

HOUSE FINANCE COMMITTEE
March 6, 2014
8:34 a.m.

8:34:01 AM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 8:34 a.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Tammie Wilson

MEMBERS ABSENT

Representative Mia Costello
Representative Bryce Edgmon
Representative Steve Thompson

ALSO PRESENT

Senator Kevin Meyer; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit; Lauree Morton, Executive Director, Council on Domestic Violence and Sexual Assault, Department of Public Safety; Kelly Howell, Special Assistant, Department of Public Safety; Ms. Caren Robinson, Alaska Women's Lobby; Senator Peter Micciche; Ms. Anna Kim, Department of Revenue Tax Division.

PRESENT VIA TELECONFERENCE

Johanna Bales, Deputy Director, Tax Division, Department of Revenue.

SUMMARY

CSSB 71 (FIN)

PAYMENT OF FISHERY RESOURCE LANDING TAX

CSSB 71 was HEARD and HELD in committee for further consideration.

SB 124 EXTENDING COUNCIL ON DOMESTIC VIOLENCE

SB 124 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal note: FN1 (DPS).

#sb124

SENATE BILL NO. 124

"An Act extending the termination date of the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

[8:34:48 AM](#)

SENATOR KEVIN MEYER testified on SB 124; an extension bill for the Council of Domestic Violence and Sexual Assault. He informed the committee that he spent time on the Stand Together Against Rape (STAR) Board. He thanked Representative Holmes for carrying the companion bill on the House side. He stated that the mission of the council was to provide safety for Alaskans victimized or impacted by domestic violence and sexual assault. The council was responsible for ensuring a system-wide crisis intervention services. The council works in the public interest by awarding and administering grants to the various community organizations. Services were also provided for the domestic violence and sexual assault victims. He spoke about batterer's intervention services to domestic violence perpetrators along with crisis intervention and prevention services.

Senator Meyer explained that the Division of Legislative Audit completed a sunset review on May 21, 2013. The division's recommendation was to extend for an additional eight years.

Co-Chair Stoltze explained that Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit would present the audit recommendations.

Senator Meyer pointed out the audit's three recommendations. The council took appropriate measures to address all three recommendations. He highlighted the council's importance to the state. He requested the committee's support for the extension.

Co-Chair Stoltze acknowledged that the Senate bill had 19 co-sponsors.

[8:37:20 AM](#)

Representative Gara complimented the senator on his presentation of the bill. He wished to cross-sponsor the legislation.

Senator Meyer replied that cross-sponsoring the bill was an available option for House members.

Co-Chair Stoltze had cross-sponsored the legislation.

Senator Meyer appreciated the support.

[8:38:30 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, discussed the sunset audit pertaining to the council, "Summary of: A Sunset Review on the Department of Public Safety, Council on Domestic violence and Sexual Assault, May 21, 2013 (copy on file)." She noted that the purpose of the audit was to determine whether the council was serving the public's interest and whether the termination date should be extended. The report provided a summary of the council's organization and function as well as a description of funding sources. The audit concluded that the council was serving the public's interest by funding and monitoring Alaskan domestic violence and sexual assault response programs and prevention activities. Additionally, the division found that the council was effectively serving as essential coordinator for related services throughout Alaska. The division recommended that the termination date be extended the maximum 8 years provided for in statute.

Ms. Cutis noted that the report included information about the council's expenditures and funding. She pointed out page 16 of the audit revealing that funding and expenditures for the council had increased from FY 09

through FY 12. The increases were the result of the FY 12 addition of a prevention coordinator, reduction in staff vacancies, increased funding through the governor's Choose Respect initiative and the additional focus on domestic violence and sexual assault prevention. The audit identified three areas for operational improvements addressed on page 11 in the findings and recommendations section.

