

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

February 13, 2018

3:17 p.m.

MEMBERS PRESENT

Representative Jonathan Kreiss-Tomkins, Chair
Representative Gabrielle LeDoux, Vice Chair
Representative Chris Tuck
Representative Adam Wool
Representative Chris Birch
Representative DeLena Johnson
Representative Gary Knopp

MEMBERS ABSENT

Representative Andy Josephson (alternate)
Representative Chuck Kopp (alternate)

COMMITTEE CALENDAR

HOUSE BILL NO. 325

"An Act relating to computer use by prisoners; and relating to an exemption from the State Procurement Code for contracts for rehabilitation and reentry services."

- HEARD & HELD

HOUSE BILL NO. 319

"An Act relating to criminal background checks for marijuana establishment registrations and renewals; and providing for an effective date."

- HEARD & HELD

HOUSE JOINT RESOLUTION NO. 21

Urging the federal government to respect the authority of the state to regulate marijuana use, production, and distribution and to honor previous federal guidance on marijuana policy; and urging the federal government to reconsider its listing of marijuana as a schedule I controlled substance.

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 325

SHORT TITLE: PRISONER COMPUTER USE; REENTRY SERVICES

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

02/02/18 (H) READ THE FIRST TIME - REFERRALS
02/02/18 (H) STA, JUD
02/13/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HB 319

SHORT TITLE: RENEW MARIJUANA LICENSE:BACKGROUND CHECKS

SPONSOR(s): JOSEPHSON

01/31/18 (H) READ THE FIRST TIME - REFERRALS
01/31/18 (H) STA, JUD
02/13/18 (H) STA AT 3:15 PM GRUENBERG 120

BILL: HJR 21

SHORT TITLE: FEDS RESPECT STATE REG OF MARIJUANA

SPONSOR(s): GUTTENBERG

04/16/17 (H) READ THE FIRST TIME - REFERRALS
04/16/17 (H) JUD
05/12/17 (H) STA REPLACES JUD REFERRAL
05/12/17 (H) BILL REPRINTED 5/12/17
05/16/17 (H) STA AT 3:00 PM GRUENBERG 120
05/16/17 (H) -- MEETING CANCELED --
02/05/18 (H) SPONSOR SUBSTITUTE INTRODUCED
02/05/18 (H) READ THE FIRST TIME - REFERRALS
02/05/18 (H) STA
02/13/18 (H) STA AT 3:15 PM GRUENBERG 120

WITNESS REGISTER

DEAN WILLIAMS, Commissioner
Department of Corrections (DOC)
Anchorage, Alaska

POSITION STATEMENT: Presented HB 325 on behalf of the House Rules Committee by request of the governor.

TALIA EAMES, Program Coordinator
Central Council of the Tlingit and Haida Tribes of Alaska
(Tlingit & Haida)
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 325.

KARA NELSON, Director

Haven House Juneau
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 325.

NICOLE BORROMEO, Executive Vice President and General Counsel
Alaska Federation of Natives (AFN)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 325.

TERRIA WALTERS
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 325.

BILLY CHRISTENSEN
Palmer, Alaska

POSITION STATEMENT: Testified in support of HB 325.

MICHELLE OVERSTREET, Executive Director
MyHouse Matsu Homeless Youth Center
Wasilla, Alaska

POSITION STATEMENT: Testified in support of HB 325.

MEGAN HOLLAND, Staff
Representative Andy Josephson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HB 319 on behalf of
Representative Josephson, prime sponsor.

CARROLL CARRIGAN, Executive Director
Alaska Marijuana Industry Association (AMIA)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of HB 319.

LELANEA FULTON, Staff
Representative David Guttenberg
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented HJR 21 on behalf of
Representative Guttenberg, prime sponsor.

SHAUN TACKE
Good Titration
Fairbanks, Alaska

POSITION STATEMENT: Testified in support of HJR 21.

ACTION NARRATIVE

[3:17:02 PM](#)

CHAIR JONATHAN KREISS-TOMKINS called the House State Affairs Standing Committee meeting to order at 3:17 p.m. Representatives LeDoux, Wool, Birch, Knopp, and Kreiss-Tomkins were present at the call to order. Representatives Tuck and Johnson arrived as the meeting was in progress.

HB 325-PRISONER COMPUTER USE; REENTRY SERVICES

[3:18:10 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be HOUSE BILL NO. 325, "An Act relating to computer use by prisoners; and relating to an exemption from the State Procurement Code for contracts for rehabilitation and reentry services."

