

HOUSE FINANCE COMMITTEE

April 12, 2014

5:22 p.m.

[5:22:41 PM](#)

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 5:22 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

Representative Mark Neuman, Vice-Chair

ALSO PRESENT

Kate Burkhart, Executive Director, Advisory Board on Alcoholism and Drug Abuse.

PRESENT VIA TELECONFERENCE

Norman Means, Self, Palmer; Tiffany Thomas, Division of Motor Vehicles, Anchorage; Robin Minard, Mat-Su Health Foundation, Wasilla; Vicki Wallner, Stop Valley Thieves, Palmer; James Noble, Self, Prudhoe Bay; Mark Mew, Anchorage Police Department, Anchorage; Quinlan Steiner, Director, Public Defender Agency, Department of Administration; Rick Allen, Director, Office of Public Advocacy, Palmer; Lisa Rieger, Cook Inlet Tribal Council, Anchorage; Jeff Jessee, Alaska Mental Health Trust, Anchorage; Mary Geddes, Self, Anchorage; Loi Ricker, Stop Valley Thieves; Rick Allen, Director, Office of Public Advocacy, Palmer; Seth McMillan,

Anchorage Police Department Employees' Association,
Anchorage; Mary Geddes, Self, Anchorage; Mike Walsh, Self,
Palmer.

SUMMARY

CSSB 56(JUD)
RECLASSIFYING CERTAIN DRUG OFFENSES

CSHB 56(JUD) was HEARD and HELD in committee for
further consideration.

CSSB 64(JUD)
OMNIBUS CRIME/CORRECTIONS/RECIDIVISM BILL

CSSB 64(JUD) was HEARD and HELD in committee for
further consideration.

CSSB 104(FIN)
APPROPRIATIONS FROM THE DIVIDEND FUND

CSSB 104(FIN) was HEARD and HELD in committee for
further consideration.

#sb64

CS FOR SENATE BILL NO. 64(FIN)

"An Act relating to theft and property offenses;
relating to the definition of 'prior convictions' for
certain theft offenses; establishing the Alaska
Criminal Justice Commission and providing an
expiration date; relating to the crime of custodial
interference; relating to the duties of the Alaska
Judicial Council; relating to jail-time credit for
offenders in court-ordered treatment programs;
relating to conditions of release, probation, and
parole; relating to duties of the commissioner of
corrections and board of parole; establishing a fund
for reducing recidivism in the Department of Health
and Social Services; requiring the commissioner of
health and social services to establish programs for
persons on conditions of release or probation that
require testing for controlled substances and
alcoholic beverages; requiring the board of parole to
establish programs for persons on parole that require
testing for controlled substances and alcoholic
beverages; relating to the duties of the Department of

Health and Social Services; and providing for an effective date."

5:23:58 PM

NORMAN MEANS, SELF, PALMER (via teleconference), testified in support of the legislation, particularly the addition of SB 108. He relayed a story about his daughter's negative experience with a police officer and the Municipality of Anchorage's refusal to sign an application to seal her records after she was cleared of any wrongdoing. He opined that her arrest record was still viewable on CourtView and appreciated the issue being addressed in the legislation. He stated that he was taken aback by the response to the legislation by the Office of Victim's Rights and believed that they had a fundamental lack of understanding of one of the basic principles of government, which was that people were innocent until proven guilty.

Co-Chair Stoltze clarified that SB 108 had been decoupled from the bill. He explained that SB 108 deserved to be considered on its own merits. He said that it was the committee's intent to remove several measures from SB 64 so that they could be deliberated individually.

