

SENATE FINANCE COMMITTEE
March 10, 2010
9:02 a.m.

9:02:34 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Darwin Peterson, Staff, Co-Chair Bart Stedman; Senator Bettye Davis; Senator John Coghill; Rod Betit, President/CEO, Alaska Hospital Association (AHA); Mark Johnson, former EMS president, Juneau; Josh Temple, Staff, Senator Charlie Huggins; Kate Hudson, Administrator, Violent Crimes Compensation Board (VCCB)

PRESENT VIA TELECONFERENCE

Deven Mitchell, Executive Director, Alaska Municipal Bond Bank Authority, Department of Revenue; Dr. Frank Sacco, Director, Alaska Trauma System; Dr. Virginia Chennault, Trauma Commission, Anchorage; David Hull, Chairman, Governor's Task Force, Alaska Council on Emergency Medical Services (ACEMS); Adam Torem, Washington State Bar Association, Legal Assistance to Military; Mark Sansouci, Regional Liaison, Department of Defense; Andrea Wells, Military Families, Fort Richardson; Gerald Godfrey, Chair, Violent Crimes Compensation Board (VCCB)

SUMMARY

SB 221 LEGISLATIVE TASK FORCE ON HIGHER ED

CSSB 221 (EDC) was REPORTED out of committee with a "do pass" recommendation and with zero FN 1 (EED), zero FN 3 (EED), and a new zero fiscal note by the Legislature.

SB 269 ECON. STIMULUS BONDS: REALLOCATION/WAIVER

CSSB 269 (FIN) was REPORTED out of committee with a "do pass" recommendation and with zero FN 1 (CED) and FN 2 (REV).

SB 168 TRAUMA CARE CENTERS/FUND

SB 168 was heard and HELD in Committee for further consideration.

SB 210 MILITARY DEPLOYMENT AND CHILD CUSTODY

SB 210 was heard and HELD in Committee for further consideration.

SB 266 VIOLENT CRIMES EMERGENCY COMPENSATION

SB 266 was heard and HELD in Committee for further consideration.

[9:02:58 AM](#)

#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."

[9:03:50 AM](#)

Co-Chair Stedman asked if the committee had any questions regarding the bill. He noted three zero fiscal notes, two from the Department of Education and one from the Legislature.

Co-Chair Stedman MOVED to report CSSB 221 (EDC) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 221 (EDC) was REPORTED out of committee with a "do pass" recommendation and with zero FN 1 (EED), zero FN 2 (EED), and a new zero fiscal note by the Legislature.

[9:05:11 AM](#)

#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."

[9:05:21 AM](#)

Co-Chair Stedman stated that he had requested the Department of Revenue to provide a schedule for outstanding bonds and for debt service by community. That information has been provided.

Co-Chair Hoffman MOVED to ADOPT a new CS for SB 269 labeled 26-GS2880\E, Cook, 3/8/2010.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:06:13 AM](#)

DARWIN PETERSON, STAFF, CO-CHAIR BART STEDMAN, explained the four changes in the bill. The first change is a list of technical changes that Legislative Legal made in the first CS of the governor's bill. The second change is found on page 4, lines 14 and 15. This change deletes the words "for

equipment for building improvements", which allows the Municipal Bond Bank to partner with municipalities to finance lease purchase options for any lease, not just a lease for building equipment or improvements. The third change is in the form of an amendment by the Department of Revenue found on page 3, lines 9 - 14, adding the new subsection (2), and on page 8, lines 9 - 10, with new Section 7. The change is a catchall amendment for any future bond authority that comes to the state from the federal government.

[9:07:59 AM](#)

Mr. Peterson described the fourth change, which is at the request of Senator Thomas. It is found on page 4, line 25, beginning with "unless the borough" and continuing on to the subsection at the end of line 29. It is also found on page 5, line 28, beginning with "if a borough" and continuing on to page 6, the end of line 1. The change continues on page 6, line 16 and continuing on to the end of the subsection on line 20. It continues on page 7, line 17, to the end of the subsection on page 21.

[9:08:56 AM](#)

Senator Thomas explained that the changes would allow a sixty-day extension for boroughs or entities to make use of the bonds before AIDEA takes over. Due to the federal government's misunderstanding of Alaskan entities, some of the money was given to entities that do not have an opportunity to sell bonds.

