

SENATE FINANCE COMMITTEE
March 8, 2010
9:08 a.m.

9:08:09 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:08 a.m.

MEMBERS PRESENT

Senator Bert Stedman, Co-Chair
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

Senator Lyman Hoffman, Co-Chair
Senator Charlie Huggins, Vice-Chair

ALSO PRESENT

Senator Gary Stevens; Tim Lamkin, Staff, Senator Gary Stevens; David Gray, Staff, Co-Chair Hoffman; Gordon Harrison, Former Director, Legislative Research Agency; Former Executive Director, Alaska Redistricting Commission; Senator Gary Stevens

PRESENT VIA TELECONFERENCE

Marilyn Barry, Alaska Pacific University

SUMMARY

SB 221 LEGISLATIVE TASK FORCE ON HIGHER ED

SB 221 was heard and HELD in Committee for further consideration.

SB 269 ECON. STIMULUS BONDS: REALLOCATION/WAIVER

SB 269 was scheduled but not heard.

SB 270 AK HOUSING FIN CORP DIVIDEND

SB 270 was REPORTED out of Committee with a "do pass" recommendation and with zero FN 1 (REV).

SJR 21 CONST. AM: INCREASE NUMBER OF LEGISLATORS

SJR 21 was heard and HELD in Committee for further consideration.

#sb221

SENATE BILL NO. 221

"An Act establishing an advisory task force on higher education in the legislative branch of government; and providing for an effective date."

[9:08:31 AM](#)

SENATOR GARY STEVENS, sponsor of SB 221, explained that the bill was a direct result of having read, Crossing the Finish Line, by William G. Bowen. He reported being shocked by the conclusions on college completion made in the book. The University of Alaska has been dedicated to equal opportunity to affordability for students. It is a sobering fact that less than 60 percent of students entering a four-year college graduate.

Senator Stevens related that the task force created by the bill will be charged with finding out the reason behind that statistic and solutions to the problem. He quoted from Bowen's book, "Educational attainment in the United States today is highly consequential." He said he has found that statement to be true in his experience. There are enormous consequences from getting an education. He shared statistics about individual, economic, and societal benefits of holding a college degree. He agreed with the title of the book's analogy of comparing post-secondary to running a foot race. Many compete, but 40 percent fall by the wayside along the way. He listed the roadblocks to success.

Senator Stevens informed the committee as to the goals of the task force, such as to decrease the need for remedial education, to provide counseling, to help integrate students into campus life, and to increase retention rates.

Senator Stevens summarized that the main job of the task force is to help the educational community to prepare students for their future.

[9:14:44 AM](#)

TIM LAMKIN, STAFF, SENATOR GARY STEVENS, stated that CSSB 221 (EDC) would establish as task force that would consist of 18 members and encompass all of the stakeholders in the education pipeline to identify ways to improve preparation for college, decrease remediation, increase access to financial aid, increase retention and graduation rates, and track data. The task force members would consist of the governor or the governor's designee, the executive director of the Alaska Commission on Postsecondary Education or the executive director's designee, the commissioner of education and early development or the commissioner's designee, one member appointed by the governor who represents vocational, technical training, or apprenticeship programs in the state, a student representative appointed by the Board of Education and Early Development, the student member of the Board of Regents of the University of Alaska or the student's designee, the president of the University of Alaska or the president's designee, the executive director of the Association of Alaska School Boards or the executive director's designee, the executive director of the Alaska Association of School Administrators or the executive director's designee, the president of the National Education Association of Alaska or the president's designee, the president of the Alaska Federation of Natives or the president's designee, the chair of the Senate committee having jurisdiction over education, the chair of the House committee having jurisdiction over education, one member appointed by the governor who represents private colleges or universities, one member appointed by the governor who represents public postsecondary institutions and who is not affiliated with the University of Alaska, three members appointed by the governor who have specialized knowledge, skill, or experience in education remediation and who are employed as faculty at postsecondary institutions located in separate major administrative units in the state, at least one of whom resides outside of Anchorage, Fairbanks, and Juneau.

Mr. Lamkin summarized that the task force would be tasked with a number of research and data compilations. The bill attempts to improve the education system in Alaska.