[8:40:17 AM](#)

Ms. Curtis pointed out the first recommendation was a continuation of prior finding identified by the division in the 2005 sunset audit report. The recommendation encouraged improvement between the council, the Department of Education and Early Development and Department of Health and Social Services. The current audit determined that the council had significantly improved coordination between themselves and the Department of Education and Early Development. The council did not coordinate with the Department of Health and Social Services to develop standards and procedures. She stated that general standards and procedures for health care providers and facilities delivering services to domestic violence victims were developed over 10 years ago, however the council and the department did not coordinate regarding continued delivery and availability of the standards. The recommendation was an improvement in the coordination process.

Ms. Curtis pointed out the second and third recommendations beginning on page 13 of the audit. Both recommendations were administrative in nature. The second recommendation included improvement procedures for the timely posting of public notices by the council's executive director. She stated that the council lacked formal procedures to guide their posting; 23 percent of meetings were not posted during the audit period and 59 percent were not posted timely. The third recommendation included improvement of grant award in monitoring policies and procedures. The council did have internal controls in place to award funds to grantees and monitor their performance. The internal controls were not used consistently during the audit period due to staff turnover and a lack of procedures. The council did agree with all three recommendations.

[8:41:57 AM](#)

Representative Wilson pointed out that the audit report was incomplete in the member's packets. She noticed the federal matching funds. She asked for documentation regarding all funding for the council.

[8:42:35 AM](#)

Ms. Curtis explained that page 16 provided a complete analysis of the funding including federal, interagency, PFD's for incarcerated individuals and general funds.

Representative Wilson asked if the council was required to account for private funding.

Ms. Curtis replied that the audit determined that federal and general funds were the primary sources. She recommended asking the council's executive director.

Co-Chair Stoltze stated that the council's executive director and staff from the Department of Public Safety would testify on the legislation.

[8:44:26 AM](#)

LAUREE MORTON, EXECUTIVE DIRECTOR, COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, DEPARTMENT OF PUBLIC SAFETY, appreciated the hearing.

KELLY HOWELL, SPECIAL ASSISTANT, DEPARTMENT OF PUBLIC SAFETY introduced herself.

Ms. Morton informed the committee that the programs served 9330 program participants with approximately 75 percent seeking services for domestic violence. She noted that 20 percent of program participants sought services for sexual assault, 30 percent for stalking and approximately 13 percent for other violent crimes. She pointed out that people often experience more than one of these types of crimes. She stated that 68 percent of participants were adults, 28 percent were children, 79 percent were women and 17 percent were men. She highlighted the 3000 volunteers that provided over 78,000 hours of service. She noted that approximately 200 employees staffed the 20 programs funded by the council with 418 beds available.

Ms. Morton noted that the council provided funding for rehabilitation services for perpetrators of domestic

violence. She stated that 84 people completed the program. A best practices manual and a revision of regulations would further improve the diversity of services. She mentioned the Alaska victimization survey. She discussed the coordination of several different intervention activities, training, and coordination with the Office of Children's services and training with first responders.

[8:47:59 AM](#)

Representative Gara asked about the interplay between the council and shelters operating beyond their capacity.

Ms. Morton understood the problem of bed shortages in shelters throughout the state. She believed that a capital request was submitted with a combination of state funds and funds from the Rasmussen foundation to explore an expansion of bed capacity in Alaska.

Representative Gara asked about a shelter than was over capacity. He asked if a shelter would accept a beneficiary if they were over-capacity.

Ms. Morton replied that when beds and spaces were not available in the facilities, other accommodations were made in safe homes or hotels.

[8:50:47 AM](#)

Representative Wilson asked how much money was coming in. She asked about duplicates provided in the statistics mentioned by Ms. Morton.

Ms. Morton replied that the count included unduplicated numbers. She explained that the council required grantees to provide a 15 percent match to state funds granted. She mentioned two federal funding sources; The Family Violence Prevention and Services Act and The Victims of Crime Act that both required a 20 percent match for grantee funds. The council funded between 30 to 85 percent of the total budgets. Programs in communities did receive money from private foundations, fundraising and federal grants. She explained that the council funds comprised less than 50 percent of the total budget for 10 programs.