[3:18:32 PM](#)

DEAN WILLIAMS, Commissioner, Department of Corrections (DOC), on behalf of the House Rules Committee by request of the governor, stated that HB 325 is important legislation for the state and DOC in terms of reentry. He explained that the proposed legislation has two pieces. The first would expand the use of an inmate's ability to use a computer for reentry services and for legal services during incarceration. One example of the importance of that provision is that it would allow an inmate to use a computer to apply for Medicaid before he/she was released. The current statutes don't consider that use of the computer. He added that it would also allow an inmate to apply for reentry services, such as housing. The proposed legislation would clarify that these are approved uses of a computer for an inmate who is due to return to the community.

[3:20:26 PM](#)

REPRESENTATIVE WOOL inquired as to the current computer policy for inmates.

COMMISSIONER WILLIAMS responded that the current policy is more restrictive; in current statute, approved use is strictly for employment and does not include reentry services.

COMMISSIONER WILLIAMS stated that the second part of HB 325 would offer the most important means for DOC to change the system and the way reentry is done in the state. He maintained that it is not the intent of the proposed legislation to target any business or sector of reentry services. He relayed that Alaska has had the same reentry housing Community Residential Center (CRC) model for over 20 years; this section of the proposed legislation would allow the opportunity for the commissioner of DOC to have more flexibility in entering into contract with smaller halfway house entities.

COMMISSIONER WILLIAMS explained that under the proposed legislation, DOC would provide a menu of options for released prisoners returning to their communities. He said that under the current model, there are very specific rules about how CRCs are structured and what is required, such as the requirements for cameras and staffing. The proposed legislation would allow DOC to bypass procurement rules when entering into contracts with CRCs. This would "open the doors" for DOC to place people nearing the end of their sentences in smaller locations in the community with like individuals; these would be houses for five to ten people. He reiterated that HB 325 would allow DOC the opportunity to expand what it does in terms of reentry and halfway houses.

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REPRESENTATIVE KNOPP expressed that he is uncomfortable with diminishing the procurement process and granting someone the sole authority to enter into contracts; for any government entity, there is a procurement process for a reason. He said if state procurement requires cameras or other monitoring security devices to be used, he has a problem with someone deciding that it is not applicable. He inquired as to why, if there is a problem with procurement - such as no need for cameras or a specified number of places - it is not addressed through the procurement code. He added that he is "big fan" of the procurement process and due diligence.

COMMISSIONER WILLIAMS replied that he understands the concern. He maintained that it would be difficult to address the procurement rules for this one specific purpose without disrupting the process for all other situations in which it makes sense. He said that one of the reasons for the procurement process is to get the best value for the dollar and to have a fair, competitive process. He offered that the problem is that procurement rules and the entire request for

proposal (RFP) process has excluded small operators by virtue of the process; it is cumbersome and difficult. He stated that the halfway houses currently operating are more expensive than would be residential facilities. He emphasized that this is no fault of the current contractors, but of the system. He said that the reason for the greater expense is that putting 40-50 men into a halfway house is a model that is full of problems and trouble. There is drug trafficking, and inmates don't want to go to halfway houses because they are too large. He relayed that he understands the nervousness about exceptions to procurement rules but suggested that HB 325 would allow DOC to enter into contracts with smaller locations that are successful. He offered that putting people into halfway houses six months before release would save the state money. The proposed legislation would allow smaller non-profits, tribes, and small for-profit companies to build smaller locations that are not constricted by the CRC model.

REPRESENTATIVE KNOPP asked why DOC couldn't just redefine the purchasing code for the department, that is, change the procurement requirements when soliciting bids. He suggested that DOC could develop criteria for large facilities and for small facilities, but still have procurement put out an RFP and do its due diligence.

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COMMISSIONER WILLIAMS responded that it is difficult to find operators of small facilities who are willing to go through the RFP process. He said that even if he changes some of the conditions of the RFPs, he is still asking a very small entity to go through the process. He gave as an example Kara Nelson of Haven House Juneau, who has been operating the home for a long time with tremendous success. He said that as the commissioner, he is looking to support those smaller halfway houses around the state in many locations. He stated that the workload for preparing an RFP is extremely cumbersome and would require multiple staff. He reiterated that the proposed legislation offers a better alternative.

REPRESENTATIVE KNOPP offered that DOC is requesting sole source authority to enter into a reasonable contract. He asked how zoning issues would be handled for the houses.

COMMISSIONER WILLIAMS replied, "That's not going to change." He confirmed that DOC would have to abide by zoning policies.

REPRESENTATIVE KNOPP asked whether there would be public notice.

COMMISSIONER WILLIAMS responded that he assumes that would occur.