[9:11:07 AM](#)

Co-Chair Stedman requested an explanation of the other amendment. Mr. Peterson related that the previous version of the bill would allow for the Municipal Bond Bank to enter into a relationship with the municipality in order to lease equipment or building improvements, but did not include existing buildings or land. The Department of Revenue suggested the change in order to enter into a lease purchase option with any municipality in the state.

Senator Thomas added that the amendment allows boroughs to cooperate with the Bond Bank and AIDEA to continue to continue development activity outside of borough jurisdiction.

[9:13:19 AM](#)

Co-Chair Stedman WITHDREW his objection to adopt the new CS. There being NO further OBJECTION, it was so ordered.

DEVEN MITCHELL, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL BOND BANK AUTHORITY, DEPARTMENT OF REVENUE, testified via teleconference. He spoke in favor of the bill as amended.

Co-Chair Stedman noted a zero fiscal note from the Department of Commerce, Community and Economic Development and a fiscal note from the Department of Revenue.

[9:15:01 AM](#)

Co-Chair Hoffman MOVED to report CSSB 269 (FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 269 (FIN) was REPORTED out of committee with a "do pass" recommendation and with zero FN 1 (CED) and FN 2 (REV).

AT-EASE [9:16:46 AM](#)

RECONVENED [9:17:11 AM](#)

#sb168

SENATE BILL NO. 168

"An Act relating to state certification and designation of trauma centers; creating the uncompensated trauma care fund to offset uncompensated trauma care provided at certified and designated trauma centers; and providing for an effective date."

SENATOR BETTYE DAVIS, sponsor, introduced herself.

[9:18:09 AM](#)

SENATOR JOHN COGHILL, explained that the bill establishes a fund that will incentivize a higher level of trauma care in Alaska. Section 1 established that the department would establish regulations as to how it would be administered and work with hospitals and doctors to try to increase the delivery of trauma care.

Senator Coghill explained that there are several different levels of trauma care, levels I, II, III, and IV, and national standards to follow. The trauma care fund would be administered to those who want to apply. The limitation under Section 2 says that more than 25 percent of total assets of the fund could not be given to any one trauma center in a year.

Senator Coghill related that the bill has been through several iterations. The bill originally anticipated general funds and matching funds.

[9:20:09 AM](#)

Senator Coghill pointed to Section 3, the alcohol tax, as a potential funding source. He left that decision up to the committee.

Senator Coghill reported that the trauma care issue in Alaska has been moving forward since about 1992. He referred to a booklet entitled, "Trauma Care in Alaska" (copy on file). He highlighted section nine in the booklet, specifically pages 6 and 7, which list advantages and challenges. He spoke of the reluctance of doctors and hospitals to work together because of economic considerations. The fund is set to provide an incentive to raise the level of trauma care. He referred to the challenges on page 7, some of which have been assuaged by this legislation, such as lack of a strategic plan.

Senator Coghill shared that there are currently 24 hospitals in Alaska and only 4 have some trauma care level designation. Most of those hospitals are outside of Anchorage or Fairbanks and are run by Native Health care organization. There is one Trauma II level care system in Alaska, the Alaska Native Health Hospital in Anchorage. Anchorage, itself, does not have a trauma center.

[9:23:40 AM](#)

Senator Coghill stressed that the fund would incentivize increasing trauma care, rather than mandate it. He reported that there needs to be a plan in his district and especially in rural areas.

Co-Chair Stedman asked if there were any questions. He noted zero fiscal notes from the Department of Revenue and the Department of Health and Social Services, and one fiscal note for \$2.5 in general funds and \$2.5 in federal receipts, drafted by Senator Coghill's office to capitalize the funds used to compensate trauma centers.

[9:26:02 AM](#)

DR. FRANK SACCO, DIRECTOR, ALASKA TRAUMA SYSTEM, testified via teleconference. He addressed two issues - trauma as a public health problem and trauma and its relationship to alcohol. Alaska has the second highest death rate from trauma in the country. The trauma system is a model developed by the military - a preplanned response. The goal of trauma care is to decrease mortality from serious injuries by 15 to 25 percent. He said that 500 Alaskans die each year from trauma. Alaska is the only state that does not have a Level I or II trauma center. Anchorage is the largest city in the U.S. without a trauma center. He maintained that the value of a trauma center is undisputed.

