

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 3076

NPM Adjustment: Recent Developments

- In May 2004, the Settling States and the PMs selected The Brattle Group as the firm of economic consultants responsible for making the "significant factor" determination regarding the Market Share Loss of the PMs for calendar year 2003
- On March 2, 2006, the Brattle Group issued its preliminary finding that the MSA was a significant factor contributing to the Market Share Loss of the PMs for calendar year 2003 (the preliminary determination was challenged by the Settling States and additional arguments/information were submitted to The Brattle Group for consideration in connection with its final decision)
- On March 27, 2006, the Brattle Group announced its final determination that the MSA was a significant factor contributing to the Market Share Loss of the PMs for calendar year 2003
- If the Original Participating Manufacturers ("OPMs") claim an NPM Adjustment for 2003 in April 2006, such OPMs may either make an appropriate deposit into the Disputed Payments Account or withhold payment reflecting the claimed NPM Adjustment, which could have a materially adverse impact on the available amount of tobacco settlement revenues ("TSRs") flowing to Settling States
- The Settling States have reserved the right to commence an enforcement action for compliance with the MSA. It has been reported that a majority of the Settling States have sent a notice to the PMs of their intent to commence such an action, including an action seeking a declaratory order that regardless of the "significant factor" determination, the PMs are not entitled to an NPM adjustment because those Settling States have been diligently enforcing their Qualifying Statutes

There can be no assurance as to the amount of any NPM Adjustment or the corresponding reduction in TSRs payable to the Settling States.

NPM Adjustment: April 2006 Payment

- Assuming no NPM adjustment, the April 2006 payment due has been reported to be approximately \$6.5 billion
- The OPMs have requested the Independent Auditor for the MSA to reduce its calculation of the expected 2006 payment by \$1.14 billion plus interest (approximately \$1.2 billion total) to account for the NPM Adjustment for 2003
 - Assuming a \$1.2 billion NPM Adjustment, the impact to TSRs flowing to the State would be as follows:

Assumed NPM Adjustment	State Allocation Percentage	Decrease in Total TSRs Flowing to the State	Decrease in Amounts Available for Series 2000 Bonds	Decrease in Amounts Available for Series 2001 Bonds	Decrease in Non-Securitized TSRs
		100.000%	40.000%	40.000%	20.000%
1,200,000,000	0.3414187%	4,097,024	1,638,810	1,638,810	819,405

- On March 31, Philip Morris reportedly made a full payment; RJR made a partial payment
 - Assuming Philip Morris' share was approximately 50%, this would suggest an NPM Adjustment of up to \$600 million; in this case, the impact to TSRs flowing to the State would be as follows:

Assumed NPM Adjustment	State Allocation Percentage	Decrease in Total TSRs Flowing to the State	Decrease in Amounts Available for Series 2000 Bonds	Decrease in Amounts Available for Series 2001 Bonds	Decrease in Non-Securitized TSRs
		100.000%	40.000%	40.000%	20.000%
600,000,000	0.3414187%	2,048,512	819,405	819,405	409,702

There can be no assurance as to the amount of any NPM Adjustment or the corresponding reduction in TSRs payable to the Settling States.

NPM Adjustment: Future Risk

- Future NPM Adjustment claims remain possible for calendar years 2004, 2005 and all future years
- The Brattle Group has not made any preliminary or final "significant factor" determination for any year other than 2003
- In addition, the "diligent enforcement" exemption afforded a Settling State is based on actual enforcement efforts for the calendar year preceding each Annual Payment, and could be disputed by a PM even after the final resolution of a diligent enforcement dispute related to a prior year
- If the other preconditions to an NPM Adjustment exist for a given year, disputes regarding diligent enforcement for such year may be expected if the market share of the NPMs results in an NPM Adjustment that, absent the protection of the Qualifying Statutes, would apply
- Although a Settling State that diligently enforces its Qualifying Statute is exempt from the NPM Adjustment, many procedural uncertainties still remain regarding the resolution of a dispute regarding diligent enforcement. In addition, the resolution of the substance of such a dispute could take years
 - No standard of diligent enforcement has been established
 - No provision of the MSA attempts to define what activities undertaken by a Settling State would constitute diligent enforcement
 - The MSA does not explicitly state which party bears the burden of proving or disproving whether a Settling State has diligently enforced its Qualifying Statute, or whether any diligent enforcement dispute would be resolved in state courts or through arbitration
 - Ultimately, this issue may be resolved through a negotiated settlement between the Settling States and PMs

Market Share of PMs and NPMs

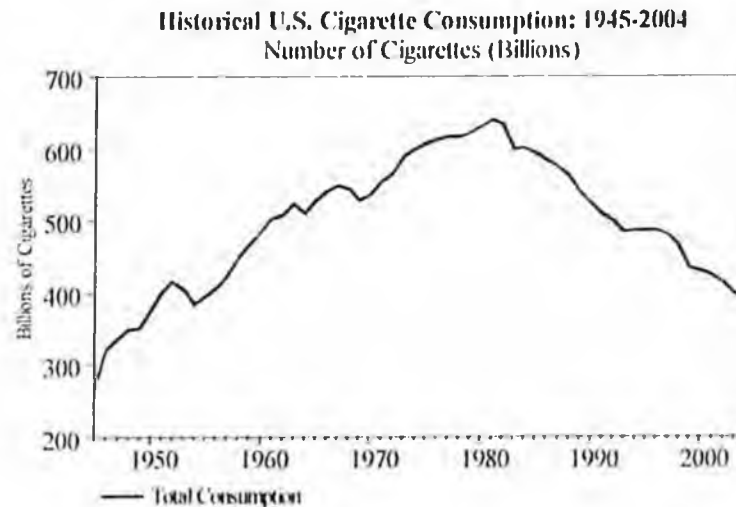
Year	Historical Market Shares		
	OPMs	SPMs	NPMs
1998	96.5%	3%	0.5%
1999	92.3%	3.9%	3.7%
2000	91.4%	5.2%	3.5%
2001	89.4%	6.2%	4.4%
2002	86.1%	7.2%	6.7%
2003	84.5%	7.4%	8.2%
2004	83.75%	7.5%	8.75%

Source: "Opinion And Order Partially Granting And Partially Denying Preliminary Injunction" in 02 Civ. 2939 (AKH), September 14, 2004, Alvin K. Hellerstein, U.S. District Judge, United States District Court for the Southern District of New York.

- NPMs pay into an escrow and do not contribute to the payments flowing to Settling States
- Increasing NPM market share means less money flowing to Settling States

Volume Adjustment is Projected Based on Global Insight Forecast

- Global Insight (USA), Inc. ("Global Insight") is an internationally recognized econometric and consulting firm of over 200 economists in 16 offices worldwide
 - Wholly owned subsidiary of Global Insight, Inc., a company which provides financial, economic and market research information
- Global Insight developed a cigarette consumption model based on historical United States data available after 1965
 - Model developed after considering the impact of demographics, cigarette prices, disposable income, employment and unemployment, industry advertising expenditures, anti-smoking regulations, legislation, and health warnings
- Global Insight's model, coupled with its long term forecast of the United States economy, is then used to project total United States cigarette consumption through 2060



Validation of Global Insight Cigarette Consumption Forecast

- In most years, the Global Insight Consumption Forecast has underestimated actual U.S. consumption, as shown by data in USDA reports

Year	Actual Consumption	Global Insight Cigarette Consumption Forecast					
		1999 Report	2000 Report	2001 Report	2002 Report	2003 Report	2005 Report
1999	435	432 99.32%	435 100.00%				
2000	430	431 100.17%	411 95.63%	423 98.37%			
2001	425	430 101.08%	401 94.31%	408 96.00%	419 98.59%		
2002	415	423 102.02%	394 94.97%	394 94.97%	403 97.20%	407 97.95%	
2003	400	417 104.28%	387 96.72%	387 96.72%	394 98.41%	394 98.41%	
2004	388	409 105.49%	380 97.84%	380 97.84%	387 99.73%	387 99.73%	393 101.29%
2005	378*	400 105.85%	373 98.74%	373 98.74%	382 100.98%	382 100.98%	381 100.79%

Note: Preliminary; subject to change. Consumption numbers in billions of cigarettes.
As noted in USDA data source, 2005 "Actual Consumption" number is an estimate only.

Sources:

Actual Consumption: Economic Research Service, USDA, "Tobacco Situation and Outlook Yearbook", December 2003 (www.ers.usda.gov)
Cigarette Consumption Forecast: Global Insight Cigarette Consumption Reports (no reports were issued in 2004)

Litigation Risk: Overview

- Tobacco settlement revenue securitization bonds are subject to various types of litigation risk, including:
 - Litigation against the tobacco industry
 - Individual cases
 - Class action litigation
 - Governmental litigation
 - Litigation challenging the MSA and related statutes

Litigation Snapshot

Case

Status

Threat of Market Disruption



Department of Justice
United States of America v. Philip Morris USA Inc., et al.

Trial ongoing

MEDIUM

Tobacco securitization bonds are subject to litigation risk from ongoing lawsuits and the emergence of new cases.



Engle
Howard A. Engle, M.D., et al. v. Liggett Group, Inc., et al.

Pending in FL Supreme Court; oral arguments 11/3/04; decision expected early 2006



On December 15, the Illinois Supreme Court reversed a \$10.1 billion verdict against Philip Morris, ordering a lower court to dismiss the case. The decision is highly positive for the tobacco industry and the tobacco securitization bond market.



Grand River and Freedom Holdings

Grand River Enterprises Six Nations Ltd. v. Pryor;

Freedom Holdings v. Spitzer

GR — pending; in discovery with respect to antitrust and Commerce Clause claims

FH — pending; in discovery with respect to antitrust claims



MSA Litigation: *Grand River*



Grand River

Grand River Enterprises Six Nations Ltd. v. Pryor

- On September 28, 2005, the U.S. Court of Appeals for the Second Circuit partially reversed the decision of the U.S. District Court for the Southern District of New York in the Grand River case, making it possible for the plaintiffs to challenge in a New York federal court the MSA, Qualifying Statutes and Complementary Legislation of 31 states, including the State of Alaska
 - Previously, the district court had dismissed the case against the 30 non-New York attorneys general, holding that the court lacked personal jurisdiction and granted the Grand River plaintiffs' motion to reinstate, against the State of New York only, that portion of the complaint alleging that New York State's Qualifying Statute and its Complementary Legislation violate antitrust laws and are preempted by federal law
 - In determining a motion to dismiss, a court is required to accept as true the material facts alleged in the complaint and to draw all reasonable inferences in favor of the plaintiffs

The State of Alaska is one of the 31 Settling States that are defendants in the ongoing *Grand River* case — one of the most significant challenges to the MSA to date.

MSA Litigation: *Grand River* (continued)

- On appeal, having accepted as true the material facts alleged in the complaint, only for the purpose of ruling on the Motion to Dismiss, the Second Circuit:
 - (1) reversed this decision and found personal jurisdiction with respect to the 30 non-New York attorneys general, including the **Attorney General of the State of Alaska**;
 - (2) reversed the Southern District and held that the plaintiffs had sufficiently alleged an extraterritorial effect of the challenged statutes and the MSA to state a cause of action under the Commerce Clause; and
 - (3) affirmed the decision of the Southern District dismissing the remainder of the plaintiffs' claims
- On October 12, 2005, the 30 non-New York States (including the State of Alaska) filed a petition with the Second Circuit for rehearing with regard to the Second Circuit's ruling on the issue of personal jurisdiction. Grand River then filed a petition with the Second Circuit for rehearing on the Indian Commerce Clause ruling. On January 3, 2006, the Second Circuit denied all parties' petition for rehearing
- *Grand River* remains pending in the Southern District and the parties have engaged in discovery with respect to the antitrust and Commerce Clause claims. A final decision in this case by the District Court would be subject to appeal as of right to the Second Circuit. However, any decision by the Second Circuit in this case would not be subject to appeal as of right to the U.S. Supreme Court

MSA Litigation: *Freedom Holdings*



Freedom Holdings

Freedom Holdings, Inc. v. Spitzer

- On April 16, 2002, in *Freedom Holdings, Inc. v. Spitzer*, certain cigarette importers filed suit in the Southern District of New York, alleging New York State Complementary Legislation violates federal antitrust law
- On May 14, 2002, the Southern District granted the State's motion to dismiss the complaint in its entirety; plaintiffs appealed the dismissal to the Second Circuit. On January 6, 2004, the Second Circuit Court of Appeals rendered its opinion which assumed all plaintiff's allegations to be true and reversed the dismissal of the plaintiffs' antitrust claim
- On May 5, 2004, the plaintiffs filed a motion for a preliminary injunction in the Southern District seeking to enjoin the State from enforcing the MSA, the State's Qualifying Statute, the State's Complementary Legislation and the repeal of the Allocable Share Release provision of the State's Qualifying Statute
- On September 14, 2004, the Southern District denied the plaintiffs' motion for a preliminary injunction. However, Southern District granted the plaintiffs' request to enjoin the State during the pendency of the action from enforcing the Allocable Share Act which repealed the Allocable Share Release provision of the State's Qualifying Statute. On appeal, the Second Circuit affirmed the Southern District's decision
- On May 18, 2005, the Second Circuit affirmed the Southern District's denial of the plaintiffs' request for a preliminary injunction
- On November 1, 2005, the Southern District denied, without prejudice and upon agreement of the parties, plaintiffs' motion for partial summary judgment which sought a determination that the State's Allocable Share Release Amendment violates federal antitrust law
- On December 28, 2005, the Southern District denied the plaintiffs' motion to file an amended complaint to add a Commerce Clause claim similar to the plaintiffs' claims in Grand River

Freedom Holdings is currently in discovery and should ultimately be resolved on summary judgment or after trial.