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REPRESENTATIVE BIRCH expressed that he is absolutely opposed to bypassing a procurement process. He compared the difference between the two procedures to the distinction between a democracy and a dictatorship: dictatorships are incredibly efficient in getting a job done; democracies are "messy." He stated that the procurement process is messy sometimes, but it protects the public and the state in assuring that funds are expended responsibly. He added that "things can go sideways" with sole source and no competitive engagement. He challenged DOC to consider new models. He gave as example all the options today for lodging besides hotels - Airbnb and Vacation Rentals by Owner (VRBO). He offered that he commends the commissioner for the initiative but maintained that there needs to be competition. He suggested there may be a means to achieve the Commissioner's objective in a manner that is competitive and protects the public. He said he supported out-of-state incarceration, especially if it involves significant cost savings and public benefit.

COMMISSIONER WILLIAMS relayed that he is imploring committee members to consider the following: the cost to the state because of the competitive process, although well-intentioned when designed 20 years ago, is greater than the cost of keeping an inmate in prison. He stated that he appreciates the recommendation for developing a new model and new system; it is easy to say but difficult to do, because there is no way to fund smaller operations that have been established out of good will. He relayed that the proposed legislation is an attempt to clearly and transparently develop multiple other bed spaces in the system. He reiterated that he appreciates the desire for competition to protect the state and avoid unilateral decisions; however, he is looking for flexibility to put people in places for much less cost.

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REPRESENTATIVE BIRCH asked for a brief description of the spaces for which DOC would be soliciting, and an explanation of why they would be good for the state.

COMMISSIONER WILLIAMS answered that he needs the proposed legislation because he needs places like Haven House, MyHouse Mat-Su Homeless Youth Center (MyHouse) in Wasilla, Alaska, operated by Michelle Overstreet, and other small operations that do not have the capacity to "go through an involved RFP process" so that DOC can pilot some of those efforts. He said that he needs places where inmates have connections and relationships with people in that local community before they are released. He maintained that does not happen within the current, large halfway house structure. He offered that developing a smaller halfway house structure is one solution that avoids rewriting the statutory (indisc.) around the CRC model.

[3:36:17 PM](#)

REPRESENTATIVE LEDOUX related that she is uncomfortable with the proposed provision; if a small organization cannot fulfill the RFP requirements, then DOC should consider revising its RFP. She suggested an RFP for big projects and an RFP for small projects. She maintained that there is a reason the state developed the procurement laws and she is not convinced "we need to throw out the baby with the bath water with respect to those laws."

COMMISSIONER WILLIAMS asked how he could convince the committee that DOC is looking for pilot opportunities to improve the model. He opined that the provision under the proposed legislation "does not throw the baby out with the bath water." He asked to be allowed to demonstrate a changed model and reduced cost.

REPRESENTATIVE LEDOUX stated that she does not see why DOC could not accomplish what the commissioner has suggested with a revised procurement policy. She reiterated that there could be one procurement policy for a large facility, and another for a small one. She asserted that a procurement policy shouldn't be written so that a regular person cannot use it.

COMMISSIONER WILLIAMS replied that procurement statutes are very firm; the reason he is asking for exceptions is to avoid rewriting the procurement statutes to exempt the smaller operations from all the requirements of an RFP process. He said that he views the exception in the proposed legislation as way to pilot DOC's effort.

REPRESENTATIVE LEDOUX maintained that Commissioner Williams is asking the legislature to change a law; committee members are

uncomfortable with the proposed change; therefore, perhaps he should ask for a change that committee members can accept.

[3:39:17 PM](#)

REPRESENTATIVE TUCK relayed that he is aware that every department wants to "get out from underneath" the procurement codes; the legislature has battled that desire for many years. He said that the one that bothers him the most is the Alaska Energy Authority (AEA) procurement policy. He relayed that the corporation attempted to write its own policy; it got into a great deal of trouble; the 2009 report pointed out how bad that policy was; and instead of being the "best practices," it was the "worst practices." He expressed his hesitancy with any department being excluded from the procurement code. He maintained that the procurement code was well written and gives a wide variety of conditions for a wide variety of scenarios. He mentioned that the state's policy includes veterans hiring preferences, best value contracting, and many methods proven to be effective. He recalled that the state has centralized procurement to be performed by one department, which is the Department of Administration (DOA). He added that there are checks and balances and an appeal process. He reiterated that the state has a good procurement process; if DOC want to have a trial project, then it should change the specifications on the contract and choose a length of time for the trial period. He offered that the legislature could work with DOC to identify a model in the procurement code that would work best for the department.