[8:52:22 AM](#)

Representative Wilson wished to understand the available federal funding.

[8:52:41 AM](#)

Vice-Chair Neuman discussed the \$1.4 million moved to Department of Public Safety from the Department of Health and Social Services for domestic violence and sexual assault. He asked Commissioner Streur multiple times about the money used by the Department of Health and Social Services. He pointed out the audit and the council's coordination with the Department of Health and Social Services. He asked Ms. Morton to tell him how the \$1.4 million was used by the Department of Health and Social Services.

Ms. Morton replied that the \$1.4 million was detailed in a reimbursable services agreement from the office of the governor to the Division of Behavioral Health for four-year pilot projects. She believed that the difficulty in obtaining information existed with the Division of Behavioral Health. The transfer was requested because the pilot projects would be completed on June 30th, 2014. She noted that the provision of the primary prevention strategies and goals could be better utilized through the services of the council's primary strategies. She noted the intention of winding the pilot projects down, with the view toward continuing some.

Ms. Morton continued that money for the unsuccessful pilot projects would be granted to communities ready to engage in primary prevention strategies. She stated that the funding source was one-time only. She expected an improved awareness about sexual assault and domestic violence in the participating communities. The council hoped for a decreased acceptance of violence and improved community sanctions as a result of the funding. She mentioned the council's contract with a group of evaluation teams that were working to provide a comprehensive evaluation of primary prevention strategies, utilizing the \$1.4 million.

[8:57:24 AM](#)

Vice-Chair Neuman discussed concerns with the one-time funding expenditures. He noted statistics quoting that sex offenders averaged 110 victims and 318 offenses before they were caught. He stated that sex offenders went undetected

for an average of 16 years before they were caught. He questioned the efficacy of one-time funding.

[8:57:59 AM](#)

Representative Holmes stated that she served on a legislative task force in 2006, following a prior audit. The task force presented 26 recommendations; most of them had been implemented. She sought additional information about the batterer's intervention program. She asked for information about the council's action regarding the audit findings. She mentioned that the council signed a memorandum of agreement with the Department of Corrections to be the responsible entity for revising the regulations for the batterer's intervention program. She pointed out two stakeholder groups that were meeting to address regulation revision and best practices. She mentioned an expansion of materials and understanding available in the last 30 years. She noted that the council hosted quarterly meetings on February 26th and 27th to review a draft of regulations agreed upon thus far. The council hoped to present a draft for the public proofing process in May 2104. The council hoped to operate under new regulations by 2016.

[9:00:54 AM](#)

Co-Chair Stoltze found the Batterer Intervention Programs (BIPs) acronym offensive.

Representative Holmes agreed.

Ms. Morton concurred.

[9:01:34 AM](#)

Ms. Morton discussed the audit recommendation related to public notices, which was addressed by the council with a written protocol. She stated that the council designated their meeting dates for the upcoming fiscal year. The dates were listed on the council's website. She spoke about the improvement of the evaluation and grant processes. She instituted a policy where coordinators met once a quarter to evaluate files. She mentioned that work with the Department of Health and Social Services was specific to a statutory requirement to implement policies and procedures for healthcare facilities and how to work with victims of

domestic violence. The council's responsibility was to consult with the department during the process. She met with Commissioner Streur and planned to consult further about updating policies and procedures.

[9:03:41 AM](#)

Representative Guttenberg appreciated Ms. Morton's historic perspective. He asked how the council measured success.

Ms. Morton replied that she viewed individual success stories when evaluating the council's performance. The council bore witness to survivors and held the stories of people trapped in criminal activities. She spoke about a safety plan and the ability to access resources. She discussed various supports available including an understanding of the judicial system. She stated that if legal representation was accessed, women felt safer. She stated that people learned skills that allowed for increased safety and support. The council provided safety and services. She agreed that batterers and sex offenders existed in the world, but she hoped to move toward a place of zero-acceptance of the crimes.

