

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

10151 SENATE STATE AFFAIRS

# Revitalizing Education

## THE MORAL AND ECONOMIC CASE FOR COMPETITION

Address by TED FORSTMANN, *Senior Partner, Forstmann Little & Co. Chairman & CEO, Children's Scholarship Fund*  
Delivered to the Economic Club of Detroit, Detroit, Michigan, October 12, 1999

**T**hank you, Ken, for that introduction. As many of you may know, Lear was for a brief time under Forstmann Little ownership — and while we do what we can to improve our acquisitions, obviously the best thing we ever did for Ken was to sell his company, because he's gone on to become a gigantic success.

There's no way I can acknowledge everyone here I'd like to, but I should point out that the Children's Scholarship Fund was able to greatly expand the number of children we helped here in Detroit thanks to matching funds provided by Cardinal Maida and also CSF board member Dick DeVos. Both have a history of involvement with education, not just here in Detroit, but in Dick's case, around the country. I'd also like to thank the people here who founded Pathways of Hope for their cooperation and support in our local effort.

Finally, I'd like to recognize perhaps the most important donors in this room, the parents of these children. Because remember, our scholarships are partial scholarships — and could not have been used without significant financial contributions made by the families themselves. I met with some of these parents, their children, and teachers this morning at the Cornerstone School. Principal Ernestine Sanders is here with some of her flock — she is an amazing woman, an inspiration to her students, and also to me.

When I accepted the invitation to address this prestigious gathering, I was faced with a dilemma. Should I stick to economics? Or should I focus on the question that has increasingly absorbed my energies in recent years: how to revitalize American education, particularly for those children trapped in dangerous, failing schools?

The more I thought about this, the more I really had no dilemma at all. I had already concluded that what works in every other sphere of life would, of course, work in education as well. The apologists for the status quo want you to believe that education exists in its own special bubble — immune from what we know about other areas of life, exempt from the laws that govern the rest of reality. And amazingly, they have gotten all of us to buy into this.

I am here today to try to pop that bubble. For the sake of new ideas, new opportunities, and new advances in education that could — but cannot now — be conceived. And far more importantly for the sake of children who are suffering — and needlessly so. But first, by way of background, let me tell you how I came to recognize the bubble for what it was.

Two years ago I teamed up with John Walton to offer 1,000 partial scholarships to students in Washington, D.C. After just a couple of months, with virtually no media coverage or advertising, we had received nearly 8,000 applications. Confronted with this huge demand, we decided to go national: together we put up \$100 million to fund 40,000 scholarships, and the Children's Scholarship Fund was born.

Frankly, I'd never done anything like this before, and was learning as I went along. Throwing a lifeline to kids trapped in

bad schools seemed like a good idea to me, but would others be willing to brave the inevitable controversy and join our cause?

I soon found out. Those who stepped forward to join our efforts range from civil rights leaders such as Andy Young, Martin Luther King III and Dorothy Height — to national leaders such as General Colin Powell, White House Chief of Staff Erskine Bowles, Barbara Bush, and both the majority and minority leaders of the U.S. Senate, Trent Lott and Tom Daschle — from sports and entertainment figures, such as baseball legend Sammy Sosa, actor Will Smith, Michael Ovitz, Bob Johnson of Black Entertainment Television and MTV's president, Tom Freston — from business leaders such as Rupert Murdoch to Jim Kimsey, founder of America Online — just to name a few.

Soon we had raised \$70 million to match our initial investment — and with this we set up programs in 40 cities and three entire states. As calls poured in I thought, "why limit our scholarships to just these local programs?" We worked through the logistics, came up with another \$30 million, and on the Oprah show we made our scholarships available to every single low income family in the United States of America.

Yet nothing, not even our experience in Washington, D.C., could have prepared us for the explosive level of demand we were to face. By our March 31st deadline we had applicants from all 50 states — from 22,000 cities and towns across America. In many areas huge blocks of the eligible population applied: 29% in New York; 30% right here in Detroit; 33% in our nation's capital; in Baltimore, MD 44% of the eligible population applied.

In total we received one million two hundred and fifty thousand applications. That is an almost inconceivable response — made even more so when you remember that this is only from people who heard of our program.

As I mentioned earlier, these are partial scholarships as parents must contribute an average of \$1,000 per year and all the applicants are low-income. For example, the average income here in Detroit was just over \$17,000 a year. Now consider this — \$1,000 over four years from the parents of 1.25 million adds up to \$5 billion. Five billion dollars from families who have very little — simply to escape the government delivery system that they've been relegated to and to obtain a decent education for their children.

More eloquently than any expert, more powerfully than any politician — these parents have made the moral case for greater choice and opportunity in education. My immediate reaction was: let's do it again. Let's raise enough money to fund another 40,000, or 80,000 or as many of the 1.25 million as we can.

But with a sinking heart I remembered the research we had done on capacity in private schools that presently exist — and realized that even if we raised ten times as much money to fund ten times as many scholarships, the hard truth was that, right now, the seats simply don't exist.

Why? Why are there no alternative sources of supply? K-12 nationally is a \$400 billion a year enterprise. Why are no suppliers rushing forward to cater to families who are dissatis-

fied with the quality of education they are currently receiving — and eager for alternatives? In other words, in a free country like America, with such obviously large demand, why aren't there a multitude of competitive providers?

The answer is barely whispered, but very obvious. We are dealing with a government sponsored monopoly. Any system that can demand — indeed enforce — a 90% market share surely qualifies as one. And there has always been a broad consensus in America — even long before the Sherman Anti-Trust Act came along — that monopolies produce a bad product at a high price. This one is no exception.

Despite a fourteen-fold increase in inflation-adjusted spending since 1920, despite longer school years, despite a doubling of teachers' salaries and dramatic shrinkage of class sizes in the past 50 years alone — a quarter of young Americans have little to no grasp of written English, test scores have stagnated or declined, international rankings are beyond embarrassing, and census data show that public schools have become the second most likely place in America for a violent crime to be committed.

Would parents and students — the consumers — like alternatives to the defective product I've just described? Yes, of course they would — as our lottery dramatically demonstrated. But no matter how unhappy they are with their current situation, the bottom line is that most parents simply cannot afford to pay twice for education — first in the form of taxes, then in the form of tuition.

That's a big sacrifice — especially for low-income parents — and one which many families are unable to make. So this is how the monopoly controlling American education is able to tilt the playing field and prevent quality alternate suppliers from entering the market.

Who would benefit if there were multiple sources of supply and parents could seek a good education wherever it could be found? Two groups for sure: those who are currently deprived of a good education, and those who could provide it. So what would be so wrong with opening things up — normalizing matters so that education would look more like the rest of America — letting parents have new options, and giving new high-quality suppliers the chance to compete?

We know there is a moral case for choice and competition — made most dramatically by the parents of 1.25 million applicants to the Children's Scholarship Fund. We know there is an economic case — made by centuries of bad experience with monopolies, and good experience with the creativity of free markets, never more evident and exciting than today. So what could possibly even be the arguments against competition and choice?

Most of them are well-worn, but as pressure for change grows, we're bound to hear them repeated with increasing frequency and exaggeration. So let's review them; they fall roughly into three categories: policy, history, and law.

The policy argument essentially claims that if we just keep plugging away at the same old failed solutions — spend more money, hire more teachers, and reduce class sizes — we will somehow get different results. In the meantime, what happens to the child? To people who want to maintain the status quo, this is not the primary concern. The primary concern is not what happens to the child if he is forced to stay — but rather what happens to the system if he is free to leave. By their reasoning, no matter how bad the situation gets, we must not help the child to leave, lest in leaving he makes a bad situation worse. So we must ask: Does the child exist to serve the system, or does the system exist to serve the child?

Even if this reasoning were not so morally repugnant, it is economically absurd. Will choice "destroy public education?" Did competition from Toyota "destroy" General Motors?

Has competition from Compaq, Dell and Apple "destroyed" IBM? Of course not. Everyone of you sitting here today knows that there has never been an industry, a company, or a product that competition has not improved.

By the way, speaking to my Democratic friends, I must ask them: what monopoly in history has ever been "reformed" by allowing it to raise its prices, hire more employees, build more office space, or require its customers to wear uniforms?

The second front against choice is advanced on historic grounds. It runs as follows: America may have been built on competition, but it was also founded upon public education — and as such it must be considered an underpinning of our democracy and reflection of our Founders' deepest ideals.

The problem with this argument is that it is a total and complete falsehood. Our Founders, that is to say, Washington, Jefferson, and the rest, were wholeheartedly opposed to a government system of education. In fact, the government delivery system we now have, and now call "public education" wasn't established until roughly 100 years after our country's founding. The system it replaced — the system of education our country was founded upon — was characterized above all by diversity, competition and choice. Not only did it arguably produce some of the greatest Americans of our history, the most basic measure of achievement — literacy — was very high, in many states higher than it is today. From our Founders down through the years, right down to this year and those of us in this room — we all want to educate the public. That is a very different proposition than our simply accepting the government delivery system that we, by long and erroneous habit, now refer to as quote-unquote "public education".

Deprived of precedent and principle, the final argument against choice claims: it's against the law. Since some children might flee to the inexpensive option of parochial schools, we're told this would represent an unconstitutional establishment of state religion. This argument holds true if, and only if, you take one thing out of the picture: the parent. Indeed, the Wisconsin Supreme Court recently upheld the constitutionality of a voucher program in Milwaukee on the grounds that it was parents — not the state — who were doing the choosing. Because the public funds are filtered through parents choosing what's best for their children, the court ruled that such programs operate primarily for the "benefit" of children, not religious schools. Indeed, if the above argument were correct, no servicemen returning from the Second World War could have attended Notre Dame, or Brandeis, or Southern Methodist University under the GI Bill.

So I hope you can see what a red herring that is. But the really important point is that as long as the current monopoly is allowed to shut out competition, the only choices poor parents will be able to afford are the very ones legal critics of choice object to: nonprofit, religious schools. This is truly a ridiculous result. In an open, competitive environment — who knows where the schools will come from? Might be Microsoft, or IBM, or education entrepreneurs or National Geographic, or the Museum of Fine Arts or any number of universities or colleges.

Who knows — it might be any of you here today. Remember, this is a \$400 billion potential market — virtually twice the size of the telecommunications market today in which multi-billion dollar mergers have become an everyday occurrence.

And yet, you might ask: how do we get there? How do we get from the current model — where there are no decent options except for those who can afford to move to the suburbs, or pay for education twice in the form of private schools — to the model I am talking about, where decent options proliferate, not for the few, but for everyone? How do we address the economic and political challenge, of moving from a monopoly to a truly open environment — while also addressing the moral challenge of ensuring equal opportunity for all?

Well, it's really not as hard as you might think. You need many choices for the consumer, and you need freedom of choice by the consumer, together with his ability to pay for those choices. Suppliers will provide choices, will enter the marketplace, when there's a financial opportunity — and the way we pay for education will have a bearing on that.

Now, there are two schools of thought about what's the best way to pay for education. The first says let people keep their own education tax dollars and use the extra funds to purchase education services for their family. The advantage to this is that by investing their own money in their children's education, parents have a personal stake in making sure they get their money's worth. This, by the way, is one of the reasons we at CSF give partial scholarships, and ask the parents to make up the rest — we feel that encouraging parental investment, and therefore involvement in their children's education, is that important. However, the disadvantage to the pay-your-own-way approach is that it raises serious concerns about how the poorest families would be able to afford to pay. At best, they might be able to rely on charity. But personally, I don't think that the best system is one in which poor kids have to rely on someone like me to get a decent education.

We now fund education through taxation. And I feel this is probably the fairer method as long as parents can use their share of education tax dollars to seek the best possible education for their child, wherever it may be found. With this approach we are committed to the principle that all children, regardless of their parents' background or income level, should have access to a decent education.

I believe that with a multiplicity of choices and the providers competing for and catering to their customers, there would be a huge surge of parental involvement — certainly far more than currently exists, or is even allowed, under the government monopoly. More fundamentally, I favor this approach because, as a big believer in equal opportunity, I do not want to take any chances on leaving any children behind.

In the model I'm talking about, in the world I see, government serves as an education provider only when it can compete effectively, but universally as a kind of ATM machine, helping give parents the means to seek the best possible education for their children, wherever they wish. So to re-emphasize, because we pay for education through government taxation, it is not inevitable that government be the only supplier of the product. Indeed, by setting the government up as monopoly supplier of the product, we have created a system of monstrous inequality — with the gap between the have's and the have-not's as wide as the world separating Andover High School in Bloomfield Hills and Kettering High School on Van Dyke Road.