5:28:53 PM

TIFFANY THOMAS, DIVISION OF MOTOR VEHICLES, ANCHORAGE (via teleconference), testified specifically to Section 33. She appreciated that the DMV had been allowed to offer thoughts and concern as the bill had progressed; specifically, finding ways for a person with a felony DUI to obtain limited driving privileges and to have their criminal revocations terminated if certain criteria was met. She noted that the section had recently been changed to allow DMV to review and restore a driver's license for misdemeanor DUI offenses. She commented that under the current sentencing laws a person convicted of a misdemeanor offence for a DUI would have their license revoked for 90 days for the first offence; 1 year for a second offense; 3 years for a third offense; and 5 years if it was their 4th or more, provided it was not a felony. Section 33 required that the DMV could only restore the license if a person was revoked for a period of at least 10 year. She felt that most people with misdemeanor offences would not have that long length of revocation. She asserted that a lifetime revocation was always consecutive. She requested

clarification of the legislative intent concerning how DMV was expected to proceed.

[5:32:56 PM](#)

Representative Wilson understood that the DMV could sanction licenses over the per-view of the court.

Ms. Thomas responded that any time a person was arrested for DUI the criminal action would start based on the officers sending paperwork to the court and the license could be administratively revoked. The DMV was bound under the law by the time periods for revocation as the court.

Representative Wilson asked if the DMV would revoke a person's license that had been arrested for DUI but then had been found innocent by the court.

Ms. Thomas stated that DMV and the court operated in parallel lanes. She said that the administrative action was completely separate from the criminal matter, so there could be times when the license was revoked administratively even with the criminal action negated.

[5:34:28 PM](#)

ROBIN MINARD, MAT-SU HEALTH FOUNDATION, WASILLA (via teleconference), stated that the majority of inmates at Goose Creek Correctional Center suffered from various behavioral health issues, and would be released back into the Mat-Su community. She testified in support of SB 64. She believed that it was time to rethink how criminal justice dollars were being spent and the outcomes that they yield. She relayed appreciation for the increase in the felony threshold for property related crime, the institution of a 24/7 sobriety program, institution of the Probation Accountability with Certain Enforcement (PACE) program focusing on transitional and pre-release services, employment and housing. She applauded that the requirement for DOC to conduct a risk needs assessment on all offenders that had been sentenced to 30 days or more, establishing a fund for treatment programs that contribute to reducing recidivism and credit for time served in residential substance abuse treatment programs were all incorporated into the legislation.

[5:36:56 PM](#)

[Co-Chair Stoltze allowed the caller to testify early on SB 56.]

VICKI WALLNER, STOP VALLEY THIEVES, PALMER (via teleconference), testified on SB 56. She stated that the people in her area were tired of having theft affect them. She asserted that the thefts were fueled by drugs. She understood the reasons for the bill, but suggested that the basic premise of the bill was incorrect. She felt that the bill would not be effective towards reigning in prison growth. She said in her experience nearly every thief brought before the court was pled out to misdemeanor charges that were secondary charges and were not charged with a felony offense. She reiterated that the drugs were driving the crime in her area.

Co-Chair Stoltze queried the testifier's opinion on the threshold for felony theft.

Ms. Wallner replied that the system needed to be examined and improved.

[5:47:08 PM](#)

JAMES NOBLE, SELF, PRUDHOE BAY (via teleconference), testified in support of SB 108, which he understood was going to be independent of SB 64. He relayed his story about being accused of stalking and domestic violence. The charges had been dismissed, but the record still remains on CourtView. He opined that the record on CourtView could still be viewed by the public which had caused embarrassment and hardship.

[5:51:52 PM](#)

MARK MEW, ANCHORAGE POLICE DEPARTMENT, ANCHORAGE (via teleconference), testified in support of SB 64. He referenced his letter, which detailed his position on the legislation and could be found in member packets (copy on file). He believed that the Municipality of Anchorage would be able to handle the increase in court cases.

[5:54:51 PM](#)

QUINLAN STEINER, DIRECTOR, PUBLIC DEFENDER AGENCY, DEPARTMENT OF ADMINISTRATION (via teleconference), spoke to

the issue of felony theft. He pointed out to the committee that in some cases the felony is committed by a very young person who made one mistake. He said that handling such cases a misdemeanor could promote a referral for drug or alcohol treatment, or other issues that could be related to the criminal conduct. He thought that there were parts of the bill that successfully promoted rehabilitation, which would ultimately reduce recidivism.