[9:17:30 AM](#)

Co-Chair Stedman asked how the selection for the task force would take place when there are two co-chairs on the Senate Education Committee. Senator Stevens replied that there was no intention to exclude anyone. He mentioned that a superintendent was added to the task force after a suggestion was made. He thought only one member from the education committee should be included and suggested the wording could be changed to "chairs or co-chairs."

Senator Thomas commented that from looking at the governor's proposed scholarship plan, it has become apparent that the current education structure needs addressing. The legislation will address some of the problems related to why students are not prepared for college.

[9:19:08 AM](#)

Co-Chair Stedman noted three zero fiscal notes: two are from the Department of Education and Early Development, and one is from the Legislature.

[9:19:31 AM](#)

MARILYN BARRY, ALASKA PACIFIC UNIVERSITY, testified via teleconference. She spoke in support of the legislation. She thought it important to distinguish between different types of students and their needs for remediation. Co-Chair Stedman asked what her job was. Ms. Barry said she was the academic dean.

[9:21:34 AM](#)

SB 221 was heard and HELD in Committee for further consideration.

AT-EASE [9:22:25 AM](#)

RECONVENED [9:23:34 AM](#)

#sb270

SENATE BILL NO. 270

"An Act relating to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date."

[9:24:53 AM](#)

Co-Chair Stedman noted it was the second hearing on SB 270 and he intended to move it from committee. He highlighted one zero fiscal note from the Department of Revenue.

Senator Ellis MOVED to report SB 270 out of Committee with individual recommendations and the accompanying fiscal note.

SB 270 was REPORTED out of Committee with a "do pass" recommendation and with zero FN 1 (REV).

#sjr21

SENATE JOINT RESOLUTION NO. 21

Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members of the House of Representatives to forty-eight and the number of members of the senate to twenty-four.

[9:24:59 AM](#)

Co-Chair Stedman turned to SJR 21.

Senator Olson, sponsor of SJR 21 and chair of Senate Community and Regional Affairs, introduced the bill. He requested that his staff answer questions about the resolution.

DAVID GRAY, STAFF, CO-CHAIR HOFFMAN, shared that he has been working on the legislation for a number of years.

Senator Olson explained that SJR 21 puts a constitutional amendment before the voters in the 2010 general election that would increase the size of the legislature from 40 to 48 representatives and from 20 to 24 senators. Upon voter approval, the measure would apply to the 2012 determination of election district boundaries.

Senator Olson provided the history of legislative representation. In 1913, Congress established the first territorial legislature with 8 senators and 16 representatives. The size of the legislature was increased to 12 senators and 24 representatives in 1942. Seventeen years later, in 1959, a constitution for the state of Alaska was ratified further increasing the size of the legislature to the current level.

Senator Olson related that in the first 50 years of statehood, Alaska has not changed the size of its legislative body. It continues to be the smallest bicameral legislature in the nation. During this span of time, the population of the state has more than tripled. The state's operating budget, which was around \$100 million in 1960, is now up to \$10 billion. In spite of those increases, there has been no change to legislative representation.

Senator Olson referred to the approaching census and the resulting need for redistricting. He noted that the 1965 Voter Rights Act will play a part in the redistricting, and large areas containing small populations will further complicate Alaska's apportionment process. He predicted population distributions, as a result of the 2010 census, that will not reconcile Article VI, section 6 requirements of the Alaska Constitution.

[9:28:54 AM](#)

Senator Olson recalled numerous lawsuits in 2000 regarding equal access. He related that between 1960 and 2006, 29 states have increased the size of their legislative bodies. For the nine states that have populations similar to Alaska's - between 500,000 and 1,500,000 people - the average size of their legislative bodies is 134 members.

Senator Olson stressed that it was time to increase the size of the legislature.

[9:30:10 AM](#)

Senator Olson noted that a constitutional amendment requires a two-thirds majority in each body and then the voters must ratify it. He emphasized that the voters would make the ultimate decision to increase the legislature or keep it the same. He implored the committee to support the legislation and vote on it today.

Co-Chair Stedman understood the urgency of the legislation. He thought there should also be time for the public and the committee to process the bill.

Co-Chair Stedman referred to a table in the committee members' file entitled, "Population Trend for Election Districts in 2010" (copy on file). He commented on population differences and requested more information about areas where the population has increased or decreased.