[9:07:36 AM](#)

Ms. Morton pointed out \$157 thousand designated for a public awareness prevention campaign with recognition of the benefits of prevention. She believed that the state was experiencing a greater willingness to discuss the issues because Alaskan's were better informed about the problems.

Ms. Howl stated that she was the department's designee on the council. She replied that the Department of Public Safety and the Alaska state troopers attacked the problem through training. She stated that a training coordinator organized training throughout the state for troopers and Village Public Safety Officers (VPSO). She stated that the training was provided at the public safety training academy and through local and regional trainings throughout Alaska. The training pertains to laws and notification of victim's rights. She discussed the measuring of success by the victimization survey performed by the University of Alaska Anchorage in conjunction with the council. Victims were encouraged to seek assistance by contacting law enforcement and accessing victim service programs. The department expected the number of incidents to increase with the

state's awareness leading to greater reporting of the crimes.

Co-Chair Stoltze appreciated the Choose Respect program. He pointed out that he purchased 75 t-shirts for young athletes in Palmer. He talked to the children and their parents about the message of respect. He believed that battles were won by influencing the youth.

[9:13:05 AM](#)

Representative Munoz mentioned the 17 percent of men seeking service from the council. She wished for elaboration.

Ms. Morton replied that adult males sought services for domestic violence, sexual assault and stalking.

Representative Munoz asked if male victims received the same level of service as females.

Ms. Morton replied yes, but safe shelter was more difficult to obtain for males.

[9:14:12 AM](#)

Co-Chair Stoltze asked about the male victims.

Ms. Morton did not have details.

Co-Chair Stoltze expressed curiosity.

MS. CAREN ROBINSON, ALASKA WOMEN'S LOBBY, testified in support of the bill and the council.

The Mission of the lobby is to defend and advance the rights and needs of women, children and families in Alaska. We strongly support extending the Council on Domestic Violence and Sexual Assault. Many of the Lobby's steering committee members sat at the original table when we created the council. It would have not been possible without the backing of Governor Hammond, Lt. Governor Terry Miller, and the commissioner of Public Safety, Commissioner Nicks. Also the support of former legislators Hugh Malone, Bill Miles, Russ Meekins, Sam Cotton, Nilo Kopena, Arliss Stugulos, and in the later years Rick Halford and Fran Ulmer. Today

with the support of Governor Parnell, the council members, and most important with the leadership of Lauree Morton you have vibrant council and staff. This should give you comfort. I think most of us have the same vision when it comes to domestic violence and sexual assault and that vision is stopping it. We've come a long way, but it's taken a long time and we have a ways to go. For a little perspective: In the beginning there were no programs, no staff, and no money. Very few people even understood or cared about the complex problems of violence against women. Neither police nor medical providers had the training or understanding to respond effectively to sexual assault. We didn't have a 911 emergency system or even a 411 option. In 1980, the first National Conference on Domestic Violence was held in Washington DC. Finally, an issue that had haunted women and kept in the shadows forever was in the spotlight. Alaska from the start was unique. Shelter programs successfully worked to secure state funding for five regional shelters. We believed, it was important to have regional shelters that rural woman and children deserved safety as much as their urban counterparts. We insisted that a new statewide Council on Domestic Violence and Sexual Assault be under the Department of Public Safety and that batterers be arrested like any other violent person. This put Alaska years ahead of the nation in recognizing that women victims are not sick and in need of mental health treatment. They are victims needing medical assistance and police support, just like any other crime victim. We offered all victim services for women and children under one umbrella. We learned that battered women often are marital rape victims or incest survivors and that some children in violent homes are victims of physical or sexual abuse as well. We recognized that it is critical to have offender treatment services for men and that stopping domestic and sexual violence begins with education. But today, with a big thanks for the continued efforts of folds at the State council and this legislative body, physicians today routinely ask patients if they are safe at home, teachers are required to report suspected abuse, children learn early on about the difference between good touch and bad touch and reports domestic violence result in arrest. Offenders are licked up, shelters exist throughout Alaska and the nation and women are telling

their stories. The governor, legislators, law enforcement, schools and health providers have responded. Victims in Alaska are no longer alone. Thank you for supporting the council on Domestic Violence and Sexual Assault.