[9:29:37 AM](#)

Dr. Sacco referred to trauma as a disease. One of the biggest risk factors for trauma is alcohol. About 50 percent of those admitted to trauma centers with serious injuries have screened positive for alcohol. He shared information about the teachable moment for alcoholics after a traumatic incident. He shared statistics about alcoholism. He concluded that the readmission rate of alcoholism-related trauma is decreased with intervention. He thought the alcohol tax was an appropriate guideline.

[9:33:18 AM](#)

DR. VIRGINIA CHENNAULT, TRAUMA COMMISSION, ANCHORAGE, testified via teleconference. She spoke in favor of the legislation. She maintained that drugs and alcohol are involved in 70-80 percent of trauma cases. She suggested that alcohol intervention should be done in the form of screening. She stressed that the legislation would save money in the long run. She concluded that Alaska deserves trauma care.

[9:35:50 AM](#)

ROD BETIT, PRESIDENT/CEO, ALASKA HOSPITAL ASSOCIATION (AHA), related that AHA supports this legislation. He shared statistics about which states have a trauma center. The issue is that Anchorage does not have a Level II trauma center other than a tribal program. He made two points about Level II trauma hospital advantages: having staffed employees for trauma care and compensated care. The bill would allow the department to address those services. He thought this approach was better than a mandated approach.

[9:40:36 AM](#)

MARK JOHNSON, FORMER EMS PRESIDENT, JUNEAU, made several points about trauma care. He pointed out that trauma is a major cause of hospital admissions, disabilities, and death. He related that the legislation passed in 1993 allowing the Department of Health and Social Services the authority to certify trauma centers was a voluntary approach without incentives. In the 1990's there was a federal grant which co-sponsored reviews of trauma care at eight hospitals. Currently, there are 24 acute care hospitals, but only five have achieved national standards. He maintained that every hospital should meet one of the three levels of standards of trauma care. Trauma centers are expected to be involved in prevention activities such as alcohol screening. He urged the committee to support the legislation.

[9:44:11 AM](#)

Senator Ellis thanked the presenter for his work. He asked how many states require this level of licensure and how many have incentives to upgrade. Mr. Johnson did not know, but offered to find out.

Senator Olson asked if the number of first responders has kept up. Mr. Johnson said EMS in Alaska does provide excellent training for first responders. He thought the numbers compare favorably with other states. One out of two first responders is a volunteer.

[9:46:47 AM](#)

DAVID HULL, CHAIRMAN, GOVERNOR'S TASK FORCE, ALASKA COUNCIL ON EMERGENCY MEDICAL SERVICES (ACEMS), testified via teleconference. He agreed that EMS is doing a good job of

getting people to the hospitals. He spoke in support of the trauma system. The Alaska Council fully supports the bill.

[9:49:02 AM](#)

Senator Coghill addressed the question asked by Senator Ellis. The information is found in the booklet under Tab 7. It reviews which states have trauma care centers and how they are funded.

SB 168 was heard and HELD in Committee for further consideration.

[9:50:32 AM](#)

#sb210

SENATE BILL NO. 210

"An Act establishing child custody, modification, and visitation standards for a military parent who is deployed; and amending Rule 99, Alaska Rules of Civil Procedure."

[9:50:52 AM](#)

Senator Huggins, sponsor, explained the necessity of having a bill that gets it right because other states will be modeling their legislation after this legislation.

JOSH TEMPLE, STAFF, SENATOR CHARLIE HUGGINS, spoke of the reasons for needing version K of SB 210. He described the stress put on military couples and the high rate of divorce. The bill defines and reinforces child custody standards for a military parent. The bill looks after the best interests of the children. The bill has a zero fiscal note.

Mr. Temple reported that Congress decided not to deal with this issue on a federal level because of a potential conflict with state statutes. He related that the bill defines what "deployment" means as it relates to custody hearings. It also provides for testimony from deployment stations or combat zones. There is language included for hearings to address custody issues, keeping in mind the best interest of the child.

[9:57:24 AM](#)

Senator Ellis asked if the best interest of the child, as found in current statute, is being rewritten. Mr. Temple clarified that the bill reinforces what is already in statute and does not create any new standards.

Co-Chair Stedman noted five zero fiscal notes.