As I said previously, we are all in favor of educating the public. But we should certainly not think of the government monopolistic model of education as sacrosanct. Systems — in and of themselves — are not sacred. But children are. And if the system is failing to serve the children — then we should change it.

Now, at the outset of my remarks, I said that the monopolistic model has come to be accepted out of long mental habit. And so at first it may be hard for some people to imagine a new system. But the mental habit I am asking you to break is the selective application of truth. It's a truth that monopolies hurt consumers. It's a truth that competition has revolutionized one industry after another, has liberated the creative energies of our citizens, and has made America the envy of the earth. To pretend that these truths do not apply to that most crucial endeavor — the education of our children — is more than irrational, it is really very wrong.

The last weapons in the public education monopoly's arsenal are fear and prejudice disguised as concern for the welfare of the disadvantaged. Thus its leaders insinuate, in politically correct terms of course, that poor and minority parents won't make good decisions when it comes to their children's education. This argument not only underestimates America's struggling families, but it also undermines the central value that makes this country great — freedom. In America, we should have faith in the ability of ordinary, often humble people to make the best decisions, by their own lights, for themselves and for their families.

We must not let mental inertia, specious arguments, or current versions of political correctness stand in the way. For the sake of all our children, and the future that rests upon them, we should do something about this — and do it now.

## 21st Century Medicine

### IMPROVING QUALITY THROUGH PARTNERSHIPS

Address by NANCY W. DICKEY, MD, *Immediate Past President, American Medical Association*

*Delivered to the 1999 Annual Conference, Chicago, Illinois, October 3, 1999*

Good afternoon. And thank you for inviting me to join you today. It's a great pleasure to be able to come here — and to share some thoughts with you on the physician perspective — about quality care. About the future of medicine. And about managing risk for our professions and

our patients.

Today, I'm going to talk about ways that we can all work together to make health care not only better — but safer — for all concerned.

But first, I want to talk about something else — some-

[WSF People](#)[Board & Staff](#)[Donor Honor Rolls](#)[Student Honor Rolls](#)

## Theodore J. Forstmann

*Donor,  
Chairman Emeritus*



Theodore J. Forstmann is co-founder and senior partner of the private investment firm, Forstmann Little & Co., and an outspoken champion of expanding opportunity and economic growth.

In 1997, Mr. Forstmann pledged \$3 million to the Washington Scholarship Fund and became Chairman of the Board of Directors.

Mr. Forstmann is a pioneer of the leveraged buyout. His firm has invested over \$13 billion in 22 acquisitions since its founding in 1978 and has compiled an unmatched record of investment performance. As a passionate defender of free markets and free peoples, Mr. Forstmann is a frequent speaker who has written numerous op-ed pieces for such publications as the *Wall Street Journal* and *New York Times*.

Forstmann Little's best-known acquisitions include Gulfstream, NextLevel Systems, Ziff-Davis Publishing, Community Health Systems, Dr Pepper and Topps. The firm currently has almost \$5 billion in committed capital for future acquisitions.

Mr. Forstmann is Chairman of Gulfstream Aerospace and serves on the board of directors of NextLevel Systems and Community Health Systems.

Mr. Forstmann is committed to numerous philanthropic interests and devotes much of his time and energy to helping children. As a director of the International

Rescue Committee, he has made several trips to Bosnia and created and funded a medical program that provided care for thousands of war-injured children. He is a director of the Nelson Mandela Children's Fund and has devoted substantial time and effort to this organization, which seeks to alleviate the plight of the millions of street children in South Africa. Here at home, he is co-founder with Andrea Jaeger of the Silver Lining Ranch in Aspen, Colorado, which serves children with cancer and other life-threatening illnesses. Mr. Forstmann also founded the Boggy Creek Gang Camp, a year-round camp for chronically ill children, with General Norman Schwarzkopf and Paul Newman. Together with two of his brothers, he co-sponsors the Huggy Bear Invitational Tennis Tournament, an annual event which contributes over \$61 million a year to various other children's charities. Lastly, Mr. Forstmann is also a director of the Inner City Scholarship Fund in New York, which educates over ten percent of the inner-city children there.

Mr. Forstmann, 57, is a graduate of Yale University and the Columbia School of Law.



# NEA-ALASKA

*Affiliated with the National Education Association*

## SJR 26 NEA-Alaska Position Statement

NEA-Alaska is opposed to any attempt to change the Constitution of the State of Alaska that would allow for any public funds to fund either directly or indirectly, private, religious or related home school instruction.

Article VII, sec. 1, Constitution of the State of Alaska states, "no money shall be paid from public funds for the direct benefit of any religious or other private educational institution." The framers of the Constitution spent many hours in debate over this section of the constitution. The debate was not over whether to allow public funds to be spent on private and religious education, but on how the Constitution might be even more prohibitive to this type of expenditure. Clearly the founders wanted public accountability for the expenditure of public monies.

At a time when the State of Alaska is faced with a deficit and some argue an uncertain future, a voucher proposal extending public funding to children enrolled in private and denominational schools and related home schools is an extravagance we cannot afford. Our schools are not adequately and equitably funded now. The Foundation Program has been recommended for a \$19.17 million reduction and the reforms demanded by testing at grades 3, 6, 8 and 10<sup>th</sup> grades are approximately \$27 million underfunded.

At a time when our public schools are required to meet new educational standards for teaching and learning, plus requiring students to pass difficult graduation examinations weakening educational opportunities of public school children by diverting fiscal resources from public school classrooms to private and related home providers is counter productive. Taking money away from these efforts and giving it to students who aren't required to meet similar standards, pass tests or improve learning is inconsistent with the legislature's quality school initiative embodied in SB 36. Giving public money to private and home schools that have no accountability to the public or have no requirement to meet quality school standards is a poor exercise in fiscal and instructional responsibility.

How much will the result of this proposed amendment cost? In 1998, a year for which data exists, there were 144,773 children between the ages of 5 and 17 of which 133,507 were enrolled in public school, central correspondence or Mount Edgecumbe. There were over 11,266 school age children not enrolled in public schools. These children are either being educated at home, or are enrolled in private or denominational schools or are simply not being educated.

It would cost \$44.4 million to give 11,266 students a voucher the equivalent of the Base Student Allocation (\$3,940). If the voucher is increased because of the other variables that determine state aid – School Size Factor, District Cost Factor and Special Needs Factor – the expense spirals upwards radically. In comparison, during the 1996 legislative session, \$26 million was provided districts under SB 36 of which \$13.2 million was distributed to schools to address adverse effects of the school size table, definition of schools and the district cost factor.

Costs could go up even further if vouchers serve as an incentive for parents to remove their children, who are enrolled in the public schools, and enroll them in either a home school or private school. The number of students who may fall in this category is unknown. However, if a student exits the public schools for home or private education with a voucher in his or her pocket, public schools will lose funding. The fixed costs of operating a school and staffing a school will continue; however, each departing student will reduce a school district's Base Student Allocation.

Which school districts will be impacted the most by cash vouchers – urban or rural? In 1996-97, the last year home schools reported enrollment, 986 students attended 483 home schools according to a Department of Education report. Approximately 82% of the home schools were located in urban settings while the balance of 18% were in rural settings including communities like Nome, Sterling, Willow and Chevak. In 1998-99, of those private religious schools reporting, 65% of private religious schools were in urban areas with 86% of the reported total statewide enrollment for private religious schools. In 1998-99, of the only eleven private non-religious schools reporting, 73% were in urban areas with 83% of the reported total statewide enrollment for private non-religious schools. Given this distribution of home school and private enrollment, vouchers will have the greatest impact on urban schools where the largest number of home and private schools exists. If new funding is not appropriated for a vouchered education instead of a public education or if current funding is diverted from public classrooms to pay for the voucher, urban schools will be hurt most.

Will the state be asked to pay for the transportation costs for those who would use a voucher scheme? A significant barrier for low-income families seeking greater choices for their child's education is lack of transportation. Many families do not have the means to provide transportation for their children to attend other public school alternatives, let alone private schools. A voucher at first blush is a greater benefit to those who educate at home. That certainly has been the case in other states. Voucher tax dollars in Cleveland were used to fund taxis to provide transportation for children who were already enrolled in private and religious schools.

Vouchers are taxation without representation. Voucher schemes funnel public tax dollars into private and religious schools, yet taxpayers have absolutely no say in how voucher schools would be run. The public deserves a voice in the spending of our collective resource, especially when a voucher scheme would dramatically increase the public burden for the cost of education.

There are other reasons that a voucher scheme is poor public policy. Currently schools are working to implement new standards, preparing students to pass exit exams and designing new curriculum and opportunities for children. We oppose weakening those efforts through vouchers.

We believe in a strong system of public education. Schools have been critical to Alaska's economic, social and cultural development. Public education is critical to our state's future and it's continued development. Public schools demonstrate the very spirit of our democracy by accepting and educating all students regardless of means or position in life. If our state does not continue to inspire that purpose, our most precious resource, our children, will be wasted.

NEA-Alaska wants to provide A+ Schools for Alaska's Kids. Vouchers do not contribute to making our schools A+.



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At a time when the State of Alaska is faced with a deficit and some argue an uncertain future, a voucher proposal extending public funding to children enrolled in private and denominational schools and related home schools is an extravagance we cannot afford. Our schools are not adequately and equitably funded now. The Foundation Program has been recommended for a \$19.17 million reduction and the reforms demanded by testing at grades 3, 6, 8 and 10<sup>th</sup> grades are approximately \$27 million underfunded.

At a time when our public schools are required to meet new educational standards for teaching and learning, plus requiring students to pass difficult graduation examinations weakening educational opportunities of public school children by diverting fiscal resources from public school classrooms to private and related home providers is counter productive. Taking money away from these efforts and giving it to students who aren't required to meet similar standards, pass tests or improve learning is inconsistent with the legislature's quality school initiative embodied in SB 36. Giving public money to private and home schools that have no accountability to the public or have no requirement to meet quality school standards is a poor exercise in fiscal and instructional responsibility.

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**HB**

**133**

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WARD

TO: CSHB 133(FIN)(efd fld)

- 1 Page 2, lines 17 - 18:
- 2 Delete "This subsection does not apply to a fire service protection area."

# LEGAL SERVICES

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## MEMORANDUM

April 15, 1999

**SUBJECT:** Municipal service areas; sectional summary (CSHB 133(FIN))

**TO:** Representative Con Bunde  
Attn: Patti Swenson

**FROM:** Tamara Brandt Cook  
Director

TBC

Sec. 1. This adds AS 29.35.450 to the list of statutes that apply as limitations on the power to home rule municipalities. The result of this is to require home rule municipalities to adhere to AS 29.10.450, which now applies only to general law municipalities.

Sec. 2. This addresses service areas in unified municipalities and contains a cross-reference to subsection (c), added in this draft. There are three unified municipalities in the state: Anchorage, Juneau, and Sitka.

Sec. 3. This adds subsection (c) to AS 29.10.450 which requires, before a service area is expanded, a separate vote to be held in the area of the existing service area and in the area proposed to be added. A separate vote is also required when a service area is altered or combined with another service area. Before the service area change may occur it must be approved in each of the areas that votes separately on the question. This separate vote requirement does not apply to fire service protection areas.

Sec. 4. Adds a new subsection to AS 29.35.470, which is not a home rule limitation. This allows borough assemblies to set up differential tax zones in service areas, so that different rates of taxes may be levied in different portions of a service area. Under existing law only cities set up differential tax zones.

Sec. 6. July 1, 1999 effective date.

TBC:glc  
99-186.glc

# Alaska State Legislature

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E-MAIL  
Representative\_Con\_Bunde@legis.state.ak.us

VICE-CHAIR: HOUSE FINANCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## SPONSOR STATEMENT

### CSHB 133

" An Act relating to municipal service areas and providing for voter approval of the formation, alteration. Or abolishment of certain service areas; and providing for an effective date."

Alaska's Constitution provides for maximum local self-government (Art. X sec. 1) and for the creation, alteration, or abolishment of service areas subject to the provisions of law (Art. X sec. 5).

AS. 29.35.450 codifies these Constitutional provisions and establishes the mechanism by which service areas are created, altered, and abolished.

Alaska has approximately 200 service areas; in these areas, the local residents assess themselves to pay for a particular service, like snow plowing and road maintenance from private contractors.

HB 133 amends AS. 29.35.450 to support local control by clearly identifying whom should vote on the abolishment and alteration of a service area under three scenarios:

1. **Abolishment of a service area.**  
Subject to approval by the majority of the voters residing in the service area.
2. **Abolishment and replacement of a service area.**  
Must be approved separately by a majority of voters inside an existing service area and by a majority of the voters residing in the proposed service area **BUT OUTSIDE** the existing service area.