[9:19:42 AM](#)

Co-Chair Stoltze CLOSED public testimony. He discussed the fiscal note which showed a continued annual operating budget expenditure of \$17,762,000, with \$3.7 million in federal receipts.

Representative Holmes MOVED to REPORT SB 124 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 124 was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal note: FN1 (DPS).

#sb71

CS FOR SENATE BILL NO. 71(FIN)

"An Act relating to the fishery resource landing tax."

[9:22:35 AM](#)

SENATOR PETER MICCICHE, testified in support of CSSB 71 (FIN). He presented a portion of his sponsor statement.

SB 71 is a bill important to commercial fishing families throughout Alaska. It has been introduced to repair glitches in the landing resource tax statutes and regulations that require the payment of unfair penalties and interest by well-intentioned commercial fishermen.

Senator Micciche elaborated that the bill changed the current timing of tax payments to align with the publication of the corresponding statewide average fish report. He stated that section 1 aligned the date that the resource landing tax was due with the date that the statewide average fish price report was released. He noted that the report was due March 31st, but sometimes was not published until May. The mismatch in timing resulted in

late payment fines and interest for well-intentioned producers as well as confusion, frustration and wasted time that could be better spent harvesting and processing fish to increase revenue.

Senator Micciche continued with section 2, which added a new (e) and (f) in AS 43.77.020 appearing in section 3. The current statute included provisions for 4 equal payments, but with the seasonal nature of many fisheries with variability of harvest, it was impossible for resource landing taxpayers to predict their full-year's harvest for equal payments. He noted that many fishermen operated in only one of four quarters per year. He explained that section 3 provided three different methods to make estimated quarterly payments. A new subsection (f) required the taxpayer to notify the department by March 31st of each year the payment they choose.

[9:25:11 AM](#)

Senator Micciche noted that if a taxpayer failed to select a payment method, the department would help them apply the method with the lowest tax liability. He stated that the bill provided a fair and equitable tax system by aligning the date of the tax with the report. He pointed out the various supporters of the bill. The legislation was designed to bring efficiencies to both fishermen and the department.

[9:26:21 AM](#)

Vice-Chair Neuman asked about the penalties or late fees. He discussed the tax collected from factory trawlers and floating processors. He mentioned different issues affecting the fisheries. He was involved in discussions with the Department of Revenue and Legislative Legal regarding the use of penalty fees.

[9:27:42 AM](#)

Senator Micciche did not think that SB 71 was the right bill for intercept issues. He understood the need for fairness. He was willing to discuss the issues with Vice-Chair Neuman.

Representative Munoz asked about the issue of cost recovery comparing a flat rate to a percentage.

Senator Micciche considered the issue and considered an amendment. He wished for the best bill for fishing families in Alaska.

[9:29:16 AM](#)

MS. ANNA KIM, DEPARTMENT OF REVENUE TAX DIVISION, believed that the senator captured the sentiment of the legislation. She stated that the administration supported the legislation.

[9:30:50 AM](#)

JOHANNA BALES, DEPUTY DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE (via teleconference), agreed that the administration supported the legislation. She noted that tax returns were due on April 1st of each year and taxpayers were required to calculate the tax owed based on statewide average prices published by the Department of Fish and Game and the Department of Revenue. She stated that it was impossible for fishermen to calculate the tax by April 1st.

Co-Chair Stoltze CLOSED public testimony.

SB 71 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[9:33:24 AM](#)

The meeting was adjourned at 9:33 a.m.