9:59:03 AM

ADAM TOREM, WASHINGTON STATE BAR ASSOCIATION, LEGAL ASSISTANCE TO MILITARY, testified via teleconference. He spoke in support of the bill. He said he worked with the sponsors to draft the bill. The bill is set up to protect the rights of parents. He described an example of how custody would work. He maintained that the legislation is in the best interest of the child. He addressed whether the third party designation was constitutional. He maintained that it was.

10:04:59 AM

MARK SANSOUCI, REGIONAL LIAISON, DEPARTMENT OF DEFENSE, testified via teleconference. He spoke of a survey which provided data from families regarding child custody. The bill addresses all of those concerns. He noted that the bill covers all issues related to military parents and child custody.

10:08:58 AM

ANDREA WELLS, MILITARY FAMILIES, FORT RICHARDSON, testified via teleconference. She spoke of her experience with military families and child custody issues. She spoke in favor of the legislation.

10:11:42 AM

Senator Olson asked how many families would be affected by the bill. Mr. Temple said there is a large problem in Alaska.

Senator Huggins commented that the bill would reduce ambiguity and smooth out the legal proceedings.

SB 210 was heard and HELD in Committee for further consideration.

[10:13:15 AM](#)

#sb266

SENATE BILL NO. 266

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

[10:13:43 AM](#)

Senator Thomas, sponsor, read the sponsor statement:

Senate Bill 266 proposes to increase the limit that victims of violent crimes can receive in emergency compensation from \$1,500 to \$3,500.

This limit for emergency compensation has not been increased since 1975. Emergency compensation can only be awarded for relocation, verifiable lost wages and counseling for families and victims whose safety and well being are at risk.

The reason for this increase is that the costs for these emergency expenses have increased substantially over the years, and \$1,500 is not sufficient to cover deposits, first and last month rents, especially when a family or dependents are involved, travel for relocation and other associated expenses.

Emergency awards are necessary as the Board only meets five times per year, and it may be 2-3 months before a claim is considered.

The victim compensation fund receives approximately 70% of its appropriations from the state in the form of felon's withheld Permanent Fund Dividends and 30% from a federal grant. This money does not lapse once placed in the fund.

Emergency compensation is considered part of the maximum award and is deducted from the final award given to the victim, any excess award must be repaid to the fund.

This bill does not increase the overall cap of \$40,000 that can awarded to a victim. Senate Bill 266 carries

a zero fiscal note because it does not increase the final award.

I urge you to join me in assisting Alaska's victims of violent crimes when their need is greatest, and support Senate Bill 266.

I have attached a sheet titled "Violent Crimes Compensation Board: Emergency Compensation" which contains some facts and figures and amounts of awards as well as some of the details of those awards, and several other documents explaining facts and demographics of violent crimes victims.

My staff, Grier Hopkins, and Kate Hudson, administrator for the Violent Crimes Compensation Board are available for questions. Also, Jared Godfrey, Chair of the Board, is on the phone to make a short statement and answer any questions.

Co-Chair Stedman noted one zero fiscal note by the Department of Administration.

[10:16:30 AM](#)

GERALD GODFREY, CHAIR, VIOLENT CRIMES COMPENSATION BOARD (VCCB), testified via teleconference. He spoke in favor of the bill. He related the history of the cap. The initial amount when the board was created in 1972 was at \$500. In 1975 it was adjusted upward to \$1,500 and has not been adjusted since. If adjusted for inflation, the amount would be over \$6,000 now.

Mr. Godfrey shared statistics about the hardships suffered by victims of violent crimes. He gave an example of awards given for lost wages, counseling, and relocation. He shared an example of a domestic violence victim.

[10:20:30 AM](#)

KATE HUDSON, ADMINISTRATOR, VIOLENT CRIMES COMPENSATION BOARD, stated support for the bill.

[10:21:15 AM](#)

Senator Olson asked how often the fund has been depleted due to the increased number of violent crimes or from

inflation. Ms. Hudson said the board has not yet run out of money. Senator Olson asked if money would be short if the cap is increased. Ms. Hudson said it would not be a concern because the cap is not being increased.

[10:22:57 AM](#)

SB 266 was heard and HELD in Committee for further consideration.

#

ADJOURNMENT

The meeting was adjourned at 10:22 AM.