Senator Olson agreed that would be valuable information. He pointed out that there is a significant population loss in election districts 1 - 6, which is the Southeast part of Alaska as well as part of the Interior. There is also a significant loss in Northwest Alaska and in Western Alaska, which includes Bristol Bay, Bethel, Nome, Barrow, and Kotzebue. There are population losses "in the 4000 area" which significantly decreases the number of people in an election district. There are also significant increases in MatSu, Anchorage, and Kenai.

Senator Olson concluded that the effect of the resolution, if approved by the voters, would keep the rural districts the same in Southeast and Western Alaska. It would increase the number of election districts in the MatSu area by 2.5, in Fairbanks by 1, in Anchorage by 3.5, and possibly 1 in the Kenai area.

[9:35:04 AM](#)

Co-Chair Stedman asked if there has been any thought to the physical accommodations in the legislature. Senator Olson suggested Mr. Gray respond to the issue of population trends and effects of new election districts, as well as the matter of space accommodations.

Mr. Gray clarified that in some cases rural districts have lost population, but others have not had a population increase as fast as some urban areas. He explained that the chart showing where new election districts would go simply looks at population. The reapportionment board will make the decision as to where the new election districts will be located.

Mr. Gray addressed Co-Chair Stedman's question about whether the legislature could physically accommodate new

members. He deferred to Legislative Affairs to answer. He speculated that it would require some modifications.

[9:37:21 AM](#)

Co-Chair Stedman proposed a scenario where there would be a loss of 3,700 people in Ketchikan's House District One. He suggested that the resolution would hold the geographical footprint constant in District 1, but allow the number of elected representatives in the MatSu and Anchorage areas to increase. That concept would expand to include all of Southeast Alaska as well as Western Alaska, the Aleutian Chain, and Kodiak.

Mr. Gray said that was correct. He added that the ideal district should have 15,673 people in it according to the current reapportionment plan. If the plan is changed in 2010, the ideal population per district would be 17,309. He noted that an increase in the size of the legislature by 8 representatives would change the average population per district to 14,424, which is closer to the required population in the 2000 census and the possibility that the rural districts would remain the same.

[9:39:46 AM](#)

Senator Thomas suggested that a balance of power exists in the state and expanding the numbers would create a change in that balance. Mr. Gray pointed out that it is a one person, one vote state. When the population shifts there is still equal representation. The population growth is in urban areas, not rural areas. He maintained that the distribution under the 48 House District scheme, has the same balance of power.

Senator Olson stressed that power in rural Alaska will be lost if the current distribution continues, because they will be assimilated into more populated districts. This legislation attempts to facilitate the balance of power. Senator Thomas understood that the balance of power would be lost unless a change in the number of representatives is made.

[9:44:12 AM](#)

Senator Olson requested that Mr. Harrison address that issue.

GORDON HARRISON, FORMER DIRECTOR OF THE LEGISLATIVE RESEARCH AGENCY; FORMER EXECUTIVE DIRECTOR OF ALASKA REDISTRICTING COMMISSION, requested that the question be repeated. Senator Thomas restated his question. Mr. Harrison did not see how the proposal to expand the legislature would change the distribution of electoral power between the rural and urban areas because it is based on population. He said the rural districts would be able to maintain their physical size, while the urban districts would be smaller in area. Proportionally, the relationship between rural and urban Alaska would remain the same.

Senator Thomas pointed out that the number of representatives is being added to urban areas, therefore there would be more influence. Co-Chair Stedman requested an explanation of the difference between a geographical area and a population area. Mr. Harrison explained that without an expansion of the legislature, there would be a loss of three rural districts. In the expanded legislature the rural districts would be maintained and the relationship between rural and urban areas would stay the same.

[9:48:46 AM](#)

Senator Olson noted valid concerns regarding physical space. Co-Chair Stedman noted the recent purchase of a new building for the purposes of expansion.

Co-Chair Stedman commented on the two fiscal notes. One note is from the Division of Elections for \$1.5 million to cover the cost of printing the ballots. One note is from the Legislature reflecting the cost of adding 12 additional legislators beginning in FY 13 for \$6,140,000. In FY 14 the cost is estimated to decrease to \$4,470,000.

SJR 21 was heard and HELD in Committee for further consideration.

#sb269

SENATE BILL NO. 269

"An Act relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume

cap; relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap; increasing the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding; relating to revenue bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

Senate Bill 269 was scheduled but not heard.

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ADJOURNMENT

The meeting was adjourned at 9:50 AM.