Class Action Litigation: *Engle*



Engle

Engle v. Reynolds Tobacco, et al.

- In July 1999, a Florida state trial court jury in a class action consisting of victims of smoking-related illness (and their survivors) found that defendants misled smokers about certain characteristics of cigarettes, and determined the lump-sum amount of punitive damages for the entire class to be \$145 billion. Defendants' post-verdict motions were denied
- In accordance with Florida law enacted in May 2000 limiting the size of the bond that must be posted in order to stay execution of a judgment for punitive damages in a certified class action to no more than \$100 million, regardless of the amount of punitive damages ("bond cap legislation"), Philip Morris and the other defendants posted their appeal bonds with their appeal filing
- Three tobacco companies (Philip Morris, Lorillard, and Liggett) agreed to escrow funds for the class's benefit, including \$709 million non-refundable even if they eventually were to prevail in the lawsuit, in exchange for Class Counsel's agreement not to challenge the new state bond cap legislation
- On May 21, 2003, Florida's Third District Court of Appeal reversed the final judgment of the trial court and remanded the case with instructions to decertify the plaintiff class, reasoning that, among other things, each class member had unique and different experiences that would require the litigation of substantially separate issues, and which were too diverse to be combined into a single claim
- In July 2003, the plaintiffs moved for re-consideration; motion was denied by appellate court in September 2003. Florida Supreme Court agreed to review the case and heard oral arguments in November 2004. The appeal is currently pending in the Florida Supreme Court

The *Engle* appeal is pending in the Florida Supreme Court and a decision could be released on any upcoming Thursday.

To date, in addition to Florida's bond cap legislation, 32 other states have also enacted appeal bond legislation. In some states, the filing of a notice of appeal automatically stays enforcement of the judgment.

Governmental Litigation: DOJ



Department of Justice

United States of America v. Philip Morris USA Inc., et al.

- In 1999, the U.S. Department of Justice filed a racketeering suit against several major tobacco manufacturers. In May 2004, the judge denied the major tobacco companies' motion to dismiss the disgorgement claim in the DOJ lawsuit. The major tobacco companies appealed this decision and, in November 2004, the U.S. Court of Appeals for the D.C. Circuit heard oral arguments in its expedited review of the \$280 billion disgorgement claim
- The U.S. Circuit Court of Appeals for the District of Columbia ruled in favor of the industry in February 2005, affirming the dismissal of the \$280 billion disgorgement claim, and the government's motion for rehearing was subsequently denied
- Upon this decision by the Court of Appeals, Moody's and Standard & Poor's issued statements confirming their corporate tobacco ratings; these reiterated the positive nature of the DOJ suit developments (but also expressed concern over the outcome of Price and Engle litigation)
- In July 2005, the government filed a petition with the United States Supreme Court requesting that it agree to hear an appeal of the D.C. Circuit's February 2005 decision; the Supreme Court denied the appeal in October 2005
- The trial of this case concluded in June 2005. In its closing argument and submissions, the government requested that the tobacco industry be required to fund an up to ten-year, \$14 billion smoking cessation program. The federal government's claim is now under consideration by the District Court which heard the evidence in this matter

APPENDIX: COMPLETED TOBACCO SECURITIZATIONS

Completed Tobacco Securitizations

Completed Tobacco Settlement Revenue Financings To Date *				
Issuer	Date	Par (\$)	Tax Status	Use of Proceeds
TSASC (New York City, NY)	11/4/1999	709,280,000	Tax-Exempt	Capital
NCTSC (Nassau County, NY)	11/11/1999	294,500,000	Tax-Exempt	Working Capital
WTASC (Westchester County, NY)	12/14/1999	103,504,558	Tax-Exempt	Capital/Working Capital
Tulare County Public Finance Authority (CA)	12/17/1999	45,000,000	Taxable	Endowment
ND State Water Conim. (State of North Dakota)	3/8/2000	32,095,000	Tax-Exempt	Capital
MTASC (Monroe County, NY)	7/28/2000	163,400,000	Tax-Exempt	Capital
Alabama 21st Century Authority (State of Alabama)	9/4/2000	50,000,000	Tax-Exempt	Capital
CTASC (Chautauqua County, NY)	9/15/2000	30,115,000	Tax-Exempt	Capital
ETASC (Erie County, NY)	9/20/2000	246,325,000	Tax-Exempt	Capital
NTSC (State of Alaska)	10/11/2000	116,050,000	Tax-Exempt	Capital
NTASC (Niagara County, NY)	10/16/2000	47,920,000	Tax-Exempt	Capital
Children's Trust (Commonwealth of Puerto Rico)	10/23/2000	397,005,000	Tax-Exempt	Capital
New York Counties Tobacco Trust I (NY)	11/9/2000	227,130,000	Tax-Exempt	Capital
UTASC (Ulster County, NY)	1/25/2001	28,352,454	Tax-Exempt	Capital
District of Columbia TSFC (District of Columbia)	3/1/2001	621,105,000	Tax-Exempt	Capital
TSRMA (State of South Carolina)	3/8/2001	934,530,000	Tax-Exempt/Taxable	Capital/Working Cap/Endowment
Guam Economic Dev. Auth. (Territory of Guam)	5/24/01; 6/7/01	25,477,459	Tax-Exempt	Working Capital/Endowment
New York Counties Tobacco Trust II (NY)	7/16/2001	215,220,000	Tax-Exempt	Capital
TSANC (Sacramento County, CA)	7/31/01; 8/15/01	199,620,000	Tax-Exempt	Working Capital/Endowment
NTSC (State of Alaska)	8/2/2001	126,790,000	Tax-Exempt	Capital
ADFA (State of Arkansas)	9/6/2001	60,000,000	Tax-Exempt	Capital
TSA (State of Iowa)	10/11/2001	644,245,000	Tax-Exempt/Taxable	Capital/Endowment
TSFC (State of Louisiana)	10/31/2001	1,202,770,000	Tax-Exempt/Taxable	Endowment
TSFC (United States Virgin Islands)	11/8/2001	21,709,862	Tax-Exempt	Capital
Alabama 21st Century Authority (State of Alabama)	12/6/2001	103,760,000	Tax-Exempt	Capital
RocTASC (Rockland County, NY)	12/10/2001	47,750,000	Tax-Exempt	Capital
TSASC (San Diego County, CA)	12/14/2001	466,840,000	Tax-Exempt	Capital/Endowment
RenTASC (Rensselaer County, NY)	12/14/2001	34,555,000	Tax-Exempt	Capital
CCTSA (Stanislaus County, CA)	3/20/2002	67,305,000	Tax-Exempt/Taxable	Endowment
CCTSA (Sonoma County, CA)	3/20/2002; 4/10/02	67,410,000	Tax-Exempt/Taxable	Capital/Endowment
CCTSA (Merced County, CA)	3/21/2002	20,515,000	Tax-Exempt/Taxable	Endowment

* State / territory financings in bold

Completed Tobacco Securitizations

Completed Tobacco Settlement Revenue Financings To Date *				
Issuer	Date	Par (\$)	Tax Status	Use of Proceeds
CCTSA (Kern County, CA)	4/22/2002, 5/6/02	105,245,000	Tax-Exempt/Taxable	Capital/Endowment
BTASC (State of Wisconsin)	6/1/2002	1,591,095,000	Tax-Exempt	Working Capital/Endowment
CCTSA (Placer County, CA)	6/10/2002	41,590,000	Tax-Exempt	Endowment
TSFC (State of Rhode Island)	6/20/2002	685,390,000	Tax-Exempt/Taxable	Working Capital
CCTSA (Marin County, CA)	6/25/2002	34,345,000	Tax-Exempt/Taxable	Capital/Endowment
CSFA (California Counties, CA)	6/27/2002, 7/16/02	196,545,000	Tax-Exempt	Capital/Endowment
CCTSA (Fresno County, CA)	7/11/2002	92,955,000	Tax-Exempt	Endowment
TSASC (New York City, NY)	7/31/2002	500,000,000	Tax-Exempt	Capital
TSFC (State of New Jersey)	8/14/2002	1,801,455,000	Tax-Exempt	Capital
EEFC (State of South Dakota)	8/26/2002	278,045,000	Tax-Exempt/Taxable	Endowment
Children's Trust (Commonwealth of Puerto Rico)	10/1/2002	1,171,200,000	Tax-Exempt	Working Capital/Capital
CCTSA (Alameda County, CA)	10/16/2002	220,525,000	Tax-Exempt	Capital
TSA (State of Washington)	10/24/2002	517,905,000	Tax-Exempt	Working Capital/Capital
GSTSC (State of California)	1/15/2003	3,000,000,000	Tax-Exempt	Working Capital
TSFC (State of New Jersey)	2/26/2003	1,659,170,000	Tax-Exempt	Working Capital/Capital
TSFC (State of New York)	6/10/2003	2,310,705,000	Tax-Exempt	Working Capital
GSTSC (State of California)	9/30/2003	2,572,285,000	Tax-Exempt	Working Capital
TSFC (State of New York)	11/20/2003	2,240,415,000	Tax-Exempt	Working Capital
New York Counties Tobacco Trust III (NY)	12/18/2003	79,680,000	Tax-Exempt	Capital
TSFC (Commonwealth of Virginia)	5/16/2005	448,260,000	Tax-Exempt	Endowment
Westchester Tobacco Asset Securitization Corporation	6/15/2005	216,600,000	Tax-Exempt	Refunding/Capital
Children's Trust (Commonwealth of Puerto Rico)	7/13/2005	108,209,446	Tax-Exempt	Working Capital
GSTSC (State of California)	7/27/2005	3,140,563,508	Tax-Exempt	Refunding/Working Capital
Erie Tobacco Asset Securitization Corporation	8/2/2005	317,834,680	Tax-Exempt/Taxable	Refunding/Working Capital
New York Counties Tobacco Trust IV (NY)	8/18/2005	414,798,206	Tax-Exempt/Taxable	Refunding/Capital
CCTSA (Sonoma County, CA)	10/20/2005	83,060,000	Tax-Exempt	Refunding/Capital
CCTSA (Merced County, CA)	10/20/2005	39,690,000	Tax-Exempt/Taxable	Refunding/Capital
RocTASC (Rockland County, NY)	10/25/2005	24,992,000	Tax-Exempt	Refunding/Capital
New York Counties Tobacco Trust V (NY)	11/14/2005	189,375,348	Tax-Exempt	Capital
TSA (State of Iowa)	11/17/2005	831,962,030	Tax-Exempt/Taxable	Refunding/Endowment
TSANC (Sacramento County, CA)	12/1/2005	255,486,288	Tax-Exempt	Refunding/Capital
ETASC (Erie County, NY)	12/20/2005	17,694,720	Tax-Exempt	
MTASC (Monroe County, NY)	1/30/2006	4,579,370	Tax-Exempt	
CCTSA (Alameda County, CA)	2/1/2006	67,858,509	Tax-Exempt	Capital
CCTSA (Los Angeles County, CA)	2/2/2006	319,827,107	Tax-Exempt	Capital
TSASC (New York City, NY)	2/2/2006	1,353,510,000	Tax-Exempt	Refunding / Capital
CCTSA (Stanislaus County, CA)	3/22/2006	42,153,611	Tax-Exempt	Capital
NCTSC (Nassau County, NY)	3/30/2006	431,034,246	Tax-Exempt	Refunding / Capital
CCTSA (Fresno County, CA)	4/5/2006	39,015,131	Tax-Exempt	Capital
TSFC (United States Virgin Islands)	4/6/2006	7,290,009	Tax-Exempt	Capital
Total:	71 issues	34,742,608,412		

* State / territory financings in bold

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SB243



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 17, 2006

The Honorable Ben Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Stevens:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the financing of construction, major maintenance, and renovation of facilities for the University of Alaska; relating to the financing of construction of a correctional facility; authorizing the commissioner of revenue to sell the right to receive a portion of the anticipated revenue from a tobacco litigation settlement to the Northern Tobacco Securitization Corporation, with the proceeds of that sale to finance construction, major maintenance, and renovation of facilities for the University of Alaska and to finance the construction of a correctional facility; providing for the establishment of funds for deposit of those proceeds; and authorizing the issuance of bonds by the Northern Tobacco Securitization Corporation for the purpose of acquiring the right to receive a portion of anticipated revenue from a tobacco litigation settlement.