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REPRESENTATIVE WOOL referred to portions of Section 2, as follows: page 3, lines 15-16, which read, "Procurement Code applicable to contracts. Except as provided in AS 36.30.850 and (b) of this section"; page 3, line 20-23, which read, "commissioner or the commissioner's designee shall make a determination that the payment for rehabilitation and reentry services will promote the use of community-based and culturally relevant rehabilitative and reentry services most suited to provide support"; and page 3, line 27, which read, "will assist the individual to remain in the individual's chosen community." He maintained that these are two very important provisions.

REPRESENTATIVE WOOL relayed that he watched a public television [360 North] documentary, [entitled "Inside Out Leaving Prison Behind"], that followed three people who were released from the

Lemon Creek Correctional Center (LCCC) in Juneau. He stated that the documentary highlights Haven House and declared, "I thought it was remarkable." He explained that Haven House is not a barred prison, but a house, with just a few residents. He maintained that it appeared to be the right approach; if you want to return someone to society it should be with support. He conceded that the old system is not working and expressed that the state needs to take a fresh look. He offered that he is not familiar with the technical aspects of the procurement process but assumes that like most processes associated with state government, it is cumbersome. He said that an easy-to-fill-out form can turn into 8-12 pages of "junk."

REPRESENTATIVE WOOL asserted that for someone living in an isolated, remote community, he/she might not want to be in an Anchorage halfway house but be closer to his/her family and support system. The smaller community might be preferable. He said that he doubts that there are many people who want to operate halfway houses, but for those that do, there should be a process to enable that. That process may mean rewriting the procurement code entirely or allowing for an exemption, as proposed under HB 325. The type of facility that the proposed legislation would apply to is not a million-dollar facility for 400 residents, but a scaled back "VRBO" approach. He offered that one might think people would want to be incarcerated in Arizona, but for someone to visit an incarcerated family member, he/she would not want to travel to Arizona every weekend. He opined that the proposed legislation is a step in the right direction.

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REPRESENTATIVE JOHNSON offered that anyone that has been involved with government knows that procurement is a cumbersome process. She said that she initially got involved with government because of people "running rampant" on procurement codes. She maintained that everyone wants government to operate like a business until they realize that the cost of abiding by the procurement process is worth the return.

REPRESENTATIVE JOHNSON offered that local governments need to weigh in on the possibility of reentry facilities located in neighborhoods. She said that DOC may support reentry homes in neighborhoods, but the residents are not always pleased to have certain types of facilities in their neighborhoods. She mentioned financial reasons for that attitude - property values and property crimes. She added that the smaller the home, the

higher the cost; there are savings associated with larger facilities. She said that in Palmer, the police were called to a hotel that was a group home for criminals; she emphasized the importance of getting input from police and municipal governments. She concluded by saying that the proposed legislation may sound good from DOC's perspective but may not be as good of an idea for the residents of the neighborhood.

[3:47:28 PM](#)

COMMISSIONER WILLIAMS described what currently happens, as follows: the DOC could release many prisoners on electronic monitoring; if they have no place to go, they end up in places like the hotel Representative Johnson mentioned. If DOC can contract with smaller facilities, someone is there to offer "adult babysitting." He said that DOC does not need all the cameras and bars; it needs adult supervision for the released prisoners; and that requires much less money. He emphasized that with small operations, there would be substantial savings. He asserted that reentry homes in Soldotna, Wasilla, Anchorage, and many other places have been successful; once the prisoners have completed their sentences, they do very well.

COMMISSIONER WILLIAMS stated that he understands the committee's reluctance to allow the procurement exemptions; but emphasized that there is a need for opportunity and flexibility for DOC. He said that the neighbors of these facilities become very friendly; they are not worried about the facility being in their neighborhood, but about no adult supervision for people on electronic monitoring with no place to live or a terrible place to live. He asserted that is why the recidivism rate is 65 percent and has been 65 percent for 20 years. He insisted that DOC cannot release 50-100 men to one location and expect it "to go well"; there is drug trafficking inside these large halfway houses. He insisted that he means no disrespect to the contractors by his testimony; they have made improvements; and it is not their problem but the problem of the state. He maintained that DOC needs other opportunities and another way forward to bring down the recidivism rate.

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CHAIR KREISS-TOMKINS opened public testimony on HB 325.

[3:51:01 PM](#)

TALIA EAMES, Program Coordinator, Central Council of the Tlingit and Haida Tribes of Alaska (Tlingit & Haida), paraphrased from written testimony, as follows [original punctuation provided]:

My name is Talia Eames and I am here as the coordinator for Tlingit & Haida's Second Chance Reentry Program. I am also a 10-year, decorated veteran of the United States Air Force. Gunalchéesh for allowing me the opportunity to testify in support of House Bill 325.