[5:57:02 PM](#)

Representative Wilson asked how the overloaded court system related to the overpopulation of prisons.

Mr. Steiner replied that individual cases cost more, took longer, and resulted in longer jail sentences. He added that the cases were accompanied by post-conviction petitions to revoke probation and began to spiral at that point. He said that it was difficult to get out of the system once in it. He stated that the treatment components of the bill had the potential to affect real change in recidivism rates. He asserted that there was significant data that reported that strong rehab programs resulted in less crime and stronger communities.

[5:58:56 PM](#)

Representative Wilson asked how many prisoners were currently in prison waiting for trial.

Mr. Steiner replied that he could provide the information at a later date.

[5:59:37 PM](#)

KATE BURKHART, EXECUTIVE DIRECTOR, ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE, testified in support of the bill. She spoke to the provisions in SB 64 that would promote the screening, assessment, treatment and recovery supports for people in the custody of corrections and the criminal justice system as a mechanism for preventing recidivism and promoting a return to a healthy and productive life. She said that the establishment of the 24/7 sobriety program as an option statewide was supported by the board. She relayed that the program had been reported to create some financial burden for people out on bail and probation but that it kept people sober, and that

they did not reoffend. She furthered that the board was supportive of the provisions for the PACE program. She said that the board thought that the element of the legislation that promoted the screening of individuals in corrections for fetal alcohol spectrum disorders and brain based disorders, as well as the assessment for health and educational needs, was extremely important. She stressed that in order for people to maintain recovery and sobriety they had to function well in all aspects of their lives; integral to the success of treatment was case management.

[6:04:43 PM](#)

LISA RIEGER, COOK INLET TRIBAL COUNCIL (CITC), ANCHORAGE (via teleconference), spoke to reentry into society after incarceration. She said that the council supported the legislation because it would provide new innovations to reverse the state's recidivism rates. She relayed that the state's new prison system would soon be beyond capacity unless the state found a way to address the substance abuse and addiction that lead to parole violations. She offered specific support for evidence based practices; the 24/7 and PACE programs, and the Justice Commission and Recidivism Reduction Fund. The council supported the section of the bill that would clarify credit for time served in residential programs. This legislation would provide important new innovations to turn around Alaska recidivism rates, save money, and make the state safer. CITC has been operating Chanlyut, a rehabilitation program for men recently released from prison, homelessness or substance abuse, for the past six years. Chanlyut is modeled on the successful Delancey Street program from California, and operates on the principle that learning a strong work ethic and responsibility for others is key to turning lives around, without the use of professional staff. Chanlyut is a 24/7 residential program located in Anchorage. Since the start of the program, CITC has saved the state millions of dollars by housing residents who otherwise would have been in a corrections facility, and has many success stories. Of the residents who have entered Chanlyut since January 2009, 70% have not reoffended after leaving the program. Key to the positive impact of the program is both the work component and complete responsibility each man has for the maintenance of the house and the program. Given CITC's experience, the opportunities offered in CSSB 64 cud) align with Chanlyut and its operations.

[6:07:49 PM](#)

Co-Chair Stoltze spoke to the PTSD provision in the bill.

[6:08:30 PM](#)

JEFF JESSEE, ALASKA MENTAL HEALTH TRUST, ANCHORAGE (via teleconference), testified in support of the bill. He said that the bill contained the best strategies to achieve the goals set out to the departments by the legislature in order to curb recidivism rates and other problems related to criminal justice. He believed that the creation of the Criminal Justice Commission was necessary. He strongly supported the current version of the legislation.

[6:10:46 PM](#)

MARY GEDDES, SELF, ANCHORAGES (via teleconference), spoke in support of the legislation. She believed that the bill advanced the state in the process of seeking the most effective methods for its criminal justice dollars. She shared that, currently, 2 out of 3 prisoners returned to custody within the first 3 years of release. She felt that the Criminal Justice Commission was necessary in order to determine the best methods for the use of criminal justice funding. She noted that Alaska's prisons would be operating at full capacity by 2016, despite the addition of the Goose Creek Correctional Center.

