response to Representative Gruenberg, offered his understanding that no cooperative in Alaska is currently utilizing electronic voting, although members of the Matanuska Telephone Association, Inc. (MTA) and Chugach Electric Association have voted to change their organizations' by-laws to permit electronic voting if state statute is changed.

[8:45:20 AM](#)

REPRESENTATIVE GRUENBERG directed attention to language on page 1, lines 9 and 10, which read as follows:

**except that electronic transmission may not be the only allowed option for voting.**

REPRESENTATIVE GRUENBERG continued as follows:

In view of your testimony that you already have two methods of voting - by mail and in person - the thing that I'm concerned about is - at least under the wording of this - the two methods that could be allowed are in person and electronic. That would

effectively nullify the intent of this, which is to allow a method that people do really use to be the alternative for electronic voting.

REPRESENTATIVE GRUENBERG said he is prepared to offer an amendment that would address that problem, perhaps by changing language to specify that one of the options must be to vote by mail. He pointed out that many people in his district do not own computers.

8:46:35 AM

MR. STEYER proffered that the advantage of electronic transmission is not only convenience, but also the money that cooperatives would save for each ballot that they do not have to pay to mail. He suggested that there may be an evolution regarding ballots, such as occurred with the application for the permanent fund dividend, and he said he would not want to support an amendment that may precluded cooperatives from cutting back on the amount of mail they send. He said he does not foresee Chugach Electric Association ever putting itself in the position of not accommodating people who do not have computers and cannot physically get to a meeting, and he said he is certain Chugach Electric Association would be challenged by its members if they do not like a choice that has been made.

8:50:17 AM

REPRESENTATIVE GRUENBERG said it is not his intent to preclude Chugach Electric Association from going through the evolution that Mr. Steyer is describing. He echoed the concerns of Representatives Johnson and Gatto regarding security issues. He directed attention to language on the second page of a fiscal note from the from the Regulatory Commission of Alaska (RCA), which read as follows:

The Regulatory Commission of Alaska (RCA) has limited jurisdiction that includes regulating the rates and services of non-exempt electric and telephone cooperatives. See AS 42.05.141. With the exception of deregulation elections governed by AS 42.05.712, RCA jurisdiction does not extend to membership voting procedures. Members of electric and telephone cooperatives seeking to enforce the electronic voting procedures proposed by this legislation would need to pursue judicial recourse rather than RCA intervention.

REPRESENTATIVE GRUENBERG said that is a cumbersome method and courts are not as familiar with the way cooperatives operate as is the RCA. He said he is prepared to offer a provision that would put the jurisdiction over this issue in the RCA.

[8:52:41 AM](#)

MR. STEYER responded that currently the RCA today does not have jurisdiction over Chugach Electric Association's elections and if a member has a problem with an election, he/she takes it to the court system; therefore, Representative Gruenberg's suggestion would be "a pretty dramatic departure from that and one that we would need more deliberation on I'd have to say."

[8:53:52 AM](#)

MR. STEYER, in response to Chair Lynn, said that in the last three years' elections, an average of 21 percent of Chugach Electric Association's members voted, which he said is a higher average than many other cooperative elections. He related that his board of directors is interested in this legislation as a means by which to encourage more people to vote and to get younger people involved. He said he asked the aforementioned organizations in the Lower 48 whether they have increased member voting and have attracted younger members as a result of electronic transmission, and whether this means of voting has proved to be secure. He said the organizations reported no real increase in voting and have not done a study to ascertain whether there has been an increase in younger member participation; however, the organizations told him that they had had no problems related to security.

[8:56:05 AM](#)

REPRESENTATIVE PETERSEN suggested that if an organization already offers a method of paying bills on line, it would not be too big of a jump to also allow those people to vote electronically. He talked about the savings from not having to mail out statements, and compared that to the savings from not having to mail out ballots.

MR. STEYER confirmed that Chugach Electric Association currently does offer a method of paying bills on line and doing other business transactions on line, and he said some of the cooperative's members have stated a preference to do everything electronically. He spoke again about the evolution to

electronic transactions and the need to secure such transactions before offering them.

[8:58:44 AM](#)

REPRESENTATIVE PETERSEN surmised that electronic voting would be even more appreciated in rural areas where members of smaller cooperatives may be spread out over a larger geographical area. He predicted [electronic transmission] is something that will be seen much more in the future.

