

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 8672

11349 SENATE (STATE AFFAIRS

Governor's Capital Budget - Appropriations Only (by category)
FY05 Governor's Capital Budget

Agency	Project Title	General Funds	AHFC Bonds (1113)	AHFC Div (1139)	ASLC Bonds (1186)	Federal Funds	Other Funds	Total Funds
Housing/Social Services								
Revenue	AHFC Housing and Urban Development Federal HOME Grant	0	0	750,000	0	3,175,000	0	3,925,000
Revenue	AHFC Housing Loan Program/Teacher/Health Professionals Housing	0	0	4,000,000	0	0	0	4,000,000
Revenue	AHFC Low Income Weatherization	0	0	2,529,000	0	1,800,000	0	4,329,000
Revenue	AHFC Senior Citizens Housing Development Program	0	0	2,000,000	0	0	0	2,000,000
Revenue	AHFC State Energy Program Special Projects	0	0	50,000	0	483,500	0	533,500
Revenue	AHFC Supplemental Housing Development Program	0	0	4,300,000	0	0	0	4,300,000
Housing/Social Services Subtotal		0	750,000	16,881,900	0	24,908,500	307,000	42,847,500
Natural Resources								
Fish and Game	Birch Lake Outlet Weir and Land Purchase	0	0	0	0	56,250	18,750	75,000
Fish and Game	DIDSON Sonar Equipment Purchase	0	300,000	0	0	0	0	300,000
Fish and Game	Division of Sport Fish Access Improvement and Conservation Program	0	0	0	0	2,928,447	0	2,928,447
Fish and Game	Equipment for Regional Wildlife Conservation Management	0	0	0	0	105,000	95,000	200,000
Fish and Game	Interior Habitat Enhancement for Wildlife	0	0	0	0	60,000	20,000	80,000
Governor	Pacific Coastal Salmon Recovery Fund	0	0	0	0	26,000,000	0	26,000,000
Natural Resources	Alaska Cadastral Project	0	0	0	0	400,000	0	400,000
Natural Resources	Coastal Wetlands Grant - Nushagak Bay Watershed Conservation Phase 1	0	0	0	0	1,000,000	0	1,000,000
Natural Resources	Federal Funded Grants for Forest Resource and Fire Program Projects	0	0	0	0	2,800,000	0	2,800,000
Natural Resources	Forest Legacy Federal Grant Program in Wood-Tikchik State Park	0	0	0	0	4,500,000	0	4,500,000
Natural Resources	Forestry Buildings Repairs to Correct Fire and Life Safety Deficiencies	0	311,700	0	0	0	0	311,700

Governor's Capital Budget - Appropriations Only (by category)
FY05 Governor's Capital Budget

Agency	Project Title	General Funds	AHFC Bonds (1113)	AHFC Div (1139)	ASLC Bonds (1186)	Federal Funds	Other Funds	Total Funds
Natural Resources								
Natural Resources	National Historic Preservation Fund Federal Grant Program	0	0	0	0	950,000	0	950,000
Natural Resources	Oil and Gas Leasing and Accounting Systems Integration Phase 2	100,000	0	0	0	0	0	100,000
Natural Resources	Plant Material Center Shop and Storage Shed Planning and Design	0	0	0	0	375,000	0	375,000
Natural Resources	Remote Recreational Cabins Survey and Appraisals	0	0	0	0	0	550,000	550,000
Natural Resources	State Park Deferred Maintenance	0	0	0	0	0	50,000	50,000
Natural Resources Subtotal		100,000	611,700	0	0	39,174,697	733,750	40,620,147
Public Protection								
Corrections	Deferred Maintenance, Repair, and Renovations	0	0	0	2,100,000	0	0	2,100,000
Governor	Vessel and Aircraft Maintenance for ADF&G and DPS	899,600	0	0	0	0	0	899,600
Military & Vets Affairs	Alaska National Guard Counterdrug Support Program	0	0	0	0	80,000	0	80,000
Military & Vets Affairs	Anchorage Armory Expansion	0	0	0	0	250,000	0	250,000
Military & Vets Affairs	Army Guard Deferred Maintenance, Renewal & Replacement	0	400,000	0	0	887,000	0	1,287,000
Military & Vets Affairs	Bethel Readiness Center New Construction	3,187,500	0	0	0	8,062,500	0	11,250,000
Military & Vets Affairs	Federal Scout Readiness Centers and Storage Facilities Construction	0	0	0	0	1,700,000	0	1,700,000
Military & Vets Affairs	Federal Scout Readiness Centers Energy Projects	0	0	0	0	150,000	0	150,000
Military & Vets Affairs	Storage Buildings	0	0	0	0	1,500,000	0	1,500,000
Natural Resources	Abandoned Mine Lands Reclamation Federal Program	0	0	0	0	1,500,000	0	1,500,000
Public Safety	Emergency Vehicle Operation Drivers Training Range	0	0	0	0	650,000	0	650,000
Public Safety	Firefighting Breathing Apparatus Replacement	112,500	0	0	0	0	0	112,500
Public Safety	Law Enforcement Equipment Replacement	600,000	0	0	0	0	0	600,000

Governor's Capital Budget - Appropriations Only (by category)
FY05 Governor's Capital Budget

Agency	Project Title	General Funds	AHFC Bonds (1113)	AHFC Div (1139)	ASLC Bonds (1186)	Federal Funds	Other Funds	Total Funds
Public Protection								
Public Safety	Marine Fisheries Patrol Improvements	0	0	0	0	1,080,300	0	1,080,300
Public Safety	Rural Law Enforcement Training and Equipment	0	0	0	0	2,000,000	0	2,000,000
Public Safety	Rural Trooper Housing Repairs and Renovation	147,500	0	0	0	0	0	147,500
Public Safety	Statewide Facilities Maintenance	37,500	0	0	0	0	0	37,500
Public Safety	Statewide Illegal Drug and Alcohol Use	0	0	0	0	2,000,000	0	2,000,000
Public Safety	Training Academy Handgun Range Repairs	45,000	0	0	0	0	0	45,000
Public Protection Subtotal		5,029,600	400,000	0	2,100,000	19,859,800	0	27,389,400
Transportation								
Natural Resources	National Recreational Trails Federal Program	0	0	0	0	695,000	0	695,000
Natural Resources	Snowmobile Trail Development and Program Grants	0	0	0	0	0	200,000	200,000
Transportation	Airport Deferred Maintenance	800,000	0	0	0	0	0	800,000
Transportation	Airport Improvement Program	0	0	0	0	168,328,788	300,000	168,628,788
Transportation	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation	4,063,000	0	0	0	0	0	4,063,000
Transportation	Congressional Earmarks	0	0	0	0	349,729,100	0	349,729,100
Transportation	Emergency and Non-Routine Repairs	600,000	0	150,000	0	0	0	750,000
Transportation	Facilities Deferred Maintenance and Critical Repairs	754,900	501,200	0	0	0	0	1,256,100
Transportation	Harbor Deferred Maintenance	600,000	0	0	0	0	0	600,000
Transportation	Highway Deferred Maintenance	1,100,000	0	0	0	0	0	1,100,000
Transportation	Statewide Federal Programs	11,435,800	0	200,000	40,436,900	49,572,600	150,000	101,795,300
Transportation	Surface Transportation Program	0	0	0	0	408,859,800	400,000	409,259,800
Transportation Subtotal		19,353,700	501,200	350,000	40,436,900	977,185,288	1,050,000	1,038,877,088

Governor's Capital Budget - Appropriations Only (by category)
FY05 Governor's Capital Budget

Agency	Project Title	General Funds	AHFC Bonds (1113)	AHFC Div (1139)	ASLC Bonds (1186)	Federal Funds	Other Funds	Total Funds
University								
University of Alaska	Alaska Congressional Public Center	0	0	0	0	0	5,000,000	5,000,000
University of Alaska	Biological and Computational Sciences Facility - Related Laboratory Needs and Planning	0	0	0	0	0	1,000,000	1,000,000
University of Alaska	Board of Regents Priority Projects	10,636,000	0	0	0	0	0	10,636,000
University of Alaska	Essential Life, Safety, Space and Equipment Priorities	0	0	0	0	0	4,359,500	4,359,500
University of Alaska	Project and Planning Receipt Authority	0	0	0	0	10,000,000	15,000,000	25,000,000
University of Alaska	Replacement of Research Vessel	0	0	0	0	80,000,000	0	80,000,000
University of Alaska	Seward Marine Center Renovation	0	0	0	0	26,000,000	0	26,000,000
University of Alaska	Strategic Property and Facility Acquisition	0	0	0	0	0	943,000	943,000
	University Subtotal	10,636,000	0	0	0	116,000,000	26,302,500	152,938,500
	TOTAL STATE AGENCIES	40,000,000	25,000,000	19,013,400	50,185,000	1,297,698,105	69,639,103	1,501,535,608
	TOTAL EXECUTIVE BRANCH	40,000,000	25,000,000	19,013,400	50,185,000	1,297,698,105	69,639,103	1,501,535,608

SCHEDULED BOND DEBT SERVICE REPORT - CONSOLIDATED

**AHFC State Capital Project Bonds
Existing and Projected Debt Service**

Date	Bond Debt Service			Total Bond Payment	Bond Valuation		
	Maturing Principal	Interest Paid	Total Debt Serv		Bond Balance	Unpaid Interest	Accreted Bond-Value
Jan 1, 2003	-	-	-	-	29,865,000	-	29,865,000
Jun 1, 2003	-	-	-	-	184,645,000	-	184,645,000
Jun 1, 2004	42,790,000	10,237,872	53,027,872	53,027,872	216,660,000	-	216,660,000
Jun 1, 2005	48,160,000	9,899,746	58,059,746	58,059,746	193,500,000	-	193,500,000
Jun 1, 2006	53,060,000	7,608,643	60,668,643	60,668,643	140,440,000	-	140,440,000
Jun 1, 2007	25,195,000	5,697,588	30,892,588	30,892,588	115,245,000	-	115,245,000
Jun 1, 2008	5,900,000	4,759,646	10,659,646	10,659,646	109,345,000	-	109,345,000
Jun 1, 2009	6,110,000	4,534,406	10,644,406	10,644,406	103,235,000	-	103,235,000
Jun 1, 2010	6,370,000	4,271,820	10,641,820	10,641,820	96,865,000	-	96,865,000
Jun 1, 2011	6,645,000	3,984,500	10,629,500	10,629,500	90,220,000	-	90,220,000
Jun 1, 2012	6,975,000	3,677,362	10,652,362	10,652,362	83,245,000	-	83,245,000
Jun 1, 2013	7,335,000	3,412,064	10,747,064	10,747,064	75,910,000	-	75,910,000
Jun 1, 2014	7,660,000	3,089,242	10,749,242	10,749,242	68,250,000	-	68,250,000
Jun 1, 2015	7,995,000	2,746,977	10,741,977	10,741,977	60,255,000	-	60,255,000
Jun 1, 2016	5,280,000	2,459,040	7,739,040	7,739,040	54,975,000	-	54,975,000
Jun 1, 2017	5,510,000	2,229,368	7,739,368	7,739,368	49,465,000	-	49,465,000
Jun 1, 2018	5,750,000	1,989,691	7,739,691	7,739,691	43,715,000	-	43,715,000
Jun 1, 2019	6,005,000	1,739,579	7,744,579	7,744,579	37,710,000	-	37,710,000
Jun 1, 2020	6,265,000	1,478,387	7,743,387	7,743,387	31,445,000	-	31,445,000
Jun 1, 2021	6,540,000	1,205,899	7,745,899	7,745,899	24,905,000	-	24,905,000
Jun 1, 2022	6,825,000	921,471	7,746,471	7,746,471	18,080,000	-	18,080,000
Jun 1, 2023	7,055,000	569,114	7,624,114	7,624,114	11,025,000	-	11,025,000
Jun 1, 2024	7,275,000	233,504	7,508,504	7,508,504	3,750,000	-	3,750,000
Jul 1, 2024	3,750,000	11,781	3,761,781	3,761,781	-	-	-
	284,450,000	76,757,700	361,207,700	361,207,700			

SCHEDULED BOND DEBT SERVICE REPORT - CONSOLIDATED

AHFC State Capital Project Bonds Existing and Projected Debt Service

Bond Statistics - Consolidated

	CAP_GO	SCP_BOND	WATRSEWR	Total
Par Amount	-	259,450,000.00	25,000,000.00	284,450,000
Accrued Int.	-	-	-	-
Issue Discount	-	-1,350,402.40	-	-1,350,402
Proceeds	-	260,800,402.40	25,000,000.00	285,800,402
Bond Year	-	1,626,371,667	144,345,000	1,770,716,667
Avg. Price	-	100.520	100.000	100.475
Avg. Coupon	-	4.702%	3.567%	4.602%
Avg. Rate	-	4.366%	3.980%	4.335%
Avg. Life(Dated)	-	6.269	5.774	6.225
Avg. Life(Delivery)	-	6.269	5.774	6.225
Avg. Mat. Date	-	Sep 7, 2009	Sep 9, 2010	Mar 22, 2009
Gross Bond NIC	-	4.283298%	3.980020%	4.259%
Net Bond NIC	-	4.283298%	3.980020%	4.259%
Gross Bond TIC	-	4.309171%	3.950044%	4.279%
Net Bond TIC	-	4.417978%	3.950044%	4.279%
Duration	-	5.198	5.125	5.315

BOND STATISTICS - CONSOLIDATED**AHFC State Capital Project Bonds
Existing and Projected Debt Service****Bond Statistics - Consolidated**

	CAP_GO	SCP_BOND	WATRSEWR	Total
Par Amount	-	259,450,000.00	25,000,000.00	284,450,000
Accrued Int.	-	-	-	-
Issue Discount	-	-1,350,402.40	-	-1,350,402
Proceeds	-	260,800,402.40	25,000,000.00	285,800,402
Bond Year	-	1,626,371,667	144,345,000	1,770,716,667
Avg. Price	-	100.520	100.000	100.475
Avg. Coupon	-	4.702%	3.567%	4.602%
Avg. Rate	-	4.366%	3.980%	4.335%
Avg. Life(Dated)	-	6.269	5.774	6.225
Avg. Life(Delivery)	-	6.269	5.774	6.225
Avg. Mat. Date	-	Sep 7, 2009	Sep 9, 2010	Mar 22, 2009
Gross Bond NIC	-	4.283298%	3.980020%	4.259%
Net Bond NIC	-	4.283298%	3.980020%	4.259%
Gross Bond TIC	-	4.309171%	3.950044%	4.279%
Net Bond TIC	-	4.417978%	3.950044%	4.279%
Duration	-	5.198	5.125	5.315



Headquarters:
4300 Boniface Parkway
Anchorage, AK 99504
907-338-6100

Mailing Address:
PO Box 101020
Anchorage, AK 99510

Internet Web Site:
<http://www.ahfc.state.ak.us>

Senate Bill 279

Senate Bill 279 will provide \$25 million for village safe and clean water and hygienic sewage disposal facilities projects and other capital projects. The village safe water projects that will be funded with bond proceeds have historically been funded through cash from the Corporation's annual dividend to the State.