3. **Alteration of a service area or combining it with another service area.**  
Must be approved, separately, by a majority of the voters who vote on the question and who reside in each of the service areas or in a proposed service area affected by the proposal.

This proposed legislation would settle a long time debate about who is entitled to vote during the creation, alteration or abolishment of a service area. This legislation has support throughout service areas in Alaska and I urge the favorable consideration of this committee.

STATE OF ALASKA  
1999 LEGISLATIVE SESSION

# FISCAL NOTE

Revision Date: \_\_\_\_\_ Dept. Affected: Community & Regional Affairs  
 Title: An Act relating to municipal service areas BRU: \_\_\_\_\_  
and providing for voter approval ... Component: \_\_\_\_\_  
 Sponsor: REPRESENTATIVES BUNDE, Halcro  
 Requestor: House CRA Committee COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

REVENUE FUND SOURCE:

--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY99) impact \$ none

**ANALYSIS:** (Attach a separate page if necessary)

This legislation provides for voter approval of the formation, alteration, or abolishment of certain municipal service areas. This legislation would have no fiscal impact on the department.

Prepared by: Yvonne Chase, Acting Director *Yvonne Chase* Phone: 465-4709  
 Division: Division of Administrative Services Date: 4/22/99  
 Approved by Commissioner: *Julie Davis* Date: 4/22/99  
 Agency: Community & Regional Affairs

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# Bill may ease consolidation of borough service areas

By DOUGLAS FISCHER  
Staff Writer

JUNEAU—For Fairbanks North Star Borough Mayor Hank Hove, small government has grown too big over the years.

Of the state's 200 or so service areas—miniature governments within municipalities that handle everything from water delivery to road repair—the borough has 120. Keeping track of them gives Hove a headache.

The Legislature might change that. The House Finance Committee approved a bill Monday that removes two major obstacles to consolidation. It gives all sites a vote in any annexation, and it allows for disparate taxes within a service area if, say, road condi-

tions within it vary.

"We couldn't consolidate them before because no one would vote for it," Hove said. A lot of small service areas are inefficient, he added.

In a service area, local residents vote to tax themselves extra to pay for a particular service, like snow plowing and road maintenance from private contractors. Under current law, only residents in an area up for annexation may vote. Residents in the core service area may not.

That doesn't sit well with most residents, so what often happens are appeals to the assembly. Residents driving on smooth roads have little incentive to dip into their service

area's savings account so another neighborhood can upgrade rutted roads.

House Bill 133, sponsored by Rep. Con Bunde, R-Anchorage, removes that disincentive. Those two areas could merge, with the residents bumping over gravel roads paying a bit more to bring their infrastructure up to par with the others.

"Let's face it—areas outside of a service area want to join a service area because their roads are in lousy shape and they want to improve them," said Merle Jantz, a road service area commissioner for Peede Country Estates. "The difficulty we're having in annexation is that

See SERVICE, Page B-2

## SERVICE

Continued from Page B-1  
existing areas oppose them because the taxes flow from one area to help the other."

Hove figures the bill will, at the very least, stem the growth of service areas. And he hopes the disparate tax scheme will prompt some consolidations. Of the borough's 120 service areas, 108 deal exclusively with roads.

"We've demonstrated to them that there are some really measurable economies of scale there," he said.

Hove and many borough assembly members opposed a similar bill last year. That bill, which ultimately died, mandated only that all sides vote on an annexation.

While that sounds fair, Hove and other borough officials at the time argued against it. They feared such a policy would result in a mushrooming of the little governments, since residents of original service areas often oppose annexations.

This latest version of the bill, however, renders those arguments moot since it allows the differing tax structure.

Separate from the legislation in Juneau is a fund that Hove hopes to establish. Service areas would be able to borrow from the account to immediately bring their roads up to standard, rather than wait and let the money accumulate before making improvements.

Hove thinks the borough could start off with \$500,000 as an initial investment. "We'll keep making appropriations until we feel it's imprudent to make any more. Then we'll wait for the payments to come in," he said.

But Jantz, who is leading an ad-hoc group of service area commissioners interested in consolidation efforts, questions whether huge savings can be found. He doubts the cost of blading a mile of gravel road will decline because of consolidation. And it has yet to find substantive decreases in administrative costs.

"We're not far enough along to say whether there's a disadvantage or advantage (to consolidation)," he said. "There seem to be some thought that few service areas are better. I think the state's role is to encourage consolidation."

FEB 06 1998

February 2, 1998  
Cordes Drive Service Area  
Service Area Commissioners  
Fairbanks, Alaska

Senator Sean Parnell  
State Capitol Room 504  
Juneau, Alaska 99801

Dear Senator Parnell,

Thank-you for introducing Senate Bill #208. We support it and are contacting our representatives to let them know. We agree that the residents of existing service areas should have control of any proposed changes to their service areas.

Sincerely,

Francis O'Connor  
Francis O'Connor

Gean Leder  
Gean Leder

Bill Griffith  
Bill Griffith

Refused to support  
HB133 with permission  
of Cordes Drive SAC

Author: ffjha@aurora.alaska.edu (James H Anderson) at CC2MHS1  
Date: 2/12/98 1:29 PM  
Priority: Normal  
TO: Senator Sean Parnell at LAA\_TRANS  
CC: bdelana@polarnet.com at CC2MHS1, alaskarc@polarnet.com at CC2MHS1  
Subject: SB 208

Dear Senator Parnell,

Thank you for your letter of January 20 explaining your bill, SB 208.

I have discussed the matter addressed in your bill with the other members of the Spinach Creek Road Service Area Commission. We agree enthusiastically with the intent of the bill, and we extend to you our support of it.

I will send messages in support of SB 208 to John Davies and Gary Wilken.

Thank you for helping us to provide the best service to the residents of our service area.

Jim Anderson  
Chairman  
Spinach Creek Road Service Area Commission  
Fairbanks North Star Borough

907 455-6077

PO Box 84607  
Fairbanks AK 99708

Reused to support  
HB 133 with  
Permission of  
SCRSAC

Board of Supervisors  
R.S.A. #25 Bogard  
P.O. Box 2274  
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell  
State Capitol Room 504  
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair  
Primary R.S.A. # 25

Valen C. Bair

William Larkin  
Board R.S.A. # 25

William Larkin

Wrex Diem  
Board R.S.A. # 25

Wrex R Diem

Refused to support  
HB 133 with  
Permission of those  
signed above

**1998 Officers**

Pres. Bill Kuhlmann 694-2426  
V. Pres. Jim Yeargan 694-2571  
Sec. Barbara Ferrell 696-2570  
Treas. Floyd Gori 694-6088



**1998 Directors**

Michelle Adams 696-1274  
Dr. Gregory Culbert 696-4878  
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL  
PO BOX 773952  
EAGLE RIVER, ALASKA 99577**

12 February, 1998

FEB 20 1998

Senator Sean Parnell  
State Capital  
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Kuhlman". The signature is written in dark ink and is positioned above the typed name of the sender.

Bill Kuhlman, President  
Eagle River Community Council

cc: Senator Rick Halford  
Senator Randy Phillips  
Representative Fred Dyson  
Representative Vic Kohring  
Representative Pete Kott

Refused to support  
HB 133 with permission  
of Bill Kuhlman

---

---

cc:Mail for: Senator Sean Parnell

---

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Subject: SB208

From: vhoefler@mosquionet.com (Vaughan Hoefler) at CC2MHS1 1/28/98 11:18 AM

To: Senator Sean Parnell at LAA\_TRANS

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Dear Senator Parnell,

On behalf of the road service area commissioners for the Ester Lump Service Area located near Fairbanks, we support your effort to implement SB 208.

Voter approval for the formation, alteration, or abolishment of certain service areas would allow residents to more fairly decide on such changes. Our service area recently faced an annexation issue in which the Borough sought to add non-contiguous roads several miles distant to our road system. The condition of the roads proposed for annexation were significantly different than our own, built at different times, and subject to

slightly different weather conditions. Nevertheless, the North Star Borough

Rural Services Division presented this annexation issue as the only option to the residents of both areas. Many of our area's residents vented their frustration for not having any "say" in the ability to direct the future of our roads.

After two Assembly meetings, and following the testimony of many residents, the assembly moved for the creation of a separate service area.

Had AS 29.35.450 (voter approval of alteration or abolishment of service areas)

been in effect, our concerns would have been brought forth long before the Borough expended considerable time and funds developing this plan.

Thank you for taking the effort to make these changes, as they will provide service area residents the opportunity to more effectively govern the growth or change of their areas.

Carol Hoefler

This letter is  
being reused to  
support HB 133  
with permission of  
sender



# Hillside East Community Council

March 13, 1998

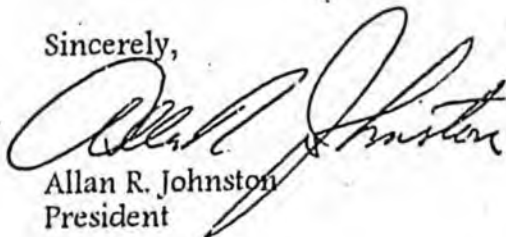
Senator Sean Parnell  
State Capital Room 504  
Juneau, AK 99801

Re: Senate Bill 208

Dear Senator Parnell:

Congratulations on your introduction and good work on Senate Bill 208. Please put Hillside East Community Council unanimously behind your bill.

Sincerely,



Allan R. Johnston  
President

This letter is being  
reused for HB 133  
with permission of

Allan R Johnston  
former President  
and

Ann Ballow  
President - Hillside East CC

## Community Councils Center

301 E. Fireweed Lane, Suite #101 Anchorage, AK 99503-2110

Allan R. Johnston, President H 346-1087  
John O'Brien, 1st Vice-President H 562-6949  
Richard Day, 2nd Vice-President H 346-3689

Inge Lentfer, Treasurer H 346-1567  
Ann Ballow, Secretary H 346-1989  
James Cazort, Director H 346-8308

Jennifer Williams, Director H 346-0188  
Linda Orell, Director H 346-2745  
Joan Dewey, Director H 346-1756



# Municipality of Anchorage

*Rick Mystrom, Mayor*



## Girdwood Board of Supervisors

P.O. Box 890 • Girdwood, Alaska 99587

February 25, 1998

Senator Sean Parnell  
State Capitol  
Room 504  
Juneau, AK 99801-1182

Re: Senate Bill 208

Dear Sen. Parnell,

The Girdwood Board of Supervisors unanimously supported a motion to endorse the passage of Senate Bill 208 at our last regular meeting, February 16, 1998. The board also supports Rep. Bunde's companion bill, HB 365.

The board strongly feels both bills strengthen the intent of the Municipal Charter as we understand it.

Sincerely,

*Keith Tryck*  
Keith Tryck  
Chairman

*Refused to Support  
HB 133 with  
Permission of  
Keith Tryck*

# Mid-Hillside Community Council

10005 Main Tree Drive Anchorage, Alaska 99516-6430

Chris Birch, Board President

907 346-3265 (home)

907 346-3197 (fax)



February 13, 1998

Senator Sean Parnell  
State Capitol  
Juneau, Alaska 99801-1182

**Subject: SB 208, An Act Relating to Municipal Service Areas**

Dear Senator Parnell;

VIA FAX ONLY

Thank you for providing a copy of the subject legislation for community review and comment.

The Mid-Hillside Community Council is forcefully on record supporting the community right of decision regarding self-determination in service area related annexations. I very much appreciate your efforts to affirm in statute what most would assume was well outlined in our municipal charter, the right of a community to vote their approval of additional proposed services and taxes.

**You have our full support in your efforts to advance this vital legislation.** You may even wish to consider a means of enabling existing Anchorage service areas an opportunity to competitively bid current neighborhood services. I have heard repeated complaints from the members of the Anchorage Road and Drainage Service Area (ARDSA), the service area providing municipal road maintenance, about the 3 day delay in snow removal and excessive costs for this service. Our Valli Vue Road Service Area contractor provides a much better quality of service for half the ARDSA mill rate. It would be wonderful if the residents of Anchorage could enjoy these same competitive advantages, kind a reverse annexation opportunity!

I hope to see you in Juneau next week or tomorrow at the Anchorage Caucus and District 18 Town Meetings.