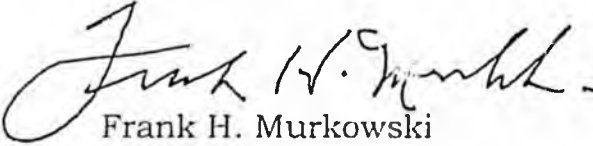
This bill is quite similar to previous measures that securitized a total of 80 percent of the tobacco Master Settlement Agreement revenue stream. See secs. 9 and 10, ch. 130, SLA 2000 and secs. 3 and 4, ch. 96, SLA 2001. This bill would securitize the residual revenue stream that reverts back to the general fund once the outstanding tobacco bonds authorized by the previous legislation are repaid. In other words, that 80 percent of the revenue stream from the settlement of State of Alaska v. Philip Morris, Incorporated, et al, No. 1JU-97-915 CI (Alaska Super. 1997) will remain securitized for a longer period. The bill anticipates that the state will realize at least \$89,250,000 in proceeds, with a possibility that additional amounts would be raised. The bill authorizes the proceeds to be spent on certain University of Alaska capital projects, and on a prison in the Matanuska-Susitna Borough, subject to appropriation for those purposes.

COMMITTEE COPY

Honorable Ben Stevens
January 17, 2006
Page 2

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script, reading "Frank H. Murkowski". The signature is written in dark ink and is positioned above the printed name and title.

Frank H. Murkowski
Governor

Dale Anderson – Citi group / Smith Barney in Juneau
Will introduce the two speakers:

Tim Rattigan – Seattle is the Regional Banker for the Northwest and Alaska

Jim Haddon – New York is the Managing Director of Tobacco Securitization and has overseen this area of Citigroup since its inception in 1999

SB

250

HFIN

FILE

Audit Report



DEPARTMENT OF PUBLIC SAFETY
COUNCIL ON DOMESTIC VIOLENCE
AND SEXUAL ASSAULT
SUNSET AUDIT

September 23, 2005

Audit Control Number:

12-20039-06

Division of Legislative Audit
P.O. Box 113300, Juneau, Alaska 99811-3300

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

DIVISION OF LEGISLATIVE AUDIT

The Legislative Budget and Audit Committee is a permanent interim committee of the Alaska Legislature. The committee is made up of five senators and five representatives, with one alternate from the Senate and two from the House. The chairmanship of the committee alternates between the two chambers every legislature.

The committee is responsible for providing the legislature with audits of state government agencies. The programs and activities of state government now cost more than \$6 billion a year. As legislators and administrators try increasingly to allocate state revenues effectively and make government work more efficiently, they need information to evaluate the work of governmental agencies. The audit work performed by the Division of Legislative Audit helps provide that information.

As a guide to all their work, the Division of Legislative Audit complies with generally accepted auditing standards established by the American Institute of Certified Public Accountants and with government auditing standards established by the U.S. General Accounting Office.

Audits are performed as mandated by Alaska Statutes or at the direction of the Legislative Budget and Audit Committee. Individual legislators or committees can submit requests for audits of specific programs or agencies to the committee for consideration. Copies of all completed audits are available from the Division of Legislative Audit's offices in Juneau, Anchorage, or at our web site <http://www.legaudit.state.ak.us>

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November 23, 2005

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), the attached report is submitted for your review.

DEPARTMENT OF PUBLIC SAFETY
COUNCIL ON DOMESTIC VIOLENCE
AND SEXUAL ASSAULT

November 23, 2005
Audit Control Number
12-20039-06

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 44.66.010(a)(5), the Council on Domestic Violence and Sexual Assault is scheduled to terminate on June 30, 2006. The Council would have one year from that date to conclude operations.

In our opinion, the termination date for the Council on Domestic Violence and Sexual Assault should be extended. The Council serves a public need and is operating in the public's interest. We recommend that the legislature extend the Council's termination date to June 30, 2014.

The audit was conducted in accordance with generally accepted government audit standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology.

A handwritten signature in black ink that reads "Pat Davidson".

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Council on Domestic Violence and Sexual Assault (Council) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner. Currently, under AS 44.66.010(a)(5) the Council will terminate on June 30, 2006, having one year from that date to conclude its operations.

Objectives

There are two central, interrelated objectives of our report. They are:

1. To determine if the termination date of the Council should be extended.
2. To determine if the Council is operating in the public's interest. The assessment of the operations, and performance of the Council, was based upon AS 44.66.050(c). This statute sets out criteria to be used in determining a demonstrated public need for the Council.

Scope and Methodology

Our audit reviewed the operation and activities of the Council on Domestic Violence and Sexual Assault for the period of July 1, 2001 through June 30, 2005.

During the course of our examination, we attended the June 2005 funding meeting in Anchorage and interviewed various council members, staff, grantees, and individuals from state agencies. We also reviewed and evaluated the following:

- Applicable statutes and regulations
- Budget documents, session laws, and other legislative information related to the Council's operations
- Minutes of the Council meetings
- Grantee on-site monitoring performance and fiscal reviews prepared by the Council staff
- Statistical reports submitted by grantees
- Financial reports from the State Accounting System
- Other documents related to the Council's operations and mission, as necessary

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ORGANIZATION AND FUNCTION

The Council on Domestic Violence and Sexual Assault (Council) was established in the Department of Public Safety in 1981 by Alaska Statute 18.66. This statute gives the Council the authority "*...to provide for planning and coordination of services to victims of domestic violence or sexual assault or to their families and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs.*"

The primary functions of the commission include:

- developing, implementing, maintaining, and monitoring crisis intervention and prevention programs in coordination with authorities in the field of domestic violence and sexual assault;
- coordinating services with the Departments of Law, Education and Early Development, Public Safety, Health and Social Services, Corrections, and other state agencies and community groups;
- consulting with public employers, state and community agencies to provide continuing education programs for employees, and to formulate standards and procedures for health care employees;
- providing technical assistance to programs, state and community agencies; and
- dispensing, overseeing, monitoring, and coordinating existing services and developing expanded services/programs to meet the needs of victims of domestic violence, sexual assault, and other violent crimes.

The Council consists of seven members—four of whom are the commissioners or their designees—from the Departments of Public Safety (DPS), Health and Social Services (DHSS), Education and Early Development (DEED), and Law (DOL). The balance of the Council is comprised of persons from the public, appointed by the governor.

By statute, before making an appointment, the governor receives recommendations from and consults with the Alaska Network on Domestic Violence and Sexual Assault (Network) which is a nonprofit, private organization.¹

Council Members

As of November 23, 2005

Janna Stewart, Public Member, Chair
Susan Parkes, DOL, Vice Chair
Ann House, Public Member
Barbara Thompson, DEED
Karleen Jackson, DHSS
Kimberly Williams, Public Member
William Tandeske, DPS

The Council is staffed by an executive director, an administrative manager, three associate coordinators, a statistical technician, an administrative assistant, and an administrative clerk.

¹ The Alaska Network on Domestic Violence and Sexual Assault is comprised of 20 programs, many of which are council-funded programs.

The Council is authorized to receive and disperse both state and federal funds. Traditionally, a large part of the Council's responsibilities involve administering grants made to local community organizations for domestic violence, sexual assault, and crisis intervention and prevention programs. Grant administration includes providing technical assistance and monitoring the activities of the various grantees and contractors.

The community programs funded by the Council provide a variety of services to the public. Most importantly, their efforts are directed toward providing victims a safe environment, either through housing at a community shelter or the use of a network of designated "safe homes." Additionally, the programs are involved in educating and counseling the victim about domestic violence and sexual assault issues and providing a batterer's intervention services.

The Council's coordination role and responsibilities with other state and local agencies is extensive. For FY 06, the Council approved 19 community-based victim services programs, four community-based batterer's intervention programs, and two prison-based batterers' programs. (See Appendix A)

Funding Sources

The Council receives state general funds from two separate funding sources: the state general revenue and withheld Permanent Fund Dividends from convicted felons and misdemeanants who are incarcerated.

The Council also receives state and federal funds through the use of interagency receipts from the Department of Corrections (DOC) and DHSS. DHSS funds are: Sexual Assault Prevention (SAP), Rape Prevention and Education (RPE), Temporary Assistance for Needy Families (TANF), and Behavioral Health Alcohol Grant. Both SAP and RPE funds are part of the large Centers for Disease Control and Prevention grant administered by DHSS.

Additionally, many of the grants issued by the Council are supported by direct federal funds. Federal funds are received by the Council from sources such as:

- Family Violence Prevention Services Act
U.S. Department of Health and Human Services

The Family Violence Prevention Services Act provides federal funding to all states. This funding is used for domestic violence programs throughout Alaska. The programs receiving grants provide assistance funds to victims of domestic violence and their children. These programs operate shelter facilities which are staffed around the clock and provide a full spectrum of services, including basic food and immediate shelter, crisis intervention, counseling, and medical/legal/personal advocacy.

- Crime Victims Assistance
U.S. Department of Justice

This grant authorizes financial compensation for victims of crime and financial support for state and local agencies that provide services to crime victims. This fund is a U.S. Treasury account, generated entirely by the fines and penalties levied against criminals convicted of federal crimes. The majority of this funding is awarded directly to programs providing services to victims of domestic violence, sexual assault, and other violent crimes.

- Violence Against Women Act (VAWA)
U.S. Department of Justice

The grant services combine a series of federal sanctions and initiatives—as well as national, state, and local resources—to improve the response to crimes against women. These funds are delineated to five specific areas: prosecution, law enforcement, victim services, judicial, and discretionary. In April 1995, Governor Knowles designated the Council as lead agency for coordination and management of VAWA funds for the State of Alaska.

To accomplish this mission, the statewide Violence Against Women Planning and Implementation Committee (committee) was created.² The committee developed the annual plan for VAWA funding upon the Council's approval. The Council was then responsible for funding distribution, and subrecipient monitoring, of these projects.

In FY 04 the Council decided to disband the committee, citing inefficiency and duplication of duties performed by Council members and staff. The Council approves the spending plans of the Departments of Law and Public Safety, the Alaska Court System, and the Alaska Network on Domestic Violence and Sexual Assault for the prosecution, law enforcement, judicial, and victim services components, respectively. For the discretionary component, the Council distributes the fund through its Request for Proposal (RFP) grant process.

- Grants to Encourage Arrest Policies
U.S. Department of Justice

The Grants to Encourage Arrest Policies Program is a component of VAWA. This grant was focused on the development and implementation of laws, policies, and protocols that encourage or mandate the arrest of domestic violence offenders.

The Council currently receives supplemental funds to assist community-driven initiatives in providing regional state-tribal forums on domestic violence. The forums are attended by state troopers, local prosecutors, tribal/state judiciary, village public safety officers,

² The committee was comprised of 21 representatives of the VAWA components.

tribal members/citizens, victim advocates, probation/parole and other social service/care providers, to enhance their skills and develop a greater understanding of topics critical to the safety of women and their children, offender accountability, and coordinated response to domestic violence. The training is also designed to promote communication, cooperation, and a mutual respect among the tribal/state/federal response systems.

- Rural Domestic Violence and Child Victimization
U.S. Department of Justice

The Rural Domestic Violence and Child Victimization Enforcement Grant implements certain provisions of the Violence Against Women Act. While this grant closed out in FY 03, the program provided a unique opportunity for law enforcement and prosecution agencies, the courts and nongovernmental victim services, community organizations, businesses in rural communities, and Indian tribes to collaborate in creating protocols and strategies tailored specifically to meet the needs of rural populations.

- Supervised Visitation, Safe Havens for Children
U.S. Department of Justice

The Safe Havens programs provides an opportunity for communities to support the supervised visitation and safe exchange of children, by and between parents, in situations involving domestic violence, child abuse, sexual assault, or stalking.

The State of Alaska through the Council—and in a collaborative effort with the Cook Inlet Tribal Council, Inc., Alaska State Court System, and Abused Women's Aid in Crisis—implemented the only supervised visitation center in the State.

- Denali Commission

To continue the capital improvement project started in FY 02 with private grants from the Wells Fargo Bank and the Rasmuson Foundation, the Council pursued grant funding with the Denali Commission. In FY 04, the Denali Commission received congressional direction to allocate \$5 million toward the upgrade and construction of shelters for victims of domestic violence. The Council has provided the Denali Commission with preaward, advisory input, and technical assistance to make optimal funding allocation decisions. As of March 2005, \$3.95 million has been committed for repair/renovation, new construction projects, or conceptual planning/design of shelter buildings.

REPORT CONCLUSIONS

Under AS 18.66, the Council on Domestic Violence and Sexual Assault (Council) is authorized to provide for the State's planning and coordination of full-range services to victims, their families, and perpetrators of domestic violence and sexual assault. Combating domestic violence and sexual assault is identified as an ongoing priority at both the state and national level.