[9:00:07 AM](#)

CHAIR LYNN, after ascertaining that there was no one else who wished to testify, closed public testimony.

[9:00:20 AM](#)

REPRESENTATIVE SEATON expressed interest in finding out from Legislative Legal and Research Services whether the penalty for voter fraud in cooperative elections is similar to that in other elections. In response to Chair Lynn, he indicated that although this matter is of interest to him, it probably would not [be a matter for which he would want the bill held longer in committee].

[9:02:33 AM](#)

REPRESENTATIVE P. WILSON said she does not want to hold up the bill, but said she would like to know if there is any kind of penalty [proposed within the bill].

[9:03:12 AM](#)

MR. STEYER reiterated that cooperatives are member-owned, private organizations, and he said he is unaware of criminal penalties for fraud in a cooperative election. Furthermore, he said he is unaware of what penalties are in place for fraud within a municipal or state election.

[9:04:03 AM](#)

REPRESENTATIVE P. WILSON emphasized that cooperatives need to think about what they would do if fraud occurs through the use of electronic transmissions during an election.

[9:04:29 AM](#)

MR. STEYER said in the last 24 years of his involvement in Chugach Electric Association's election processes, there has always been the prospect for fraud, but there has not yet been a case of fraud.

REPRESENTATIVE P. WILSON said she thinks the age of computers and electronic transmittal brings with it the chance for fraud, and she again encouraged cooperatives to give the matter of penalties consideration before they are necessary.

CHAIR LYNN offered his understanding that Mr. Steyer had said cooperatives have no clear avenue regarding penalties. He stated, "The issue is there whether we pass this bill or do not pass this bill."

[9:08:07 AM](#)

REPRESENTATIVE SEATON said he thinks having a criminal penalty alleviates the chance that people will do fraudulent acts on a lark. He said he thinks the cooperatives will be stringent in ensuring their systems are set up well and their elections remain valid. He reiterated that on this point, he would like to get more information, but he said he is comfortable with the court being there as the remedy for voter fraud in the mean time.

[9:09:16 AM](#)

REPRESENTATIVE JOHNSON said as the evolution occurs, issues arise. He said it is not up to the cooperatives to determine whether fraud is a criminal offense; that is up to the legislature. He said what is at stake today compared to what was at stake years ago is incomparable; the value of businesses has increased exponentially, which in turn increases the desire to commit fraudulent acts. Representative Johnson said laws serve two purposes: outlining what can and cannot be done and serving as a deterrent. He said he does not think [fraud] is the issue of the proposed legislation; HB 336 is proposing another method of voting. He expressed support for HB 336, and encouraged the legislature to keep its eye on the issue of fraud.

[9:12:19 AM](#)

REPRESENTATIVE PETERSEN said there is a procedure by which people can submit an electronic signature, which may be a deterrent to someone committing fraud.

[9:13:18 AM](#)

REPRESENTATIVE GRUENBERG noted that AS 15.56.040 addresses voter misconduct in the first degree and AS 15.56.050 addresses voter misconduct in the second degree. He said both statutes apply to governmental elections, but not to cooperative or corporate elections. He concurred that [addressing the issue of fraud] is a good idea, but is not part of the proposed bill.

[9:14:43 AM](#)

REPRESENTATIVE SEATON moved to report the proposed committee substitute (CS), Version 26-LS1458\R, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 336(STA) was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [9:15:18 AM](#) to [9:17:43 AM](#).

#### **HB 400-VIOLENT CRIMES EMERGENCY COMPENSATION**

[Contains brief mention of SB 266.]

[9:17:44 AM](#)

CHAIR LYNN announced that the next order of business was HOUSE BILL NO. 400, "An Act relating to emergency compensation from the Violent Crimes Compensation Board."

[9:18:00 AM](#)

NANCY MANLY, Staff, Representative Bob Lynn, Alaska State Legislature, introduced HB 400 on behalf of the sponsor, the House State Affairs Standing Committee, which is chaired by Representative Lynn. She said the HB 400 proposes to increase the limit that victims of violent crimes can receive in emergency compensation from \$1,500 to \$3,500. This limit has not been increased since 1975 and is limited to relocation costs, verifiable lost wages, and counseling for families and victims whose safety and well-being are at risk. Ms. Manly explained that the cost for these emergency expenses has increased substantially over the years, and \$1,500 is insufficient to cover deposit and first and last month rents,

especially when a family or dependents are involved. She said emergency awards are necessary because the Violent Crimes Compensation Board (VCCB) meets only five times per year, and it can be 10-11 weeks before a claim is considered. Ms. Manly reported that the compensation fund receives approximately 70 percent of its appropriations from the state in the form of felons' garnished permanent fund dividends and 30 percent from federal grants. She said the money does not "lapse" once placed in the fund. The compensation is deducted from the final amount given to the victim, and any excess award must be repaid to VCCB. The bill would not increase the overall cap of \$40,000 that can be awarded to a victim, and there is zero fiscal impact on the state, she concluded.