When I worked as a caseworker for the reentry program, I met with over 300 men and women returning from incarceration. Although the program was open to tribal and non-tribal members, Alaska natives were overwhelmingly represented in my office. One of the most significant hurdles for individuals released from incarceration is access to services. The services they can access may not be culturally appropriate or broad enough to give them the tools they need to lower their risks of recidivating. From lack of transportation the moment they are released, to finding housing, medical care, employment, identification cards, or substance use treatment, returning citizens face huge hurdles to their own well-being. There are no comprehensive reentry services in Southeast Alaska and of the services that do exist, cultural components incorporated into these approaches are either non-existent or underdeveloped.

In addition to the need for strong sober support and guidance to services, many tribal members have lost touch with their tribal identity while incarcerated and experience broken ties with their Native families due to addictions and violations in trust. Participants in the Second Chance Program regularly cited the need for cultural identity but had to be self-taught due to these circumstances, limited resources, and being paroled away from their home communities where the knowledge lives. The healing associated with practicing cultural traditions, learning clan identity and having pride in where you come from is something long respected by Native American people and can assist in reducing recidivism.

Due to the uniqueness of Alaska tribes having only one reservation and no criminal jurisdiction in the state,

our tribes have limited established infrastructure when it comes to creating reentry and rehabilitative programs. This often results in tribal entities that are unable to compete under current procurement codes. This also means that many programs are being established without the invaluable resources that our tribes hold. Allowing the State of Alaska an exemption in current procurement rules would open many possibilities in empowering tribes to care for our own in the reentry process. A cheaper bid is just that when it cannot reduce recidivism and keeps open the proverbial "revolving door." The future of public safety and healthy communities relies in promoting programs that truly help the formerly incarcerated to keep them from returning to prison; in my work I recognize these programs to be where we strengthen our broken tribal members by incorporating traditional sources of healing and knowledge in the reentry and rehabilitative support systems. Therefore, I support House Bill 325 and ask that you consider the same.

MS. EAMES added to her testimony that reentry is not one size fits all, and the current model is too large and does not work well. Smaller models can build relationships and build successful returning citizens.

[3:54:26 PM](#)

REPRESENTATIVE TUCK asked what, in Alaska's procurement codes, makes local establishments trying to provide services unable to compete.

MS. EAMES answered that Tlingit & Haida has not established reentry and rehabilitation services, because its focus has been other aspects of being a tribal organization. She offered that it is hard to be competitive with agencies that have been offering these services for a long time. She stated that Alaska has been providing services the same way for a long time; recidivism rates are very high; perhaps it is time to try something new, smaller, and that can build people up.

[3:56:00 PM](#)

KARA NELSON, Director, Haven House Juneau, testified that Haven House Juneau is a peer-led, faith-based recovery residence for women coming home after incarceration. She added that it also provides non-residential services for anyone who requests them.

She explained that her organization has had to develop some personal relationships to create change, because it doesn't fit into many of the funding streams. She relayed that Haven House Juneau is a small non-profit; staff can access the prison to provide peer support, do pre-release work with inmates, and "build community." She added that her organization does work with men at times.

MS. NELSON stated that she is in full support of HB 325. She mentioned that people wanted to see changes in the criminal justice system, she supported that effort, and now her organization is unable to take advantage of the funding streams and expand. She said that she is not well educated on state procurement but knows that Haven House Juneau does not fit into that procurement model; it cannot take advantage of RFPs for reinvestment, nor can it receive any support through DOC, the State of Alaska, and other state funding sources.

MS. NELSON relayed that she has been in contact with many of the operators of houses across the state and can answer questions on how the houses are set up and "not in my back yard" (NIMBY) issues. She maintained that the proposed legislation is very important for developing community and moving forward.

CHAIR KREISS-TOMKINS asked whether there are ways the RFP could be written differently so that her organization could fit into that process.

MS. NELSON responded that the only RFPs that she has reviewed are the ones resulting from Senate Bill 91 [passed during the Twenty-Ninth Alaska State Legislature, 2015-2016]. She stated that her facility houses up to eight women; it has developed professional training for recovery coaching and for peer support and for forensic support inside and outside. She pointed out that because she does not have a professional degree, these training programs are not considered clinical. She said that for sober houses, clinical staff and a more institutional type structure is required.

[4:00:06 PM](#)

REPRESENTATIVE BIRCH asked for a description of Haven House Juneau and what it offers. He stated that procurement is merely a matter of describing what it is one is offering, what services are provided, and how much it costs.