Aside from the operational concerns addressed in this report, the Council is serving a public need and is operating in the public's interest. Currently, AS 44.66.010(a)(5) requires the Council to be terminated on June 30, 2006. We recommend the legislature extend the Council's termination date to June 30, 2014.

The Council is still facing personnel issues resulting from continual staff turnover. The Council has worked on developing personnel policies, procedures, and desk manuals to assist the staff; but due to limited staff, the Council was forced to focus primarily on grant maintenance and monitoring responsibility. Two of the Council's statutory mandates were not addressed. (See Recommendation 2)

The Council intends to work on a strategic plan to assess the effectiveness of services currently being provided by grantees and other state and local entities. The plan's overall goal is to identify and address existing gaps in service. One of the missions of the Council is to provide leadership in meeting the needs of domestic violence and sexual assault victims. A long-term strategic plan is certainly needed to assist the staff in establishing priorities. The work plan will help Council staff to effectively plan and coordinate services with state and community agencies, as well as provide services previously not offered to reduce the causes and incidence of domestic violence and to alleviate their effects.

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FINDINGS AND RECOMMENDATIONS

The Council on Domestic Violence and Sexual Assault's (Council) prior sunset audit³ reported several administrative weaknesses. Recommendation No. 1 is not resolved and reinstated below as Recommendation No 2. Prior audit Recommendations No. 2 and 3 were resolved. Recommendations No. 4 and 5 were partially resolved and are readdressed and combined into Recommendation No. 1 below.

Recommendation No. 1

The Council should address its statutory responsibilities to consult with the Department of Education and Early Development and the Department of Health and Social Services.

Prior Finding

Statutory changes implemented in July 1, 1996, significantly increased the scope of the Council's responsibilities. In response, the Council's budgeted staff increased from four to eight positions. During our last sunset audit, the Council was unable to or ineffective in addressing some of their statutory responsibilities due to administrative weaknesses and lack of prioritization.

The prior sunset audit reported that grantees had varying degrees of success in gaining access to their local schools and used a variety of methods to address domestic violence and sexual assault education needs. In addition, although the Council collaborated with the Alaska Family Violence Prevention Project, Department of Health and Social Services (DHSS), on a domestic violence and child abuse workshops, the Council has not worked with DHSS to develop standards and procedures as required in AS 18.66.300.

Alaska Statute AS 18.66.050(3) and (12) states the Council shall:

(3) consult with authorities in the field, develop, implement, maintain, and monitor domestic violence, sexual assault, and crisis intervention and prevention programs, including education programs...and school curricula on the cause, prevention, and treatment of domestic violence and sexual assault. [emphasis added]

(12) consult with the Department of Health and Social Services in the formulation of standards and procedures for delivery of services to victims of domestic violence by health care facilities and practitioners of healing arts and personnel in those facilities as required in AS 18.66.300.

³ Audit Control Number 12-20014-02, Department of Public Safety, Sunset Audit on Council on Domestic Violence Assault dated October 31, 2001.

Legislative Audit's Current Position

The Council has faced personnel issues resulting from position turnover since FY 01, particularly in the executive director and associate coordinator positions. During the past four years, three individuals were hired for the executive director's position. The executive director and associate coordinators are key positions for the Council to fulfill its 14 mandates.

With limited staffing and several mandates, the Council chose to focus primarily on their grant funding and oversight role. This is to ensure continued funding of grant programs. Grant accountability and reporting is time consuming, but essential for the programmatic and administrative oversight of grants for victim services and batterers intervention programs.

However, there is still a need for a more coordinated effort with the Department of Education and Early Development (DEED) towards education in school districts throughout the State. AS 14.30.360(b) states "*the state board shall establish guidelines for a health and personal safety education program. Personal guidelines shall be developed in consultation with the Council on Domestic Violence and Sexual Assault...*" There are currently no health and personal safety education guidelines available on domestic violence and sexual assault for school personnel to use. The Council should consult with DEED, school district representatives, and grantees who have worked toward curriculum development, in creating a comprehensive standardized curriculum to be used within the schools statewide.

There is also a need for the Council to become involved with DHSS to ensure that standards and procedures are available for the delivery of services by health care facilities and its personnel. Council-funded grantees are often approached by health care providers on issues of domestic violence and sexual assault.

However, as the statewide representative, the Council should coordinate this effort at the departmental-level rather than at the grantee-level. The Council should consult with DHSS regarding development of comprehensive standards and procedures to be used by all agencies for the victims of domestic violence and sexual assault, including council-funded grantees and health care providers within the State.

AS 18.66.050(3) and AS 18.66.050(12) discuss the Council working with state departments to develop standards, procedures, and education programs. However, due to limited staffing and the Council's focus on grant maintenance and monitoring, the Council has been unable to fully address these statutory mandates. Given the significance of these mandates, we recommend that the Council take immediate action and implement procedures to address both statutes.

Recommendation No. 2

The legislature should amend the Council on Domestic Violence and Sexual Assault's statutes related to appointment of council members.

Prior Finding

The Network on Domestic Violence and Sexual Assault (Network) submits recommendations, to the Governor, of public members qualified to serve on the Council. The Network also receives grant funds from the Council. The Council consists of four state officials and three public members appointed by the governor. Alaska Statute 18.66.020(a)(1) and AS 18.66.020(b), in part, states:

(a)(1) The council consists of three persons appointed by the governor after consultation with the Network on Domestic Violence and Sexual Assault, a non profit corporation; The Network on Domestic Violence and Sexual Assault shall submit a list to the governor of persons recommended for appointment.

(b) ... A vacancy on the council shall be filled for the unexpired term by appointment by the governor after consultation with the Network on Domestic Violence.

The Network also annually receives a grant from the Council for a legal advocacy project. The grant is the victim services⁴ allocation of the Violence Against Women Act (VAWA) federal funding received by the Council.

The appearance of a conflict of interests exists when a council member reviews, evaluates, approves, and monitors a grant to the same nonprofit corporation which was responsible for recommending that individual to the council membership.

It is entirely appropriate for the governor to consult with any interested parties when making appointments to the Council. However, it is a statutory mandate for the governor to consult with the Network, over the appointment of public members, when the Network itself is a subgrantee of the Council that raises an appearance of a conflict of interest.

Legislative Audit's Current Position

Since the last audit, AS 18.66.020 has not been revised and the Network continues to get funding from the Council. However, of the last five public members appointed to the Council, only two were recommended by the Network.

⁴ The VAWA federal funds are distributed in the following manner: 5% for judicial; 25% for law enforcement; 25% prosecution; 30% for victim services; and 15% to discretionary funds.

To avoid any appearance of a conflict of interest between public member appointments and receiving funding, we continue to recommend the legislature amend AS 18.66.020 to: (1) eliminate the mandate for the Network to recommend individuals to the governor for appointment to the Council, and (2) eliminate the requirement for the governor to consult with the Network on the appointment or reappointment of the council's public members.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Council has awarded and administered grant funds to local community organizations and programs that provide services to victims of domestic violence and sexual assault, batterer intervention services to perpetrators of domestic violence, and crisis intervention and prevention programs. The presentation element of the funding meeting is generally accepted and approved by all of the grantees. Public participation was encouraged and legislative intent was considered in the funding process. The Council strives to treat urban and rural participants fairly throughout the grant award process. The Council exercises oversight and performs on-site audits of most grant recipients.

The Council coordinates the efforts of many state and community agencies, working toward a comprehensive statewide system, to combat domestic violence and sexual assault. Overall, we conclude that the Council is performing its coordination duties.

The Council provides technical assistance in various forms to state agencies, law enforcement agencies, grantees, and community groups on a regular basis.

The Council worked on getting private and federal funding for capital improvement projects for the facilities of victim services providers. In addition, the State of Alaska, through the Council—in a collaborative effort with the Cook Inlet Tribal Council, Alaska State Court System, and Abused Women's Aid in Crisis—implemented the only supervised visitation center in the State with federal funding.

The Council has provided funds to assist in the development of training materials and participation in training events related to domestic violence and sexual assault. The Council has also provided statewide training with the regional State-Tribal forum on domestic violence. Training has been used by law enforcement officers, prosecutors, judicial officers, tribal citizens, probation/parole officers, social service providers, grantees, and community groups.

The Council provides domestic violence and sexual assault education on a local level through its grantees. The Council maintains a lending library with educational and reference materials available that are both adequate and appropriate to address the cause, prevention, and treatment of domestic violence and sexual assault.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The Council's board members have been appointed in accordance with Alaska statutes. All appointed members have shown an interest in matters dealing with the domestic violence and sexual assault. In addition, the Council is in a position to facilitate the resolution of coordination issues at the local level with representatives who oversee these areas at the state level.

The Council installed a new web-based database system in early FY 05. Although fairly new, the database system will be able to provide accurate, unduplicated statistical programmatic information for decision making. Overall, this system is expected to meet a critical need for coordinated standardized measurement and recording of statistical data between agencies.

AS 18.66.050(10) requires the Council to submit an annual report to the governor, and notify the legislature about the availability of the report. Although the statute is silent if such report is to be based on the calendar year or fiscal year, customarily the Council has submitted reports on fiscal year basis. The Council submitted the report to the governor on time for FY 02; but a few months late for FY 03 and FY 04 due to staff vacancy.

For the FY 06 grant award, the Council did not fund new programs choosing to maintain core services with existing council-funded programs. With a shrinking budget, the Council faced tough grant-funding decisions. The Council's grant award process is objective. The Council members reviewed the overall needs, economies of scale, duplication of services within geographic areas, and sustainability of existing programs. During the FY 05 funding meeting, grantees presented their financial struggle in keeping staff due to increasing operational costs, such as heating, lighting, and health insurance.

Other than occasional operational costs, the victim services programs have not received substantial core services funding increases.⁵ In addition, the batterers intervention programs have not seen any increase in their grant awards. In fact, the community-based batterers intervention programs had their budget reduced from \$320,000 to \$200,000 in FY 04. The schedule of grants awarded between FY 03 through FY 06 is located on Appendix A.

The financial schedule shown in Exhibit 1 (on the following page) depicts the Council's actual operating expenditures and funding sources between FY 02 through FY 05. The Council's funding sources are federal, state general funds, permanent fund dividends⁶, and interagency receipts from DHSS and the DOC. Overall, the Council's operating budget has decreased between FY 02 and FY 05 and amounts paid by the general fund continue to fall.

⁵ Using carry over authorization from prior year federal grants, the Council funded an extra \$513,159 to cover health insurance cost increases in FY 03 for victim services programs. For the FY 06 grant awards, the legislature also appropriated an additional \$200,000 for the victim services programs to cover operational costs.

⁶ These are Permanent Fund Dividend amounts withheld from convicted felons and misdemeanants who are incarcerated. The PFD is the main source of funding for the Council's batterers intervention program.

Exhibit 1
Schedule of Operating Expenditure and Funding Sources

	<u>FY02</u>	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>
Expenditures:				
Personal Services	432,156	435,533	441,162	380,137
Travel	54,548	47,743	87,933	116,594
Contractual	544,252	536,279	539,782	529,788
Supplies	7,233	15,273	6,001	14,418
Equipment	4,474	1,997	9,382	-
Grants to Programs ⁷	7,950,647	8,555,081	8,262,676	7,742,461
Total Operating Expenditures	\$ 8,993,310	\$ 9,642,906	\$9,346,936	\$8,783,398
Funding Sources				
Federal Receipts	2,363,358	2,966,083	4,452,958	3,627,593
Interagency Receipts from DHSS ⁸	1,351,840	1,592,114	494,237	1,007,221
Interagency Receipts from DOC ⁹	155,382	174,565	174,700	157,990
Other Miscellaneous Receipts	291	507	701	438
General Fund Appropriations	5,122,439	4,909,637	4,224,340	3,990,156
Total Funding Sources	\$ 8,993,310	\$ 9,642,906	\$9,346,936	\$ 8,783,398

Additionally, in order to maintain funding for the grantee programs, the Council decided to fill their FY 05 budget shortfall through vacancies in Council staff. Although this is a reasonable decision, the Council has not fulfilled its statutory mandates due to limited staff resources, see Recommendation No. 1.

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The Council is generally asked by other agencies to review statutory changes contained in proposed legislation. Typically, Council members/staff review and comment on proposed legislation rather than developing and seeking support for its own measures. The Council discusses pertinent bills deciding which legislation the Council should support, remain neutral on, or oppose. The executive director develops, analyzes, and testifies on bills at the direction of the Council.

⁷ Grant amounts exclude capital improvement expenditures funded through capital appropriations.

⁸ Department of Health and Social Services' RSA mostly funds the victim services programs.

⁹ \$98,238 of the Department of Corrections' RSA funds the prison-based batterers intervention programs, with the remainder amount funding the administrative costs for both community-based and prison-based batterers intervention programs.