Sincerely,

Chris Birch  
Board President

This letter is being  
reused to support  
HB 133 with the  
Permission of  
Chris Birch

XC: Mid Hillside Board of Directors  
Allan Johnston, President, Hillside East Board of Directors

FEB 18 1998



*Karen L. Hendrickson*

DESIGN OPTIONS CONSULTANT

February 12, 1998

Senator Sean Parnell  
State Capitol Room 504  
Juneau, AK 99801

Dear Senator Parnell:

I am writing to you on behalf of the Board of Supervisors of the Talus West Limited Road Service Area. The board wishes to express its support for Senate Bill 208. The legislation you have sponsored speaks directly to our ability as residents of a particular area to decide upon, and contract for, the services that best suit our particular needs. The recent forced annexation of the hillside to the Anchorage Police Departments jurisdiction, against the wishes and votes of the residents, has made it obvious the service areas lack protection from a local government takeover of those services they choose to administer for themselves. We urge you to vigorously pursue passage of protection for our service area.

Sincerely,

*Karen L. Hendrickson*

Karen L. Hendrickson  
Member - Talus West LRSA Board of Supervisors  
4731 Talus Drive  
Anchorage, AK 99516

This letter is  
being reused to  
support HB 133  
with permission of  
Karen L. Hendrickson

**Subject: hb133**

**Date: Mon, 24 Jan 2000 12:04:50 -0900**

**From: "Scott Sell" <sosell@alaskalife.net>**

**To: Senator\_Jerry\_Ward@legis.state.ak.us**

Dear Sen. Ward

I hear that is bill is in your committee

This bill has had the support of the Rabbit Creek Community Council since it was first started by Con.

We also supported the bill that was started by Sen. Parrnell that was HB133 counter part

We would like to see this move forward and pass both houses so that the city can not force services on us like the police issue on the hillside again or like taking away services that the Assembly this thinks of (ie: Limited Road Service Areas, LRSA)

Thank You

Scott O. Sell

Past President Rabbit Creek Community Council

345-8512

# Alaska State Legislature

DURING SESSION  
STATE CAPITOL, ROOM 501  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
FAX: (907) 465-3871

WEB SITE  
<http://www.akrepublicans.org/Bunde.htm>



DURING INTERIM  
716 W. FOURTH AVE.  
ANCHORAGE, AK 99501-2133  
(907) 269-0181  
FAX: (907) 269-0184

E-MAIL  
Representative\_Con\_Bunde@legis.state.ak.us

## REPRESENTATIVE CON BUNDE

District 18

VICE-CHAIR: HOUSE FINANCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## SPONSOR STATEMENT

### CSHB 133

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# Alaska State Legislature

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STATE CAPITOL, ROOM 501  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
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(907) 269-0181  
FAX: (907)269-0184

*E-MAIL*  
Representative\_Con\_Bunde@legis.state.ak.us

## REPRESENTATIVE CON BUNDE

District 18

VICE-CHAIR: HOUSE FINANCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## MEMORANDUM

DATE: January 12, 2000

TO: Senator Jerry Ward  
Chairman, Senate State Affairs Committee

FROM: Representative Con Bunde

RE: CSHB 133 (FIN)

The purpose of this memo is to request a Senate State Affairs Committee hearing for CSHB 133 (FIN). This packet includes a sponsor statement, the legislation, and additional back-up material.

If you have any questions or concerns please do not hesitate to call my office, ext. 6824.  
Thank you for your cooperation with this hearing request.

# Alaska State Legislature

*DURING SESSION*  
STATE CAPITOL, ROOM 501  
JUNEAU, AK 99801-1182  
(907) 465-4843 (800) 892-4843  
FAX: (907) 465-3871



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**REPRESENTATIVE CON BUNDE**  
District 18

*E-MAIL*  
Representative\_Con\_Bunde@legis.state.ak.us

VICE-CHAIR: HOUSE FINANCE COMMITTEE  
MEMBER: LEGISLATIVE BUDGET & AUDIT COMMITTEE

## MEMORANDUM

DATE: May 6, 1999

TO: Senator Jerry Ward  
Chairman, Senate State Affairs Committee

FROM: Representative Con Bunde

RE: CSHB 133

The purpose of this memo is to request the House Rules Committee to calendar CSHB 133. A copy of the sponsor statement and CSHB 133 are attached to this request. Additional information will be submitted for use in the packet when a hearing date has been established.

Thank you for your cooperation with this matter. If you have any questions or concerns please call my office at your convenience.

# 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

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

April 15, 1999

**SUBJECT:** Municipal service areas; sectional summary (CSHB 133(FIN))

**TO:** Representative Con Bunde  
Attn: Patti Swenson

**FROM:** Tamara Brandt Cook  
Director

TBC

**Sec. 1.** This adds AS 29.35.450 to the list of statutes that apply as limitations on the power to home rule municipalities. The result of this is to require home rule municipalities to adhere to AS 29.10.450, which now applies only to general law municipalities.

**Sec. 2.** This addresses service areas in unified municipalities and contains a cross-reference to subsection (c), added in this draft. There are three unified municipalities in the state: Anchorage, Juneau, and Sitka.

**Sec. 3.** This adds subsection (c) to AS 29.10.450 which requires, before a service area is expanded, a separate vote to be held in the area of the existing service area and in the area proposed to be added. A separate vote is also required when a service area is altered or combined with another service area. Before the service area change may occur it must be approved in each of the areas that votes separately on the question. This separate vote requirement does not apply to fire service protection areas.

**Sec. 4.** Adds a new subsection to AS 29.35.470, which is not a home rule limitation. This allows borough assemblies to set up differential tax zones in service areas, so that different rates of taxes may be levied in different portions of a service area. Under existing law only cities set up differential tax zones.

**Sec. 5.** July 1, 1999 effective date.

TBC:glc  
99-186.glc

# SERVICE

Continued from Page B-1  
existing areas oppose them because the taxes flow from one area to help the other."

Hove figures the bill will, at the very least, stem the growth of service areas. And he hopes the disparate tax scheme will prompt some consolidations. Of the borough's 120 service areas, 108 deal exclusively with roads.

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"We're not far enough along to say whether there's a disadvantage or advantage (to consolidation)," he said. "There seem to be some thoughts that few service areas are better. I think the idea of a 'Service Areas' fund is a good one."

# Bill may ease consolidation of borough service areas

By DOUGLAS FISCHER  
Staff Writer

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"Let's face it—areas outside of a service area want to join a service area because their roads are in lousy shape and they want to improve them," said Merle Jantz, a road service area commissioner for Peede Country Estates. "The difficulty we're having in annexation is that

See SERVICE, Page B-2

FEB 06 1998

February 2, 1998  
Cordes Drive Service Area  
Service Area Commissioners  
Fairbanks, Alaska

Senator Sean Parnell  
State Capitol Room 504  
Juneau, Alaska 99801

Dear Senator Parnell,

Thank-you for introducing Senate Bill #208. We support it and are contacting our representatives to let them know. We agree that the residents of existing service areas should have control of any proposed changes to their service areas.

Sincerely,

Francis O'Connor  
Francis O'Connor

Jean Leder  
Jean Leder

Bill Griffith  
Bill Griffith

Refused to support  
HB 133 with permission  
of Cordes Drive SAC

Author: ffjha@aurora.alaska.edu (James H Anderson) at CC2MHS1  
Date: 2/12/98 1:29 PM  
Priority: Normal  
TO: Senator Sean Parnell at LAA\_TRANS  
CC: bdelana@polarnet.com at CC2MHS1, alaskarc@polarnet.com at CC2MHS1  
Subject: SB 208

Dear Senator Parnell,

Thank you for your letter of January 20 explaining your bill, SB 208.

I have discussed the matter addressed in your bill with the other members of the Spinach Creek Road Service Area Commission. We agree enthusiastically with the intent of the bill, and we extend to you our support of it.

I will send messages in support of SB 208 to John Davies and Gary Wilken.

Thank you for helping us to provide the best service to the residents of our service area.

Jim Anderson  
Chairman  
Spinach Creek Road Service Area Commission  
Fairbanks North Star Borough

907 455-6077

PO Box 84607  
Fairbanks AK 99708

Refused to support  
HB 133 with  
Permission of  
SCRSAC

Board of Supervisors  
R.S.A. #25 Bogard  
P.O. Box 2274  
Palmer, AK. 99645

January 24, 1998

TO: Senator Sean Parnell  
State Capitol Room 504  
Juneau, AK. 99801

Dear Senator Parnell,

The board of supervisors for R.S.A. # 25 Bogard has discussed Senate Bill 208 and we enthusiastically support it. We believe it is still important to allow taxpayers to have a voice in the spending of their tax monies. Local control is important to the residents of this road service area. Thank you for your assistance in maintaining it.

Sincerely Yours,

Valen C. Bair  
Primary R.S.A. # 25

Valen C. Bair

William Larkin  
Board R.S.A. # 25

William Larkin

Wrex Diem  
Board R.S.A. # 25

Wrex R Diem

Refused to support  
HB 133 with  
Permission of those  
signed above

**1998 Officers**  
Pres. Bill Kuhlmann 694-2426  
V. Pres. Jim Yeargan 694-2571  
Sec. Barbara Ferrell 696-2570  
Treas. Floyd Gori 694-6088



**1998 Directors**  
Michelle Adams 696-1274  
Dr. Gregory Culbert 696-4878  
Jim Young 689-5200

**EAGLE RIVER COMMUNITY COUNCIL**  
**PO BOX 773952**  
**EAGLE RIVER, ALASKA 99577**

12 February, 1998

FEB 20 1998

Senator Sean Parnell  
State Capital  
Juneau, Alaska 99801-1182

Subject: Senate Bill 208

Dear Senator Parnell;

Eagle River Community Council supports the passage of Senate Bill 208. We agree that the abolishment or alteration of service areas within a borough or municipality should be prohibited without first requiring a vote of the people residing in or owning a business within that service area.

We appreciate your sponsorship of this bill and look forward to its passage.

Sincerely,

Bill Kuhlman, President  
Eagle River Community Council

cc: Senator Rick Halford  
Senator Randy Phillips  
Representative Fred Dyson  
Representative Vic Kohring  
Representative Pete Kott

*Refused to support  
HB 133 with permission  
of Bill Kuhlman*

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cc:Mail for: Senator Sean Parnell

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Subject: SB208

From: vhoefler@mosquionet.com (Vaughan Hoefler) at CC2MHS1 1/28/98 11:18 AM

To: Senator Sean Parnell at LAA\_TRANS

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Dear Senator Parnell,

On behalf of the road service area commissioners for the Ester Lump Service Area located near Fairbanks, we support your effort to implement SB 208.

Voter approval for the formation, alteration, or abolishment of certain service areas would allow residents to more fairly decide on such changes. Our service area recently faced an annexation issue in which the Borough sought to add non-contiguous roads several miles distant to our road system. The condition of the roads proposed for annexation were significantly different than our own, built at different times, and subject to

slightly different weather conditions. Nevertheless, the North Star Borough Rural Services Division presented this annexation issue as the only option to the residents of both areas. Many of our area's residents vented their frustration for not having any "say" in the ability to direct the future of our roads.

After two Assembly meetings, and following the testimony of many residents, the assembly moved for the creation of a separate service area.

Had AS 29.35.450 (voter approval of alteration or abolishment of service areas)

been in effect, our concerns would have been brought forth long before the Borough expended considerable time and funds developing this plan.

Thank you for taking the effort to make these changes, as they will provide service area residents the opportunity to more effectively govern the growth or change of their areas.

Carol Hoefler

This letter is  
being reused to  
support HB 133  
with permission of  
sender



# Hillside East Community Council

March 13, 1998

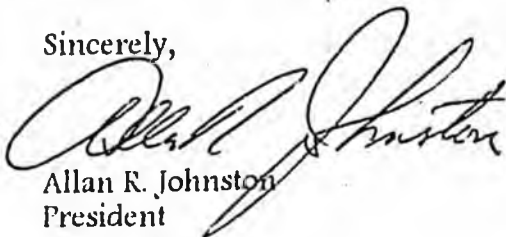
Senator Sean Parnell  
State Capital Room 504  
Juneau, AK 99801

Re: Senate Bill 208

Dear Senator Parnell:

Congratulations on your introduction and good work on Senate Bill 208. Please put Hillside East Community Council unanimously behind your bill.

Sincerely,



Allan R. Johnston  
President

This letter is being  
reused for HB 133  
with permission of  
Allan R Johnston  
former President  
and  
Ann Ballaw  
President - Hillside East CC

## Community Councils Center

301 E. Fireweed Lane, Suite #101 Anchorage, AK 99503-2110

Allan R. Johnston, President H 346-1087  
John O'Brien, 1st Vice-President H 562-6949  
Richard Day, 2nd Vice-President H 346-3689

Inge Lentfer, Treasurer H 346-1567  
Ann Ballaw, Secretary H 346-1989  
James Cazort, Director H 346-8308

Jennifer Williams, Director H 346-0188  
Linda Orell, Director H 346-2745  
Joan Dewey, Director H 346-1756



# Municipality of Anchorage

Rick Mystrom, Mayor



## Girdwood Board of Supervisors

P.O. Box 890 • Girdwood, Alaska 99587

February 25, 1998

Senator Sean Parnell  
State Capitol  
Room 504  
Juneau, AK 99801-1182

Re: Senate Bill 208

Dear Sen. Parnell,

The Girdwood Board of Supervisors unanimously supported a motion to endorse the passage of Senate Bill 208 at our last regular meeting, February 16, 1998. The board also supports Rep. Bunde's companion bill, HB 365.

