

SENATE FINANCE COMMITTEE  
April 18, 2009  
10:56 a.m.

10:56:05 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 10:56 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Charlie Huggins, Vice-Chair  
Senator Johnny Ellis  
Senator Donny Olson  
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Rynniva Moss, Staff, Representative Coghill; David Stone, Deputy Commissioner, Department of Labor and Workforce Development; Don Etheridge, Alaska Workforce Partnership; Amanda Mortenson, Staff, Representative Coghill; Anthony Newman, Division of Juvenile Justice, Department of Health and Social Services; Karen Lidster, Staff, Representative Coghill; Representative Reggie Joule; Christine Hess, Chief of Staff, Representative Joule.

PRESENT VIA TELECONFERENCE

Doug Ward, Alaska Workforce Investment Board; Carole Brenckle, Attorney, Kenai.

SUMMARY

CSSSHB 105(L&C)

"An Act relating to the state training and employment program; and providing for an effective date."

CSSSHB 105 (L&C) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal impact notes from Department of Labor and Workforce Development.

CSHB 106(STA)(title am)

"An Act relating to grants to nonprofit regional corporations, and, in certain situations, to municipalities with populations of less than 10,000, for village public safety officers in rural areas; defining 'rural area' for the purpose of the village public safety officer program; and authorizing municipalities to accept grants under, and contract with respect to, the village public safety officer program."

CSHB 106 (STA) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Public Safety.

SB 108 "An Act creating the Stampede State Recreation Area."

SB 108 was Scheduled but not Heard.

CSHB 113(FIN) am(brf sup maj fld)

"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; and providing for an effective date."

CSHB 113 was Scheduled but not Heard.

CSHB 121(FIN)

"An Act relating to and authorizing certain municipalities to provide a property tax credit for an improvement that aids in improving air quality."

CSHB 121 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Commerce, Community and Economic Development.

HB 141 "An Act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult and Juvenile Offender Supervision; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

HB 141 was REPORTED out of Committee with a "do pass" recommendation and with one previously published fiscal impact note from Department of Health and Social Services and one previously published zero fiscal note from Department of Corrections.

#hb105

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 105(L&C)

"An Act relating to the state training and employment program; and providing for an effective date."

CSSSHB 105 (L&C) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal impact notes from Department of Labor and Workforce Development.

[10:56:38 AM](#)

Co-Chair Stedman introduced HB 105.

RYNNIEVA MOSS, STAFF, REPRESENTATIVE COGHILL discussed the legislation. She reminded the committee about the task force appointed during the previous session including all of the players of the State Training and Employment Program (STEP). The task force includes private employers. The task force created a more accountable, fair, and user friendly STEP program. She commented that HB 105 is the result of the recommendations from the task force. The bill attempts to take politics out of the STEP program and empower the Alaska Workforce Investment Board to retain involvement in determining which entities receive grants. The bill puts in statute the requirement of Alaskan citizenship in order to receive training under the STEP program. She discussed the repeal process for the step grants. She explained the six month restrictions and requirements to qualify for the STEP program.

[10:59:38 AM](#)

DAVID STONE, DEPUTY COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT informed that the STEP task force unanimously supported HB 105. He enthusiastically applauded the program. He suggested that the task force oversee the development of regulations while the workforce investment board approves those regulations. Currently the Workforce Investment Board oversees the grant applications.

Co-Chair Stedman asked if the department supports the bill. Mr. Stone stated yes the department supports the bill.

Co-Chair Stedman asked about program availability for non-residents. Ms. Moss detailed that a person must be present in Alaska for 92 days to qualify for the STEP program.

[11:01:26 AM](#)

Senator Huggins asked about repeat training offered to non-residents. Ms. Moss responded that Section 6 addressed the

requirement that participants in the program are Alaskan residents. One definition of Alaskan resident includes residing in the state for 30 days prior to voter registration. Because a citizen must contribute to the unemployment insurance program in Alaska, he or she must live in the state 92 days before qualifying for the STEP program.

Co-Chair Stedman asked about Page 8, Line 1 and the overhead allowance of 20 percent. Ms. Moss answered that this portion of the legislation sets a limit to how much the department can employ for administrative purposes under the STEP program. No greater than 20 percent can be used for administrative purposes; the rest must be routed directly to grant programs.