[6:13:35 PM](#)

Co-Chair Stoltze CLOSED public testimony.

CSSB 64(JUD) was HEARD and HELD in committee for further consideration.

[6:15:13 PM](#)

AT EASE

[6:16:19 PM](#)

RECONVENED

#sb56

CS FOR SENATE BILL NO. 56(JUD)

"An Act relating to certain crimes involving controlled substances; and providing for an effective date."

[6:16:51 PM](#)

LOI RICKER, STOP VALLEY THIEVES (via teleconference), testified about her personal experience dealing with drug addicts and the thefts that they commit. She opined that she could no longer hire men who have been incarcerated because she could not trust them not to steal. She said that beyond the initial monetary theft there was additional fear created by the actions of drug addicts. She said she took her offender to court and the case was dismissed, which made her feel unsupported. She opposed the legislation. She felt she had been unfairly treated by the court system during her court case. She stressed that the drug problem in her part of the state was an epidemic.

Co-Chair Stoltze commended Stop Valley Thieves for their effective use of social media.

[6:23:13 PM](#)

RICK ALLEN, DIRECTOR, OFFICE OF PUBLIC ADVOCACY, PALMER (via teleconference), spoke in support of the legislation. He pointed out that the state's drug policy had remained the same since the Nixon Administration. He felt that the status quo of the last 40 years had not been successful. He believed that the legislation was a well-reasoned, common sense reform that would benefit many his clients. He believed that the bill would give the chance of redemption to people who made the foolish decision to possess a small amount of drugs. The lifelong consequences of a felony conviction were far-reaching and severe. He asserted that the programs outlined in the bill were working in 13 other states, without compromising public safety.

[6:24:57 PM](#)

SETH MCMILLAN, ANCHORAGE POLICE DEPARTMENT EMPLOYEES' ASSOCIATION, ANCHORAGE (via teleconference), testified in opposition to the legislation. He spoke of his unique window into the world and lives of a spectrum of drug addicts, dealers, police informants, and drug enforcement collaborators state-wide. He discussed the threshold limits

for each type of drug addressed in the current bill version. He offered a rebuttal to Senator Dyson's response to questions from a March 18, 2014 public hearing (copy on file). He believed that the threshold limits should speak to the economic aspects specific to Alaska. He said that street drugs in Alaska cost 5 times more than a user would pay anywhere else in the Lower 48. He opined the financial incentive to bring wholesale purchase drugs into Alaska and send them into the street in small amounts and at inflated prices that an Alaskan addict would unquestionably pay for. He stressed that the destructive nature of addiction to hard core drugs precluded the addict from having legitimate employment and from being an earning and taxpaying member of society. He relayed that the drive to obtain the drugs made addicts commit property and violent crimes to fund their habit. He closed by speaking to the 2010 federal threshold act, which he believed had made it easier for dealers to carry and sell more drugs. He concluded that the establishment of threshold limits for certain hardcore drugs would have a severe impact on the ability of law enforcement to exercise discretion and the fair application of drug statues that already had criminal court rules and mitigating statutes in place that recognized the difference between a drug distributor and a drug user.

[6:35:09 PM](#)

Co-Chair Stoltze clarified that Mr. McMillan spoke for the police department's employee association and not for the department itself.

Mr. McMillan replied yes.

Co-Chair Stoltze stated that the Anchorage Police Department and the Mayor of Anchorage had not offered a comment on the legislation.