Legislation that was supported by the Council include the following:

- HB 332 (Chapter 91 SLA 2002) – amended the Council’s statute where the Council hires the executive director and the executive director now hires the staff. This legislation also placed the executive director and staff into exempt service.
- HB 328 (Chapter 15 SLA 2004) – related to certain victim’s rights and the Violent Crimes Compensation Board.
- HB 385 (Chapter 111 SLA 2004) – related to awarding child custody
- HB 398 (Chapter 19 SLA 2004) – established the domestic violence fatality review teams in areas of the State.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The Council encourages interested parties to comment on its decisions or regulations by publicly announcing its meetings. The Council holds at least four meetings per year, normally in Anchorage or Juneau. Meetings held in Juneau are typically teleconferenced statewide.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The Council encourages public participation by posting the Council’s meeting schedule on their website. Time is provided on the agenda of every public meeting for public comment. Grantee agencies are allocated time to speak directly to the Council at the main “funding” meeting. Also at each of its meetings, the Council schedules time for presentations from the Network and other community groups involved in the field of domestic violence and sexual assault.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims’ rights or the office of the ombudsman have been processed and resolved.

We found no problems in this area. Complaint procedures are in place, followed when complaints are made, and files are maintained. No complaint activity was noted from FY 02 through FY 05.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Since the Council does not regulate any occupations or professions, this is not applicable.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

No complaints against the Council were identified.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The previous sunset audit reported administrative issues with the line of authorities and undefined job responsibilities with the staff. Although the administrative weaknesses have been resolved, the Council is still facing personnel issues related to constant staff turnover. It takes considerable time to train new personnel and finish projects due to staff turnover.

The Council chose to concentrate on fulfilling its mandates through grant funding although with fewer resources, and focused less on its other mandates such as: (1) consultation with Department of Education and Early Development (DEED) to develop and implement standardized school curricula, and (2) Department of Health and Social Services (DHSS) to formulate standards and procedures for health care personnel.

There is still need for a more coordinated effort towards education in school districts across the State. The Council should consult with DEED's school district representatives and grantees, who have worked toward creating a comprehensive standardized curriculum to guide schools across the State.

There is also a need for statewide coordination efforts between the Council and DHSS, ensuring standards and procedures are available to health care facilities and practitioners of the healing arts and personnel in those facilities that provide services for victims of domestic violence in the communities across the State.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The Council's purpose is to provide planning and coordination of services for victims of domestic violence or sexual assault or to their families, to perpetrators of domestic violence and sexual assault, and to provide for crisis intervention and prevention programs.

The Council, as the state agency responsible for administering the majority of crime victim assistance funding resources in Alaska, has been very effective with their coordination of services and outreach efforts through their grant award process. As an effective means to use and spread limited funds, the Council has ensured that Council-funded programs provide

coordinated efforts within the local communities such as law enforcement agencies, tribal groups, social service providers, hospitals, schools, courts systems, among others.

To continue with its mission, the Council plans to work on strategic planning to assess the effectiveness of services currently being provided by grantees and other state and local entities. The overall goal of the plan is to identify and address existing gaps in service.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

One of the Council's major objectives is the coordination of agencies, both state and local, that share the similar objective of combating the effects of domestic violence and sexual assault. No other agency is in a position to have an impact on this issue in this manner. Its existence is to help ensure that various agencies work together to effectively respond to Alaska's high rate of domestic violence and sexual assault. As a result, its activities do not duplicate the activities of the governmental agencies or the private sector.

Appendix A
 Council on Domestic Violence and Sexual Assault
 Schedule of Grants Awarded FY 03 through FY 06
 (unaudited)

	FY03	FY04	FY05	FY06
Victim Services Program Grants				
Abused Women's Aid in Crisis (Anchorage)	\$ 843,816	\$ 805,816	\$ 805,816	\$ 828,616
Advocates for Victims of Violence (Valdez)	237,598	213,181	213,181	219,576
Aiding Women in Abuse and Rape Emergencies (Juneau)	561,147	489,641	489,641	504,330
Alaska Family Services (Palmer)	418,486	418,486	418,486	453,575
Alaska Women's Resource Center (Anchorage)	215,636	197,836	197,836	199,634
Arctic Women in Crisis (Barrow)	244,703	242,571	242,571	249,848
Bering Sea Women's Group (Nome)	420,706	420,706	420,706	465,406
Cordova Family Resource Center	55,504	51,421	51,421	52,964
Emmonak Women's Services	180,855	183,599	183,599	-
Interior Alaska Center for Non-Violent Living (Fairbanks)	694,296	679,296	679,296	702,642
Kodiak Women's Resource and Crisis Center	285,551	264,326	264,326	272,256
LeeShore Center (Kenai-Soldotna)	413,389	397,401	397,401	409,323
Safe and Fear-Free Environment (Dillingham)	353,716	330,116	330,116	385,116
Seaview Community Services (Seward)	77,811	77,811	77,811	80,145
Sitkans Against Family Violence	339,766	303,401	303,401	312,503
South Peninsula Women's Services (Homer)	273,145	249,091	249,091	283,555
Standing Together Against Rape (Anchorage)	436,706	396,706	396,706	412,789
Tundra Women's Coalition (Bethel)	625,809	608,133	608,133	704,133
Unalaskans Against Sexual Assault and Family Violence	133,607	123,001	123,001	126,691
Victims for Justice (Anchorage)	53,199	26,078	26,078	-
Women in Safe Homes (Ketchikan)	557,183	517,183	517,183	532,698
Total Victim Services Program Grants	7,422,629	6,995,800	6,995,800	7,195,800
Community Based Batterer Intervention Program Grants				
Alaska Family Services (Palmer)	\$ 57,000	\$ 55,812	\$ 55,812	\$ 55,812
Interior Alaska Center for Non-Violent Living (Fairbanks)	68,500	67,312	67,312	67,312
Island Counseling Services (Sitka)	42,500	-	-	-
Ketchikan Indian Corporation	52,500	51,313	51,313	51,313
Sound Alternatives (Cordova)	-	-	-	-
South Peninsula Women's Services (Homer)	29,500	25,563	25,563	25,563
Tongass Community Counseling Center	70,000	-	-	-
Total Community Based Batterer Intervention Program Grants	320,000	200,000	200,000	200,000

Appendix A
 Council on Domestic Violence and Sexual Assault
 Schedule of Grants Awarded FY 03 through FY 06
 (unaudited)

	<u>FY03</u>	<u>FY04</u>	<u>FY05</u>	<u>FY06</u>
Prison Batterer Intervention Program Grants				
Alaska Family Services (Palmer)	\$ 40,000	\$ 50,589	\$ 56,589	\$ 56,589
Interior Alaska Center for Non-Violent Living (Fairbanks)	25,386	41,648	41,648	41,648
Tongass Community Counseling Center (Juneau)	32,851	-	-	-
Total Prison Batterer Intervention Program Grants	<u>98,237</u>	<u>98,237</u>	<u>98,237</u>	<u>98,237</u>
Violence Against Women Act (VAWA) Grants				
Alaska Network on Domestic Violence and Sexual Assault	\$ 235,500	\$ 223,440	\$ 216,030	\$ 216,315
Dept. of Law Reimbursable Services Agreement	196,250	186,200	180,025	180,263
Dept. of Public Safety Reimbursable Services Agreement	196,250	186,200	180,025	180,263
Alaska Court System Reimbursable Services Agreement	39,250	37,240	36,005	36,052
Discretionary (See "Note" below)	78,500	111,720	108,015	108,157
Total VAWA Grants	<u>\$ 745,750</u>	<u>\$ 744,800</u>	<u>\$ 720,100</u>	<u>\$ 721,050</u>
TOTAL	<u><u>\$ 8,586,616</u></u>	<u><u>\$ 8,038,837</u></u>	<u><u>\$ 8,014,137</u></u>	<u><u>\$ 8,215,087</u></u>

Note: Between FY 02 through FY 05, the Council awarded the VAWA fund discretionary allocation to the Network, Wasilla Police Department, Safe and Fear-Free Environment (SAFE), South Peninsula Women's Services (SPWS), Aiding Women Against Rape Emergencies (AWARE), Tundra Women's Coalition (TWC), Standing Together Against Rape (STAR), and Bering Sea Women's Group (BSWG) for victim services projects.



State of Alaska
Department of Public Safety
Council on Domestic Violence & Sexual Assault

Frank H. Murkowski, Governor
William Tandeske, Commissioner

December 21, 2005

Pat Davidson
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, Alaska 99811-3300

RE: Preliminary Report Response, Council on Domestic Violence and Sexual Assault.

Thank you for the opportunity to respond to the findings and recommendations of the November 2005 audit.

The Council agrees with Recommendation No. 1, and has already entered into discussions with the Department of Education and Early Development (DEED) about developing a closer working relationship consistent with the statutory mandate. In our initial contacts, for example, we determined that several years ago DEED collaborated with the Council on statewide teacher training. Currently DEED is developing modules on domestic violence and sexual assault (DVSA). DEED and the Council have already established a process for the Council to be included in reviewing those modules. We will collaborate through meetings, teleconferences, work groups, and other avenues as appropriate.

Regarding Recommendation No. 1 and the Department of Health and Human Services (DHSS), the Council has begun targeted discussions regarding the interface between the DHSS programs and DVSA issues. Many of the DHSS program areas assist individuals and families with multiple problems including DVSA as it impacts families, children, and elders. In reviewing potential areas of coordination and planning, we have identified some areas that should provide for fruitful collaboration, including the development of program staff training and the possibility of requiring relevant training for service providers under contract with DHSS. We will continue to coordinate through teleconferences, meetings, and workgroups, as appropriate, to assess and prioritize the impact of DVSA issues within DHSS.

Regarding Recommendation No. 2, while the Council recognizes and understands the merit of this issue, it is important to note that the Governor is not bound by any recommendation made by the Alaska Network on Domestic Violence and Sexual Assault (Network). Because of this safeguard, the Council believes that obtaining input from the Network, which has significant knowledge and expertise, outweighs any limitations or theoretical conflicts.

Finally, in general, the Council continues its strategic planning efforts, continues to explore grant and foundation funding for statewide domestic violence and sexual assault programs, and continues to strengthen and develop its own personnel and office resources.

Council on Domestic Violence & Sexual Assault
P.O. Box 111200 - Juneau, AK 99811 - Voice (907) 465-4356 - Fax (907) 465-3627

We appreciate the work of the Division of Legislative Audit and look forward to working with you in the future.

Sincerely,

Barbara A. Mason for Janna L. Stewart.

Janna L. Stewart
CDVSA, Chair

Cc: CDVSA Board Members

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CS SB 250 (STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title Domestic Violence/Sexual Assault RDU CDVSA
 Component Batterers Intervention Program
 Sponsor Rules by Request of Legislative Budget & Audit
 Requester House Finance Committee Component No. 2241

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims		200.0				
Miscellaneous						
TOTAL OPERATING	0.0	200.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		200.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
TOTAL	0.0	200.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill extends the termination date of the Council on Domestic Violence and Sexual Assault to June 30, 2008.

Prepared by: House Finance Committee
 Division: _____
 Approved by: Representative Meyer
Representative Chenault

Phone 465 4945
 Date/Time: _____
 Date 4/26/2006

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HCS CS SB 250(STA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title Domestic Violence/Sexual Assault RDU CDVSA
Component CDVSA
Sponsor Rules by Request of Legislative Budget & Audit
Requester House Finance Committee Component No. 521

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services		604.2	0.0	0.0	0.0	0.0
Travel		83.5	0.0	0.0	0.0	0.0
Contractual		947.4	0.0	0.0	0.0	0.0
Supplies		12.3	0.0	0.0	0.0	0.0
Equipment		16.2	0.0	0.0	0.0	0.0
Land & Structures		0.0	0.0	0.0	0.0	0.0
Grants & Claims		9,277.6	0.0	0.0	0.0	0.0
Miscellaneous						
TOTAL OPERATING	0.0	10,941.2	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		3,456.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF		2,394.3	0.0	0.0	0.0	0.0
1007 I/A Receipts		2,313.4	0.0	0.0	0.0	0.0
1171 PFD Crim.		2,777.5	0.0	0.0	0.0	0.0
TOTAL	0.0	10,941.2	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill extends the termination date of the Council on Domestic Violence and Sexual Assault to June 30, 2008.

Prepared by: House Finance Committee
Division: _____
Approved by: Representative Meyer
Representative Chenault

Phone 465-4545
Date/Time 04/26/06 9:04 a.m.
Date _____

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 26, 2006

SUBJECT: Title change (HCS SB 250(FIN), Work Order No. 24-LS1546Y)

TO: Representative Mike Chenault
Representative Kevin Meyer
Co-Chairs of the House Finance Committee
Attn: Nancy

FROM: Brian J. Kane *BJK*
Legislative Counsel

Enclosed is a draft of the changes you requested for SB 250. However, there is an issue I would like to bring to your attention regarding a title change.