[11:02:59 AM](#)

DOUG WARD, ALASKA WORKFORCE INVESTMENT BOARD (testified via teleconference) in support of HB 105. He noted that the legislation provides statutory authority that both the Workforce Investment Board and the task force will need to provide effective oversight. The board is unanimous in support of the legislation.

[11:05:25 AM](#)

DON ETHERIDGE, ALASKA WORKFORCE PARTNERSHIP testified in support of HB 105. He explained the value of the funds in providing extensive training in rural Alaska.

Co-Chair Stedman noted two fiscal notes from the Department of Labor and Workforce Development (DOL) totaling \$6,405,000 in STEP funds. There are no additional costs anticipated as a result of passing the legislation. The funding for the program is currently in the FY10 operating budget.

Ms. Moss stressed that the existing STEP program does sunset July 1, 2010, however, there is much work ahead in adopting regulations to make the program more accountable, more user friendly, and to ensure that Alaskans receive training. Eventually Alaska will have a gas line must have a prepared work force.

Co-Chair Hoffman MOVED to report CSHB 105 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSSHB 105 (L&C) was REPORTED out of Committee with a "do pass" recommendation and with two previously published fiscal impact notes from Department of Labor and Workforce Development.

#hb141

HOUSE BILL NO. 141

"An Act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult and Juvenile Offender Supervision; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

HB 141 was REPORTED out of Committee with a "do pass" recommendation and with one previously published fiscal impact note from Department of Health and Social Services and one previously published zero fiscal note from Department of Corrections.

11:08:20 AM

AMANDA MORTENSON, STAFF, REPRESENTATIVE COGHILL

This bill would enact the new Interstate Compact for Juveniles into law. This would replace the old compact which was created in 1955. The purpose of the Compact is to ensure the supervision of juvenile offenders and the return of runaways, escapees and absconders. The Compact provides the procedural means to regulate the movement of juveniles who are under court supervision across state lines. The Association of Compact Administrators estimates that the Interstate Compact on Juveniles is used in 20,000 to 30,000 transfer and supervision cases annually.

The new Compact ensures that all states will have identical language in their statutes which would help with compliance issues. The new Compact provides procedures for enforcement which the old Compact lacked. The Interstate Compact for Juveniles also provides for the collection of standardized information and information sharing systems.

This is a chance for the states to have the means to deal with state problems and enforce state solutions without having any federal intervention. 35 states have already passed this compact. If Alaska chooses not to enact this Compact the state would have to deal with every other state on a case-by-case basis which would cost the state more money than it would cost to implement the Compact.

The compact provides for the safety of the juvenile offender and the state as a whole. The importance of this compact cannot be overstated. This legislation is necessary to ensure the public safety and security of Alaskans. It will help ensure that Alaska receives notification about juveniles who are relocated or traveling to Alaska before they arrive here, and will

expedite Alaska's ability to send juveniles from here to other jurisdictions.

ANTHONY NEWMAN, DIVISION OF JUVENILE JUSTICE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, complimented the legislation. He informed that the bill ensures that Alaskan juveniles travelling in and out of state will receive required supervision. Passing the bill ensures that staff at the Division of Juvenile Justice avoid costly and inefficient work. Without the compact, Alaska would be required to develop agreements specific to each case each time juvenile supervision is sought. With the legislation comes a guiding agreement with the 36 other states that have passed similar legislation. The legislation ensures that juveniles who have committed dangerous offences are accounted for and have the supervision required when leaving or entering Alaska. He concluded that the bill was an important step toward helping the division manage these juveniles effectively and to help ensure public safety in Alaska.

[11:11:41 AM](#)

CAROLE BRENCKLE, ATTORNEY, KENAI testified via teleconference in support of HB 141. She echoed Mr. Newman's support and compliments. She noted that delay of the bill's passage would be costly to the state.

Co-Chair Stedman mentioned the zero fiscal note from the Department of Commerce and the fiscal impact note from the Department of Health and Social Services for \$45 thousand in general funds. The funding for the note is scheduled in the supplemental budget.

Co-Chair Hoffman MOVED to report HB 141 out of Committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

HB 141 was REPORTED out of Committee with a "do pass" recommendation and with one previously published fiscal impact note from Department of Health and Social Services and one previously published zero fiscal note from Department of Corrections.