Estimated debt service on the \$25 million in bonds, based on current interest rates, is approximately \$3 million per year for 10 years. These debt service payments, per Sections 2 and 4 of the bill, would be deducted from AHFC's annual Dividend provided for by AS18.56.089(c).

Preliminary indications from rating analysts are that there will be no negative impact upon the Corporation's ratings from this proposed issuance. Those indications are given based upon the passage of this bill and Senate Bill 274, which replaces the Housing Assistance Loan Fund (a rural revolving loan fund) with the Housing Assistance Loan Program (a rural loan program). This bill will allow the Corporation to transfer the loans to the General Account and leverage them to help strengthen the Corporation's General Account.



FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: LL#0128
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title AHFC Safe Water Bill RDU Alaska Housing Finance Corp.
 Component Operations
 Sponsor Rules Committee
 Requester Governor Component No. 110

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()	0.0	(2,500.0)	(2,500.0)	(2,500.0)	(2,500.0)	(2,500.0)
-------------------------------	------------	------------------	------------------	------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Under AS 18.56.089(2)(a), activities of the corporation that relate to the issuance of obligations and the repayment of debt obligations are exempt from the provisions of the Executive Budget Act. These costs are included in the bond authorizations of the bill. Bonds issued under this legislation will be paid from the annual dividend to the state general fund under 18.56.089(c). This bond issuance will result in a reduction in the annual dividend. The term of the bonds is expected to be twenty years.

Estimates for debt service and other costs are based on a number of assumptions, including future interest rates and bond ratings. Operational costs for issuing and monitoring these bonds will be done with existing personnel and within the authorized operating budget for FY2005 and beyond. No budget authorizations are necessary with this fiscal note.

Prepared by: Bryan Butcher, Legislative Liaison/Special Assistant Phone 330-8445
 Division: Alaska Housing Finance Corporations Date/Time 1/25/04 8:27 PM
 Approved by: Tomas Boutin, Deputy Commissioner Date 1/25/2004
 Agency: Department of Revenue

FRANK H. MURKOWSKI
GOVERNOR
GOVERNOR@GOV.STATE.AK.US



58279
P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 22, 2004

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 107
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill to provide financing for water and sewer projects. This bill would allow direct financing of projects and provide matching funds required by federal grant programs to build the projects. Funds would come from bonds issued by the Alaska Housing Finance Corporation (AHFC). Repayment of costs of the bonds by AHFC (including principal and interest), would be offset by a reduction in AHFC's dividend to the state.

The technical and financial support delivered by this bill to Alaska communities will allow them to benefit from the improvement in public health, economic development, and quality of life that follows when adequate water and sewer facilities are built.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script that reads "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

SB

284

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/28/04

FURTHER: Finance

Date of 5-Day Notice: 2/12/04
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/18/04

State Affairs Committee considered SENATE BILL NO. 284

SB 284 PF DIVIDEND APPLICATION RECORDS PRIVATE

"An Act relating to an optional election to prevent the name and address of a permanent fund dividend applicant from being disclosed, except to a state or federal agency."

and recommends:

- be replaced with _____ CS SB 284 (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

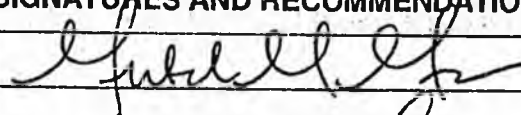
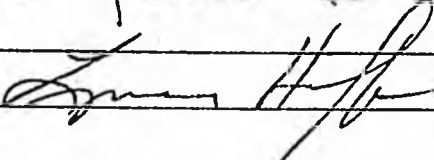
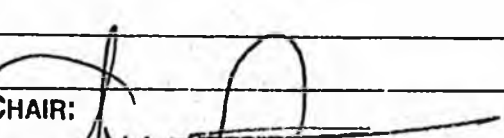
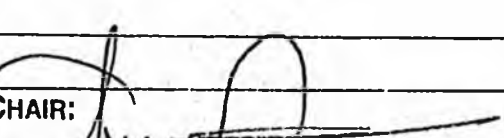
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
	✓			
	✓			
CHAIR: 	✓			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 284
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title PFD Application Records Private RDU Revenue Programs & Services
 Component Permanent Fund Dividend
 Sponsor Senator Guess
 Requester Senate State Affairs Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	16.5					
Travel						
Contractual	15.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	31.5	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1950 Permanent Fund Dividend Fund	31.5					
TOTAL	31.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time	3					
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attachment for analysis.

Prepared by: Paul E. Dick Phone (907) 465-4784
 Division Permanent Fund Dividend Date/Time 2/15/04 1:31 AM
 Approved by: Steve Porter, Deputy Commissioner Date 2/15/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CS SB 284 (STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title PFD Application Records Private RDU Revenue Programs & Services
 Component Permanent Fund Dividend
 Sponsor Senator Guess
 Requester Senate Finance Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	15.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	15.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1950 Permanent Fund Dividend Fund						
TOTAL	15.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 284 proposes a checkoff on the Permanent Fund Dividend application to require the PFD to keep an applicant's name and address confidential. Reprogramming of the Dividend Application Information System and the associated mainframe applications can be accomplished for the 2005 dividend cycle in the course of a re-write of those applications currently underway. However, implementation of the re-writes is dependent on other system upgrades to be funded by a pending 2005 CIP request (PFD Image System Upgrades). The cost of the additional programming is estimated at \$15.0.

Prepared by: Sharon Barton Phone (907) 465-4785
 Division Permanent Fund Dividend Date/Time 2/24/04 8:57 AM
 Approved by: Steve Porter, Deputy Commissioner Date 2/24/2004
 Agency Department of Revenue

1
2
3
4
5
6
7
8
9
10
11
12
13

AMENDMENT #1

OFFERED IN THE SENATE
TO: 284

BY SENATOR GUESS

Page 1, line 12:
(1) to a local, state ^{and} of federal agency;

Page 1, Line 14
Delete line 14.

*Adopted
w/o obj.*

Subject: Re: SB 284

Date: Mon, 16 Feb 2004 15:18:46 -0900

From: regina anderson <regina_anderson@legis.state.ak.us>

To: Katrina Matheny <Katrina_Matheny@legis.state.ak.us>

First is Melissa Wyatt. Her number is 907-743-9624. I am not sure who will be dialing in from AWAIC. But the number is 743-2546. They are supposed to call the 800 number right?

Katrina Matheny wrote:

> *That's fine. Can you give me their names and phone numbers so that I can get that info over to the LIO. Thanks.*

>

> K

>

> *regina anderson wrote:*

>

> > *Hey Katrina, I now have two people in line to testify on behalf of SB*

> > *284 tomorrow in State Affairs. Both can not get away from work to go to*

> > *the Anchorae LIO, so I have them the 800-395-5073 number.*

> >

> > *Thanks!*

> > *Gina*

HB 284 - Fiscal Note Analysis

SB 284 proposes a check off on the Permanent Fund Dividend application to allow applicants the option of keeping their name and address be kept confidential. The bill allows the confidential name and address information to be released to a state or federal agency; in compliance with a court order; or as directed by the individual. Currently, names and mailing addresses only are public information. In some cases, the physical and mailing address are the same.

Most state and federal agencies access our data via the division web page.

The division projects that most applicants, given the option, will request that their information be kept confidential.

Fiscal impacts on the division include:

- **Implementation - \$15.0** Reprogramming of the Dividend Application Information System and the associated mainframe applications can be accomplished for the 2005 dividend cycle in the course of a re-write of those applications currently underway. However, implementation of the re-writes is dependant on other system upgrades to be funded in a pending CIP request (PFD Image System Upgrades). This additional work may be done by contract to meet the deadline.
- **Subsequent changes to individual records -\$3.5** The cost impact of processing requests from applicants who will need or want to change their check-off mid-cycle is difficult to estimate.
- **Garnishments - \$13.0** Currently the division provides a file of all applicants to governmental agencies that want to garnishee dividends. These agencies match the PFD file with their records using our unique identifier (ALN) and submit garnishments only for those who match. The bill as written does not allow sharing of the information with local government agencies. If we cannot share the file, or if the file is not complete, local government agencies will submit their full lists to PFD and we will have to do the matching process. Approximately 60,000 garnishments will need to be keyed into the system and matched.
- **Other considerations:**
The PFD Applicant file has become the state's data base of name and address information. Use of the PFD file is woven into the workings of many programs and businesses around the state. For example, it is used by local government law enforcement and assessors, native corporations, process servers, research entities, university and high school students, and private investigators.

SB 284 - Recommended Changes/Considerations

- This bill would plug only one hole in the problem of protecting vulnerable Alaskans; name and address information is available from other public sources. Better protection would be provided if vulnerable individuals used a post office box instead of a physical address.

- If the bill moves forward, the following changes would reduce the cost of the bill:
 - 1) include "local" in Section 1, line 12 – Including local government entities among those who could access the confidential data would reduce the fiscal note by \$13.0 (the cost of keying and matching garnishments)



ALASKA STATE LEGISLATURE
SENATOR GRETCHEN GUESS

Sponsor Statement

SB 284: "An Act relating to an optional election to prevent the name and address of a permanent fund dividend applicant from being disclosed, except to a state or federal agency."

BACKGROUND

Currently, the list of Permanent Fund Dividend (PFD) applicants and their address are public information.

PROBLEM

Although this issue appears benign on the surface, to victims of violent crimes, disclosing their mailing addresses can be a terrifying and potentially life-threatening mistake. For example, this would apply to survivors of domestic violence who are in hiding or live in an undisclosed location for safety reasons. Making names public when you file for a PFD defeats this purpose and can potentially be lethal.

SOLUTION

This legislation would allow a PFD applicant to check a box to keep the applicant information private, except in cases where disclosure of such information is required by state or federal government. This solution provides safety for those people who need it, and provides privacy for all Alaskans who want it.

Dear Legislators;


After five years, two domestic violence shelters, one protective order, counsel from seven attorneys, extensive internet research and a name and social change my son and I are free from a man who will kill us if he finds us. Today life is grand. We have a home, a great job, lots of friends and a wealth of information on domestic violence. My son enjoys playing hockey for the Boy's and Girl's Club and we are pretty normal, content tax paying folk. I earned over \$110,000 last year and paid almost 30% in taxes. No problem.

My question is this; will my son or I ever be able to collect our PFD with out endangering our lives? The PFD database is available to anyone. It's cheap and easy for anyone to access. This could mean death for us.

I do lead a very public life, under my new legal name, as a Loan Officer. This allows for me to provide for my son and not rely on social services. I stopped hiding and cowering a long time ago but that doesn't mean I need to make it easy for him to find us. I still use prudence and common sense.

Some say I should just be happy to be alive and moving on with my new life. I am. Does this mean I should be so happy that I don't at least try to collect a PFD to start my son's college fund? He will never see a dime in child support. If you say this is how it has to be then I will be ok with that. It just doesn't seem right. Wouldn't it be possible to pass some sort of legislation that can protect domestic violence survivor's names and address' from the public PFD database? I doubt I am the only woman in this situation.

Respectfully submitted,


PS: I have been busy trying to get my court approved name change documents off the State's name index. A very nice lady by the name of Christine Johnson, Deputy Alaska Court System Administrator, was very helpful and I am hopeful she will be successful in permanently removing my records from the site. I know I am not the only one who needs this extra precaution in place to help keep us safe as well.

SB

287

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 1/30/04

FURTHER: Finance

Date of 5-Day Notice: 2/12/04
 (in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/22/04

State Affairs Committee considered SENATE BILL NO. 287

SB 287 REGULATION REVIEW

"An Act relating to review of regulations under the Administrative Procedure Act by the Legislative Affairs Agency; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 287 (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
<u>Leg.</u>	<u>2/15/04</u>	<input checked="" type="checkbox"/>			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<u>John J. Pawlenty</u>	<input checked="" type="checkbox"/>			
<u>Robert M. Roth</u>			<input checked="" type="checkbox"/>	
<u>Richard L. ...</u>			<input checked="" type="checkbox"/>	
CHAIR: <u>[Signature]</u>	<input checked="" type="checkbox"/>			

23-LS1566D
Cook
2/16/04

CS FOR SENATE BILL NO. 287()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR THERRIAULT

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to review of certain regulations under the Administrative Procedure**
2 **Act by the Legislative Affairs Agency; and providing for an effective date."**

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

4 *** Section 1. AS 24.20 is amended by adding a new section to read:**

5 **Sec. 24.20.105. Review of regulations. (a) The Legislative Affairs Agency**
6 **shall review each proposed adoption, amendment, or repeal of a regulation that is**
7 **subject to AS 44.62.010 - 44.62.300 (Administrative Procedure Act), other than a**
8 **proposal of a board, commission, council, or public corporation.**

9 **(b) An agency shall, at the time it provides a copy to the Department of Law,**
10 **submit each proposed adoption, amendment, or repeal of a regulation that it works on**
11 **and that is subject to review under (a) of this section to the Legislative Affairs**
12 **Agency. The copy shall be provided before notice of the proposed action is given**
13 **under AS 44.62.190 or a public hearing is held on the proposal. The Legislative**
14 **Affairs Agency shall review each proposal to determine whether the**

1 (1) agency making the proposal has express or implied authority to
2 adopt, amend, or repeal the regulation;

3 (2) proposal implements, interprets, makes specific, or otherwise
4 carries out a statute;

5 (3) proposal is consistent with the statute;

6 (4) proposal is reasonably necessary to carry out the purpose of the
7 statute; and

8 (5) proposal is clear, grammatically and structurally sound, and
9 understandable by those affected.