MS. NELSON responded that her facility is considered a Level 2 recovery residence - a designation determined by the National Association of Recovery Residences (NARR) accreditation process; therefore, it uses that standard. Under that standard, Haven House Juneau provides a bed, peer support 24/7, reentry and recovery coaches, and a program that residents must follow. The program includes attending meetings, securing a sponsor for mentoring, and abiding by a curfew. There is a person who lives in the house to oversee curfew and provide a safe, stable presence in the evening. She added that she has one staff person and about five volunteers to surround the released women, their families, and anyone else that the organization is working with in the community.

MS. NELSON stated that on a larger scale, the organization has developed relationships across the state with other people who have open homes. She maintained that the operators of these homes are all in contact to have the best practices and policies in place. She asserted that these homes must be good neighbors; and by being good neighbors, the operators have shifted hearts and minds and demonstrated what recovery actually looks like. She said that Haven House Juneau doesn't only have residents with addictions; currently in the home there is a woman without additions, who came out of prison with difficult charges and who needed the support. She added that she works closely with DOC and the Division of Probation and Parole (DPP).

REPRESENTATIVE BIRCH offered that Ms. Nelson could describe the operation and bid it. He asked for the duration of time for a resident to stay in the home.

MS. NELSON replied that she can have someone live at the home for up to two years. She added that there is a 30-day probationary period for residents and living there is voluntary. She works with DOC and the City and Borough of Juneau codes. She stated that in Juneau, the ordinance was changed to allow the home to be in a residential neighborhood; it was a 2-year battle. She mentioned that there are different permits for different locations in Alaska.

[4:03:52 PM](#)

REPRESENTATIVE KNOPP relayed that he thinks of a halfway house as transitional living; the purpose is to transition someone back into society. He offered that with that transition comes coaching, guidance, counseling, and other opportunities. He asked if that is still being done. He said that anyone still

interested in drugs could use them in or out of a small or large facility; it is apparent from the news that there is still a drug problem in major facilities. He suggested that susceptibility to drug use occurs regardless of who surrounds the resident. He asked whether the two-year maximum stay is a requirement of release and if it is variable.

MS. NELSON answered that the length of time is dependent on the person and her situation. She stated that in her program, staff use individual action plans (IAPs) and work on long-term employment goals with residents. She said the home offers a "culture" of recovery; regardless of substance use or mental health disorders, recovery is the focus. She relayed that 99 percent of the time, residents are dealing with substance use and mental health disorders. She offered that the smaller environments have a culture in which residents can see others successfully reenter society. She said that Haven House Juneau has a very strict program: it is not just a place to live; the resident meets with someone once a week to review her goals; staff are there to give rides and help with peer support to guide residents through the process; there are urinary analyses (UAs) and breathalyzer tests as well.

[4:06:40 PM](#)

REPRESENTATIVE WOOL asked Ms. Nelson whether it was necessary for her to follow the conventional procurement process procedures.

MS. NELSON responded that she is not familiar with the procurement process.

REPRESENTATIVE WOOL asked whether she has a contract for operation of Haven House Juneau and if it required a lengthy process.

MS. NELSON replied that Haven House Juneau cannot be considered a halfway house due to the current procurement policies. She said that the organization works very closely with institutional and field probation officers, and with DOC. She said that sometimes DOC will release someone who is not technically still incarcerated. She maintained that HB 325 would allow Haven House Juneau to take in people still serving their sentences. She added that currently the home can have people with ankle monitors who are still serving their sentences, but it is not like a CRC to which prisoners are furloughed. She maintained that this is the change that needs to occur for the small home

to work and be utilized. She mentioned other places around the state that are piloting this model.

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REPRESENTATIVE WOOL summarized by saying that under HB 325, small facilities like Haven House Juneau could take people, who are not technically released from prison, into halfway house situations. He clarified that currently Haven House Juneau is a voluntary program.

MS. NELSON responded yes.

[4:09:34 PM](#)

NICOLE BORROMEO, Executive Vice President and General Counsel, Alaska Federation of Natives (AFN), testified that AFN is excited about the potential that HB 325 presents; she commended Commissioner Williams for devising a creative solution. She relayed that AFN is not so much focused on procurement rules but on what is right and in the best interest of the state. She stated that currently Alaska has a broken process. She maintained that the probation and parole system is incredibly expensive; it doesn't work; and it leads to rural offenders being permanently stranded in the larger cities - Anchorage, Fairbanks, Juneau, and Ketchikan. She said that AFN has been working with Commissioner Williams and his staff to find a creative solution to return these offenders back to their homes and do it in a fiscally responsible manner.