The board strongly feels both bills strengthen the intent of the Municipal Charter as we understand it.

Sincerely,

*Keith Tryck*  
Keith Tryck  
Chairman

Refused to Support  
HB 133 with  
Permission of  
Keith Tryck

# Mid-Hillside Community Council

10005 Main Tree Drive Anchorage, Alaska 99516-6430  
Chris Birch, Board President  
907 346-3265 (home)  
907 346-3197 (fax)



February 13, 1998

Senator Sean Parnell  
State Capitol  
Juneau, Alaska 99801-1182

Subject: **SB 208, An Act Relating to Municipal Service Areas**

Dear Senator Parnell;

VIA FAX ONLY

Thank you for providing a copy of the subject legislation for community review and comment.

The Mid-Hillside Community Council is forcefully on record supporting the community right of decision regarding self-determination in service area related annexations. I very much appreciate your efforts to affirm in statute what most would assume was well outlined in our municipal charter, the right of a community to vote their approval of additional proposed services and taxes.

**You have our full support in your efforts to advance this vital legislation.** You may even wish to consider a means of enabling existing Anchorage service areas an opportunity to competitively bid current neighborhood services. I have heard repeated complaints from the members of the Anchorage Road and Drainage Service Area (ARDSA), the service area providing municipal road maintenance, about the 3 day delay in snow removal and excessive costs for this service. Our Valli Vue Road Service Area contractor provides a much better quality of service for half the ARDSA mill rate. It would be wonderful if the residents of Anchorage could enjoy these same competitive advantages, kind a reverse annexation opportunity!

I hope to see you in Juneau next week or tomorrow at the Anchorage Caucus and District 18 Town Meetings.

Sincerely,

Chris Birch  
Board President

-This letter is being  
reused to support  
HB 133 with the  
Permission of  
Chris Birch

XC: Mid Hillside Board of Directors  
Allan Johnston, President, Hillside East Board of Directors

FEB 18 1998



*Karen L. Hendrickson*

DESIGN OPTIONS CONSULTANT

February 12, 1998

Senator Sean Parnell  
State Capitol Room 504  
Juneau, AK 99801

Dear Senator Parnell:

I am writing to you on behalf of the Board of Supervisors of the Talus West Limited Road Service Area. The board wishes to express its support for Senate Bill 208. The legislation you have sponsored speaks directly to our ability as residents of a particular area to decide upon, and contract for, the services that best suit our particular needs. The recent forced annexation of the hillside to the Anchorage Police Departments jurisdiction, against the wishes and votes of the residents, has made it obvious the service areas lack protection from a local government takeover of those services they choose to administer for themselves. We urge you to vigorously pursue passage of protection for our service area.

Sincerely,

*Karen L. Hendrickson*

Karen L. Hendrickson  
Member - Talus West LRSA Board of Supervisors  
4731 Talus Drive  
Anchorage, AK 99516

This letter is  
being reused to  
support HB 133  
with permission of  
Karen L. Hendrickson

**Subject: hb133**

**Date: Mon, 24 Jan 2000 12:04:50 -0900**

**From: "Scott Sell" <sosell@alaskalife.net>**

**To: Senator\_Jerry\_Ward@legis.state.ak.us**

Dear Sen. Ward

I hear that is bill is in your committee

This bill has had the support of the Rabbit Creek Community Council since it was first started by Con.

We also supported the bill that was started by Sen. Parnell that was HB133 counter part

We would like to see this move forward and pass both houses so that the city can not force services on us like the police issue on the hillside again or like taking away services that the Assembly this thinks of (ie: Limited Road Service Areas, LRSA)

Thank You

Scott O. Sell

Past President Rabbit Creek Community Council

345-8512

**Subject: CSHB 133**

**Date: Wed, 23 Feb 2000 14:54:46 -0900**

**From: "Charlie Franz" <CCF@sphosp.com>**

**To: <Loretta\_Brown@legis.state.ak.us>**

Honorable Senator Ward,

Thank you very much for providing me a copy of CSHB 133, "An Act relating to municipal service areas and providing for voter approval of the formation, alteration or abolishment of certain service areas; and providing for an effective date."

As the administrator of South Peninsula Hospital, a hospital that has operated with a service area since 1969, I fully support the changes to Alaska Statute 29.35.450 as proposed in this bill.

Our hospital service area board of directors had operated for years under the assumption that the provisions of CSHB 133 were the way that changes to a service area were to be handled - only with approval of the voters in the affected areas. However, we learned that was not the case this past year when a group of citizens lobbied their Assemblyman to introduce an ordinance to reapportion the service area to suit their needs.

CSHB 133 corrects a gaping hole in the current legislation by keeping the power to govern where it belongs - in the hands of the people being governed. Currently, the people have the ability to establish a service area, but once formed, they have little or no control over changes that can be made to the service area. A significant problem with this lack of control is that once the service areas are created, they can be treated as pawns by the Borough Assembly. The Assembly can say, in effect, do it our way or we will abolish the service area or reapportion the service area boundaries to control you.

CSHB 133 also corrects another major problem with the current legislation, which is the ability of residents to "service area shop." If residents of a service area want access to different services or want to pay a different tax rate, there is nothing in the current legislation that prevents them from opting out of a service area and joining another. This can currently be done without agreement of the remaining residents of the service area who would then potentially be left with the financial burden of supporting services spread over a smaller group of people.

Unfortunately, I will not be able to testify at the hearing February 24, due to a schedule conflict. Please accept this message as my testimony.

Respectfully submitted,

Charles C. Franz  
Chief Executive Officer  
South Peninsula Hospital  
(907) 235-0326  
ccf@sphosp.com

Scott:

Thank you for the input. I have added this information to the file and I will make sure all committee members get a copy.

Sincerely,  
Senator Jerry Ward

Scott Sell wrote:

Dear Sen. Ward

I hear that is bill is in your committee

This bill has had the support of the Rabbit Creek Community Council since it was first started by Con.

We also supported the bill that was started by Sen. Parrnell that was HB133 counter part

We would like to see this move forward and pass both houses so that the city can not force services on us like the police issue on the hillside again or like taking away services that the Assembly this thinks of (ie: Limited Road Service Areas, LRSA)

Thank You

Scott O. Sell

Past President Rabbit Creek Community Council

345-8512

State Affairs  
 HB 133  
 file

Dear Mr. Williams:

I wanted you to know that I had scheduled HB 133 before the council meeting on 2/17/00. I am sorry my staff did not inform you of the notice of meeting which will be on 2/24/00 at 3:30 pm. There will be teleconference capabilities available if anyone is interested.

Sincerely,  
 Senator Jerry Ward

"Williams, Don" wrote:

**DRAFT OF THE 2/17/00 MINUTES. PLEASE ADVISE OF ANY CORRECTIONS:**

Note: All motions were moved and seconded by steering committee members. Minutes are organized by topic, and are not necessarily in order of occurrence during meeting. See end for abbreviations.

**CALL TO ORDER:** Meeting called to order by Betty Evans (345-3219), Chairperson, at 7:07 PM. Approximately 24 people in attendance including:  
**Officers:** Tim Stevens, Vice Chair.(345-6467) Don Williams, Secty.  
 Sherry Hoover, Treas.  
**Steering Committee:** Marium Clare, Wayne Crayton, Ken Evans, Jack Klingbeil, Emily Lamoreaux, Jesse Martin, Steve Minatani, and Daisy Strong.

**MINUTES OF PREVIOUS MEETING and TREASURER'S REPORT:**

Minutes of previous meeting were presented, and approved with no corrections.

Treasurer's report - Balance is \$598.50

**RESOLUTIONS PASSED:** (meeting notes concerning the resolutions follow below)  
 NONE

**Fed of Comm Councils MEETING REPORT.** Tim Stevens presented - ASD presented a bond issue fact sheet. Bonds are for area wide projects totaling \$77.9 million, and the Assembly added a separate bond for a new Eagle River school for \$ 42 million. The ASD has revised regulations to allow employees to run for the School Board. However if they are elected, they must quit their employment with the school district. A Survey of Algebra class has been added as a substitute to regular algebra classes and will qualify for the required math credits needed to graduate. Bob Christal is now going to pay for his lawsuit against T. Obermeyer.

Karen Mathis presented the Comprehensive Plan public meeting schedule - public meetings are to be held on March 20, 23 and April 6, 12, and 17. The Plan then goes to the P&Z and then to the Assembly.

Lance Wilbur of AMATS discussed the process and a few projects - none of which are in the HOCC area. The FCC Neighbor To Neighbor newsletter will be published in PULSE saving the FCC \$4000.

**STATE LEGISLATOR and MOA ASSEMBLY REPRESENTATIVES**

State Senators: Jerry Ward, District E: by telecon  
 Sean Parnell, District I: by telecon  
 State Representatives: Con Bunde, District 18: Absent Joe  
 Green, District 10: Absent  
 MOA Assembly-Member Pat Abney: Absent Dick  
 Tremaine: Present

Teleconference with Legislator's Aids in Juneau:  
 Angela representing Parnell and Patty representing Ward answered questions. Session limit bill was amended to 90 days. Is going forward to Senate floor. Has not gone to house yet. The legislature has not discussed the rumored State employee pay raise agreement. They are waiting for the administration to provide the agreement to the legislature. Bill 133 regarding Limited Road Service Areas (LSRA) is stuck in Ward's committee. This bill eliminates threats to having LRSA's annexed to other jurisdictions. It would not be possible to combine, start, etc. a LSRA without an approval vote by the people affected. If you support this, send letters to the legislature. The HOCC was asked to pass a resolution on this bill. It was decided to discuss this next month, when the text of the bill could be made available. Lots of support has been received from Fairbanks, Eagle River and the Hillside.

Dick Tremaine -

Assembly passed a 8% rental car tax that may raise \$3,000,000 per year. It goes to the voters for approval - 60% is required for passage. Rockridge Street maintenance was added to the Upper O'Malley LRSA. The LRSA will vote on this. If it doesn't pass, \$250,000 in State road money to improve the street will be lost. The funding expires in July 2000. Lots of bond issues were discussed in the last three meetings - two school bonds, road bonds, water and sewer and parks and rec. bonds. The assembly added \$20 million for phase 2 and 3 of the Chugach HS project to the bond requested by the ASD. They also added a second bond for the construction of another school in Eagle River costing \$42 million. 50% state reimbursement may be possible on the ER project only. The ANC Comprehensive Plan will be issued in March. This will provide new data on population growth patterns in the greater bowl area. This may show how much growth is occurring in Eagle River.

Hilltop ski area long-term lease ordinance passed and will be placed on the ballot. The issue is whether to allow the MOA to give the Ski Area a 20-30 year lease, and change the boundary to allow a second downhill ski run to the north of the existing one - to reduce lift lines. The new ski area would require 30 acres of tree clearing and the realignment of the Spencer Loop cross-county ski trail. If the vote fails, the ski area will be granted a renewable 5 year lease that will prevent a new ski run without further MOA approvals. A \$1.4 million Base Lodge is being funded with Ted Stevens free federal money and will not be affected by the vote.

Mr Teshe's ordinance to revise the code as to how/what the Mayor can veto in a budget amended and passed by the Assembly was defeated 7-4. Last year

the Mayor vetoed the budget revised by the Assembly and the current budget is now the original one sent to the Assembly by the Mayor. Since it takes 8 Assembly votes to override a veto, this means the Mayor and just 4 Assembly members can control the spending for the MOA.

Dick would not discuss whom he might be supporting for Mayor. Don't ask!

#### REPORTS:

Census Bureau Speaker - Cancelled due to personal conflicts.  
There are openings for enumerators - part time work at \$18.75 per hour.  
EOE. call 271-1281.

Betty encouraged everyone to send in the Census paperwork - this will minimized the efforts requiring enumerators.

Sue Rodman, Director of Anchorage district in the Alaska Association of Conservation Districts

Sue is funded by a federal grant via the Federal Natural Resource Conservation Service. There are 11 districts in the state. The mission is to promote water and soil conservation. She provides Spruce Beetle control workshops, Soil conservation education in schools, Watershed studies (currently one at Elmendorf AFB), stormwater runoff studies, soil quality education for builders, etc. She can be contacted at 271-2424 ext 107.