10 (c) In conducting its review of a proposal, the Legislative Affairs Agency may
11 consult with the Department of Law and make recommendations for changes in the
12 proposal. If changes are made in the proposal, the Legislative Affairs Agency shall
13 continue its review of the proposal as changed. If, at the completion of its review, the
14 Legislative Affairs Agency determines that the proposal does not meet the standards
15 under (b) of this section, the agency shall notify the Department of Law in writing of
16 its conclusions. If the Legislative Affairs Agency determines that the proposal fails to
17 meet the requirements of AS 44.62.030, it shall also send a copy of its conclusions to
18 the Administrative Regulation Review Committee.

19 (d) The Legislative Affairs Agency may not release any information regarding
20 its receipt or review of a proposal under this section except to the Department of Law,
21 the Administrative Regulation Review Committee, the president of the senate, and the
22 speaker of the house of representatives.

23 (e) The adoption, amendment, or repeal of a regulation may not be delayed
24 because of the review by the Legislative Affairs Agency under this section.
25 Suggestions for changes to a proposal made by the agency are not binding.

26 * Sec. 2. AS 44.62.125(b) is amended by adding a new paragraph to read:

27 (8) submit each proposed adoption, amendment, or repeal of a
28 regulation that the department works on under (4) of this subsection to the Legislative
29 Affairs Agency for review under AS 24.20.105.

30 * Sec. 3. AS 44.62.250 is amended to read:

31 **Sec. 44.62.250. Emergency regulations.** A regulation or order of repeal may

1 be adopted as an emergency regulation or order of repeal if a state agency makes a
2 written finding, including a statement of the facts that constitute the emergency, that
3 the adoption of the regulation or order of repeal is necessary for the immediate
4 preservation of the public peace, health, safety, or general welfare. The requirements
5 of AS 24.20.105, AS 44.62.040(c), 44.62.060, 44.62.125(b)(8), and 44.62.190 -
6 44.62.215 do not apply to the initial adoption of emergency regulations; however,
7 upon adoption of an emergency regulation the adopting agency shall immediately
8 submit a copy of it to the lieutenant governor for filing and for publication in the
9 Alaska Administrative Register, and within five days after filing by the lieutenant
10 governor the agency shall give notice of the adoption in accordance with
11 AS 44.62.190(a). Failure to give the required notice by the end of the 10th day
12 automatically repeals the regulation.

13 * Sec. 4. AS 44.62.260 is amended to read:

14 **Sec. 44.62.260. Limitation on effective period of emergency regulations.**

15 (a) A regulation adopted as an emergency regulation does not remain in effect more
16 than 120 days unless the adopting agency complies with AS 24.20.105,
17 AS 44.62.040(c), 44.62.060, 44.62.125(b)(8), and 44.62.190 - 44.62.215 either before
18 submitting the regulation to the lieutenant governor or during the 120-day period.

19 (b) Before the expiration of the 120-day period, the agency shall transmit to
20 the lieutenant governor for filing a certification that AS 24.20.105, AS 44.62.040(c),
21 44.62.060, 44.62.125(b)(8), and 44.62.190 - 44.62.215 were complied with before
22 submitting the regulation to the lieutenant governor, or that the agency complied with
23 those sections within the 120-day period. Failure to so certify repeals the emergency
24 regulation; it may not be renewed or refiled as an emergency regulation.

25 * Sec. 5. This Act takes effect July 1, 2004.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: CSSB 287(STA)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
Title "An Act relating to review of certain BRU Legislative Council
regulations under the Administrative Procedures Act" Component: Legal and Research Svcs
Sponsor Senator Therriault
Requestor Senator Therriault Component No. 2028

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	233.4	233.4	233.4	233.4	233.4	233.4
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	12.0	12.0	12.0	12.0	12.0	12.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	245.4	245.4	245.4	245.4	245.4	245.4

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	245.4	245.4	245.4	245.4	245.4	245.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	245.4	245.4	245.4	245.4	245.4	245.4

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	2	2	2	2	2	2
Part-time	1	1	1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSSB 287(STA) would amend AS 24 and AS 44 to add a legal review by the Legislative Affairs Agency, Legal and Research Services Division of all proposed new, amended, or repealed State of Alaska administrative regulations, other than a proposal of a board, commission, council, or public corporation. This would include reviewing emergency regulations.

CSSB 287(STA), in contrast to the original version of SB287, excludes regulations proposed by boards, commissions, councils, or public corporations. Although still increasing the workload of the division, particularly during the session, this workdraft lessens the impact of this legislation by approximately 30%. All other regulations would still need to be reviewed by Legal Services to determine if the agency making the proposal has express or implied authority to adopt, amend, or repeal the regulation; whether the proposal implements, interprets, makes specific, or otherwise

Prepared by: Karla Schofield, Deputy Director
Division: Administrative Services
Approved by: Pamela Varni, Executive Director
Agency: Legislative Affairs Agency

Phone 465-6626
Date/Time 2/20/04 10:12 AM
Date 2/20/2004

FISCAL NOTE

BILL NO. CSSB 287 (STA)

STATE OF ALASKA
2004 LEGISLATIVE SESSION
ANALYSIS CONTINUATION

carries out a statute; if the proposal is consistent with the statute, if it is reasonably necessary to carry out the purpose of the statute; and if the proposal is clear, grammatically and structurally sound, and understandable by those affected.

Some states, such as Colorado, perform a review of executive branch regulations, but only to determine if the rule making agency has the authority to make the rule. The review required by the proposed legislation would be more in depth. Some regulations would require minimal time to review. A reviewer in Colorado estimated that reviewing a regulation of average complexity could take up to 5 hours. A complex regulation would, of course take more time. Reviewing regulations is a year round process and would require year round staff.

In order to make the judgments required in the bill, the attorneys reviewing the regulations would need a breadth of knowledge about numerous agency responsibilities and diverse, often complex, subject matters, such as oil and gas regulations, which are frequently changed prior to the beginning of the calendar year. Fish and Game Board regulations would not need to be reviewed under this version of the legislation. The impact of reviewing these regulations as the session is gearing up in December, on top of the need to adequately research and draft prefiled bills for the upcoming session, or at the end of session when attorneys are working on rewrites or amendments, would make the option of using existing staff unworkable.

During the remaining portion of the year, the division is not fully staffed as some employees are seasonal and others are on annual leave. The division performs interim projects on other matters such as examining and preparing a report on all court decisions and opinions of the Attorney General construing Alaska Statutes, contract and litigation work, and interim projects such as title reviews and annual statute revision to incorporate new laws. During the interim the division receives and assigns between 50 to 100 new drafting requests per month. It is the opinion of the Legislative Affairs Agency that additional year round staff, both professional and secretarial would be needed to manage the added workload and provide continuity. The administrative attorneys would also provide consulting assistance to the Administrative Regulation Review Committee, in the inevitable situation where the Department of Law and the Legislative Affairs Agency do not agree upon a certain regulation and the committee is notified and wishes to take some action. In order to accomplish this new function, the current drafting attorneys would need to assist the new regulation attorneys with their review.

The Department of Law currently employs four legal professionals to perform their administrative regulation review responsibilities, ranging in pay scale from a 19 to a 25. Some of the responsibilities the Department of Law administers would not be required of the Legislative Affairs Agency, such as alerting agencies of the need for regulations or reviewing regulations of boards, commissions, councils, and public corporations. However, the substantive matters being reviewed are much the same. Some issues could easily be sent back and forth between the Department of Law and LAA during the review process multiple times for discussions and rewrites. The Legislative Affairs Agency believes, in order to perform the oversight and review responsibilities required by this legislation in the manner envisioned under this bill, the following increased costs would be required.

Personal Services - full time positions

Legal Admin Reg Review Supervisor - (Attny IV) Range 24 - 97.4

Senior Admin Review Attorney - (Attny III) Range 23 - 91.5

Part time (10 months) Legal Secretary - Range 14 - 44.4

Total Personal Services 233.4

Contractual

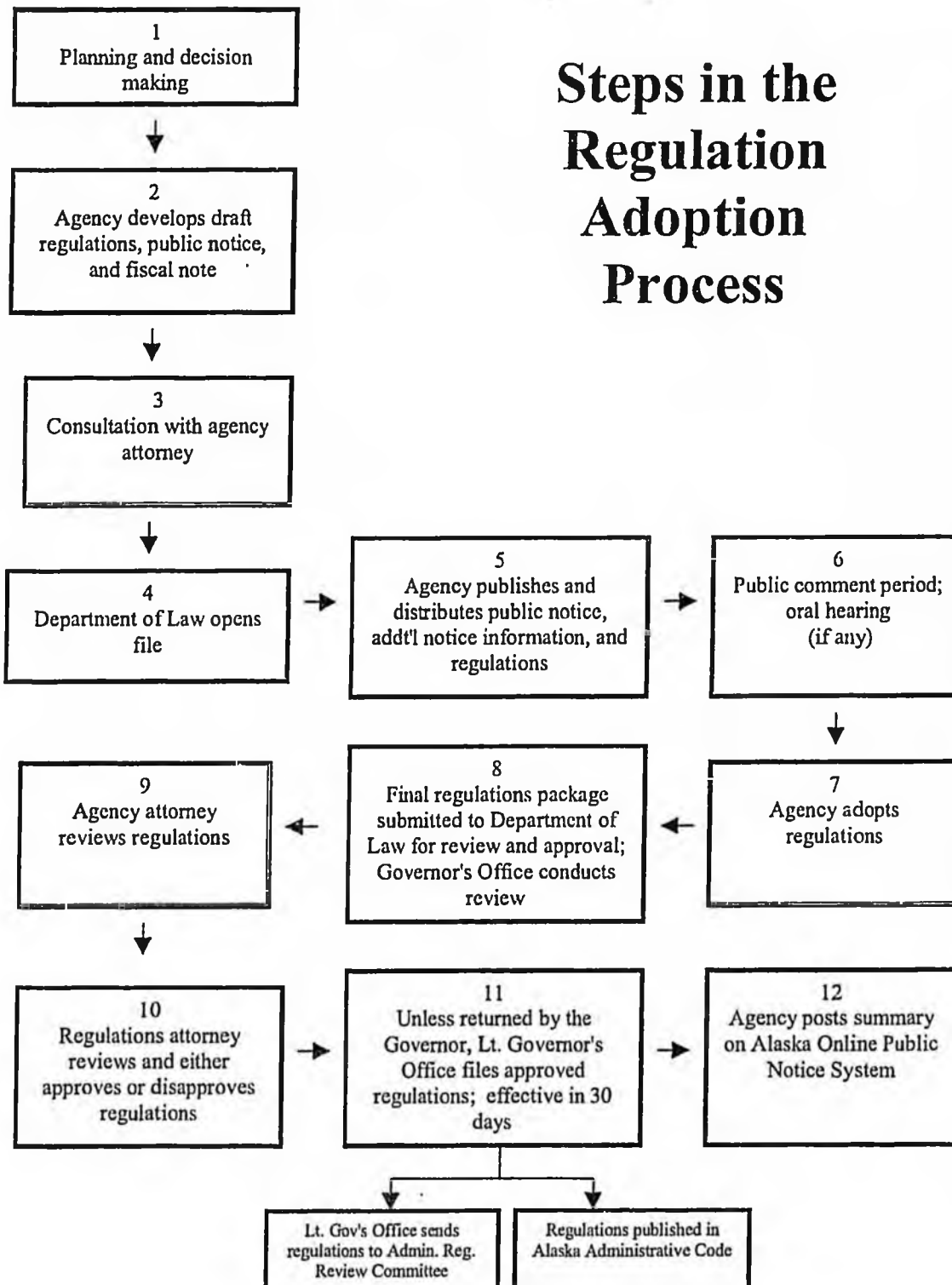
Contractual costs for phones, advertising for position vacancies, and other contractual items will be absorbed within existing budgets. There is no room to house the new staff in the TMLOB.

500 square feet of office space would need to be rented to house the new staff. Estimated costs for renting the space are 500 sq ft at 2.00 sq foot x 12 months. **Total Contractual 12.0**

Travel, Supplies, and Equipment

These costs will be absorbed within existing budgets.