[9:19:37 AM](#)

GRIER HOPKINS, Staff, Senator Joe Thomas, Alaska State Legislature, provided information related to HB 400 on behalf of Senator Thomas, sponsor of SB 266, a companion bill to HB 400. He relayed that the VCCB fund was established in 1972, with an emergency compensation limit of \$500. Three years later, in 1975, that limit was increased to \$1,500. Mr. Hopkins said calculated for inflation today, that same \$1,500 would have the purchasing power of approximately \$6,000. He said VCCB came to the \$3,500 proposed in HB 400 based on the average rental cost of \$1,200-\$1,500 per month, doubled to cover first and last month's rent, with a deposit. He listed the allowable reasons for giving out emergency compensation, as previously stated by Ms. Manly. He added that victims must show a plan for relocation and give a reason for it. Money for counseling is paid directly to the provider or for out-of-pocket expenses. Lost wages must be verified by either producing three years of tax returns for those who are self-employed or pay stubs from the employer, and, at that point, money is awarded at 80 percent of the full value "to account for taxes that would be removed."

MR. HOPKINS said claims submitted to the board have increased steadily since 1972. In fiscal year 2009 (FY 09), the board paid out \$25,547 for 22 emergency claims, twelve of those to the \$1,500 limit. In FY 10, to date, 24 emergency cases have been awarded for a total of \$29,699. Mr. Hopkins urged the committee to support the passage of HB 400, thus helping VCCB aide the victims of crime across the state.

[9:21:49 AM](#)

KATE HUDSON, Administrator, Violent Crimes Compensation Board (VCCB), reported that in FY 09, the board awarded a total of 478 claims, 22 of which were by emergency award. She said that illustrates that the board does not pay out emergency awards to everyone who asks; the cases must be deserving ones. She said she makes the initial review to determine eligibility, then she submits those cases that she thinks need emergency rewards to the board, and the board then determines whether or not those cases merit emergency awards. Ms. Hudson emphasized that the current \$1,500 limit is negatively affecting people who need to be relocated, because that amount of money does not go far for a family with two or three dependents trying to move to a safe place, pay a deposit, pay the rent, and get settled. She offered to answer questions from the committee.

MS. HUDSON, in response to Representative Johnson, explained that her initial review is to determine whether basic eligibility requirements have been met, which means there is information from police showing "sufficient evidence for compensable crime." She confirmed that the board meets five times a year, and she said two out of the three board members have to respond to her via telephone or e-mail to let her know a case can be approved for emergency award, at which point she can process the check for the victim. That claim would be taken to the board at its next meeting for "gratification" and, if applicable, further award, she concluded. In response to Chair Lynn, she said the response of the board usually comes within 24 hours, at which point the timing is a question of how quickly the check can process through internal accounting procedures in the Department of Administration. Generally, she said, that takes 5-7 working days.

[9:25:21 AM](#)

MS. HUDSON responded to a series of questions from Representative Gatto. First, she said although not impossible, because of inbuilt mechanisms it is highly unlikely that an undeserving individual would get an award. Next, she said guidelines have been set out in statute for making an award. Furthermore, federal statute states that VCCB is a payer of last resort. Therefore, if the victim has other sources that can pay for medical expenses, they would have to be used before the board could give out money to that victim. Ms. Hudson added that the board is not allowed to make an award for "pain and suffering." Finally, she offered her understanding that the board has not run out of money, but has come close some years. She reminded the committee, "As state funding or state

expenditure on awards to victims increases, so, too, does the federal grant, because the way the federal grant is calculated is that we receive 60 cents for every dollar we spend in state money. So, as state expenditure increases, so do our federal receipts."

9:28:35 AM

MS. HUDSON, in response to Representative Petersen, said victims of domestic violence and sexual assault make up a large portion of those who submit claims for violent crimes compensation, but total less than 50 percent of the total claims. In response to a follow-up question, she agreed that a week can seem like a long time to wait for compensation for a person who is a victim, but unfortunately the turnaround time is limited by some extent by how quickly the accounting staff can process checks. She said in extreme situations, there are domestic violence shelters available to women.