[6:36:05 PM](#)

MARY GEDDES, SELF, ANCHORAGE (via teleconference), testified that she had represented thousands of drug offenders in court. She opined that the war on drugs was a failure. She believed that the issue of drug abuse in the state was a non-partisan one. She shared that the number of Alaskan's being charged and convicted as drug offenders was increasing yearly; incarceration for both misdemeanor and felony drug offenses had increased by 63 percent since

2002. She relayed that the average length of stay for a felon in 2011 was 7.2 years. The increased costs and increased lengths of stay had not proven statistically to be effective in reducing recidivism. She said that the national statistics had shown that incarceration alone as a solution does not work. She explained that things that had been shown to work included intervention and community based treatment. She believed that the legislation would provide an opportunity for meaningful rehabilitation and reformation. She spoke to the federal law as it compared to Alaska law. She explained that, on the federal level, simple possession for most drugs had been reduced to a misdemeanor and there was no felony conviction for the simple possession of drugs. She said that Alaska had many felony penalties for the possession of different kinds of drugs. She urged the committee dial back sanctions that were expensive and ineffective and allow for a greater emphasis on treatment opportunities.

[6:43:58 PM](#)

MIKE WALSH, SELF, PALMER (via teleconference), testified in opposition to SB 56. He believed that the passage of SB 56 would send the wrong message to young people concerning drug use and would lead to future overdoses. He said that the bill was a radical proposal and that California and Colorado had been wise to pass on drug re-classification when similar measures were proposed in 2012. He thought that the bar had been placed too low for the public safety implications and purported benefits of the bill. He challenged the idea that passing the bill would alleviate prison overcrowding. He relayed that in Alaska courts, an offender on probation for an offense covered by SB 56, without significant criminal history, would receive many chances to straighten out while under court supervision before facing the prospect of a felony conviction. He asserted that there was already a sentencing mechanism in the state that balanced the public safety impact of addiction to substances against the need to provide the chance to rehabilitate. He warned that the bill could leave drug addicts on the streets unsupervised. He said that incarceration for a considerable amount of time was a necessary and valuable experience for people with years of recovery behind them. He warned that reducing the penalties for offenses would not motivate offenders to begin and complete treatment.

[6:52:05 PM](#)

KATE BURKHART, ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE, spoke in support for SB 56. She testified that the board did not view the legislation as a change in public policy that would condone or legitimize the use of illicit drugs. She echoed previous concerns about addiction fueled crime and deaths due to drug abuse. She relayed that the board did not believe that the bill would further those social problems. She said that the board viewed the bill as an opportunity to intervene and shift first and second time offenders away from a lifestyle fueled by drug abuse toward a lifetime of recovery and contribution to community. She appreciated that the bill would require a defendant convicted of misconduct involving a controlled substance in the 5th degree would be mandated to go to screening, evaluation, referral, and treatment if appropriate. She asserted that the mandate would a first or second time offender could be shifted away from the traditional incarceration to rehabilitation and community management. She offered an example that evidence of therapeutic justice was effective.

[6:55:21 PM](#)

Representative Wilson asked whether treatment programs currently existed.

Ms. Burkhart replied that the ASAP programs would have to be modified to meet the requirements of the bill. She said that the programs that could be funded by the Recidivism Reduction Fund in SB 64 would be a way to expand capacity to meet the needs of people referred under the changes contemplated in SB 56.

[6:57:24 PM](#)

Co-Chair Stoltze CLOSED public testimony.

CSSB 56(JUD) was HEARD and HELD in committee for further consideration.

#sb104

CS FOR SENATE BILL NO. 104(FIN)

"An Act relating to appropriations from the dividend fund; creating the criminal fund; relating to

appropriations from the criminal fund for payments for crime victims, operating costs of the Violent Crimes Compensation Board, grants for the operation of sexual assault response teams and domestic violence intervention projects, and incarceration costs; and providing for an effective date."

[6:58:25 PM](#)

Co-Chair Stoltze OPENED public testimony.

Co-Chair Stoltze CLOSED public testimony.

[6:59:43 PM](#)

Co-Chair Stoltze discussed housekeeping.

CSSB 104(FIN) was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[7:00:52 PM](#)

The meeting was adjourned at 7:00 p.m.