The phrase "and eliminating statutory references to the network on domestic violence and sexual assault" has been deleted at a prior point from the title. This phrase was included in the title when the bill arrived in the second house.

Since this bill is in the second house, a title change cannot be made just deleting the phrase. Uniform Rule 35 sets out the rule in this area, providing in pertinent parts: "A motion or proposition on a subject that requires a change in the title of the bill as enacted in the house of origin, other than a clerical or technical change, is not in order in the second house." At your request, I can draft a title change resolution to go along with the committee substitute for SB 250.

If I may be of further assistance, please advise.

BJK:lmb
06-149.lmb

Enclosure

RO as amended
4-26

24-LS1546G

HOUSE CS FOR SENATE BILL NO. 250(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 4/12/06
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND
AUDIT COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Council on Domestic Violence and Sexual
2 Assault."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 44.66.010(a)(5) is amended to read:

5 (5) Council on Domestic Violence and Sexual Assault (AS 18.66.010)
6 - June 30, 2008 [2006];

*failed
4-4*

CONCEPTUAL AMENDMENT

2

OFFERED IN THE HOUSE
TO: HCS CS SB 250 (STA)

BY: Representative Meyer

1 Page 1, line 2
2 After "Assault"
3 Insert "; and eliminative statutory references to the network on domestic violence
4 and sexual assault"

5
6 Page 1, Insert new section

7 Section 1. AS 18.66.020(a) is amended to read:

8 (a) The council consists of

9 (1) three persons appointed by the governor [AFTER CONSULTATION
10 WITH THE NETWORK ON DOMESTIC VIOLENCE AND SEXUAL
11 ASSAULT, A NONPROFIT CORPORATION; THE NETWORK ON
12 DOMESTIC VIOLENCE AND SEXUAL ASSAULT SHALL SUBMIT
13 A LIST TO THE GOVERNOR OF PERSONS RECOMMENDED FOR
14 APPOINTMENT];

15 (2) the commissioner of public safety or the designee of the commissioner of
16 public safety;

17 (3) the commissioner of health and social services or the designee of the
18 commissioner of health and social services;

19 (4) the commissioner of education and early development or the designee of
20 the commissioner of education and early development; and

21 (5) the attorney general or the designee of the attorney general.
22

23 Page 2, Insert new section

24 Section 2. AS 18.66.020(b) is amended to read:
25

1 (b) The term of office of a member appointed under (a)(1) of this section is two
2 years. A member appointed under (a)(1) of this section serves at the pleasure of the
3 governor and may not serve more than two consecutive terms. A vacancy on the council
4 shall be filled for the unexpired term by appointment by the governor [AFTER
5 CONSULTATION WITH THE NETWORK ON DOMESTIC VIOLENCE AND
6 SEXUAL ASSAULT].

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Renumber the remaining section accordingly.

*adopted
4-26*

CONCEPTUAL AMENDMENT

OFFERED IN THE HOUSE
TO: HCS CS SB 250 (STA)

BY Representative Meyer

- 1 Page 1, line 6
- 2 Delete "2008"
- 3 Insert "2010"
- 4
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HOUSE FINANCE COMMITTEE ROLL CALL

DATE: 4-24

Amendment: Amend. 2 - SB 250

MEMBER

Favor

Oppose

KELLY	✓	
KERTTULA	—	
MOSES		✓
STOLTZE	✓	
WEYHRAUCH		✓
FOSTER	✓	
HAWKER	—	
HOLM		✓
JOULE		✓
	—	
MEYER	✓	
CHENAULT	—	

4-4

Through the Chair

Barbara Mason

House Finance SB 250
Presentation 4-25-06

4-26-06

I would like to thank the committee for giving me the opportunity to inform you all about the Council and the Sunset Audit that was just completed.

Our Mission is to implement a statewide system of services for the protection of individuals and families affected by domestic violence and sexual assault.

- The Council is comprised of seven members consisting of representatives from four state agencies and 3 public members.
 - Janna Stewart is our Chair and a public member,
 - Susan Parkes, is the Vice Chair and represents the Department of Law,
 - Commissioner Bill Tandeske represents the Department of Safety,
 - Barbara Thompson from the Department of Education and Early Development,
 - Bill Hogan, Department of Health and Social Services,
 - Ann House, Public Member
 - and Kim Williams, Public Member

I am very lucky in that this is a Council in which all of the members are very knowledgeable, concerned about the issue, and involved. The members take their participation very seriously and are very responsive. I have learned a great deal from working with with my Council members.

- At each quarterly meeting the Council reviews the reports sent in by the programs and notes concerns raised that are relevant to their departments in order to address the issues. For instance, if a concern is raised about prosecutors, Susan Parkes will follow up within her department. The same holds true for each of the members.
- The Legislative Sunset Audit is a very through audit, which lasts for several months. Its purpose is to determine whether or not the Council serving the purpose for which it was intended.

The auditors thoroughly reviewed several years of the Council's budget and records.

The Council members and staff were interviewed. The programs we fund and their association, the Network, were interviewed.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

When all of the gathered information was analyzed, the recommendation was that the Council is overall meeting our statutory requirements and is providing a public service and should continue.

- There are two recommendations that came out of that audit.
 - The first recommendation states that "The Council should address its statutory responsibilities to consult with the Department of Education and early Development and the Department of Health and Social Services."

actively working on leg. recommendations and if you would like more specifics I would be happy to answer questions

- The Council needed to prioritize and chose to focus primarily on ensuring the continued funding and oversight of the programs and most of our other statutory requirements
- To address those concerns I contacted our Council members from the departments of education and health and social services to start planning what we could be doing in the short term and in the long term to address our statutory mandates.
- I spoke with Barbara Thompson, who represents the Department of Education and Early Development and she told me that her department is developing training modules for their professional staff and one is on domestic violence. I was put in contact with the individuals working on the module and I am currently reviewing the materials on this subject.

The next step is to assess which school districts have domestic violence and sexual assault curricula that are currently being used and which districts have none.

- I also contacted Bill Hogan with the Department Health and Social Services and we decided that the best place to start was to have me attend a meeting with all of their Division Directors. On April 17th I attended their meeting and did a presentation on the Council and our statutory mandates.

Of the Divisions within DHSS, Bill and I have agreed that our first focus is the Division of Health as they are specifically mentioned in statute. We would also like to focus in on the Divisions of Behavior Health and Office of Children Services as we feel that the populations we serve are interconnected.

- The second recommendation proposed by legislative audit concerns the statutory requirement around the Network on Domestic Violence and Sexual Assault.

- There is generally much confusion about the difference between the Council and the Network and I would like to take a moment to clarify some of the differences.

The Council is a governmental agency and one of our main duties is to manage the State and Federal funds to ensure services across the state.

The Network is a private non-profit entity who represents the programs.

These are the same programs that the Council funds.

The Programs pay annual dues to have the Network represent them at the legislature and if there are issues with Council.

The common goal between the two is to provide safety and intervention for those affected by DV/SA

- When the Sunset Audit came out, the Council responded by stating that although we recognized the merit of the Legislative Audit position, we felt that the Network's expertise outweighed any conflict concerns.

Because the Council does represent the public interest
Once the Legislative Audit recommendation made it into SB 250 and Leg. Audit testified about their concerns about the conflict of interest, the Council chose to support the Sunset Audit recommendations, with no disrespect intended towards the Network.

Since the Network can continue to make recommendations to the Governor and the Governor is still free to accept or decline the recommendation, the Council does not feel that the public interest will be harmed if the statute changes.

In conclusion I would like to state that I agree with the Legislative Sunset Audit that the Council provides a much needed public service and operates in the public interest.

*Support Leg Audit recommendations
extending the Council's
Sunset date.*

Alaska State Legislature

State Capitol, Room 102
Juneau, AK 99802
Phone: 465-2689
Fax: 465-3472
Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us



345 W. Sterling Highway
Suite 102B
Homer, AK 99603
Phone: 235-2921
Fax: 235-4008

House State Affairs Committee Rep. Paul Seaton, Chair

Letter of Intent HCS SB 250 (STA)

It is the intent of the Legislature to request the Council on Domestic Violence and Sexual Assault to draft a strategic plan. This plan will assist the Council in fulfilling its statutory mandates at AS 18.66.010 through AS 18.66.990. It will assist the legislature in determining the effectiveness of the Council in addressing this vital concern of Alaskans. This report is to be submitted to the legislature on the first day of the 2007 legislative session. The report should detail the efforts of the Council on following issues:

1. Consistent with the recommendations of the 2005 LB&A audit, the Council needs to consult to a greater degree with the Department of Education and Early Development and develop curriculum on the cause, prevention, and treatment of domestic violence and sexual assault.
2. Also consistent with the recommendations of the 2005 audit, the Council needs to work with the Department of Health and Social Services to develop standards and procedures as required in AS 18.66.300 for the delivery of services to victims of domestic violence by health care facilities.
3. In its Missions and Measures the Council needs to provide updated results and strategies with measurable objectives that will indicate whether the Council is progressing on its objectives.
4. The Council needs to establish a written plan for coordination of departmental responses to domestic violence and sexual assault.
5. The Council is responsible for holding public hearings on domestic violence and sexual assault. The Council needs to establish a plan to ensure continued public input on the state's response to these crimes.

A handwritten signature in cursive script, appearing to read "Paul Seaton".

Representative Paul Seaton, Chair, House State Affairs Committee

COMMITTEE COPY

not taken up

Conceptual AMENDMENT 3 By Kerttula

OFFERED IN THE HOUSE

TO: SB 250

1 Page 1, line 2, following "Assault;":

2 Insert "adding qualifications on the appointment of persons to the Council on
3 Domestic Violence and Sexual Assault by the governor;"

4

5 Page 1, line 7, following "governor":

6 Insert "based on the following criteria:

7 (A) none of the persons may be a state employee of the
8 departments identified in (2) - (5) of this subsection;

9 (B) at least one member must have shown a past interest in
10 and knowledge of the crimes of domestic violence or sexual assault or have
11 experienced or had a family member experience domestic violence or
12 sexual assault; and

13 (C) at least one member shall reside in a rural community
14 in the state that is not connected by road or the Alaska marine highway
15 system to the main road system of the state"

16

17 Page 2, following line 14:

18 Insert a new bill section to read:

19 "** Sec. 4. The uncoded law of the State of Alaska is amended by adding a new section to
20 read:

21 APPLICABILITY. The provisions of AS 18.66.020(a)(1), as amended by sec. 1 of
22 this Act, apply to vacancies among public members of the Council on Domestic Violence and
23 Sexual Assault appointed by the governor that occur on or after the effective date of this Act."

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

replaced
4/26

Fiscal Note Number: 1
Bill Version: SB 250
(S) Publish Date: 3/6/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
Title: "An Act extending the termination date of the RDU Council on Domestic Violence & Sexual Assault
Council on Domestic Violence and Sexual Assault..." Component CDVSA
Sponsor: Legislative Budget and Audit Committee
Requester: Senate Health, Education, Social Services Committee Component No. 521

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other: (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2006) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Passage of this legislation will not have a fiscal impact on the Department of Public Safety.

Prepared by: Special Assistant Cliff Stone
Division: Commissioner's Office
Approved by: Commissioner William Tandeske
Agency: Department of Public Safety

Phone: 907-465-2649
Date/Time: 2/16/06 6:27 PM
Date: 2/16/2006

ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

Representative Mike Chenault
Co-Chairman
(907) 465-3779

Fax: (907) 465-2833

Representative_Mike_Chenault@legis.state.ak.us

145 Main St. Loop #223
Kenai, Alaska 99611



Representative Kevin Meyer
Co-Chairman
(907) 465-4945

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716 W 4th Avenue
Anchorage, Alaska 99501

State Capitol, Juneau, Alaska 99801-1182

MEMORANDUM

DATE: April 25, 2006

TO: Senator Gene Therriault, Chairman
Legislative Budget and Audit Committee

FROM: Representative Kevin Meyer, Co-Chairman *Kevin Meyer*
House Finance Committee

RE: Audit Request-Council on Domestic Violence and Sexual Assault

In consideration of the House State Affairs version of Senate Bill 250 Domestic Violence/Sexual Assault, the House Finance Committee requests the Division of Legislative Audit conduct a follow-up audit to address the outstanding audit recommendations and the concerns expressed in the letter of intent adopted by the House State Affairs Committee.

Specifically, the House Finance Committee requests that the Legislative Budget and Audit Committee direct the Division of Legislative Audit to conduct an audit that addresses the following:

- The degree to which the Council has met its statutory responsibility under AS 18.66.050(3) which is to "*consult with authorities in the field, develop, implement, maintain, and monitor domestic violence, sexual assault, and crisis intervention and prevention programs, including education programs...and school curricula on the cause, prevention, and treatment of domestic violence and sexual assault.*"
- The degree to which the Council has met its statutory responsibility under AS 18.66.050(12) which is to "*consult with the Department of Health and Social Services in the formulation of standards and procedures for delivery of services to victims of domestic violence by health care facilities and practitioners of healing arts and personnel in those facilities as required in AS 18.66.300.*"

- The Council's progress on the development and implementation of a strategic plan and the plan's consistency with its adopted missions and measures and statutory responsibilities.