9:30:45 AM

GERAD G. GODFREY, Chair, Violent Crimes Compensation Board, echoed Mr. Hopkins' statements that the cap for allowable emergency compensation has not been raised since 1975, and, adjusted for inflation, that has resulted in a differential of over \$6,000. He said the board typically receives between 5 and 10 applications between its board meetings. Typically those applications come from domestic violence situations that have been ongoing. Mr. Godfrey explained, "One of the requirements of a person when they apply for compensation is that they cooperate with law enforcement." He said the board needs to be ready to take advantage of "the moment of opportunity" for the victim. He relayed that some victims have had their husbands or live-in boyfriends threaten to kill them when they make bail. The mental health and physical safety of a woman in this situation is affected.

MR. GODFREY indicated that a woman with minor children can combine the amount of money she gets from the board for each child and for herself to get herself and her children out of danger; however, a woman who is on her own will have difficulty covering first and last months' rent and a security deposit with only \$1,500, let alone get a plane ticket out of town to be with close friends or family. Mr. Godfrey said time is of the essence; the board does not want a woman harmed because it was not able to give her money fast enough or because the money given was insufficient.

MR. GODFREY acknowledged the past work of Representatives Gatto and Gruenberg related to having arson included in the considerations for emergency compensation. Regarding the previous question from Representative Gatto, Mr. Godfrey recalled two instances when the board was used fraudulently, but said the board has created policies to keep that from happening again. He then related that VCCB does not have the means to explore anyone's solvency or insolvency, but he reiterated that the board is a "payer of last resort." He reemphasized the importance of expediency in getting women and children out of dangerous situations.

[9:37:06 AM](#)

MR. GODFREY, in response to a question from Chair Lynn regarding confidentiality, said the board treats any information regarding a victim's whereabouts as confidential. Whether or not the victim keeps her location a secret depends on certain factors. He explained that domestic violence is cyclical, and sometimes women contact their abuser; however, when a victim is at the point where she is ready to work with police and the board, she is usually in a position of resolve and will attempt to keep her location a mystery.

[9:39:38 AM](#)

REPRESENTATIVE P. WILSON directed attention to a handout in the committee packet, entitled, "Violent Crimes Compensation Board New Claims Received By Location Of Crime." She noted that in 2009, most of the violent crimes claims were received from Anchorage, Fairbanks, Juneau, Palmer, and Wasilla. However, she also noted that there are locations on the list that submitted a lot of claims in relation to their populations. She asked Mr. Godfrey if the board has observed certain patterns in crimes by location, and has been able to figure out the reasons behind the crimes in those areas.

[9:41:03 AM](#)

MR. GODFREY responded that the board could only do so empirically. He said the board has not tasked its staff to do an analysis on the data available, but he said the board would be amenable in doing so at the request of the legislature. Mr. Godfrey noted the number of crimes by area and then noted the type of crime for which someone asks compensation. He said he thinks there are places that are underrepresented based on their

population and the type of predominate work in the area. He compared Kodiak and Ketchikan, and opined that Kodiak is "under represented for its population." He indicated one factor to consider is that victims in an area are just learning about the existence of the board. He said it is difficult to determine whether people in one area just don't know about the board or are not applying. He concluded that the board would love to have no need to exist.

REPRESENTATIVE P. WILSON suggested that VCCB could gather information regarding extenuating circumstances of violent crimes that then could be shared with legislators to help them when addressing the issue of prevention.

[9:44:37 AM](#)

MR. GODFREY responded that that is something that a previous administrator was tasked with finding out. He said the board's office receives a wealth of information related to crime and victimization. This information comes through claims, police records, and court records. He named some of the factors that were selected to be highlighted: alcohol use, drug use, and sex crimes. He said the board's administrator compiled this information mainly for its own purposes, although the results were shared with the legislature. He said perhaps the board could compile similar information for the next fiscal year and present that information to the legislature. He stated his belief that that is valuable data "if somebody knows where to go with it and what to do with it."

[9:46:18 AM](#)

CHAIR LYNN closed public testimony.