Check out public outreach events on the web site --

[ak.nacdnet.org/anchorage](http://ak.nacdnet.org/anchorage). Her email is [anchorage@ak.nacdnet.org](mailto:anchorage@ak.nacdnet.org). The new drywell at Killey Street installed by the MOA last summer was discussed. It seems to overflow onto an adjacent property with a domestic water well. She said she would look into the situation.

APD Officer D.G. Smith.

Officer Smith relayed traffic concerns discussed at the last meeting at Huffman and Pintail and on Huffman in front of the St Elizabeth Church to superiors. An officer has been stationed in the area at times. He reported that there were two accidents reported in 1999, and three so far in 2000 at Pintail and Huffman.

#### PRESENTATIONS: MAYOR CANDIDATES

(What about) BOB BELL:

Bob was the South Anchorage Assemblyman between 1993 and 1999. He is not interested in a political career, and plans to serve as Mayor, and then return to his private profession as an Engineering consultant. He feels he will be able to make decisions based on what is best for Anchorage, and not because of what might help him in a future political career. He has lived in Anchorage for 30 years. Bob fought the annexation of the Hillside into the MOA police district while he was our Assemblyman.

Bob's main focus is: Clean Industry for Anchorage, Partnering with State for Economic Opportunities, Maintain Character of Neighborhoods, Consolidation of Services, Domestic Violence, Partnering with Civic groups, Keep crime

rate dropping.

Bob feels that Anchorage can decide what new business we want in the future in Anchorage - a clean industry with high paid workers - the computer industry. He will go out and market the quality of life in Anchorage to industry leaders, such as Apple, Microsoft, Sony. He would partner with the State and use the stock holdings of the Permanent Fund to talk to high level representatives of these companies. Another idea for a new industry is an international equipment repair industry to capitalize on the "air crossroads of the world" and expansion of the air freight carriers.

Bob wants to preserve and improve the unique character of our neighborhoods - for example Girdwood, Eagle River, Turnagain and Hillside. People choose areas because of their unique characteristics, thus rezoning for smaller lots in the Hillside such as that done in the Rabbit Creek area should be prevented. He would develop a strong comprehensive plan updated every few years so that the business community and citizens know what types and where developments are available in Anchorage.

Bob would assemble a committee of business people and muni employees to recommend ways to consolidate services between the ASD, MOA, and the State. He would take a lead on consolidation in areas such as snow plowing, vehicle repair, accounting, engineering, etc.

Bob wants to study the problem of domestic violence to find a better way to deal with this problem. He wants to create partnerships with civic groups and the APD to augment surveillance of communities and parks. He wants to also create partnerships with the city rec department and private sports groups.

Bob was asked to comment on the ASD. He said that the ASD is ranked at 83% nationally in per student costs, but the money is not getting to the classroom. He wants to transfer school construction away from the ASD. He would consolidate construction with the MOA public works. The school district currently has 38 employees managing construction. Bob feels that the MOA could do the work with 8 employees. They overrun the project costs an average of 12%, compared to a national average of 1-5%. State regulations however limit the Mayors power over the ASD. He encouraged citizens to elect School Board members with these ideas to effect change in the ASD.

Bob's position on the Bragaw extension is that he would support the conclusions of the study currently underway regarding the north south traffic problem city-wide. Bob was asked about the lack of quality child care - he didn't have an answer but suggested the partnership approach discussed previously.

#### RACE JONES:

Race was born in Alaska. From 1971 to 1989 he left Alaska, and returned during the Valdez oil spill. He has previously work in the oil patch, and since 1995 has operated a business that provides and maintains litter receptacles in downtown Anchorage, sponsored by private businesses. Race advocated a strong Open Government policy with public records available for all meetings, including labor contract negotiations utility sales, and

land sales. He favors the 10 mill tax cap as a starting point to rethink government services from the bottom up. He does not know how to fill the gap at this time. He would meet with workers to try to reduce the apathy and distrust, and rebuild the "can-do" spirit and enthusiasm that the Alaskan pioneers had. Race feels that lots of small savings add up to large savings.

Race was asked to comment on the ASD. He feels it is too powerful and over budget. He would use the leadership position of the Mayor's office to pressure the ASD to cut expenditures.

#### TERESA OBERMEYER:

Teresa is the 10th of 12 children in her family. Her father was a judge, and many of her siblings are attorneys. Her background is in education and she was a member of the ASD Board between 1990 and 1994. She has three children ages 13 thru 17.

The foundation of her platform for Mayor is the love of the Anchorage community and her enthusiasm. She will always tell the truth. She is also for an Open Government policy similar to Race Jones. She asks the voters to focus on the character of the candidates. She asks us to evaluate the performance of the "professional" politicians - what have they done. Perhaps a "rookie" may be a better choice.

When asked about her ongoing interface with Bob Christal she is not embarrassed by all the "press" and legal actions against her. She feels that if she is elected, it will be a strong message sent to Mr. Christal. She would replace the Chief of APD if elected. She distributed a letter to the Anchorage Ombudsman regarding her lasted lawsuit filed by Bob Christal arguing that his use of heavily discounted legal services of ASD lawyers Jermain, Dunnagan and Owens is violation of the State statutes regarding conflict of interest.

#### OLD BUSINESS:

HOCC Boundaries - Betty displayed a CC district map and proposed that the HOCC annex a small portion of the Mid-Hillside and Abbot Loop between 100th and Abbot road, and Lake Otis to Birch. Betty thought that the lack of MOA water and sewer in these areas is similar to the HOCC area and our concerns on issues would be similar. There was concern voiced that the landowners would not be aware of the chance. It was suggested that a survey be mailed to the affected people.

35 Day Public Notice Period. Dick Tremaine was asked to investigate the status of this resolution passed by the FCC.

SAHS subcommittee report by Jesse Martin - no meeting have been held. The ASD project manager is not answering Jesse's correspondence so he had nothing to report. The SAHS plot plan is available on the ASD web site. A printout was passed around.

HOCC Committee reports: Wayne C attended the Waste Reduction and Recycle Committee Meeting. See the Compass article in the ADN on Friday 2/18 for details and contacts. Comments are requested. Transportation - Tim S attended the transportation meeting - major hillside projects are inactive - they are all waiting for the traffic study to be complete in March. Go to

www.hillsideroads.com for lots of good information on the projects. Betty has requested traffic counters to be placed at Rockridge, Lorraine, and Elmore north of Huffman prior to the end of the school year.

**NEW BUSINESS:** Betty announced that the HOCC annual meeting and office elections will be in April this year. A survey will be sent out prior to the meeting.

**ADDITIONS TO AGENDA::** NONE

**MAIL:** NONE

**MEETING ADJOURNMENT:** at 9:45 P.M.

**ABBREVIATIONS:** CC: Community Councils P&Z: Planning and Zoning Commission.

MOA: Municipality of Anchorage ASD: Anchorage School District

APD: Anchorage Police Department HOCC: Huffman-O'Malley Community Council

AMATS: Anchorage Metropolitan Area Transportation Study SHS: Service High School

SAHS: South Anchorage High School CEA: Chugach Electric Association

ACFRG: Anchorage Citizens for Responsible Government

LSRA: Limited Road Service Area ARTSA: Anchorage Road and Transportation Service Area

Regards, Don Williams

phone:345-8060 e-mail:don\_williams@natchiq.com

**Subject: SB No. 262**

**Date: Wed, 23 Feb 2000 16:41:37 -0900**

**From: "Edgar W. Sipple, Jr." <edsipple@ptialaska.net>**

**To: Senator\_Jerry\_Ward@legis.state.ak.us**

Dear Senator,

I am writing you in regards to the SB 262. Which involves the Disability handicap liscense plates on Leased vehicles.

Thank you for introducing this bill before the Senate. Something really needs to be done about this situation.

Thank you for listening to your constituent's on this problem. We need more men like you on the job for us.

Thank You

Edgar Sipple  
(907)262-9513  
edsipple@ptialaska.net

**Subject: CSHB 133**

**Date:** Wed, 23 Feb 2000 14:54:46 -0900

**From:** "Charlie Franz" <CCF@sphosp.com>

**To:** <Loretta\_Brown@legis.state.ak.us>

Honorable Senator Ward,

Thank you very much for providing me a copy of CSHB 133, "An Act relating to municipal service areas and providing for voter approval of the formation, alteration or abolishment of certain service areas; and providing for an effective date."

As the administrator of South Peninsula Hospital, a hospital that has operated with a service area since 1969, I fully support the changes to Alaska Statute 29.35.450 as proposed in this bill.

Our hospital service area board of directors had operated for years under the assumption that the provisions of CSHB 133 were the way that changes to a service area were to be handled - only with approval of the voters in the affected areas. However, we learned that was not the case this past year when a group of citizens lobbied their Assemblyman to introduce an ordinance to reapportion the service area to suit their needs.

CSHB 133 corrects a gaping hole in the current legislation by keeping the power to govern where it belongs - in the hands of the people being governed. Currently, the people have the ability to establish a service area, but once formed, they have little or no control over changes that can be made to the service area. A significant problem with this lack of control is that once the service areas are created, they can be treated as pawns by the Borough Assembly. The Assembly can say, in effect, do it our way or we will abolish the service area or reapportion the service area boundaries to control you.

CSHB 133 also corrects another major problem with the current legislation, which is the ability of residents to "service area shop." If residents of a service area want access to different services or want to pay a different tax rate, there is nothing in the current legislation that prevents them from opting out of a service area and joining another. This can currently be done without agreement of the remaining residents of the service area who would then potentially be left with the financial burden of supporting services spread over a smaller group of people.

Unfortunately, I will not be able to testify at the hearing February 24, due to a schedule conflict. Please accept this message as my testimony.

Respectfully submitted,

Charles C. Franz  
Chief Executive Officer  
South Peninsula Hospital  
(907) 235-0326  
ccf@sphosp.com

**HB**

**159**



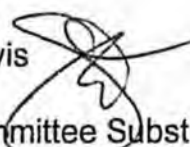
# ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

## MEMORANDUM

April 13, 2000

TO: Senator Jerry Ward  
Senate State Affairs Committee

FROM: Representative Gary Davis 

RE: Hearing Request for Committee Substitute for House Bill 159 (Fin) am

Please schedule a hearing before the Senate State Affairs Committee for CSHB 159(Fin) am at your convenience. Attached for inclusion in the committee packet are the sponsor statement, sectional analysis and zero fiscal note from the Division of Retirement and Benefits.

Letters of support from employees of the correctional facilities listed below are on file in my office and are available for inclusion in the packet if you prefer.

Palmer Correctional Center	Health Care officers and nurses
Anvil Mountain Correctional Facility	Medical Department
Wildwood Correctional Center	Food Service Department
Spring Creek Correctional Center	Medical Department
	Trades Leadman
	Maintenance Department
	Administrative Department

If you have any questions or would like additional information, please contact Deb Davidson of my staff.

Thank you for your assistance.

# FISCAL NOTE

STATE OF ALASKA  
2000 LEGISLATIVE SESSION

BILL NO. CSHB 159(FIN)

Revision Date/Time _____	Dept. Affected <u>Administration</u>	
Title <u>An act granting certain employees in state</u>	BRU <u>Centralized Administrative Services</u>	
<u>correctional facilities status as peace officers...</u>	Component <u>Retirement and Benefits</u>	
Sponsor <u>Representative Davis</u>		
Requester <u>House Finance</u>	Component No. <u>64</u>	

**Expenditures/Revenues** (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: 0.0

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

The Public Employees' Retirement System (PERS) allows peace officers to retire with 20 years of service and non-peace officers to retire with 30 years of service, regardless of age. The Finance Committee substitute to HB 159 would allow a non-correctional officer with 20 years of PERS state correctional facility service to convert that service to service as a peace officer, thereby allowing the individual to retire. The individual would be required to pay the full actuarial cost of this conversion, either in a lump sum or through a lifetime retirement benefit reduction. Since the full actuarial cost is paid by the employee, this legislation has no fiscal impact to the State of Alaska or other PERS employers.

Prepared by: <u>Guy Bell</u>	Phone <u>465-4471</u>
Division <u>Retirement and Benefits</u>	Date/Time <u>2/24/00 11:17 AM</u>
Approved by Commissioner <u>Robert Poe Jr.</u>	Date <u>2/24/00</u>
Agency <u>Department of Administration</u>	

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# ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

## Committee Substitute to House Bill 159 (FIN) am Sponsor Statement

Correctional officers, like police officers, parole officers and fire fighters have the opportunity to retire after acquiring 20 years of service. This opportunity is offered primarily as an employment incentive. The state recognizes that these individuals are in a highly stressful and dangerous type of employment and offers the 20-year retirement as an inducement to remain with their careers.