Steps in the Regulation Adoption Process



AAC CONTACTS as of July 30, 2003

Department/Agency	AAC Contact
Administration M/S 0200	Kevin Jardell, Assistant Commissioner Kevin_Jardell@admin.state.ak.us Ph: 2200 Fax: 2135
Community and Economic Development M/S 0800	Tom Lawson Tom_Lawson@dced.state.ak.us Ph: 269-8140 Fax: 269-8146
Corrections M/S 2000	Portia Parker portia_parker@correct.state.ak.us Ph: 269-7394 Fax: 269-7390
Education and Early Development M/S 0500	Darcy Markovich, Executive Secretary darcy_markovich@eed.state.ak.us Ph: 2801 Fax: 4156
Environmental Conservation M/S 1800	Laura Hastings, Legal Assistant laura_hastings@envircon.state.ak.us Ph: 5061 Fax: 5070
Fish and Game M/S 1100	Kerri Tonkin, Regulations Specialist kerri_tonkin@fishgame.state.ak.us Ph: 6124 Fax: 2332
Health and Social Services M/S 0700	Elmer Lindstrom elmer_lindstrom@health.state.ak.us Ph: 3030 Fax: 3068
Labor and Workforce Development M/S 0700	Sandra Dallas, Regulations Specialist sandra_dallas@labor.state.ak.us Ph: 2709 Fax: 2784
Law M/S 0300	David Marquez, Assistant Attorney General david_marquez@law.state.ak.us Ph: 3600 Fax: 2075
Military and Veterans' Affairs M/S 0900	Anita Porter, Special Assistant anita_porter@ak-prepared.com Ph: 907-428-6010 Fax: 907-428-6019
Natural Resources M/S 1000	Janet Burleson-Baxter, Spec. Asst. to the Comm'r II janet_burleson@dnr.state.ak.us Ph: 4730 Fax: 3886
Public Safety M/S 1200	Robyn Ramos robyn_ramos@dps.state.ak.us Ph: 4322 Fax: 4362
Revenue M/S 0400	Kim Rechin, Paralegal Assistant kimberly_rechin@revenue.state.ak.us Ph: 2358 Fax: 3798
Transportation and Public Facilities M/S 2500	Mike Barton, Commissioner mike_barton@dot.state.ak.us Ph: 6977 Fax: 586-8365
Post-Secondary Education & Alaska Student Loan Corp. M/S 0505	Donna Mayfield, Executive Assistant donna_mayfield@acpe.state.ak.us Ph: 6740 Fax: 3293
Governmental Coordination M/S 0101	Randy Bates randy_bates@gov.state.ak.us Ph: 8794 Fax: 3075
Elections M/S 0105	Leonard Jones, Special Assistant lconard_jones@gov.state.ak.us Ph: 4611 Fax: 3203
Commercial Fisheries Entry Commission M/S 0302	Susan Haymes, Law Specialist susan_haymes@cfec.state.ak.us Ph: 790-6963 Fax: 789-6170

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 287
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Legislature
 Title "An Act relating to review of regulations BRU Legislative Council
under the Administrative Procedures Act by the" Component: Legal and Research Svcs
 Sponsor Senator Therriault
 Requestor Senate State Affairs Component No. 2028

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	326.4	326.4	326.4	326.4	326.4	326.4
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	12.0	12.0	12.0	12.0	12.0	12.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	10.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	348.4	338.4	338.4	338.4	338.4	338.4

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	348.4	338.4	338.4	338.4	338.4	338.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	348.4	338.4	338.4	338.4	338.4	338.4

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	4	4	4	4	4	4
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SB 287 would amend AS 24 and AS 44 to add a legal review by the Legislative Affairs Agency, Legal and Research Services Division of all proposed new, amended, or repealed State of Alaska administrative regulations, including a post review of emergency regulations which must be conducted within 120 days in order for the emergency regulation to remain in effect.

SB 287 would increase the workload of the division significantly, particularly during the session, as the review requires the Agency to determine if the agency making the proposal has express or implied authority to adopt, amend, or repeal the regulation; whether the proposal implements, interprets, makes specific, or otherwise carries out a statute; if the proposal is consistent with the statute, if it is reasonably necessary to carry out the purpose of the statute; and if the proposal is clear, grammatically and structurally sound, and understandable by those affected.

Prepared by: Karla Schofield, Deputy Director Phone 465-6626
 Division: Administrative Services Date/Time 2/9/04 1:29 PM
 Approved by: Pamela Varni, Executive Director Date 2/9/2004
 Agency: Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. SB 287

ANALYSIS CONTINUATION

In order to make the judgments required in the bill, the attorneys reviewing the regulations would need a breadth of knowledge about numerous agency responsibilities and diverse, often complex, subject matters, such as oil and gas regulations or, in another example, wildlife management principles underlying fish and game regulations. These two particular groups of regulations are also significant because they are usually changed prior to the beginning of the calendar year (oil and gas tax revenue regulations), or in the spring (summer fishing regulations and fall hunting regulations). The impact of reviewing these regulations as the session is gearing up in December, on top of the need to adequately research and draft prefiled bills for the upcoming session, or at the end of session when attorneys are working on rewrites or amendments, would make the option of using existing staff unworkable.

During the remaining portion of the year, the division is not fully staffed, and is working on other matters such as examining and preparing a report on court decisions and opinions of the Attorney General construing Alaska Statutes, contract and litigation work, and interim projects such as title reviews and annual statute revision to incorporate new laws. It is the opinion of the Legislative Affairs Agency that additional year round staff, both professional and secretarial would be needed to manage the added workload and provide continuity. The administrative attorneys would also provide consulting assistance to the Administrative Regulation Review Committee, in the rare, but inevitable situation where the Department of Law and the Legislative Affairs Agency do not agree upon a certain regulation and the committee is notified and wishes to take some action. In order to accomplish this new function, the current drafting attorneys would need to assist the new regulation attorneys with their review.

The Department of Law currently employs four legal professionals to perform their administrative regulation review responsibilities, ranging in pay scale from a 19 to a 25. Some of the responsibilities the Department of Law administers would not be required of the Legislative Affairs Agency, such as alerting agencies of the need for regulations. However, the substantive matters being reviewed are much the same, and could easily be sent back and forth between the Department of Law and LAA during the review process multiple times for rewrites. Therefore, the Legislative Affairs Agency believes, in order to perform the oversight and review responsibilities required by this legislation in the manner envisioned under this bill, the following increased costs would be required.

Personal Services - full time positions

Legal Admin Reg Review Supervisor - (Attny V) Range 25 - 103.8
Senior Admin Review Attorney - (Attny IV) Range 24 - 97.4
Admin Reg Review Associate Attorney - Range 19 - 71.9
Legal Secretary - Range 14 - 53.3

Total Personal Services 326.4

Travel

Travel costs are not anticipated for these attorney's.

Contractual

Contractual costs for phones, advertising for position vacancies, and other contractual items will be absorbed within existing budgets. There is no room to house the new staff in the TMLOB. 500 square feet of office space would need to be rented to house the new staff. Estimated costs for renting the space are 500 sq ft at 2.00 sq foot x 12 months. **Total Contractual 12.0**

Office Space

Supply costs will be absorbed within existing budgets.

Equipment

One time purchase of 4 computers - $4 \times 1.5 = 6.0$
One time purchase of 2 printers = 4.0

Total Equipment 10.0

ALASKA STATE LEGISLATURE

SENATOR
Gene Therriault
119 N. Cushman Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
FAX (907) 465-3884

Senate
Senate District F

Sponsor Statement SB 287 **Legislative Legal Review of Proposed Regulations**

Senate Bill 287 was introduced to provide a more timely and thorough review of administrative regulations.

Senate Bill 287 would require Legislative Legal Services to review proposed regulations prior to the public comment period. Currently the attorney general's office does not conduct its review and make changes until after the public has weighed in, which results in final regulations that are substantially different from those on which the public commented. The regulations as amended by the attorney general do not always go back for public comment before they are sent to the lieutenant governor for final certification.

Placing the review early in the process and working cooperatively with the AG's office will help catch and correct major problems that could negate the public comment process, with all its associated expenses.

Legislative Legal would review the regulations for consistency, conformity and quality. It is not reasonable to expect legislators' personal staff to have either the experience or the professional expertise to legally analyze proposed regulations. It makes much more sense for the legislative legal team that actually drafts the legislation and follows its progress through the entire process to review the regulations for quality.

It is my belief that a better review process will not only mean higher quality proposed regulations, but also more timely and less frequently challenged regulations. This reform will not only translate into savings for the government, the public, and the Attorney General, it will also create a more stable and responsible regulatory scheme for businesses.

SB

292

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/4/04

FURTHER: Finance

Date of 5-Day Notice: 3/11/04
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 3/19/04

State Affairs Committee considered SENATE BILL NO. 292

SB 292 USE CRIMINAL FINES FOR YOUTH COURTS

"An Act relating to youth courts and to the recommended use of criminal fines to fund the activities of youth courts; and relating to accounting for criminal fines."

and recommends:

- be replaced with _____ CS SB 292 (STA)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HSS	3/11/04	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
CHAIR: <i>[Signature]</i>	X			

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB292-DHSS-DJJ-02-12-04

Revision Date/Time (Note if correction):
 Title FUNDING FOR YOUTH COURTS

() Publish Date: _____

Dept. Affected: Health & Social Services

RDU Juvenile Justice

Component: Delinquency Prevention

Sponsor STEDMAN

Requester SENATE (STA)

Component No. 248

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0
Miscellaneous						
TOTAL OPERATING	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0	1,075.0

Estimate of any current year (FY2004) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

On this fiscal note, the Division is reflecting the proposed appropriation of up to 25% of court-imposed fines for the youth courts. This is \$1,075.0 based upon the FY 03 collections. However, based on the proposed amendment suggested by the Division of Juvenile Justice, if the Division were to receive 10% of the total amount imposed and collected by the Alaska Court System, the amount would be \$430.0 annually based on FY 03 numbers.

Prepared by: Jana Heard & Tony Newman
 Division: Juvenile Justice
 Approved by: Joel S. Gilbertson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-1385
 Date/Time 02/11/2004
 Date 02/12/2004

REDUCTION IN FEDERAL FUNDING FOR YOUTH COURTS

FY 2001-FY 2005

<u>Fiscal Year</u>	<u>Federal Funds</u>	<u>GF</u>	<u>Total Funds</u>	<u>% Federal</u>	<u>% GF</u>
2001	445,131	4,898	450,029	98.9	1.1
2002	474,337	32,973	(507,310)	93.5	6.5
2003	418,175	38,590	456,765	91.6	8.4
2004	34,300	251,000	285,300	12.0	88.0
2005	28,775	279,465	308,240	9.3	90.7

Source: Department of Health and Social Services, Division of Administrative Services
Feb. 16, 2004

- The federal funds available are just 6% of what they were a few years ago.
- The increment of \$200,000 added by Rep. Hawker and the HESS subcommittee will bring youth courts back up to \$508,000.
- Even at this funding level, Youth Courts will have to continue their heavy reliance on donations and volunteer time from their communities.

2003 Youth Court Legislative Coalition INFORMATION SHEET

- **Youth Courts involve youth and communities throughout Alaska.**
There are presently more than 15 youth courts statewide which directly involve nearly 1,000 volunteer Alaskan students in implementing restorative justice in their communities. These courts historically hear an average of over 900 cases a year.
- **Youth Courts foster a respect for the law through education and action.**
Youth Courts provide criminal justice training to the volunteer members. The teen members are then empowered by their roles as judge, prosecutor, and defense attorney in actual cases involving their peers, gaining an invaluable appreciation for the law. Youth Courts enhance respect for the law in the offenders as well as in the student members.
- **Youth Courts produce a marked reduction in recidivism.**
The Anchorage Youth Court produced a 74% reduction in recidivism, dramatically decreasing the amount of cases to be processed in the court systems. (Based on a study titled "The Impact of Teen Court on Young Offenders" by Jeffrey A. Butts, Janeen Buck, and Mark B. Coggeshall.) This was the highest success rate of the four courts studied in this recent nationwide study by the Urban Institute.
- **Youth Courts ease the caseload of state officials.**
By providing diversion services for District and Superior Court Judges as well as Juvenile Probation Officers, Youth Courts allow these officials to focus on the most serious offenses or repeat offenders.
- **Youth Courts save the state money.**
It is estimated that cases processed through Youth Courts cost less than half the amount of cases processed informally or through district and superior courts. In Alaska's largest youth court, the Anchorage Youth Court operates with a 6% recidivism spending only \$544 per defendant, far lower than the equivalent juvenile justice system and substantially more effective for the cost. (Note: McLaughlin Youth Center costs \$40,000 per year per patient. If AYC prevents just 7 juveniles from going to McLaughlin, it equals AYC's entire operating budget.)
- **The juvenile population is increasing.**
The juvenile population in our state is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile delinquency will likely rise, making the sustainability of youth courts even more critical.
- **Alaska has already entrusted our Youth Courts with the most comprehensive legislation in the nation.**
Alaska was identified in another recent national study as the one state with the most comprehensive Youth Court legislation, in that our statute AS 47.12.400 specifically entrusts Youth Courts with adjudicatory as well as dispositional authority. (See The Organization and Operation of Teen Courts in the United States, A Comparative Analysis of Legislation, Michele Heward, JD, Juvenile and Family Court Journal, Winter 2002.)

Youth Courts do important work, save the state money and have good track records.

The time for sustainable funding is now.



March 16, 2004

Senator Gary Stevens
Chair, Senate State Affairs
Alaska State Capital
Juneau, AK 99801

Dear Senator Stevens,

I am writing to lend my support to SB292 and invite you to consider the following information when hearing this bill in the State Affairs committee.

Presently there are 15 youth courts operating in Alaska directly involving nearly 1,000 volunteer students in implementing restorative justice in their communities, including Anchorage, Juneau, Wasilla/Palmer, Kodiak, Ketchikan, Nome and several others. Youth courts institute innovative methods of diversionary measures to the juvenile justice system while providing leadership development and community reinvestment in youth. We know that Alaska's youth volunteers donate annually nearly 125,000 hour of volunteer service, in addition to the over 18,000 hours of community service performed by juvenile defendants.

I wholeheartedly support the efforts of SB 292 and know that its existence is vital to Alaska's youth courts. Additional public supporters of this bill and HB303 include the Alaska Association of Student Government, Alaska Association of School Boards, Alaska Conference of Mayors and numerous others. However, I think the greatest source of support and hope comes from the young people who this bill will serve. In my office I have copies of nearly 70 letters written by youth court students and each one tells a personal story of why youth courts are important to them. I hope you are able to hear their stories someday and experience firsthand the profound impact youth courts have on a young person and community.

Thank you for your deep consideration of SB 292. As always, I remain available to answers questions if needed.