MS. BORROMEO relayed that she encourages the committee to be open to the proposal under HB 325. She said that change can be scary; she asked them not to let "perfect be the enemy of good," because what is proposed under the legislation is a good idea in concept. She stated that she would like to provide education to committee members on the benefits of private programs to the Native community.

[4:12:08 PM](#)

TERRIA WALTERS testified that she is the founder of Fallen Up Ministries, a faith-based organization. She stated that she supports HB 325, because her organization works with people who are currently incarcerated and are coming out of incarceration. She relayed that she was formerly incarcerated, has been in a halfway house, and is now with almost 13 years of sobriety from methamphetamine and opioid addiction. She stated that from her

experience and from what people who have been in halfway houses report, there are massive amounts of drugs there. When people who have been through drug addiction treatment are released from prison and are trying to stay in recovery, then are put into a place with a great deal of drugs, it is an issue. She stated that her son passed away two and a half years ago; her son's father is currently incarcerated for a federal offense; he is in recovery for the first time, but his roommates are getting high.

MS. WALTERS relayed that small houses are more personal; there are peer support specialists who can help individuals transition back into the community by giving rides, help with resumes and job applications, help with clothing, and help them build relationships with family members. She maintained that the old system does not work and has not worked for a long time. She urged the committee to reconsider the transition process of prisoners. She said that Fallen Up Ministries is looking into opening transitional housing; the organization is in Palmer, which has no such facility for released prisoners to live near their families. She maintained that the proposed legislation would open many doors for individuals needing this type of housing.

[4:15:44 PM](#)

BILLY CHRISTENSEN testified that he is on the board of directors of Fallen Up Ministries. He commended Commissioner Williams for introducing HB 325; Alaska obviously needs change, and it must start somewhere. He relayed that the current procurement policy prevents people like Kara Nelson, who has a successful business model, from getting the type of funding she needs to continue being successful and have her organization grow to its full potential. He commended Ms. Nelson for her work.

MR. CHRISTENSEN offered that cost is currently one of the biggest issues for the State of Alaska and changing the current procurement process is key. He referred to testimony that Alaska Natives are getting trapped in the cities with halfway houses. He maintained that there is a homeless problem in Anchorage, and many people are being released from halfway houses with nowhere to go, no skills, and no money. He maintained that HB 325 would help set people up for success and allow for smaller reentry homes.

[4:18:32 PM](#)

MICHELLE OVERSTREET, Executive Director, MyHouse Matsu Homeless Youth Center (MyHouse), testified that MyHouse is a (indisc.-coughing) that is a stop-in center for homeless youth, which offers food, clothing, showers, and laundry. She said that its job training program has a 90 percent success rate in helping youth remain housed; of the youth that complete the job training internship, 98 percent are still housed two years later, and 80 percent are working at a job at or above the level at which they were trained.

MS. OVERSTREET stated that she is in support of HB 325. She mentioned that MyHouse has two transitional housing units that can house five to seven young people - one for male residents and one for female residents. She stated that in 2016, 60 percent of its young men reentered society, and that occurred without [public] funding for the services that MyHouse provided. She said that although she has not calculated the recidivism rate, she is certain that it is not the 75 percent that is normal for that age range. She offered that MyHouse can provide wrap-around services that include mental health and peer support on-site for recovery services through networking. She maintained that the recovery statistics for the organization is "mind-blowing"; however, it does not qualify for funding for the services it provides. She said that the local prisoner reentry program has funding, but MyHouse does not qualify because its age range is only to age 24. She said that the question becomes: "Do you want to do recidivism prevention between the ages of 18 and 24, or do you want to leave it until they are 25 and older?" She maintained that the answer is: "We want to do it when they're younger." She asserted that MyHouse has not experienced any police issues with housing or complaints from neighbors. It has live-in peer support staff.

MS. OVERSTREET summarized by saying that she believes Alaska can do a better job. She mentioned that some people at Cordova Center [halfway house] in Anchorage relapse the day they arrive, and MyHouse receives a request to take them. She asked that the committee support HB 325 and help her be able to serve the prisoner population more effectively.

[4:21:54 PM](#)

CHAIR KREISS-TOMKINS announced that HB 325 would be held over.

HB 319-RENEW MARIJUANA LICENSE:BACKGROUND CHECKS

[Contains discussion of HB 110.]

4:22:24 PM

CHAIR KREISS-TOMKINS announced that the next order of business would be HOUSE BILL NO. 319, "An Act relating to criminal background checks for marijuana establishment registrations and renewals; and providing for an effective date."