[9:46:25 AM](#)

MR. GODFREY, in response to Representative Johnson, said the board does not compensate shelters, but exists and is willing to assist a person who has come from a shelter. Likewise, he said the board does not compensate the Alaska Native Medical Center for fulfilling its mission of providing health care to Alaska Natives, including those without health care. He noted, "That has been a point of contention with the Alaska Native Medical Center over the years."

[9:47:59 AM](#)

REPRESENTATIVE GRUENBERG moved to report HB 400 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 400 was reported out of the House State Affairs Standing Committee.

The committee took an at-ease from [9:48:19 AM](#) to [9:50:07 AM](#).

**HB 348-PERSONNEL BOARD MEMBERSHIP**

[9:50:08 AM](#)

CHAIR LYNN announced that the last order of business was HOUSE BILL NO. 348, "An Act relating to the membership of the state personnel board."

[9:50:38 AM](#)

MICHAEL SICA, Staff, Representative Bob Lynn, Alaska State Legislature, presented HB 348 on behalf of Representative Lynn, sponsor. He paraphrased the sectional analysis, which read as follows [original punctuation provided]:

**Section 1.** Amends AS 39.25.060(a) to increase the membership on the Personnel Board from three to five members. The governor may make an appointment from a list of at least three nominees selected by the chief justice of the Alaska Supreme Court, subject to the right of the governor to request additional nominations. It ensures that the board has at least one member of the two parties that received the most votes in a recent election. It also requires that a member remains in office after expiration of term until a successor is confirmed.

**Section 2.** Amends AS 39.25.060(b) to increase the number of board members who can be of the same political party from two to three of the five-member board.

**Section 3.** Adds new section AS 39.25.064 that prohibits board members and board employees and contractors from certain activities that that [sic] relate to possible conflicts of interest or at least an appearance of conflict.

**Section 4.** Amends AS 39.25.070 to add conforming language stating that three members constitute a

quorum and three affirmative votes are required for final action on matter.

**Section 5.** Amends the uncodified law by adding a new section stating that a member of the personnel board serving on the effective date of this Act remains in office for the duration of the term which appointed and confirmed. Within 60 days of the effective date, the chief justice of the Alaska Supreme Court shall submit to the governor a list of at last [sic] six nominees for the two additional seats on the personnel board. The governor shall appoint one member to a five-year term and one member to a six-year term.

MR. SICA stated that the intent behind the proposed changes is to create a board that operates with greater independence when addressing complaints against the governor, lieutenant governor, and attorney general, and when performing its duties under the Executive Branch Ethics Act. He said the bill sponsor believes a five-member board is less likely to be comprised of all members being appointed by a sitting governor, thus it would be less likely for a "membership with a single mind in any proceeding" to exist. Mr. Sica said Section 3 sets up restrictions similar to those for the Select Committee on Legislative Ethics and the Alaska Public Offices Commission (APOC).

[9:53:53 AM](#)

MR. SICA noted that there is a memorandum from the bill drafter included in the committee packet. He then highlighted a sentence from the Alaska Department of Administration's Personnel and Labor Relations director's on line overview page, which read as follows [original punctuation provided]:

The Personnel Board, also created by the Personnel Act, is an independent agency composed of members appointed by the Governor.

MR. SICA stated that the proposed legislation attempts to "fine tune that balance." He said it would provide the board with a "more deliberative body." He commented on the make-up of the members of APOC.

[9:56:52 AM](#)

REPRESENTATIVE SEATON directed attention to language on page 2, line 15, which says a person, while on the personnel board, would be prohibited to "lobby, employ, or assist a lobbyist." He questioned whether "assist a lobbyist" means for compensation. He explained he is concerned that that language could be construed in a number of ways, especially if the board member had a spouse who was a lobbyist.

[9:57:58 AM](#)

MR. SICA pointed out that the same language exists in statute regarding APOC's membership.

REPRESENTATIVE SEATON said he would like the committee to consider that issue.

[9:58:37 AM](#)

REPRESENTATIVE PETERSEN noted that there is a zero fiscal note in the committee packet. He questioned whether having two additional members on the board would create additional expense.

MR. SICA responded that he would pursue an answer to that question.

[9:59:15 AM](#)

CHAIR LYNN stated, "One ... intent of this legislation ... is to help erase the potential perception that we have the fox watching ... the chickens, which would be very unfair to the governor." He offered his understanding that there has not been "a problem in the past," but he is concerned with public perception.

[10:00:26 AM](#)

CHAIR LYNN announced that HB 348 was held over.

[10:01:22 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:01 a.m.