With sincere thanks,
Krista M. Scully, Executive Director

1029 West Third Avenue, Suite 300, Anchorage, AK 99521 Ph: 907.278.1165 Fx: 907.333.7572
AK Toll Free: 1.877.278.1165
Email: uyca@alaska.net Web: www.alaskayouthcourt.org

Sitka Youth Court
1203 Halibut Point Rd.
Sitka, AK, 99835

Senator Gary Stevens, Chair
Senate State Affairs Committee
Alaska State Capitol
Juneau, AK 99801

March 9, 2004

Senator Stevens:

As the interim director of the Sitka Youth Court, I am writing to express my support for Senate Bill 292, sponsored by Senator Stedman and currently before your committee. As you are likely aware, research into the effectiveness of youth courts at the national level reveals that such courts are an effective means of preventing recurrent criminal behavior. The average recidivism rate revealed in national studies of youth courts is estimated to be 14%. While such a rate is quite low, Alaskan youth courts appear to show even lower rates of recidivism, with the Anchorage Youth Court reporting a 6% recidivism rate and, as of March, 2003 the Sitka Youth Court reporting no reported recidivism (0%) over its entire existence (since November, 1999; though information gained after the Sitka Youth went inactive leads to a recidivism estimate of approximately 3%--still very low compared to other courts). Lower recidivism rates, as it is widely understood, result in cost savings to the State and communities in which youth courts are present via the reduction in frequency of misdemeanors, involvement with the justice system in general, and incarceration or out-of-home placement for repeat offenders.

Furthermore, one of the important factors which is often not emphasized in discussions about youth courts is that they also have a positive impact on children who are already succeeding in school. By recruiting youth volunteers (estimated at 1,000 in Alaska) to serve as attorneys and other court officials, youth courts promote learning about the legal system, help students prepare for college by participating in meaningful volunteer activities, and help adolescents take an active role in building the strength of their communities.

Youth courts around the State of Alaska are faced with a loss of funding in the coming years. Unfortunately, the Sitka Youth Court, which as mentioned had maintained an extremely low recidivism rate and, as such, was a valuable asset to Sitka, has already had to come to terms with a lack of basic funding and, in March of 2003, went inactive. It is my belief that, without adequate sustainable funding, other youth courts in the State will shortly face the same fate as my hometown's court. Senate Bill 292, as sponsored by Senator Stedman will provide the opportunity for other courts to avoid becoming inactive and prevent other towns from having to face the loss of their cost-saving, valuable, and morally-just program.

I therefore urge you to consider supporting the bill before your committee as written and helping ensure its passage through the Senate. With your support, we can help children, families, and communities in all corners of Alaska.

Sincerely,

Tim Lower

Senator Gary Stevens, Chair
Senate State Affairs Committee
Alaska State Capitol
Juneau, AK 99801

February 26, 2004

Dear Senator Stevens,

The purpose of this letter is to demonstrate my strong support for Senate Bill 292, a companion bill to Rep. Ogg's HB 303. This bill will help youth courts around Alaska have stable funding and stop relying on unpredictable grants. It is an effective way to make use of service fees in court to serve and educate the future of Alaska, "Our youth."

Ketchikan Youth Court (KYC) established in 1999, is just one example of the very highly successful diversion programs called youth courts. KYC services over 100 offenders and youth court members each year in Ketchikan. KYC operates on a small budget of \$26,000.00 per year. Our goal is to provide restorative justice to the community, victims, and offenders. 37% of our caseload is comprised of Native Alaskan participants. Upon completion of our program, KYC participants have demonstrated a 13% recidivism, or re-offending rate. This is 10% better than the traditional court system and the program costs 50% less.

Our KYC members have done over 8,000 hours of service in Ketchikan. These projects have included roadside cleanup, bus shelter maintenance, wood hauling, helping with the Annual Halloween Event at the Plaza, Annual Diabetes Fundraiser, Health Fair, Law Day, the Blue Berry Festival, and mentoring elementary age students. We see the results of our program by the number of youth who get involved in the youth court training, community service projects, and go on to college to pursue law degrees.

I hope you will take the time to think about helping youth courts statewide. Senate Bill 292 can help sustain our programs. The youth of Ketchikan have spoken. Many who have been in the program stated that they want to see this program continue! Our City and Borough has given up a small portion of money to help us, but they are assuring us that next year things will get even worse. Our local business and organization sponsors are becoming depleted too. We know Ketchikan has a bright future, and we want to continue to make a difference. We need your support on Senate Bill 292.

Sincerely,

Cheryl Fultz
Board Member of Ketchikan Youth Court
15488 Betton Road
Ketchikan, Alaska 99901

ALASKA STATE LEGISLATURE

SENATOR BERT K. STEDMAN

SESSION

State Capitol, Rm 30
Juneau, Alaska 99801-1182
(907) 465-3873 Phone
(907) 465-3922 Fax
(877) 463-3873 Toll Free
Senator_Bert_Stedman@legis.state.ak.us

INTERIM

50 Front Street
Ketchikan, AK 99901-6442
Phone (907) 225-8088
Fax (907) 225-0713

Sponsor Statement

SB 292

“An Act relating to youth courts and to the recommended use of criminal fines to fund the activities of youth courts; and relating to accounting for criminal fines.”

Youth Courts are an effective approach to dealing with the problem of juvenile crime. Since their inception in the 1980s, Alaska's youth courts have proven to significantly reduce recidivism rates. Through the use of volunteer support, they also save costs in the justice system.

In Alaska, youth courts are used to hear cases involving first time misdemeanors and violations. These courts provide intervention in cases that often do not receive adequate attention in the traditional juvenile justice system. This has proven to prevent many initial cases from developing into serious behavioral and criminal problems later in youth development. Offenders are tried by a jury of their peers, an approach that makes the process a good educational tool for all participants, in addition to being an effective administration of justice. Youth courts relate consequences to actions, encouraging offenders to accept responsibility for their behavior. In the rare cases when an offender repeats a crime, they are referred back to the traditional juvenile justice system. However, Alaska's youth courts have been very successful in preventing repeat offenses. In Anchorage, for example, the youth court recidivism rate is just 6%, compared to 23% in the traditional system.

Because youth court cases cost 50% less than cases heard in district and superior courts, this approach is very cost effective. Unfortunately, the lack of stable funding now threatens the future of the youth court programs. Grants that pay for office space, training and operating expenses are being significantly reduced in the federal budget. This bill allows the legislature to appropriate funds to youth courts and provides a much-needed source of financial support. SB 292, as a companion bill to Representative Ogg's HB 303, is a solution that will enable Alaska's youth courts to continue providing their uniquely effective services to the state.

DISTRICT A

Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis

Senator Gary Stevens, Chair
Senate State Affairs Committee
State Capitol, Room 125
Juneau, AK 99801-1182

March 5, 2004

Dear Senator Stevens,

The purpose of this letter is to demonstrate my strong support for Senate Bill 292, a companion bill to Rep. Ogg's HB 303. This bill will help youth courts around Alaska have stable funding and stop relying on unpredictable grants. It is an effective way to make use of service fees in court to serve and educate the future of Alaska, "Our youth."

Ketchikan Youth Court (KYC) established in 1999, is just one example of the very highly successful diversion programs called youth courts. KYC services over 100 offenders and youth court members each year in Ketchikan. KYC operates on a small budget of \$26,000.00 per year. Our goal is to provide restorative justice to the community, victims, and offenders. 37% of our caseload is comprised of Native Alaskan participants. Upon completion of our program, KYC participants have demonstrated a 13% recidivism, or re-offending rate. This is 10% better than the traditional court system and the program costs 50% less.

Our KYC members have done over 8,000 hours of service in Ketchikan. These projects have included roadside cleanup, bus shelter maintenance, wood hauling, helping with the Annual Halloween Event at the Plaza, Annual Diabetes Fundraiser, Health Fair, Law Day, the Blue Berry Festival, and mentoring elementary age students. We see the results of our program by the number of youth who get involved in the youth court training, community service projects, and go on to college to pursue law degrees.

I hope you will take the time to think about helping youth courts statewide. Senate Bill 292 can help sustain our programs. The youth of Ketchikan have spoken. Many who have been in the program stated that they want to see this program continue! Our City and Borough has given up a small portion of money to help us, but they are assuring us that next year things will get even worse. Our local business and organization sponsors are becoming depleted too. We know Ketchikan has a bright future, and we want to continue to make a difference. We need your support on Senate Bill 292.

Sincerely,

Cheryl Fultz
Board Member of Ketchikan Youth Court
15488 Betton Road
Ketchikan, Alaska 99901

MAR 15 2004

Sitka Youth Court
1203 Halibut Point Rd.
Sitka, AK, 99835

Senator Gary Stevens, Chair
Senate State Affairs Committee
Alaska State Capitol
Juneau, AK 99801

March 9, 2004

Senator Stevens:

Handwritten: FILE

As the interim director of the Sitka Youth Court, I am writing to express my support for Senate Bill 292, sponsored by Senator Stedman and currently before your committee. As you are likely aware, research into the effectiveness of youth courts at the national level reveals that such courts are an effective means of preventing recurrent criminal behavior. The average recidivism rate revealed in national studies of youth courts is estimated to be 14%. While such a rate is quite low, Alaskan youth courts appear to show even lower rates of recidivism, with the Anchorage Youth Court reporting a 6% recidivism rate and, as of March, 2003 the Sitka Youth Court reporting no reported recidivism (0%) over its entire existence (since November, 1999; though information gained after the Sitka Youth went inactive leads to a recidivism estimate of approximately 3%--still very low compared to other courts). Lower recidivism rates, as it is widely understood, result in cost savings to the State and communities in which youth courts are present via the reduction in frequency of misdemeanors, involvement with the justice system in general, and incarceration or out-of-home placement for repeat offenders.

However, and one of the important factors which is often not emphasized in discussions about youth courts, is that youth courts also have a positive impact on children who are already succeeding in school. By recruiting youth volunteers (estimated at 1,000 in Alaska) to serve as attorneys and other court officials, youth courts promote learning about the legal system, help students prepare for college by participating in meaningful volunteer activities, and help adolescents take an active role in building the strength of their communities.

Youth courts around the State of Alaska are faced with a loss of funding the coming years. Unfortunately, the Sitka Youth Court, which as mentioned had maintained an extremely low recidivism rate and, as such, was a valuable asset to Sitka, has already had to come to terms with a lack of basic funding and, in March of 2003, went inactive. It is my belief that, without adequate sustainable funding, other youth courts in the State will shortly face the same fate as my hometown's court. Senate Bill 292, as sponsored by Senator Stedman will provide the opportunity for other courts to avoid becoming inactive and prevent other towns from having to face the loss of their cost-saving, valuable, and morally-just program.

I therefore urge you to consider supporting the bill before your committee as written and helping ensure its passage through the Senate. With your support, we can help children, families, and communities in all corners of Alaska.

Sincerely,
Tim Lower
Tim Lower

SB

296

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/4/04

FURTHER: Finance

Date of 5-Day Notice: 2/10/04
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/22/04

State Affairs Committee considered SENATE BILL NO. 296

SB 296 PAPER TRAIL FOR ELECTRONIC VOTING MACHINE

"An Act requiring an auditable paper trail for electronic voting machines."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
COG	2/19/04	✓			1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>John J. Conover</i>			✓	
<i>Robert A. Anderson</i>			✓	
<i>Michael J. ...</i>	✓			
CHAIR: <i>[Signature]</i>	✓			

Revised
FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 296
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
Title An Act requiring an auditable paper trail for RDU Elections
electronic voting machines. Component Elections
Sponsor Senator Ellis
Requester State Affairs Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies	1.8		1.8		1.8	
Equipment	441.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	442.8	0.0	1.8	0.0	1.8	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			1.8		1.8	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)	442.8					
TOTAL	442.8	0.0	1.8	0.0	1.8	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

At this time, the cost per unit to implement a modification to the touch screen voting equipment that would allow for voter verifiable paper records is unknown. This technology is currently in the research and development stage within the industry. However, it is estimated that each touch screen voting system would require additional hardware i.e., unit printer and 2 rolls of thermal paper. The division estimates the printer units may range in price from \$500.00 - \$1,000.00. If only one touch screen system were used in each precinct (441 precincts) the estimated cost would be \$441.0. The thermal paper required is estimated to cost \$2.00 per roll for an additional cost of \$1.8 in supplies. The total estimated cost of implementation by January 1, 2006, is \$442.8 (HAVA funds). The division will require GF appropriations of \$1.8 in future years for supplies (thermal paper) to support the equipment that provides a voter verifiable paper record.

Prepared by: Leonard G. Jones Phone 465-3051
Division: Division of Elections Date/Time 2/19/04 2:18 PM
Approved by: Laura A. Glaiser, Director Date 2/19/2004
Agency: Office of the Lt. Governor, Division of Elections

Subject: Judge denies electronic voting challenge to March 2 elections
Date: Thu, 19 Feb 2004 10:16:26 -0900
From: Laura Glaiser <laura_glaiser@gov.state.ak.us>
Organization: Alaska Office of the Governor
To: Katrina M Matheny <katrina_matheny@legis.state.ak.us>,
Dana Owen <dana_owen@legis.state.ak.us>
CC: Whitney H Brewster <whitney_brewster@gov.state.ak.us>

I just received this today...thought you might be interested

laura

<http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2004/02/18/state1839EST01>
<<http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2004/02/18/state1839EST01>>

SFGate.com

www.sfgate.com

[Return to regular view](#)

Judge denies electronic voting challenge to March 2 elections

JIM WASSERMAN, Associated Press Writer
Wednesday, February 18, 2004
©2004 Associated Press

URL: [sfgate.com/article.cgi?file=/news/archive/2004/02/18/state1839EST0155.DTL](http://www.sfgate.com/article.cgi?file=/news/archive/2004/02/18/state1839EST0155.DTL)

(02-18) 16:43 PST SACRAMENTO (AP) --

A Sacramento County Superior Court judge rejected a legal challenge Wednesday to California's March 2 election over allegations that new electronic voting systems are vulnerable to hackers.

Judge Raymond Cadei denied a temporary restraining order sought against electronic voter machine maker Diebold Election Systems, Inc., saying there isn't enough evidence of security threats to justify interfering in an election just 13 days away.

A group of computer programmers and California voters alleged that new electronic touch-screen voting machines being used in at least 14 counties on March 2 are insecure and could be manipulated to disrupt election results. Legal challengers included Sacramento computer consultant Jim March and Washington state resident Bev Harris, who has written extensively on possible security glitches in new electronic voting systems.

But 40 minutes into Wednesday's hearing, Cadei said he remained unconvinced "that there is a serious actual threat to the election process" and quickly ended a legal threat looming over elections that will elect legislative candidates and decide ballot propositions and U.S. presidential candidates.