Correctional officers, however, are not the only employees at Alaska's facilities faced with stressful, dangerous situations. Most other employees also have consistent contact with inmates on a daily basis. It doesn't matter whether they are working in the kitchen, in the infirmary, in maintenance, in the library or in the administrative offices. These employees work alongside of inmates every day. If there is a problem requiring a "lock down" situation, these employees are included in that lock down. It is this type of stress that can and does lead to high employee turnover. Allowing them to retire after 20 years of service instead of the current 30-year requirement can provide the incentive needed to keep them on the job.

House Bill 159 provides non-correctional officer employees this opportunity and incentive. It allows individuals to retire after 20 years of credited service at a correctional facility provided they pay the full actuarial cost of converting their service to service as a peace officer or agree to take an actuarial reduction in their retirement benefits.

House Bill 159 recognizes that any type of employment at correctional facilities can be stressful and dangerous. It provides individuals who work there an incentive to remain at their jobs. It can also result in benefits to the state. With less employee turnover, fewer funds are needed to train new employees. These savings can revert to the general fund, or they can be used to provide additional on-going training for existing personnel.

Additionally, HB 159 enables Department of Corrections employees in management positions of the division responsible for institutions or for community corrections to convert their service in the management positions to service as a peace officer. Often these positions are best filled by former correctional facility superintendents who have participated in the peace officer retirement system. When promoted to the departmental position, they are placed in the normal 30-year retirement system. This can cause a hardship on the department when recruiting for vacant positions because it is a deterrent to those most qualified for the positions. Allowing individuals to convert their management position service to that of a peace officer removes this deterrent and allows the department to more easily obtain those individuals most qualified for those positions.

HB159SS04/13/00



# ALASKA STATE LEGISLATURE

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## REPRESENTATIVE GARY DAVIS

### Committee Substitute for House Bill 159(Fin) am

### Sectional Analysis

"An Act granting certain employees in correctional facilities or employed in the Department of Corrections to convert their credited service under the public employees retirement system to credited service as peace officers"

Section 1: Allows non-correctional officer employees of a state correctional facility as defined in AS 33.30.901 to convert their credited service in that position to credited service as a peace officer upon retirement. Requires an employee who converts this service to service as a peace officer to pay the full actuarial cost of the conversion or to take an actuarial adjustment to the benefits payable based upon the conversion.

Allows Department of Corrections employees in management positions in the division responsible for institutions or for community corrections to convert their credited service in that position to credited service as a peace officer upon retirement. Requires an employee who converts this service to service as a peace officer to pay the full actuarial cost of the conversion or to take an actuarial adjustment to the benefits payable based upon the conversion. Management positions include division director, deputy director and assistant director.

AS 33.30.901(4) states

*"correctional facility" or "facility" means a prison, jail, camp, farm, half-way house, group home, or other placement designated by the commissioner for the custody, care, and discipline of prisoners; a "state correctional facility" means a correctional facility owned or run by the state*

HB159SA04/13/00

Senator Ward,

I discussed the amendment of HB 335 with Department of Administration who indicated the title is very specific and it would be better to add the attached Amendment onto Senate/House Bill #230 (L&C). It is my understanding that the aforementioned Bill is in the Senate Rules Committee at this time. I would like to have a short discussion with you sometime on Thursday, April 6, 2000, at your convenience.

Thank You.

Allen J. Cooper

AMENDMENT TO SENATE CS FOR CS F OR HOUSE BILL #230 (L&C)

\*SEC.2. AS 39.35.370 (g)

When an employee who was employed by the Department of Corrections in the public employees' retirement system as Assistant Director, Deputy Director, or Director applies for appointment to retirement, the employee may convert the credited service for that position to credited service as a peace officer and shall be treated as a peace officer for purposes of this chapter. When the member claims this credited service as peace officer service, an indebtedness of the member to the system shall be established. The indebtedness is equal to the full actuarial cost of the conversion of the credited service to treatment as peace officer service. Any outstanding indebtedness that exists at the time the member is appointed to retirement will require an actuarial adjustment to the benefits payable based upon the conversion of the credited service.

SEC. 3. This Act takes effect immediately under AS 01.10.070 (c).

**HB**

**163**

# LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

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FAX (907) 465-2029  
Mail Stop 3101

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

## MEMORANDUM

March 16, 2000

**SUBJECT:** CSHB 163(STA) and HB 155

**TO:** Senator Jerry Ward  
Attn: Loretta

**FROM:** Kathryn L. Kurtz *KLK*  
Legislative Counsel

You asked whether HB 155 could be rolled into CSHB 163(STA) without changing the title of the latter bill.

Article II, section 13 of the Constitution of the State of Alaska requires that the subject of each bill be expressed in the title. Although CSHB 163(STA) has a relatively long title, none of the clauses in that title appear to encompass the material in HB 155, which has to do with municipal assembly forms of representation and apportionment. As a result, I do not believe that HB 155 could be rolled into CSHB 163(STA) without a title change.

If I may be of further assistance, please advise.

KLK:glc  
00-131.glc

AS 15.25.030

Amend

AS 15.25.030

new section

(a)(16) that the candidate is registered to vote as a member of the political party whose nomination is being sought and who has been approved as a candidate of that political party through the nominations procedures or by-laws adopted by that particular political party if the party nomination procedures complete their process before the statutory filing deadline.

AS 15.25.105

March 16, 2000

State Affairs Committee meeting

---

**HB 163 Elections Clean-Up Bill** by Rep. James

These are notes from House Judiciary:

This bill has been reported on before in House State Affairs, which is the sponsor. It's primarily a housekeeping measure that updates statutes to conform with the optical scanning ballots (i call them Votbots). In addition: No stickers on ballots, they mess up the machines--what a awful coincidence! Also, you now must file a letter with Light Guv saying you're a write in candidate. It Streamlines absentee voting to allow them (Div. Of Elect.) to drop ballots in the Votbots rather than have an Ibuprofen day handcountin' 13,000 ballots. Also it loosens the requirements of a "representative" voting for you. Anyone who has helped a bedbound person vote knows you spend a lot of time driving back and forth to the Div. of Elections. This would allow them to vote for the person themselves but take an oath that they voted for the bedbound persons' choices. The fiscal note says it saves 12 grand.

Croft, after learning of a recent decision by the U.S. Supreme Court saying that people getting signatures can't be forced to have their names on labels identifying themselves, offered an amendment to the bill bringing our statutes into constitutional compliance-- James didn't object. The Buckley decision, made in '99, found a Colorado provision requiring circulators to wear name tags unconstitutional. AS 15.45.110 (B) is substantially similar. In addition the Buckley decision said that circulators could not be required to be registered voters since that limited the number of people who could be petitioners--especially people who didn't register to vote for political reasons. This amendment changed the term of "Sponsor" to "circulator" and deleted the requirement that they be registered voters. There is an interesting legal opinion by Katherine Kurtz re: this issue and I'll make a copy if you are interested. Botelho's opinion too.

The amendment was adopted by the committee after a brief explanation about why our statutes were unconstitutional and it's good to have those in compliance with federal law rather than leaving them there null and void on our books.

HB 163 was passed out with amendments. It goes to Finance next. (P.S. the same amendment was put into Rep. Williams statutory petition bill that is accompanying his constitutional amendment through the Senate as we speak)

Other info: got "do passes" from Smalley, Kerttula in House State Affairs  
Passed unanimously (except for absences) from House floor

---

**SJR 26 Constitutional Amendment relating to education** by Sen. Ward

Not much to say here—it's one of the pieces of the voucher plan, plus permission for the legislature to create a separate education fund, the assets of which can be land or cash.

---

**SB 247 Eligibility for those receiving vet's benefits to also receive longevity bonus by Sen's Leman and Kelly**

Allows those residing in nursing homes, whose payments are made wholly or partly by veteran's benefits, to also receive the longevity bonus.

From what I can figure out, those who receive Medicaid or Vet's benefits to pay for their nursing home costs were disqualified to receive the longevity bonus around 1997. I think the original concern was that longevity bonus benefits were actually harmful to those receiving Medicaid because these individuals became ineligible for Medicaid when they received this additional income. Vet's benefits are not income based, so the same danger does not apply.

The bill opens a one year window to reapply for the longevity bonus. The amount of bonus for those determined eligible will be the same amount they would have received had they not been made ineligible in 1997.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WARD

TO: SCS CSHB 163(STA)

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

2 Insert "relating to use of the state seal and flag in election campaigns;"

3 Page 6, following line 25:

4 Insert a new bill section to read:

5 "\* Sec. 12. AS 15.13 is amended by adding a new section to read:

6 **Sec. 15.13.092. Use of state seal and state flag in political campaigns.** A  
7 person may not use the state seal as defined in AS 44.09.010 or the state flag  
8 described in AS 44.09.020 in an advertisement, billboard, handbill, paid-for television  
9 announcement, or other communication intended to influence the election of a  
10 candidate or the outcome of a ballot proposition or question."

11 Renumber the following bill sections accordingly.

12 Page 31, following line 4:

13 Insert a new bill section to read:

14 "\* Sec. 80. AS 44.09.015(a) is amended to read:

15 (a) A person may not use or make a die or impression of the state seal for  
16 any advertising or commercial purpose, unless written permission has first been  
17 obtained from the lieutenant governor. The lieutenant governor may not grant  
18 written permission for the use of the state seal in an advertisement, billboard,  
19 handbill, paid-for television announcement, or other communication intended to  
20 influence the election of a candidate or the outcome of a ballot proposition or  
21 question."

- 1 Renumber the following bill sections accordingly.
  
- 2 Page 31, line 13:
  - 3 Delete "sec. 85"
  - 4 Insert "sec. 87"
  
- 5 Page 32, line 5:
  - 6 Delete "Section 81"
  - 7 Insert "Section 83"
  
- 8 Page 32, line 6:
  - 9 Delete "Sections 47, 48, 64, and 80"
  - 10 Insert "Sections 48, 49, 65, and 82"
  
- 11 Page 32, line 7:
  - 12 Delete "secs. 83 and 84"
  - 13 Insert "secs. 85 and 86"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WARD

TO: SCS CSHB 163(STA)

1 Page 16, following line 8:

2 Insert a new bill section to read:

3 **\*\* Sec. 42.** AS 15.15.450 is amended to read:

4 **Sec. 15.15.450. Certification of state ballot counting review.** Upon  
5 completion of the state ballot counting review, the director shall certify the persons  
6 [PERSON] receiving the largest number of votes for the offices of governor and  
7 lieutenant governor [OFFICE FOR WHICH THAT PERSON WAS A  
8 CANDIDATE] as elected to those offices, shall certify the person receiving a  
9 majority of the votes cast for an office other than governor or lieutenant  
10 governor as elected to that office, and shall certify the approval of a justice or judge  
11 not rejected by a majority of the voters voting on the question. The director shall  
12 issue to the elected candidates and approved justices and judges [,] a certificate of  
13 their election or approval. The director shall also certify the results of a proposition  
14 and other question, except that the lieutenant governor shall certify the results of an  
15 initiative, referendum, or constitutional amendment. If no person received a  
16 majority of the votes cast for an office other than governor or lieutenant  
17 governor, the director shall hold a runoff election 30 days after the general  
18 election. The director shall place on the ballot the names of the two persons who  
19 received the greatest number of votes in the general election for each office other  
20 than governor and lieutenant governor for which no person obtained a majority  
21 of the votes cast. The director shall certify the person receiving a majority of the  
22 votes cast for an office in a runoff election as elected to that office."

23 Renumber the following bill sections accordingly.

1 Page 31, line 13:

2 Delete "sec. 85"

3 Insert "sec. 86"

4 Page 32, line 5:

5 Delete "Section 81"

6 Insert "Section 82"

7 Page 32, line 6:

8 Delete "Sections 47, 48, 64, and 80"

9 Insert "Sections 48, 49, 65, and 81"

10 Page 32, line 7:

11 Delete "secs. 83 and 84"

12 Insert "secs. 84 and 85"

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR WARD

TO: SCS CSHB 163(STA)

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

2 Insert "relating to use of state seals and the state flag in election campaigns;"

3 Page 6, following line 25:

4 Insert a new bill section to read:

5 "\* Sec. 12. AS 15.13 is amended by adding a new section to read:

6 **Sec. 15.13.092. Use of state seals and the state flag in election campaigns.**

7 A person may not use a state seal or the state flag in an advertisement, billboard,  
8 handbill, paid-for television announcement, or other communication intended to  
9 influence the election of a candidate or the outcome of a ballot proposition or  
10 question."