Further, the House Finance Committee directs the Council on Domestic Violence and Sexual Assault to include in their annual report, required by AS 18.66.300(10), an update on the Council's progress on prior, outstanding audit recommendations made by the Division of Legislative Audit, as well as the development and implementation of a strategic plan.

The House Finance Committee requests that the audit be available to the 25th Alaska State Legislature by January 1, 2008.

Thank you for your consideration of this request.

cc: Janna L. Stewart, Chair, Council on Domestic Violence and Sexual Assault
House Finance Committee members
House State Affairs Committee members

HOUSE CS FOR SENATE BILL NO. 250()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE LEGISLATIVE BUDGET AND
AUDIT COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the termination date of the Council on Domestic Violence and Sexual
2 Assault; and eliminating statutory references to the network on domestic violence and
3 sexual assault."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. AS 18.66.020(a) is amended to read:

6 (a) The council consists of

7 (1) three persons appointed by the governor [AFTER
8 CONSULTATION WITH THE NETWORK ON DOMESTIC VIOLENCE AND
9 SEXUAL ASSAULT, A NONPROFIT CORPORATION; THE NETWORK ON
10 DOMESTIC VIOLENCE AND SEXUAL ASSAULT SHALL SUBMIT A LIST TO
11 THE GOVERNOR OF PERSONS RECOMMENDED FOR APPOINTMENT];

12 (2) the commissioner of public safety or the designee of the
13 commissioner of public safety;

14 (3) the commissioner of health and social services or the designee of

1 the commissioner of health and social services;

2 (4) the commissioner of education and early development or the
3 designee of the commissioner of education and early development; and

4 (5) the attorney general or the designee of the attorney general.

5 * S. 2. AS 18.66.020(b) is amended to read:

6 (b) The term of office of a member appointed under (a)(1) of this section is
7 two years. A member appointed under (a)(1) of this section serves at the pleasure of
8 the governor and may not serve more than two consecutive terms. A vacancy on the
9 council shall be filled for the unexpired term by appointment by the governor [AFTER
10 CONSULTATION WITH THE NETWORK ON DOMESTIC VIOLENCE AND
11 SEXUAL ASSAULT].

12 * Sec. 3. AS 44.66.010(a)(5) is amended to read:

13 (5) Council on Domestic Violence and Sexual Assault (AS 18.66.010)

14 - June 30, 2010 [2006];

Alaska State Legislature

SENATOR
GENE THIERRIAULT
Chair



SESSION ADDRESS
State Capitol
Juneau, Alaska 99801-1182
(907) 465-4797
Fax: (907) 465-3884

Legislative Budget and Audit Committee SPONSOR STATEMENT SB 250

"An Act relating to the termination date of the Council of Domestic Violence and Sexual Assault; and eliminating references to the network on domestic violence and sexual assault.

This legislation stems from recommendations contained in the Legislative Audit Report entitled "Council on Domestic Violence and Sexual Assault Sunset Audit", dated September 23, 2005.

Legislative Audit concluded that the Council on Domestic Violence and Sexual Assault (Council) continues to serve a public need and is operating in the public interest. Accordingly, SB 250 extends the sunset date of the Council to June 30, 2014 for an eight-year extension.

Legislative Audit also recommended that the Legislature amend the Council statutes related to the appointment of Council members. Current law requires the Network on Domestic Violence and Sexual Assault (Network), a non-profit corporation, to submit a list of recommended candidates to the Governor for appointment when a vacancy occurs. Further, statutes require that the Governor fill any unexpired term of a Council member after consultation with the Network.

The Network annually receives a grant from the Council for a legal advocacy project and the appearance of conflict exists when a Council member reviews, evaluates, approves and monitors a grant to the same nonprofit organization that may have been responsible for recommending that individual be appointed to the Council. SB 250 deletes both statutory references that produce this appearance of conflict.

This audit was conducted under revisions made last session to the sunset process. The standard sunset period for occupational boards and non-occupational boards was changed from "not to exceed four years" to "not to exceed eight years". Additionally, to better measure operational performance, two new criteria were added to statute that must be considered in the course of a sunset review by the auditors:

- The extent to which the board, commission, or agency has effectively attained its objectives and the efficiency with which it has operated.
- The extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

INTERIM ADDRESS

119 N. Cushman Suite 101, Fairbanks, Alaska 99701 • (907) 488-0857 • Fax: (907) 488-4271



Alaska State Legislature

Senate Majority Web: www.akrepublicans.org

Sponsor: Rules By Request of LEG BUDGET & AUDIT

Current Version: SB 250

Contact: W. Tom Maher, 465-3613

Fact Sheet for: Senate Bill 250

Short Title: DOMESTIC VIOLENCE/SEXUAL ASSAULT COUNCIL

Summary:

- Extends the termination date of the Council on Domestic Violence and Sexual Assault to June 30, 2014.
- Eliminates statutory references to the network on domestic violence and sexual assault.

Benefits:

- Continues the planning and coordination of full-range services to victims, families and the perpetrators of domestic violence and sexual assault.
- Helps combat domestic violence and sexual assault, an on-going priority at both the state and national level.

Background:

- SB 250 implements a recommendation of Legislative Audit to extend the Council on Domestic Violence and Sexual Assault. It also removes references to the Network on Domestic Violence and Sexual Assault to avoid potential conflicts of interest in the appointment process. The Network receives a grant from the Council and the appearance of conflict exists when a Council member may evaluate and approve a grant to the same non-profit organization that may have been responsible for recommending that individual be appointed to the Council.

States began adopting sunset laws in the 1970s as part of a national movement to increase the accountability of government and to reduce bureaucracy. The routine redetermination of the need for some aspect of government increases the likelihood that government growth is productive and deliberate.

The Challenge: Victim Safety in Alaska

A special report from the Alaska Network on Domestic Violence & Sexual Assault
On behalf of 20 member programs and thousands of Alaskan victims of violence

Safety for Alaskan victims of violence is at risk.

The Issue:

Alaska's Domestic Violence and Sexual Assault services are in crisis. Alaska leads the nation in sexual assault, homicides of women and child sexual assault while victim programs are going broke. Decreasing state funds, only small increases in federal funding, limited grant funding for operations and increasing competition for community contributions leave Alaska programs running "in the red" at a time when demand is at an all time high.

Alaska Stats – Way Too High:

- Child sexual assault 6 times the national average
- Rape rate 2.4 times the national average
- Highest rate in the U.S. of men murdering women
- Among the top 5 states in per capita rates of domestic violence
- Over 11,000 Alaskan women and children received Network program services to escape from violence in FY2005
- Over 6,000 incidents of domestic violence were recorded in FY2005



OUR GOAL
*Safety for all
Alaskans*

What do Network programs do to serve Alaskans?

- Save lives
- Respond to over 11,000 crisis calls a year
- Break down isolation of victims and their children
- Provide a safe and healthy environment for victims of violence
- Prevent homelessness
- Help people live free of violence and with hope for their families
- Connect victims and their children with essential needs: housing–employment–child care
- Facilitate victims' access to the protections of Alaska's legal system
- Educate professional groups, community members and children
- Work with communities to end domestic violence and sexual assault
- Prevent future generations from experiencing ongoing abuse

Why are costs increasing?

- More recipients are being served – 41% increase since 2001 (6,500 to 11,000)
- Nights spent at shelters and safe homes increased 58% (50,000 to 73,000)
- Facility costs are up –utilities by 15%; insurance & bonding by 30%
- Costs of helping victims travel to safe shelter are up 44%
- Costs of fuel, workers' compensation, payroll taxes and insurance are continuing to increase operational expenses

What about the funding?

- Federal and state funding for victim programs from the Council of Domestic Violence and Sexual Assault has only increased 4% in the last 5 years
- Some Network programs were saved from closure by increased funds for FY2006 operating expenses; the increase came from a minimal 3% overall budget increase and by "defunding" two programs, Victims for Justice and Emmonak Women's Services
- Maniilaq Family Crisis Center lost all their funding from Dept. of Health and Social Services and did not received Council funding in FY2006

What are programs doing to cope with the challenge?

- Reduce staff and/or hours
- Cut wages, health insurance, and pension plans (in turn leading to higher staff turn over – 60% in some agencies due to low wages and lack of other benefits)
- Reduce paid holidays, sick and vacation leave
- Apply for all possible grant funding (although most other grant funding cannot be used for operating costs)
- Increase requests for donations, municipal and in-kind supports

What is needed to continue basic safety and support for victims?

- 20% increase (from FY06) to cover shelter and advocate services \$1,439,260
- Fund Emmonak Women's Shelter (FY06 request-not funded) 228,290
- Fund Maniilaq Family Crisis Center (FY06 request-not funded) 354,922
- Total Basic Need \$2,022,472

What will happen with no increase in funding?

- Rural services for women and children are at risk of closure
- Services will be curtailed – advocacy services will be cut, including support to secure housing, child care and employment necessary to support victims' ability to be safe and financially independent of both their abuser and assistance programs
- Homelessness of at-risk women and children will increase
- Transportation to safety from villages/small communities will be reduced, leaving women and in dangerous and life-threatening living situations
- Children will continue to live in abusive environments, putting them at risk for chronic health problems, entry into the child welfare and/or juvenile justice system, and increasing the chance that they will continue the cycle of violence as adults

Why invest in services for Alaskan victims of violence?

- Save lives of women and children
- Help keep children out of the child welfare and juvenile justice system
- Relieve pressure on the law enforcement system
- Support victims to be economically stable, working and living healthy lives
- Reduce costs to justice and corrections systems
- Build healthy communities



*Peggy Brown, Executive Director
(907) 586-3650*

Council on Domestic Violence and Domestic Assault (CDVSA)

FACT SHEET

(February 2006)

The Mission of the Council on Domestic Violence and Sexual Assault is to implement a statewide system of services for the protection of individuals and families affected by domestic violence and sexual assault.

The goals of CDVSA are threefold;

- **Manages the State and Federal funds to programs that provide services to those affected by domestic violence, sexual assault, and other violent crimes.**
- **Coordinate with the Departments of Public Safety, Law, Education and Early Development, Health and Social Services, Alaska Court System and community groups dealing with domestic violence, sexual assault, crisis intervention and prevention.**
- **To provide statewide leadership and coordination in addressing the issues of domestic violence, sexual assault, and meeting the needs of victims of violent crimes.**

In order to address the mission and goals, CDVSA:

- **Coordinates services with the Departments of Law, Education, Public Safety, Health and Social Services, and other state and community groups dealing with our identified population.**
- **Manages the funds received from the State of Alaska and the Federal Government.**
- **Distributes funds through a Request for Proposals (RFP) process to the providers.**
- **Oversees and audits the funded programs.**
- **Administers the state certified Batterer Intervention Programs (BIPS).**
- **Provides training on issues of domestic violence and sexual assault to government agencies and to communities.**
- **Uses a proprietary database to capture information from funded CDVSA programs.**
- **Conducts public meetings on a quarterly basis.**

There are seven members on the Council board, designated by state statute, and currently eight staff members.