Cadei, several times expressing his reluctance to disrupt an election where absentee voting has already begun, cited last year's judicial rulings that finally stopped final-hour efforts to cancel the Oct. 7 recall election.

County officials, who maintain their new voting systems will prove reliable, expressed relief over the ruling. Many had predicted greater chaos from the proposed last-minute security improvements sought by the legal challenge than from risks of doing nothing.

"We're 12 and a half days before a major election. You can't change the rules of the game at this stage," said Contra Costa County Clerk Stephen Weir, who attended the hearing.

Doug Stone, spokesman for Secretary of State Kevin Shelley, also praised the decision, saying Shelley appreciates "that the court has chosen not to interfere with the upcoming election."

Diebold attorney Daniel D. McMillan called the challenge a "waste of public resources" brought on by publicity-seeking "conspiracy theorists."

"Certainly, it reaffirms the company's position that its products are effective and clients, when they use them, are satisfied with them," McMillan said.

Lowell Finley, the Berkeley attorney who sought the order, said he was disappointed but that "we don't believe the issues are going away."

Finley argued that Diebold's electronic systems have weaknesses that "pose a grave threat to the security and integrity" of the March and November elections. He cited studies that called them "vulnerable to vote tampering both by company insiders and outside computer hackers."

He also argued that Shelley's orders to counties for extra security safeguards before March 2 will still leave "gaping security holes" in electronic voting systems.

Wednesday's ruling came as 10 counties continue resisting Shelley's Feb. 5 directives. The secretary, fearful of software corruption or malfunctions as many counties roll out new electronic voting systems as a result of the 2000 Florida punch-card fiasco, has ordered random state testing of county machines and beefed-up security precautions. But registrars in counties using touch screen systems say Shelley lacks authority over them, and that his rules will disrupt their preparations.

"You don't want to change the process anywhere near this stage of the election," said Weir, a statewide spokesman for registrars during last October's recall election.

On the Net:

California Secretary of State: <http://www.ss.ca.gov>

©2004 Associated Press

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 296
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title An Act requiring an auditable paper trail for RDU Elections
electronic voting machines. Component Elections
 Sponsor Senator Ellis
 Requester State Affairs Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies	1.8		1.8		1.8	
Equipment	441.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	442.8	0.0	1.8	0.0	1.8	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF			1.8		1.8	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)	442.8					
TOTAL	442.8	0.0	1.8	0.0	1.8	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

At this time, the cost per unit to implement a modification to the touch screen voting equipment that would allow for voter verifiable paper records is unknown. This technology is currently in the research and development stage within the industry. However, it is estimated that each touch screen voting system would require additional hardware i.e., unit printer and 2 rolls of thermal paper. The division estimates the printer units may range in price from \$500.00 - \$1,000.00. If only one touch screen system were used in each precinct (441 precincts) the estimated cost would be \$441.0. The thermal paper required is estimated to cost \$2.00 per roll for an additional cost of \$1.8 in supplies. The total estimated cost of implementation by January 1, 2006, is \$442.8 (HAVA funds). The division will require GF appropriations of \$1.8 in future years for supplies (thermal paper) to support the equipment that provides a voter verifiable paper record.

Prepared by: Leonard G. Jones Phone 465-3051
 Division Division of Elections Date/Time 2/19/04 2:18 PM
 Approved by: Laura A. Glaiser, Director Date 2/19/2004
 Agency Office of the Lt. Governor, Division of Elections

Subject: Judge denies electronic voting challenge to March 2 elections
Date: Thu, 19 Feb 2004 10:16:26 -0900
From: Laura Glaiser <laura_glaiser@gov.state.ak.us>
Organization: Alaska Office of the Governor
To: Katrina M Matheny <katrina_matheny@legis.state.ak.us>,
Dana Owen <dana_owen@legis.state.ak.us>
CC: Whitney H Brewster <whitney_brewster@gov.state.ak.us>

I just received this today...thought you might be interested

laura

<http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2004/02/18/state1839EST01>
<<http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2004/02/18/state1839EST01>>

SFGate.com

www.sfgate.com

[Return to regular view](#)

Judge denies electronic voting challenge to March 2 elections

JIM WASSERMAN, Associated Press Writer
Wednesday, February 18, 2004
©2004 Associated Press

URL: [sfgate.com/article.cgi?file=/news/archive/2004/02/18/state1839EST0155.DTL](http://www.sfgate.com/article.cgi?file=/news/archive/2004/02/18/state1839EST0155.DTL)

(02-18) 16:43 PST SACRAMENTO (AP) --

A Sacramento County Superior Court judge rejected a legal challenge Wednesday to California's March 2 election over allegations that new electronic voting systems are vulnerable to hackers.

Judge Raymond Cadei denied a temporary restraining order sought against electronic voter machine maker Diebold Election Systems, Inc., saying there isn't enough evidence of security threats to justify interfering in an election just 13 days away.

A group of computer programmers and California voters alleged that new electronic touch-screen voting machines being used in at least 14 counties on March 2 are insecure and could be manipulated to disrupt election results. Legal challengers included Sacramento computer consultant Jim March and Washington state resident Bev Harris, who has written extensively on possible security glitches in new electronic voting systems.

But 40 minutes into Wednesday's hearing, Cadei said he remained unconvinced "that there is a serious actual threat to the election process" and quickly ended a legal threat looming over elections that will elect legislative candidates and decide ballot propositions and U.S. presidential candidates.

Cadei, several times expressing his reluctance to disrupt an election where absentee voting has already begun, cited last year's judicial rulings that finally stopped final-hour efforts to cancel the Oct. 7 recall election.

County officials, who maintain their new voting systems will prove reliable, expressed relief over the ruling. Many had predicted greater chaos from the proposed last-minute security improvements sought by the legal challenge than from risks of doing nothing.

"We're 12 and a half days before a major election. You can't change the rules of the game at this stage," said Contra Costa County Clerk Stephen Weir, who attended the hearing.

Doug Stone, spokesman for Secretary of State Kevin Shelley, also praised the decision, saying Shelley appreciates "that the court has chosen not to interfere with the upcoming election."

Diebold attorney Daniel D. McMillan called the challenge a "waste of public resources" brought on by publicity-seeking "conspiracy theorists."

"Certainly, it reaffirms the company's position that its products are effective and clients, when they use them, are satisfied with them," McMillan said.

Lowell Finley, the Berkeley attorney who sought the order, said he was disappointed but that "we don't believe the issues are going away."

Finley argued that Diebold's electronic systems have weaknesses that "pose a grave threat to the security and integrity" of the March and November elections. He cited studies that called them "vulnerable to vote tampering both by company insiders and outside computer hackers."

He also argued that Shelley's orders to counties for extra security safeguards before March 2 will still leave "gaping security holes" in electronic voting systems.

Wednesday's ruling came as 10 counties continue resisting Shelley's Feb. 5 directives. The secretary, fearful of software corruption or malfunctions as many counties roll out new electronic voting systems as a result of the 2000 Florida punch-card fiasco, has ordered random state testing of county machines and beefed-up security precautions. But registrars in counties using touch screen systems say Shelley lacks authority over them, and that his rules will disrupt their preparations.

"You don't want to change the process anywhere near this stage of the election," said Weir, a statewide spokesman for registrars during last October's recall election.

On the Net:

California Secretary of State: <http://www.ss.ca.gov>

©2004 Associated Press

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 296
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title An Act requiring an auditable paper trail for RDU Elections
electronic voting machines. Component Elections
 Sponsor Senator Ellis
 Requester State Affairs Committee Component No. 21

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment	447.8					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	447.8	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (HAVA- Election Fund)	447.8					
TOTAL	447.8	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The Division of Elections does not have exact cost per unit to implement an auditable paper record at this time due to continued research and development within the industry. However, based on our best calculation each direct recording electronic (DRE) voting system (total 446) would require additional hardware i.e., unit printer and 2 rolls of thermal paper. The division estimates the printer units may range in price from \$500.00 - \$1,000.00 for an estimated cost of \$446.0. The thermal paper required is estimated to cost \$2.00 per roll for an estimated cost of \$1.8. The total estimated cost of implementation by January 1, 2006, for equipment from federal HAVA funds is \$447.8.

Prepared by: Leonard G. Jones
 Division: Division of Elections
 Approved by: Laura A. Glaiser, Director
 Agency: Office of the Lt. Governor, Division of Elections

Phone 465-3051
 Date/Time 2/13/04 5:10 PM
 Date 2/13/2004

ALASKA STATE LEGISLATURE



Senate Rules Committee
•
Senate Judiciary Committee
•
Department of Law
Budget Subcommittee

While in Session
State Capitol, Rm. 9
Juneau, Alaska 99801
(907) 465-3704
Fax: (907) 465-2529
•

While in Anchorage
716 West 4th Ave., Ste 440
Anchorage, Alaska 99501
(907) 269-0169
fax: (907) 269-0172

SENATE MINORITY LEADER JOHNNY ELLIS

SB 296, Voter Verified Paper Trails for Electronic Voting Machines

Sponsor Statement

In the wake of the 2000 federal election, and with the impetus of the federal Help America Vote Act, states across the nation are replacing punch card and paper ballots with computerized vote casting, tabulation and reporting. Alaska has successfully used the AcuVote system of optically scanned ballots since 1998. New direct recording equipment (DRE) machines – also known as touch-screen – are scheduled to be used for the first time in 2004.

Unfortunately, computer experts have warned of numerous problems with both DRE and optical scan machines. Hardware problems, unreliable computer code and lack of security have raised serious questions about whether votes are being accurately recorded, tallied and reported. The experiences of many localities have demonstrated these failings. In Bernalillo County, N.M. a programming error caused a computer to delete 25 percent of the ballots cast by early voters. In Maryland voters for the Republican candidate for governor watched as their vote appeared beside the Democratic candidate's name. In Fairfax County, Va. a machine was found to have subtracted one vote for every 100 cast for a school board candidate. In one Texas matchup, optical scan machines declared two low vote getters to be landslide winners.

In the Texas case, elections officials were able to correct the mistake by hand counting the optically scanned paper ballots. Many DRE machines, however, produce no such paper trail to audit. Recognizing this crucial shortcoming of DRE technology, many observers are calling for voting machines to produce paper receipts that voters can verify before leaving the polling booth and that are subsequently held in lock boxes for audit purposes. The State of California recently moved to require such a voter verified paper audit trail in all elections. Senate Bill 296 would establish the same protections in Alaska.

Citizen trust in elections is the bedrock of democracy. Only an accurate count can assure voters that elections result in a true reflection of their will. Requiring a voter verified paper trail will assure Alaskans that no matter what technology is adopted in the future, their elections will be transparent and their votes counted accurately.

Judge rejects lawsuit for printers to record votes in Palm Beach County

By Kathy Bushouse
Staff Writer

February 12, 2004

A Palm Beach County judge dismissed U.S. Rep. Robert Wexler's lawsuit against county Elections Supervisor Theresa LePore and Secretary of State Glenda Hood on Wednesday, handing a temporary setback to the congressman's efforts to get printers for the state's touch-screen voting machines.

Circuit Judge Karen Miller issued the ruling, finding that Wexler wasn't legally entitled to file his

lawsuit, and she thought the proper place to take up the case was in a Tallahassee courtroom, not in Palm Beach County.

She suggested Wexler's issues are matters more appropriate for the Legislature or the Secretary of State's office to handle, rather than the courts.

Wexler said Wednesday he was disappointed with the ruling, but had no plans to give up the effort to require the voting machine printers.

He is weighing other legal options, which could include suing in federal court or in Leon County court in Tallahassee. Leon County courts typically would handle a lawsuit against the secretary of state, because her office is based there.

"I feel justified in filing the case because it already produced a victory in Palm Beach County when commissioners agreed to buy ballot printers. I am not going to stop," Wexler said. "The people of Palm Beach County are being denied their equal protection rights under the United States Constitution."

County commissioners agreed Feb. 3 to buy printers for the county's 5,400 voting machines if the printers get state certification. LePore has said she would use the printers if the state certifies them and the county gives her money to buy and maintain the machines. It's expected to cost at least \$3.2 million to buy the printers.

LePore said she plans to focus on the March 9 election, when Democrats will choose a presidential candidate and some cities will have elections.

"I'm obviously happy with the judge's decision," LePore said. "I don't feel it's something I had any control over, in terms of getting the printers or not. The proper venue [for the lawsuit] should have been in Tallahassee."

She said state elections supervisors now have more time to outfit voting machines with printers and explore the ramifications of adding printers.

It's highly unlikely printers would have been available for November's presidential election, since they have yet to get either state or federal certification, said Kurt Browning, elections supervisor for Pasco County and legislative chairman for the Florida State Association of Supervisors of Elections.

The association has come out against the printers, because it thinks the printers to be too expensive and unnecessary. Browning said he is pleased the lawsuit was dismissed.

"I certainly think it buys us some time," Browning said. "But whether that lawsuit was going to be successful or not. ... I don't think that [printers for voting machines] was going to happen in 2004. How do you require something to be put onto voting systems that doesn't even exist yet?"

Even so, he doubts the judge's ruling will end the push for printers.

In addition to Wexler's lawsuit, both state and federal legislation has been filed to require the printers for touch-screen voting machines.

"I think that they will continue putting pressure on the Legislature. They'll continue putting pressure on county commissions. They'll continue putting pressure on Congress," he said. "All we can say is, 'You know what? We think it's not in the best interest of the system.'"

Congressman's suit seeking voting machine paper trail dismissed

Associated Press

Last update: 12 February 2004

WEST PALM BEACH -- A congressman's lawsuit seeking to require electronic voting machines to produce a paper trail was dismissed Wednesday when a Palm Beach County judge ruled he did not have the standing to sue.

U.S. Rep. Robert Wexler, D-Boca Raton, filed the lawsuit against Florida Secretary of State Glenda E. Hood and Palm Beach County Supervisor of Elections Theresa LePore, claiming the use of machines that do not produce paper duplicates of the votes cast violates voters' rights.