#hb121

CS FOR HOUSE BILL NO. 121(FIN)

"An Act relating to and authorizing certain municipalities to provide a property tax credit for an improvement that aids in improving air quality."

CSHB 121 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Commerce, Community and Economic Development.

[11:14:39 AM](#)

Co-Chair Stedman explained that the intent of the committee to review the House version of HB 121.

Co-Chair Hoffman MOVED to ADOPT Work draft for HB 121 (FIN) LS0540\C.

KAREN LIDSTER, STAFF, REPRESENTATIVE COGHILL noted that the bill affords municipalities that fail to make the 2.5 air quality standards the opportunity to reach the Environmental Protection Agency (EPA) standards. She thanked the committee for their consideration.

Senator Huggins asked for repeat of the version. Co-Chair Hoffman replied version C.

Ms. Lidster commented that the legislation allows municipalities to pass ordinances and establish criteria for those heating improvements for a credit to their tax and be administered at the local level. The repeal date is 2016, with the EPA standard met by 2015.

[11:17:37 AM](#)

Senator Thomas anticipated that an impact of the legislation might be felt in the interior for coal and wood burning stoves allowing people to upgrade to more current stoves by utilizing a tax credit. Ms. Lidster agreed that the tax credit was appealing to citizens.

[11:18:14 AM](#)

AT EASE

[11:18:56 AM](#)

RECONVENED

Co-Chair Hoffman MOVED to report CSHB 121 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 121 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Commerce, Community and Economic Development.

#hb106

CS FOR HOUSE BILL NO. 106(STA)(title am)

"An Act relating to grants to nonprofit regional corporations, and, in certain situations, to municipalities with populations of less than 10,000, for village public safety officers in rural areas; defining 'rural area' for the purpose of the village public safety officer program; and authorizing municipalities to accept grants under, and contract

with respect to, the village public safety officer program."

CSHB 106 (STA) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Public Safety.

[11:19:58 AM](#)

REPRESENTATIVE REGGIE JOULE discussed the legislation. He explained that under current law, the Commissioner of Public Safety provides grants to regional non-profits to administer the Village Public Safety Officer (VPSO) program.

Co-Chair Stedman asked for a definition of VPSO. Representative Joule replied that a VPSO is a Village Public Safety Officer. The North West Arctic Borough is willing to take responsibility for the program and the regional non-profit is willing to allow the borough take responsibility for the VPSO program. This legislation gives the Commissioner of Public Safety permission to present a grant to a municipality.

Co-Chair Stedman asked about Line 8, Page 2 and the reference to the population threshold.

[11:22:32 AM](#)

CHRISTINE HESS, CHIEF OF STAFF, REPRESENTATIVE JOULE, responded that she had worked with the Department of Public Safety and the legal department to arrive at the population threshold. The VPSO program is suited for rural areas of the state. This population threshold retains the program's proper scope.

Co-Chair Stedman noted that with the 10,000 person population threshold, Sitka would be included but Ketchikan is beyond the threshold. Ms. Hess responded that no participant in the program would be excluded.

Co-Chair Stedman noted that there was not anyone signed up for public testimony.

Senator Huggins asked approximately how many communities would be affected.

Representative Joule answered ten villages are covered in the North West Arctic Borough. The city of Kotzebue has its own police department and therefore would not participate.

Co-Chair Stedman asked for a representation of the dispersion around the state.

[11:24:53 AM](#)

Representative Joule was unsure of the exact dispersion, but he guessed that 80 out of 200 villages participated in the VPSO program.

Ms. Hess pointed out that a map was included in the committee packets illustrating the dispersion request.

Ms. Hess stated that Haines, Klawock, Ketchikan, and Petersburg were a few of the communities participating in the VPSO program. Co-Chair Stedman requested that a list of all communities be provided to the committee.

Representative Joule stated that the representation of active VPSO participation by village was included in the committee packet.

Co-Chair Hoffman MOVED to report CSHB 106 out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 106 (STA) was REPORTED out of Committee with a "do pass" recommendation and with a previously published zero fiscal note from Department of Public Safety.

[11:28:22 AM](#) AT EASE TO THE CALL OF THE CHAIR

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ADJOURNMENT

The meeting was adjourned at 3:47 PM.