11 Renumber the following bill sections accordingly.

12 Page 31, following line 4:

13 Insert a new bill section to read:

14 "\* Sec. 80. AS 44.09.015(a) is amended to read:

15 (a) A person may not use or make a die or impression of the state seal for  
16 any advertising or commercial purpose, unless written permission has first been  
17 obtained from the lieutenant governor. **The lieutenant governor may not grant**  
18 **written permission for the use of the state seal in an advertisement, billboard,**  
19 **handbill, paid-for television announcement, or other communication intended to**  
20 **influence the election of a candidate or the outcome of a ballot proposition or**  
21 **question.**"

1 Renumber the following bill sections accordingly.

2 Page 31, line 13:

3 Delete "sec. 85"

4 Insert "sec. 87"

5 Page 32, line 5:

6 Delete "Section 81"

7 Insert "Section 83"

8 Page 32, line 6:

9 Delete "Sections 47, 48, 64, and 80"

10 Insert "Sections 48, 49, 65, and 82"

11 Page 32, line 7:

12 Delete "secs. 83 and 84"

13 Insert "secs. 85 and 86"

# LEGAL SERVICES

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## MEMORANDUM

March 18, 2000

**SUBJECT:** Draft SCS for CSHB 163(STA) (Work Order No. 1-LS0769M)

**TO:** Senator Jerry Ward, Chair  
Senate State Affairs Committee  
Attn: Loretta Brown

**FROM:** Kathryn L. Kurtz <sup>KK</sup>  
Legislative Counsel

Enclosed is the draft CS you requested. I changed the language in section 1, and deleted sections 63 - 70, as you requested.

As I discussed with Loretta on the phone, I have made one additional change: for the sake of consistency, I have added AS 15.45.580 to the list of sections in the revisor's instruction to change references to "election district" to "house district."

The amendment adding sections 63 through 70 on the house side also added AS 15.45.110(b) to the repealer. Because you did not request that this section be removed from the repealer, I left it in. Please note that AS 15.45.110(b) is clearly unconstitutional in light of the United States Supreme Court's decision in Buckley v. American Constitutional Law Foundation, 525 U.S. 182 (1999) a case that also raises a question about the constitutionality of AS 15.45.110(a).

You should also be aware that deleting sections 63 through 70 has the effect of making the current title overinclusive. The current title at page 2, line 1-2 includes the phrase "relating to initiative, referendum, and recall petitions." Because the repeal of AS 15.45.110(b) is still in the bill, the reference to initiatives is accurate. However, with the removal of sections 63-70, there is no longer anything in the bill that relates to referenda or recall petitions.

Article II, section 13 of the Constitution of the State of Alaska requires that the subject of each bill be expressed in the title. Including items in the title which are not actually addressed in the bill could be construed as unconstitutional. Whether the Alaska Supreme Court would invalidate an act on this ground, I do not know. They have not decided the issue. Looking to the case law of other states, it appears that when an act contains provisions not covered by the title, the effect is to render the affected provisions invalid. Patrice v. Murphy, 966 P.2d 1271, 1274 (Wash. 1998). There is less case law involving the opposite situation, where the title of an act included material not referred to in the body of the act. Where a title indicated that the act contained a police regulation, and the act did not (and was

Senator Jerry Ward  
March 18, 2000  
Page 2

in fact a tax measure), the court ruled that the title was misleading. Reeves v. Adam Hat Stores, 198 S.W.2d 789, 791 (Kentucky 1946). The court wrote: "[t]he title to an act may be broader than necessary so long as it relates to only one subject, but it must be fairly expressive of the contents of the act..." *Id.* In a case where the title referred to bonded indebtedness not exceeding 20%, but the body permitted only indebtedness not exceeding 12%, the court held that the title was "not so deceptive or misleading as to render the entire act void." Watts v. Oliphant, 143 S.E.2d 813 (S.C. 1965).

The reference to referenda and recall petitions could be somewhat misleading in this case, since they are not addressed in the bill. But, an overinclusive title still gives notice to the public and to parties whose rights and liabilities are affected by the bill, *see Patrice v. Murphy*, 966 P.2d at 1275, so, I do not know whether the Alaska Supreme Court would go so far as to invalidate the whole bill on this basis. The safest legal course would be to change the title to remove the reference to referenda and recall petitions. If you would like me to draft a concurrent resolution suspending the uniform rules for this purpose, let me know.

If you would like any additional information about the constitutionality of Alaska's existing initiative, referendum, and recall laws in light of Buckley v. American Constitutional Law Foundation, 525 U.S. 182 (1999) please let me know.

If I may be of further assistance, please advise.

KLK:jdr:pl  
00-114.jdr

Enclosure

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR PHILLIPS

TO: CSHB 163(JUD)

1 Page 14, line 30, through page 15, line 5:

2 Delete

3 "(10) [STICKERS BEARING A CANDIDATE'S NAME MAY BE  
4 AFFIXED TO THE BALLOT IN PLACE OF WRITING IN A CANDIDATE'S  
5 NAME IF WRITE-IN VOTES ARE OTHERWISE PERMITTED. STICKERS MAY  
6 NOT BE ISSUED BY MEMBERS OF THE ELECTION BOARD WHILE SERVING  
7 AT THE POLLS. STICKERS MAY NOT BE OFFERED TO VOTERS WITHIN 200  
8 FEET OF THE POLLING PLACE.

9 (11)]"

10 Insert

11 "(10) Stickers bearing a candidate's name may be affixed to the ballot  
12 in place of writing in a candidate's name if write-in votes are otherwise permitted.  
13 Stickers may not be issued by members of the election board while serving at the  
14 polls. Stickers may not be offered to voters within 200 feet of the polling place.

15 (11)"

16 Page 15, line 6:

17 Delete "[OR PLACE A STICKER IN THE SPACE]"

18 Insert "or place a sticker in the space"

19 Page 15, line 9:

20 Delete "(11)"

21 Insert "(12)"

22 Page 15, line 12, following "written in":

- 1           Insert "or appears on a sticker placed in"
  
- 2   Page 15, line 14:
- 3           Delete "(12)"
- 4           Insert "(13)"
  
- 5   Page 15, line 20. following "written in":
- 6           Insert "or appears on a sticker placed in"
  
- 7   Page 15, lines 27 - 29:
- 8           Delete all material.
  
- 9   Renumber the following bill sections accordingly.
  
- 10   Page 33, line 16:
- 11           Delete "sec. 94"
- 12           Insert "sec. 93"
  
- 13   Page 34, line 8:
- 14           Delete "Section 90"
- 15           Insert "Section 89"
  
- 16   Page 34, line 9:
- 17           Delete "Sections 48, 49, 73, and 89"
- 18           Insert "Sections 47, 48, 72, and 38"
  
- 19   Page 34, line 10:
- 20           Delete "secs. 92 and 93"
- 21           Insert "secs. 91 and 92"

# FISCAL NOTE

Bill Version: CSHB 163 (STA)  
 (H) Publish Date: 2/9/00

**STATE OF ALASKA  
 2000 LEGISLATIVE SESSION**

Revision Date/Time (Note if correction) \_\_\_\_\_ Dept. Affected Office of the Governor  
 Title An Act relating to voters and elections BRU Elective Operations  
 Component Elections  
 Sponsor Representative James  
 Requester House State Affairs Committee Component No 21

**Expenditures/Revenues (Thousands of Dollars)**

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

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual	(12.5)					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>(12.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	(12.5)					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>(12.5)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2000) cost: 00

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

The division will no longer be required to pay for the printing of the voter registration form in the annual permanent fund dividend booklet

Prepared by: Gail Fenumia  
 Division Division of Elections

Phone 465-3935

Date/Time 2/3/00 2:53 PM

Approved by: Lt. Governor Fran Ulmer  
 of the Lieutenant Governor

Date 02/03/2000

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Kurtz  
3/22/00

AMENDMENT

OFFERED IN THE SENATE

BY SENATE STATE AFFAIRS

TO: CSHB 163(JUD)

1 Page 23, line 7 through line 16:

2 Delete

3 Renumber the remaining bill sections accordingly.



## CITY OF WASILLA

290 E Herning Avenue  
Wasilla, AK 99654-7091  
Phone: (907) 373-9050  
Fax: (907) 373-9092

March 15, 2000

Honorable Jerry Ward  
State Senator, District E  
Chair, Senate State Affairs  
State Capitol  
Juneau, AK 99801

RE: **Support for SB 120/HB 163 -- Relating to Elections**

Dear Senator Ward:

I am unable to attend the public hearing scheduled for March 16, 2000 on SB 120/HB 163 relating to elections. Please accept this letter as my support for SB 120/HB 163.

SB 120/HB 163 simplifies the election procedures which will increase public participation in the election process as a whole. Therefore, Municipal Clerks around the state and the Alaska Association of Municipal Clerks (AAMC) support the passage of this bill.

I would like to thank you for your time and consideration.

Sincerely,

ALASKA ASSOCIATION OF MUNICIPAL CLERKS

KRISTIE L. VANGORDER, CMC  
Wasilla City Clerk and First Vice President of AAMC

Pc: Senator Lyda Green  
Senator Randy Phillips  
Gail Fenumiai, Election Program Specialist

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HB 163

PAGE(S) LINE(S) COMMENTS

3	15-16	Why delete equal representation at the voting place?
10	16-17	What effect, if any, would this change have on the division of elections' purging of the voter registration list?
11	10-11	When will the stubs be removed and what impact will this have on the secrecy of the ballot?
12	25	
14	30-31	Why delete? Wouldn't stickers be easier to read or scan?
22	31	If a "reliable electronic transmission is received by 5 pm June 1 <sup>st</sup> , why are applicants given another 15 days for the delivery of a physical declaration.
23	1-6	
23	10-16	It appears that candidates for governor or Lt. Governor will have to guarantee a running mate before the name can be placed on the ballot. How did this work up to this point?
33	2-7	Would this require a voter to vote a question ballot if the mailing address on the PFD does not match the mailing address on the voter registration list?
33	16-19	Would this effect the candidates for this year's elections? Shouldn't candidates know "what and how" these regulations would effect them before they file for office?
34	10	



# Alaska State Legislature

Representative Jeannette James

District 34 - Republican



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## Sponsor Statement for HB 163 Changes to Election Law

An Act relating to qualifications of voters; relating to the registration of voters; relating to election districts and officials; relating to election procedures and ballots; relating to special procedures for elections; relating to nomination of candidates; relating to national elections; relating to special elections and appointments; relating to constitutional amendments; relating to election offenses and corrupt practices; relating to election pamphlets; relating to the deferral of jury service for certain election officials; relating to an exemption from the State Procurement Code regarding election ballots; relating to the provision and use of mailing addresses on permanent fund dividend applications for election purposes; relating to the inclusion of voter registration forms with permanent fund dividend applications; making conforming amendments in references to 'election district' and 'chairman'; and providing for an effective date.

Updated: February 8, 2000

House Bill 163 is primarily a housekeeping bill that will update current election law to conform with the optical scanning ballot tabulation system.

The goal of House Bill 163 is to make the electoral process more efficient while continuing to maintain the integrity of the process.

In addition to housekeeping measures which are outlined in an accompanying sectional analysis, House Bill 163 contains three policy changes which will help make the election process more efficient for both the electorate and the Division of Elections.

### Write-In Candidates

It became apparent after the 1998 gubernatorial election that the state needs

clear procedures for the qualification of write-in candidates and for the counting of votes. House Bill 163 will prohibit the use of stickers by write-in candidates. Write-in stickers cannot be used with the state's optical scan ballot tabulation system. The Division has been advised by the manufacturer, Global Elections Systems, that stickers could damage the Accu-Vote machines.

#### **Revision of Absentee by Personal Representative Process**

The current statutory process is too cumbersome and the resulting mistakes by people attempting to assist other voters have resulted in the disqualification of many ballots. Current law requires the personal representative to deliver an application to the voter, return the application to an election official, pick up the ballot and voting material, deliver the material to the voter and then return the voted ballot and material to an election official, and multiple signatures on a complex form. The new process would allow the personal representative to deliver an application and voting material at one time and then return the voted ballot and material to an election official. The same checks and balances remain in place to protect the integrity of the electoral process.

#### **Change to the Absentee In-Person Voting Process**

Early voting would apply to absentee voting in the regional election office absentee voting stations. Voters registered in a house district in which the regional election office has jurisdiction would no longer be required to complete an absentee oath and affidavit envelope. This will significantly reduce the number of absentee ballots requiring review by the division of elections. If a voter's residence address information is different from that which appears on the division's records at the time of voting, the voter will be required to complete an oath and affidavit envelope.

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