Without that paper trail, a manual recount isn't possible, Wexler argued.

But Circuit Judge Karen Miller ruled Wexler did not have the standing to file the suit, since he could not prove, either as a citizen or a public official, he had been hurt by the voting system. Wexler's complaints would be better addressed through legislative remedies, her order said.

Wexler said the judge's order seemed to erase Florida voters' ability to challenge the system.

"I see this as the judge dismissing Florida's voters and ... their voting rights," he said.

Hood said she was "very pleased" with the court's decision.

"We never had any doubt that, with the high level of confidence in the equipment across the state, we would continue to see accurate and secure elections," she said.

Wexler's lawyer, Jeffrey M. Liggio, said he and his client are considering turning to federal courts, refiling in Palm Beach County after tweaking their argument, or filing elsewhere.

In her ruling, Miller wrote Leon County, where Hood is based, would have been the proper venue for the suit.

Miller stressed the courts have no place in determining the remedy Wexler is seeking, since it would require them to determine a system for recounts, how to fund and oversee that system, and how to resolve potential problems.

She also cited a California case where a voter's claim that the lack of a paper ballot violated her right to equal protection and due process was denied. That should convince Wexler that alleging "the lack of a paper ballot violates his constitutional rights would be futile," Miller wrote.

Wexler said he wasn't deterred by her decision. "Voting rights were not won in a day," he said.

LePore could not be reached for comment Wednesday night.

On the Net:

Florida Department of State: www.dos.state.fl.us/

Palm Beach County Supervisor of Elections: www.pbcelections.org/

Judge rejects ballot-printout suit

BY ERIKA BOLSTAD

ebolstad@herald.com

A Palm Beach County judge dismissed a lawsuit Wednesday brought by U.S. Rep. Robert Wexler, who wanted the state to order paper printouts of ballots cast on electronic voting machines used in 15 Florida counties.

The Boca Raton Democrat, who also represents part of Broward County, filed the suit against Florida Secretary of State Glenda Hood and Palm Beach County Supervisor of Elections Theresa LePore.

Wexler said he was disappointed but undeterred in his efforts to require what are known as voter verifiable receipts. Although voters wouldn't leave polls with the paper ballots, they would be able to review a paper record of their ballot before pressing the "vote" button on touch-screen machines.

"I believe it's undeniable that the secretary of state has permitted an election process that violates Florida law," Wexler said.

However, Wexler said he has made some headway. Palm Beach County commissioners agreed to buy printers to attach to their machines -- but only if the state certifies the equipment. Also, Broward, Miami-Dade and Palm Beach counties will press state lawmakers to allow such printers, which aren't currently certified in Florida.

Proponents of paper ballots say they would serve mostly to restore voter confidence in elections; they could also be used for recounts in close contests.

Lawyers for Hood and LePore argued last week that it's up to the Legislature to mandate the printers.

Wexler lawsuit over elections 'paper trail' dismissed

By George Bennett, Palm Beach Post Staff Writer

Thursday, February 12, 2004

WEST PALM BEACH -- A judge threw out a lawsuit by U.S. Rep. Robert Wexler that challenged Palm Beach County's paperless electronic voting system, stating Wednesday that the creation of a ballot "paper trail" is an issue for state lawmakers and elections officials and not the courts.

Palm Beach County Circuit Judge Karen Miller ruled that Wexler, D-Delray Beach, lacks "standing" to sue because he does not claim to have been harmed by the paperless voting machines and merely speculates that he could be harmed in a future election.

But even if Wexler had proper grounds to file a lawsuit, Miller's 10-page ruling states, Florida law "does not clearly require a voter-verified paper ballot," which Wexler wants. For a judge to step in and order paper ballots would violate the Florida Constitution's separation of legislative, executive and judicial

powers, Miller ruled.

Wexler -- who concedes there is little chance Florida legislators will pass a law requiring a paper trail -- vowed late Wednesday to continue pursuing the issue in court. He mentioned the possibility of appealing Miller's ruling or going to federal court.

"I don't see this as my case being dismissed. I see this as the judge dismissing Florida voters," Wexler said. "I'm going to continue this fight. I'm not going to rest. There are other options that I'm going to pursue aggressively."

Wexler's lawsuit named Florida Secretary of State Glenda Hood and Palm Beach County Elections Supervisor Theresa LePore as defendants. It claimed the paperless voting systems used by 15 Florida counties are illegal because they do not produce tangible ballots and therefore do not allow a "manual recount" that state law requires in close elections.

Wexler and other foes of paperless voting also say electronic machines are susceptible to errors and tampering and need a paper trail as a backup.

"This court is not commenting on the integrity of the existing voting systems or any of the suggested system modifications," Miller's ruling states.

LePore said she was pleased with Miller's decision, but added, "I'm sure the issue's not over.... I'm happy it's at least on hold so I can continue doing my job and getting ready for the next elections."

LePore argued she did not belong in the suit because legislators and Hood's office decide what types of voting systems are legal in Florida.

Hood said she was "very pleased" with the ruling. "I continue to have the highest level of confidence in the equipment," she said, and added that the question of requiring a paper trail is up to the state legislature.

A spokesman for House Speaker Johnnie Byrd, R-Plant City, said the issue is "not on our radar screen.... We've had our supervisors of elections in full force saying they believe this is a reliable system."

Palm Beach County commissioners have called for ballot printers and voted last week to buy them as soon as they are certified by Hood's office. Sequoia Voting Systems plans to submit a ballot printer for certification later this year, but says it probably will not be available in time for the November presidential election.

Hood raised doubts Wednesday about whether the county could decide on its own to use printers.

"It's not a choice that one county can make.... That's my understanding -- that one county alone cannot do that," said Hood, who said she believed legislators would have to vote to require printers statewide before one county could use them.

"I hope the Florida Legislature will act, but I do not have any confidence that they will," Wexler said. He said he is not trying to use the courts to create new law because existing Florida law contemplates a "manual recount."

The possibility of Wexler continuing to pursue the matter through the courts rather than legislation drew criticism from LePore's attorney, Michael Burman.

For your information

"Enough's enough. He lost. He ought to go through the correct procedure, which is through the legislature or dealing with the secretary of state's office," Burman said. "I assume that a United States congressman would believe in the separation of powers."

Opinion

(Published: February 8, 2004)

Paper trail

Integrity of Alaskans' votes at risk

Here's a bill in the Legislature that should see speedy passage. SB 296, from Sen. Johnny Ellis, D-Anchorage, would help prevent vote fraud by requiring electronic voting machines to produce a paper record of the votes that are cast.

The state's main electronic vote counting machines, Accu-vote optical scanners, aren't a problem. They use paper ballots that are read and tabulated electronically. But the state recently bought 55 touchscreen electronic voting machines that leave no paper trail whatsoever. The paperless machines are meant to accommodate voters who are physically unable to handle or mark a paper ballot. Eventually the state plans to have at least one touchscreen voting machine in each of Alaska's 446 precincts.

That's a helpful accommodation for disabled voters. But where there is no paper trail, there is huge potential for voting fraud. According to The New York Times, "When the State of Maryland hired a computer security firm to test its new (paperless electronic voting) machines, these paid hackers had little trouble casting multiple votes and taking over the machines' vote-recording mechanisms." With no paper trail, there is no way to cross-check the vote count.

In an editorial, The Times concluded: "The Maryland study shows convincingly that more security is needed for electronic voting, starting with voter-verified paper trails." That's what Sen. Ellis aims to do with SB 296.

Alaska has a statewide primary and a statewide general election this year. Alaskans must have confidence their votes will be counted securely and accurately. The protections outlined in Sen. Ellis' bill should be put into place as soon as possible.

BOTTOM LINE: Alaska law should require electronic voting machines to produce a paper record of each vote.

Executive Summary

At the request of the State of Maryland, RABA Technology's Innovative Solution Cell (RiSC) performed a review of the DIEBOLD touch-screen electronic voting system. A team of security experts reviewed the SAIC report commissioned by Maryland and went on to hold a "Red Team" exercise to discover vulnerabilities in the actual voting system as it will be deployed for the March 2004 primary.

The key findings of this effort are two-fold. The State of Maryland election system (comprising technical, operational, and procedural components), as configured at the time of this report, contains considerable security risks that can cause moderate to severe disruption in an election. However, each of these vulnerabilities has a mitigating recommendation that can be implemented in time for the March 2004 primary. *With all these near-term recommendations in place, we feel for this primary, that the system will accurately render the election and is worthy of voter trust. However, between the March and November elections we strongly feel that additional actions must be taken to mitigate increasing risks incumbent on a system that will receive broad scrutiny. Ultimately we feel there will be a need for paper receipts, at least in a limited fashion.*

Introduction

On November 10, 2003 the Department of Legislative Services, Maryland General Assembly of the State of Maryland (DLS) entered into an agreement with RABA Technologies, LLC to perform a "trusted agent" evaluation of certain aspects of the State Board of Elections plan to use touch-pad "Direct Recording Electronic" (DRE) devices for upcoming elections. The trusted agent role implies that RABA will provide *independent* assessments and will *not seek to profit* from its recommendations. RABA Technologies wishes to thank the State of Maryland for the opportunity to participate in this important project.

The specific requirements of the agreement were:

1. Examine and critique the study conducted by Aviel D. Rubin, known as the Hopkins study.
2. Examine and critique the methodology and practices used by SAIC in its review of the Diebold equipment and the Rubin report.
3. Examine and critique the conclusions reached by SAIC regarding the integrity of the Diebold voting machines and the overall security of Maryland's election procedures.
4. Examine and critique the IT Security Certification and Accreditation Guidelines as issued by the Maryland Department of Budget and Management.
5. Assist DLS in comparing existing SBE practices and procedures to those of the counterparts in other states.

To carry out the work, DLS provided RABA with copies of:

1. *Risk Assessment Report, Diebold AccuVote-TS System and Processes* (unredacted) dated September 2, 2003. This is SAIC-6099-2003-261.



NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **KEVIN SHELLEY**

KS03:106

FOR IMMEDIATE RELEASE
Friday, November 21, 2003

Contact: Terri M. Carbaugh
Doug Stone
916-653-6575

Secretary of State Kevin Shelley Announces Directives To Ensure Voter Confidence in Electronic Systems

Beginning July 1, 2005, All Touch Screen Systems Purchased Must Have a Paper Audit Trail

SAN FRANCISCO --- Secretary of State Kevin Shelley today announced that beginning July 1, 2005, no county or city may purchase a touch screen voting system that does not include an accessible voter verified paper audit trail (VVPAT). As of July 2006, all touch screen voting systems used in California, regardless of when they were purchased, must have a VVPAT that can be used by all voters, including the visually impaired, to verify that their preferences are accurately recorded.

In making the announcement, Secretary of State Shelley said that a transition period is necessary in order to assure the fair and efficient conduct of elections in California.

“The schedule I have set forth for implementing a VVPAT will ensure that there is adequate time for new voting systems to be properly certified. This also allows time to train elections officials and poll workers and to educate voters,” he said.

To further enhance voter confidence in new technologies, Secretary Shelley is adopting voting system reforms and new electronic certification procedures. Shelley will also call upon the federal government to substantially improve its testing process.

“As the state progresses with new technology, all Californians must have confidence that every vote cast is a vote counted,” said Secretary of State Kevin Shelley. “These new requirements will provide this confidence.”

In addition to providing for a VVPAT, Shelley's reforms call for additional requirements for software testing and auditing, new security protocols for manufacturers, random field testing on Election Day to ensure proper performance of individual voting machines, and the creation of a state Technical Oversight Committee.

In February 2003, Shelley convened an Ad Hoc Touch Screen Task Force composed of computer experts, members of the public, and representatives of the disabled community and election officials to make recommendations to increase the security of voting equipment software. The task force issued a series of recommendations for Shelley's consideration.

A complete copy of Secretary Shelley's directives and the recommendations of the Ad Hoc Touch Screen Task Force are available on the Secretary of State's website, at <http://www.ss.ca.gov/elections/touchscreen.htm>.



Understanding The Problem

"Imagine, it's Election Day 2004. You enter your polling place and go to cast your vote on a brand new 'touch screen' voting machine. The screen says your vote has been counted. As you exit the voting booth, however, you begin to wonder. How do I know if the machine actually recorded my vote? The fact is, you don't."

~ [Representative Rush Holt](#) (NJ).

The problem is simple: A touch screen voting machine records your vote in the memory of the machine, where you can't see it. How do you know your vote for candidate A wasn't recorded as a vote for candidate B? You don't!

Many states and communities are planning to buy massive numbers of so-called "Direct Recording Electronic" (DRE) machines (paperless touch screen are DREs, but there are other kinds of DREs that use dials or switches instead of touch screens). Some are already using them.

Unfortunately, these machines are dangerous for democracy. With the computer technology they are using, there is always a risk that a program flaw or, worse, tampering with the software could change votes and even change the outcome of elections. And these changes might not be detected! Since ballots are secret, once the voter leaves the booth there is no one who can detect or correct any errors that the machine made in recording the votes. If the election results are obviously absurd, as happens occasionally with other kinds of vote-counting equipment, the only options will be to accept an obviously wrong election result or hold a new election.

The solution is simple: require there to be a "voter verifiable audit trail" with all voting equipment. A voter verifiable audit trail is a permanent record of each vote that the voter can check to ensure that it represents their intent. These votes are deposited in a secure ballot box. If there is a manual recount, we can be sure that the votes being counted are what the voters wanted to cast.

Without this requirement, we can never again have confidence that our elections reflect the will of the voters, as opposed to a random error or the will of someone who tampered with the voting machines.

HAVA: The Reason Behind The Rush To Install New Voting Equipment

HAVA, the Help America Vote Act, was passed by congress in October of 2002. The purpose of the Act is:

To establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, and for other purposes. <<NOTE: Oct. 29, 2002 - [H.R. 3295]>>

It is this Act, with specific dates, that require the States to update old voting equipment so that a similar situation (as what occurred in Florida) will not occur again.