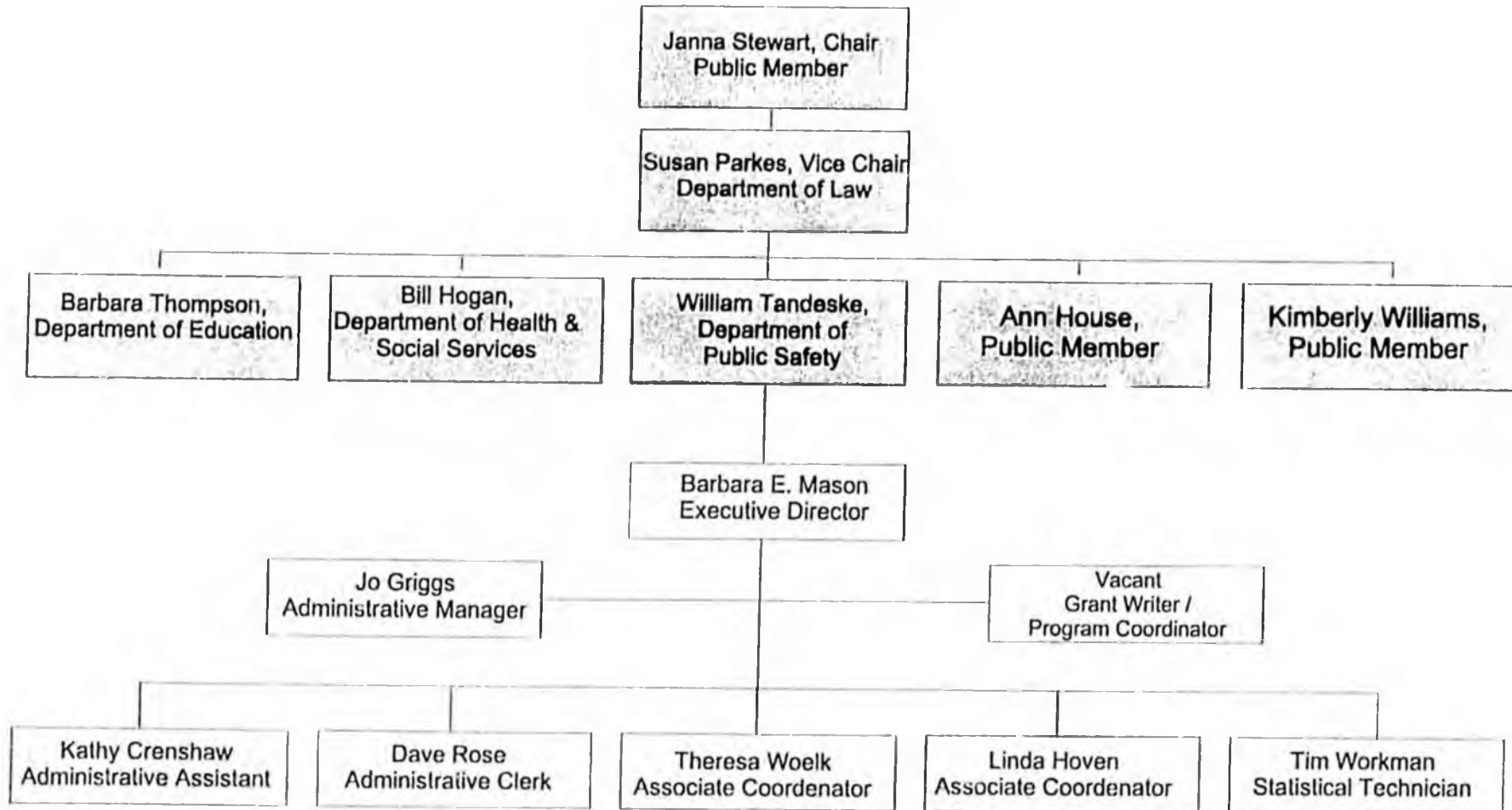
Council Members

Janna Stewart , Chair, Public Member
Susan Parkes, Department of Law, Vice Chair
Bill Tandeske, Department of Public Safety
Barbara Thompson, Department of Education
Bill Hogan, Dept. Health & Social Services
Ann House, Public member
Kimberly Williams, Public Member

Council Staff

Barbara E. Mason, Executive Director
Linda Hoven, Associate Coordinator
Theresa Woelk, Associate Coordinator
Jo Griggs, Admin Manager
Kathy Crenshaw, Administrative Assistant
Tim Workman, Statistical Technician
David Rose, Administrative Clerk
Sherrie Goll, GTEA Coordinator
Vacant, Grant Writer/Program Coordinator

**DEPARTMENT OF PUBLIC SAFETY
COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT
FY 2006**



CDVSA, FY 2006 Budget

	Total	Programs Victim & BIP & Other Services*	CDVSA
Interagency Receipts			
DHSS SAP/RPE	107,981.00	88,822.00	19,159.00
DHSS TANF	550,000.00	550,000.00	0
DHSS Alcohol	367,200.00	367,200.00	0
DOC (BIP)	68,500.00	0	68,500.00
DOC (PBIP)	106,200.00	98,200.00	8,000.00
PFD Criminal Funds	2,585,600.00	2,585,600.00	0
Federal			
VOCA	1,311,290.00	1,252,000.00	59,290.00
FVPSA	750,567.00	687,686.00	62,881.00
VAWA	759,000.00	721,100.00	37,900.00
GTEA/Safe Havens	294,966.00	250,966.00	44,000.00
General Funds	2,306,700.00	1,719,492.00	587,208.00
	<u>Totals 9,208,004.00</u>	<u>8,321,066.00</u>	<u>**886,938.00</u>
Denali Commission Project	10,509.00	0	10,509.00
	<u>Totals 9,218,513.00</u>	<u>8,321,066.00</u>	<u>897,447.00</u>
Unrealized I/A Auth.	113,519.00	0	0
Unrealized Fed. Auth.	324,068.00	0	0
	<u>Total 9,656,100.00</u>		

*Other Services included VAWA, Training, and Safe Haven Programs

** This is 9.6% of the total funds received from state and federal sources.



State of Alaska
Department of
Public Safety

Frank H. Murkowski, Governor
William Tandeske, Commissioner

February 21, 2008

The Honorable Senator Gene Theriault
State Capitol
Room 119
Juneau, AK 99801-1182

Dear Senator Theriault:

Thank you for the opportunity to comment on proposed amendments to SB250 extending the sunset date for the Council on Domestic Violence and Sexual Assault (CDVSA). The Department of Public Safety (DPS) supports the extension of CDVSA to June 30, 2014 as proposed.

As to proposed amendments, I offer the following comments:

DPS does not oppose removal of the requirement that the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) be consulted by the Governor prior to public member appointments.

DPS does not oppose the designation of one public member position being from a rural area; however, the exclusion of small communities served by the marine highway system but not a traditional road seems overly restrictive. DPS has advocated for a representative from rural areas on the council as seen in the most recent appointment of a resident of Dillingham.

DPS opposes the designation of the two remaining public member positions to a survivor, counselor, or advocate and an expert in domestic violence and sexual assault program service delivery.

The staff of CDVSA and the programs funded through CDVSA bring those qualities to the day-to-day operations and discussions. Public involvement in government is essential. Public members with a wide variety of life experience are valuable to any board or commission. The proposed changes overly restrict the appointment of qualified and interested citizens. Further, the checks and balances of the current process would be eroded by the mandatory inclusion of public members that are from the precise disciplines funded through the CDVSA.

DPS opposes the addition of the executive director of the ANDVSA as an ex-officio, non-voting member of the council. I believe it is critical for the CDVSA to maintain objectivity and keep the programs they are responsible for evaluating and funding at a professional "arms length." The executive director of ANDVSA is employed by the programs funded through CDVSA. Although CDVSA and ANDVSA must work closely together at an operational level, the inclusion of the ANDVSA executive director at the council level is inappropriate.

DPS opposes the proposed prohibition of state employees serving as public members. There are excellent candidates for the council who also happen to be employed by the state. An alternative to the

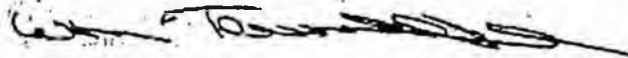
The Honorable Senator Gene Theriault
February 21, 2008
Page 2

current proposal may be to prohibit appointment of a PX or EX official other than the four designated in statute. That would allow qualified state employees who have interests in domestic violence and sexual assault issues to volunteer their services. CDVSA has had a number of highly motivated and productive public members who were state employees. It would be unfortunate to lose a candidate because of their unrelated employment.

As I have evaluated the proposed amendments to SB 250, I have tried to consider a number of questions, including: What needs to be fixed? How will these changes make the Council better? I am concerned that a number of the proposed changes will not improve CDVSA and only raise more challenges.

The views I am expressing are those of DPS and not the CDVSA, of which I am a member. I appreciate the opportunity to provide comments. As always, I am available to discuss this with you or your staff should you wish.

Sincerely,



William Tandeske

cc: Jana Stewart, CDVSA Chair
Barbara Mason, Executive Director, CDVSA



State of Alaska
Department of Public Safety
Council on Domestic Violence & Sexual Assault

Frank H. Murkowski, Governor
William Tandeske, Commissioner

December 21, 2005

Pat Davidson
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, Alaska 99811-3300

RE: Preliminary Report Response, Council on Domestic Violence and Sexual Assault.

Thank you for the opportunity to respond to the findings and recommendations of the November 2005 audit.

The Council agrees with Recommendation No. 1, and has already entered into discussions with the Department of Education and Early Development (DEED) about developing a closer working relationship consistent with the statutory mandate. In our initial contacts, for example, we determined that several years ago DEED collaborated with the Council on statewide teacher training. Currently DEED is developing modules on domestic violence and sexual assault (DVSA). DEED and the Council have already established a process for the Council to be included in reviewing those modules. We will collaborate through meetings, teleconferences, work groups, and other avenues as appropriate.

Regarding Recommendation No 1 and the Department of Health and Human Services (DHSS), the Council has begun targeted discussions regarding the interface between the DHSS programs and DVSA issues. Many of the DHSS program areas assist individuals and families with multiple problems including DVSA as it impacts families, children, and elders. In reviewing potential areas of coordination and planning, we have identified some areas that should provide for fruitful collaboration, including the development of program staff training and the possibility of requiring relevant training for service providers under contract with DHSS. We will continue to coordinate through teleconferences, meetings, and workgroups, as appropriate, to assess and prioritize the impact of DVSA issues within DHSS.

Regarding Recommendation No. 2, while the Council recognizes and understands the merit of this issue, it is important to note that the Governor is not bound by any recommendation made by the Alaska Network on Domestic Violence and Sexual Assault (Network). Because of this safeguard, the Council believes that obtaining input from the Network, which has significant knowledge and expertise, outweighs any limitations or theoretical conflicts.

Finally, in general, the Council continues its strategic planning efforts, continues to explore grant and foundation funding for statewide domestic violence and sexual assault programs, and continues to strengthen and develop its own personnel and office resources.

We appreciate the work of the Division of Legislative Audit and look forward to working with you in the future.

Council on Domestic Violence & Sexual Assault
P.O. Box 111200 - Juneau, AK 99811 - Voice (907) 465-4356 - Fax (907) 465-3627

Sincerely,

Janna L. Stewart
CDVSA, Chair

Cc: CDVSA Board Members

Council on Domestic Violence & Sexual Assault
P.O. Box 111200 - Juneau, AK 99811 - Voice (907) 465-4356 - Fax (907) 465-3627

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110607
 JUNEAU, ALASKA 99811-0607
 PHONE: (907) 485-3030
 FAX: (907) 407-3068

February 22, 2006

Senator Gene Theriault, Chair
 Senate Legislative Budget and Audit Committee
 State Capitol, Room 119
 Juneau, AK 99801-1182

Dear Senator Theriault:

Thank you for giving me the opportunity to comment on proposed changes to SB 250. As you know this bill extends the sunset date for the Council on Domestic Violence and Sexual Assault (CDVSA) to June 30, 2014. The Department of Health and Social Services (DHSS) supports this proposed extension.

However, DHSS does have some concerns regarding proposed changes or amendments.

- (1) DHSS recognizes the importance of maintaining a positive working relationship with all of the members of the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) as well as the many other stakeholders that make up the domestic violence and sexual assault "services" system in Alaska. Because this system includes not only services for victims but other organizations such as the police, hospitals, programs for batterers, mental health and substance abuse providers, etc. we do not support a single group (ANDVSA) being identified in statute as having "exclusive" consultative authority re: appointments to the CDVSA.
- (2) DHSS supports the designation of one public member position being from a rural area. We think it's vitally important the Council is provided with a "rural perspective" when making programmatic and fiscal decisions. DHSS, however, does not support the overly restrictive language in the proposed amendment.
- (3) DHSS does not support the designation of a survivor, counselor or advocate for the two remaining public member positions. As indicated under number one (1), our system is much broader and therefore we should not "restrict" membership to these specific "categories" of individuals. In all likelihood there are people in the business community, as well as in the broader health and social services community, who have an interest in preventing and dealing with domestic violence and sexual assault.
- (4) DHSS does not support the addition of the Executive Director of the ANDVSA as an ex-officio, non-voting member of the CDVSA. This appears to create a potential "conflict of interest". Since the council makes recommendations for funding member agencies of ANDVSA, it would be inappropriate for the Executive Director of ANDVSA to be involved in these or decisions.

● Page 2

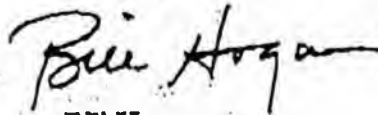
February 22, 2006

(5) DHSS does not believe there should be a prohibition against state employees serving on the council. As suggested under number three (3), there are individuals both in the private and public sector (i.e. state employees) who would be excellent candidates for the council. I don't believe we should restrict our pool of qualified and committed potential council members.

In conclusion, I hope this provides the Department of Health and Social Services perspective on SB 250. We support the extension of the sunset date to June 30, 2014, but have several concerns and reservations about the proposed changes or amendments to the bill. These have been articulated above.

If you wish clarification or want to discuss this further please let me know.

Sincerely,



Bill Hogan,
Deputy Commissioner
Board Member CDVSA

BH: dj

cc: Senator Fred Dyson, Chair, Senate Health, Education and Social Services Committee
Janna Stewart, CDVSA Chair
Barbara Mason, Executive Director, CDVSA