4:22:45 PM

MEGAN HOLLAND, Staff, Representative Andy Josephson, Alaska State Legislature, on behalf of Representative Josephson, prime sponsor of HB 319, relayed that under current statute, for marijuana establishments to renew their registration, they must resubmit a new set of fingerprints annually. It is not standard protocol for other industries; the Board of Massage Therapists is the only other board that requires this. She maintained that there is proposed legislation [HB 110] currently being heard in the House Labor and Commerce Standing Committee to address the issue for that industry.

MS. HOLLAND offered that the reason for changing the fingerprinting requirement is that submitting fresh fingerprints every year or every two years does not improve public safety. She maintained that it is an inconvenience for licensees and registration holders. She relayed that the Department of Commerce, Community & Economic Development (DCCED) has a system in place under which it receives an alert, if there is any change in the criminal record of its licensees or registration holders.

MS. HOLLAND relayed that HB 319 would change the fingerprinting requirements for the renewal of the marijuana establishment registration from an annual basis to once every three years. She maintained that this would not affect the annual requirement to renew registrations, which is addressed in regulation, not statute. She explained that the three-year requirement was suggested by members of the Alcohol and Marijuana Control Office, who unanimously voted to pass a resolution urging the legislature to make the change.

4:25:36 PM

MS. HOLLAND stated that the proposed legislation addresses a lack of clarity in the interpretation of statues regarding fingerprint background checks. The Department of Public Safety (DPS) was expecting an increase in fingerprint background check

processing since they interpreted existing statutes to require registration holders to submit fingerprints only once and not again upon renewal. The DCCED interpreted the requirement as being on an annual basis. The proposed legislation would clarify this point.

MS. HOLLAND mentioned that she researched other adult-use legal states to find out how they handled this issue. She stated that there are a few states that require new fingerprints to be submitted; however, most have statutory language stating that the relevant state department may require new fingerprints if there is a demonstrated investigative need.

MS. HOLLAND summarized by saying that HB 319 would remove an unnecessary burden to both industry and the state without compromising public safety.

[4:27:39 PM](#)

REPRESENTATIVE KNOPP suggested that the period between fingerprinting background checks for massage therapists was changed for the same reason [as Ms. Holland just related for marijuana establishment registrations and renewals]. He stated that he supports the proposed legislation; it would make the requirement consistent with the requirements for other boards and commissions in the renewal process.

MS. HOLLAND responded that the requirement [for massage therapists] has not been changed yet; HB 110, if passed, would change that requirement. Under current statute, massage therapists are required to submit fingerprints every two years.

[4:29:05 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on HB 319.

[4:29:24 PM](#)

CARROLL CARRIGAN, Executive Director, Alaska Marijuana Industry Association (AMIA), testified that he represents many retail, cultivation, and manufacturing businesses, as well as individual members. He referred to AMIA's statement, which is included in the committee packet, and expressed that the proposed legislation would relieve some of the financial burden on DPS for processing fingerprint background checks every year and keeping the fingerprints on file, as well as the cost to AMIA membership.

[4:30:35 PM](#)

CHAIR KREISS-TOMKINS closed public testimony on HB 319 and HB 325 and announced that HB 319 would be held over.

HJR 21-FEDS RESPECT STATE REG OF MARIJUANA

[4:31:11 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE JOINT RESOLUTION NO. 21, Urging the federal government to respect previous federal guidance on marijuana policy; and urging the federal government not to interfere in state marijuana policy.

[4:31:26 PM](#)

LELANEA FULTON, Staff, Representative David Guttenberg, Alaska State Legislature, on behalf of Representative Guttenberg, prime sponsor of HJR 21, relayed that HJR 21 would request the federal government to leave the legalization and regulation of marijuana to the State of Alaska.

[4:32:21 PM](#)

REPRESENTATIVE WOOL moved to adopt the sponsor substitute (SS) for HJR 21, Version 30-LS0820\D as the working document. There being no objection, Version D was before the committee.

[4:32:52 PM](#)

CHAIR KREISS-TOMKINS opened public testimony on HJR 21.

[4:33:06 PM](#)

SHAUN TACKE, Good Titration, testified that he is a marijuana (indisc.) manufacturing business owner and supports the proposed resolution. He stated that he is in favor of keeping the federal government approach to marijuana consistent with that of the previous federal administration. He said that many states have moved toward legalization of marijuana either for medical use or recreational use; the tide is changing; and people understand that marijuana is not as harmful as initially believed. He asserted that the federal government should expend its efforts on pursuing true crime.

4:34:12 PM

CHAIR KREISS-TOMKINS closed public testimony on HJR 21.

4:34:31 PM

CHAIR KREISS-TOMKINS announced that HJR 21 would be held over.

4:35:42 PM

ADJOURNMENT

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:36 p.m.