In the rush to pass this new Act some key elements were left out, such as a "voter verifiable paper receipt". The newest Act, introduced by Representative Rush Holt, hopes to update the original

ADDITIONAL RESOURCE

Here are links to b statements and su the problem.

▶ **Johns Hopkin Study**

A major electroni machine maker, has its "leaked" s code evaluated b computer scientis: [BAD NEWS for DI](#)

▶ **FAQ**

If you only read (thing on this topi should probably r Questions and Ar page to address l questions that co regularly.

▶ **PPT Presenta**

Here is an abbrev presentation Day gave: (Powerpoir gives a good ove the problem as o 6, 2003.

▶ **Recorded Into**

A story produced Speech Radio Ne which includes in with Rebecca Mei and David Dill.

▶ **A statement f**

Rebecca Mercu

▶ **An essay by K**

Alexander of th California Vote Foundation.

▶ **Letter from th**

USACM to the H Science Commi

HAVA Act with specific solutions to the question of voter verified paper receipts and other obvious discrepancies.

[More on HAVA](#)

[More on HAVA Deadlines](#)

[How I Can Help?](#)

► [Peter Neumar catalog of receiving machine problems.](#)

► [An interview with Peter Neumar and Rebecca M...](#)

© Copyright 2003 VerifiedVoting.org. All rights reserved.

[Privacy](#) [Site Map](#)



<http://www.sunspot.net/news/local/bal-te.md.machine30jan30,0,4050694.story?coll=bal-local-headlines>

Md. computer testers cast a vote: Election boxes easy to mess with

In Annapolis, tales of trickery, vote rigging

By Stephanie Desmon
Sun Staff

January 30, 2004

For a week, the computer whizzes laid abuse - both high- and low-tech - on the six new briefcase-sized electronic voting machines sent over by the state.

One guy picked the locks protecting the internal printers and memory cards. Another figured out how to vote more than once - and get away with it. Still another launched a dial-up attack, using his modem to slither through an electronic hole in the State Board of Elections software. Once inside, he could easily change vote totals that come in on Election Day.

"My guess is we've only scratched the surface," said Michael A. Wertheimer, who spent 21 years as a cryptologic mathematician at the National Security Agency.

He is now a director at RABA Technologies in Columbia, the firm that the state hired for about \$75,000 to look at Maryland's new touch-screen voting machines scheduled to be unveiled in nearly every precinct in Maryland for the March 2 primary.

The state has no choice but to use its \$55 million worth of AccuVote-TS machines made by Diebold Election Systems for the primary. The old optical scanners are gone.

Yesterday, Wertheimer calmly presented his eight-member team's findings to committees in the House and Senate, explaining the weaknesses they discovered and a plan for how to plug many of the cracks, at least in the short run.

Giddy geek speak

Yet on a recent morning at his offices, Wertheimer's computer programmers were practically giddy as they invented new ways to muck up an election. Some were simple - like the lock-picking or just yanking the cords out of a machine's monitor, disabling it for the rest of the day.

Other fiddling inspired round after round of excited geek speak, true gibberish to the untrained ear, to explain a host of attacks that could be launched up close or by modem.

One thing was clear: There are many ways to fool with Diebold's machines, some of which could lead to an Election Day disaster. At the same time, some scenarios were far-fetched and too difficult to pull off

undetected, team members acknowledged.

But the fact that they could happen makes it impossible to have full confidence in the system, they said.

In the short term, they said, enough fixes can be done to ensure a secure election in March. But much more will need to be done to see that future elections on the machines can also be relied upon.

Diebold officials say many of the problems that were found have been fixed.

"They threw out theoretical things that could happen," spokesman David Bear said of the testing team. "But the polling places are much different."

The team was asked to answer two major questions, Wertheimer said: Do the machines count votes accurately? And do they need paper receipts?

If left alone, Wertheimer said, the machines will count quite accurately - more so than any past voting method.

But he has made a good living off the fact that there are plenty of people out there looking to wreak havoc when they can.

'Web sites abound with all kinds of speculation about how easily the voting machines can be hacked into and outcomes manipulated.

Prominent computer scientists have studied the Diebold code - some of which was found unprotected on the Internet - and found hole after hole in its security.

Theories have run rampant as to how to best clean up what critics call a mess.

Paper receipts

Wertheimer said he thinks there will be a need for some type of paper receipt, what some call a voter-verified paper trail - basically a printout of each vote as it is cast for the voter to check before leaving the polling place. Without a paper ballot, many say, a proper recount is impossible.

Wertheimer said it would take nearly a complete rewrite of the computer code to fix the machines' flaws.

"For a guy who just wants the vote to be accurate, I'd rather dumb down the software and add receipts," he said.

Diebold "basically had no interest in putting actual security in this system," said Paul Franceus, one of the consultants. "It's not like they did it wrong. It's like they didn't bother."

Mark McLarnon had something up his sleeve as he approached one of the voting machines. A close look revealed the cord of a portable keyboard. He had learned that he could quickly pick a lock on the side of the machine, plug in his keyboard and wreak havoc on the results stored inside - all while likely going undetected by poll judges.

Using a low-tech solution, such as tape that reveals tampering, could keep people like McLarnon at bay, at least as a temporary fix, the consultants said.

Low-tech hacking is also a possibility, though.

Someone bent on causing trouble could call a polling place and tell workers that the state's modem is down and results should be called in on a new phone number. Then the troublemaker could simply change the results before sending them onto the state.

While results can now be encrypted - after criticism that they weren't being - something called authentication is missing. Authentication tells the main computer that the person sending in results is the one who is actually permitted to do so.

Sneaking in, via modem

Meanwhile, William A. Arbaugh, an assistant computer science professor at the University of Maryland, College Park and part of the team, easily sneaked his way into the state's computers by way of his modem. Once in, he had access to change votes from actual precincts - because he knew how to exploit holes in the Microsoft software.

Those holes should have been patched through regular updates sent to customers, patches that haven't been installed on the elections equipment since November.

"There's no security that's going to be 100 percent effective. But the level of effort [needed to get into the system] was pretty low," Arbaugh said. "A high school kid could do this. Right now, the bar is maybe 8th grade. You want to raise the bar to a well-funded adversary."

"Every system is vulnerable somehow," said Karl Aro, director of the state's Department of Legislative Services, who commissioned the study for the legislature. "The system's not bad but it needs some work."

No system is completely secure. In fact, the more elections the state holds, the more opportunities there will be for hackers to see how it works and launch new attacks, experts said.

"If you had the time and the money, the sky's the limit on what you could do to make a secure system," McLarnon said.

"You just need to raise the level of effort needed to exploit it so it's not feasible to do," said fellow consultant John Ormonde.

Copyright © 2004, The Baltimore Sun

108TH CONGRESS
1ST SESSION

H. R. 2239

To amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2003

Mr. HOLT introduced the following bill; which was referred to the Committee on House Administration

A BILL

To amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Voter Confidence and
5 Increased Accessibility Act of 2003".

6 **SEC. 2. EXTENSION OF TIME PROVIDED FOR STATES TO RE-**

7 **QUEST PAYMENTS UNDER TITLE I.**

8 (a) **PAYMENTS FOR ACTIVITIES TO IMPROVE ADMIN-**
9 **ISTRATION OF ELECTIONS.**—Section 101(a) of the Help

1 America Vote Act of 2002 (42 U.S.C. 15301(a)) is amend-
2 ed by striking “not later than 6 months after the date
3 of the enactment of this Act” and inserting “not later than
4 the Tuesday next after the first Monday in November
5 2003”.

6 (b) PAYMENTS FOR REPLACEMENT OF PUNCH CARD
7 OR LEVER VOTING MACHINES.—Section 102(b)(1) of
8 such Act (42 U.S.C. 15301(b)(1)) is amended by striking
9 “not later than the date that is 6 months after the date
10 of the enactment of this Act” and inserting “not later than
11 the Tuesday next after the first Monday in November
12 2003”.

13 (c) EXTENSION OF PERIOD OF AUTHORIZATION OF
14 APPROPRIATIONS.—

15 (1) IN GENERAL.—Section 104(a) of such Act
16 (42 U.S.C. 15304(a)) is amended by striking
17 “\$650,000,000” and inserting “an aggregate
18 amount of \$650,000,000 for fiscal years 2003 and
19 2004”.

20 (2) DATE FOR TRANSFER TO ELECTION ASSIST-
21 ANCE COMMISSION OF UNOBLIGATED FUNDS.—Sec-
22 tion 104(c)(2)(B) of such Act (42 U.S.C.
23 15304(c)(2)(B)) is amended by striking “September
24 1, 2003” and inserting “January 1, 2004”.

1 (d) REQUIREMENT TO DEPLOY INTERIM MEASURE
2 IF WAIVER REQUESTED.—Section 102(a)(3)(B) of such
3 Act (42 U.S.C. 15301(a)(3)(B)) is amended by striking
4 the period at the end and inserting the following: “, except
5 that any State requesting any such waiver shall accept and
6 implement a paper system for use on an interim basis as
7 provided in section 5(b) of the Voter Confidence and In-
8 creased Accessibility Act of 2003 in time for use in the
9 November 2004 general election.”.

10 **SEC. 3. REPEAL OF EXEMPTION OF ELECTION ASSISTANCE**
11 **COMMISSION FROM CERTAIN GOVERNMENT**
12 **CONTRACTING REQUIREMENTS.**

13 (a) IN GENERAL.—Section 205 of the Help America
14 Vote Act of 2002 (42 U.S.C. 15325) is amended by strik-
15 ing subsection (e).

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply with respect to contracts entered
18 into by the Election Assistance Commission on or after
19 the date of the enactment of this Act.

20 **SEC. 4. PROMOTING ACCURACY, INTEGRITY, AND SECUR-**
21 **RITY THROUGH VOTER-VERIFIED PERMA-**
22 **NENT RECORD OR HARD COPY.**

23 (a) IN GENERAL.—Section 301(a)(2) of the Help
24 America Vote Act of 2002 (42 U.S.C. 15481(a)(2)) is
25 amended to read as follows:

1 “(2) VOTER-VERIFICATION AND AUDIT CAPAC-
2 ITY.—

3 “(A) VOTER-VERIFICATION IN GENERAL.—

4 The voting system shall produce a voter-verified
5 paper record suitable for a manual audit equiv-
6 alent or superior to that of a paper ballot box
7 system, as further specified in subparagraph
8 (B).

9 “(B) MANUAL AUDIT CAPACITY.—

10 “(i) The voting system shall produce a
11 permanent paper record, each individual
12 paper record of which shall be made avail-
13 able for inspection and verification by the
14 voter at the time the vote is cast, and pre-
15 served within the polling place in the man-
16 ner in which all other paper ballots are
17 preserved within the polling place on Elec-
18 tion Day for later use in any manual audit.

19 “(ii) The voting system shall provide
20 the voter with an opportunity to correct
21 any error made by the system before the
22 permanent record is preserved for use in
23 any manual audit.

24 “(iii) The voter verified paper record
25 produced under subparagraph (A) and this

1 subparagraph shall be available as an offi-
2 cial record and shall be the official record
3 used for any recount conducted with re-
4 spect to any election in which the system
5 is used.

6 “(C) SOFTWARE AND MODEMS.—

7 “(i) No voting system shall at any
8 time contain or use undisclosed software.
9 Any voting system containing or using
10 software shall disclose the source code of
11 that software to the Commission, and the
12 Commission shall make that source code
13 available for inspection upon request to
14 any citizen.

15 “(ii) No voting system shall contain
16 any wireless communication device at all.

17 “(iii) All software and hardware used
18 in any electronic voting system shall be
19 certified by laboratories accredited by the
20 Commission as meeting the requirements
21 of clauses (i) and (ii).”.

22 (b) VOTER VERIFICATION OF RESULTS FOR INDIVID-
23 UALS WITH DISABILITIES.—Section 301(a)(3) of such
24 Act (42 U.S.C. 15481(a)(3) is amended—

1 (1) in the heading, by inserting "AND VOTER-
2 VERIFICATION OF RESULTS" after "ACCESSIBILITY";

3 (2) in subparagraph (B), by striking "; and"
4 and inserting the following: ", and such voting sys-
5 tem shall provide a mechanism for voter-verification
6 of results which separates the function of vote gen-
7 eration from the function of vote casting in a man-
8 ner analogous to that described in section 4 with re-
9 spect to the separation of paper ballot generation
10 and paper ballot verification and preservation, but
11 does not require the use of paper.";

12 (3) by amending subparagraph (C) to read as
13 follows:

14 “(C) The equipment deployed in accord-
15 ance with subparagraph (B) shall meet the vot-
16 ing system standards for disability access and
17 voter-verification of results as outlined in this
18 paragraph in accordance with the deadline set
19 forth in section 5(a), provided that if it does
20 not and an interim paper system is deployed in
21 accordance with section 5(b), disabled voters
22 shall have the option of using the interim paper
23 system with the assistance of an aide of the vot-
24 er’s personal selection or using the voting sys-
25 tem otherwise put in place for use by disabled

1 voters at the time in question in accordance
2 with the Help America Vote Act of 2002, as in
3 effect prior to the enactment of this Act, except
4 that the deadline set forth in section
5 301(a)(3)(C) of such Act (42 U.S.C.
6 15481(a)(3)(C)) is moved forward from Janu-
7 ary 1, 2007, to January 1, 2006.”; and

8 (4) by adding at the end the following new sub-
9 paragraph:

10 “(D) Election officials shall be instructed
11 in the rights of the disabled to vote with the as-
12 sistance of an aide of their selection under the
13 Voting Rights Act of 1965.”.

14 (c) SPECIFIC, DELINEATED REQUIREMENT OF
15 STUDY, TESTING, AND DEVELOPMENT OF BEST PRAC-
16 TICES.—In addition to any other requirements under the
17 Help America Vote Act of 2002, the Election Assistance
18 Commission shall study, test, and develop best practices
19 to enhance accessibility and voter-verification mechanisms
20 for disabled voters.

21 **SEC. 5. CHANGE IN DEADLINE FOR COMPLIANCE WITH**
22 **STANDARDS.**

23 (a) IN GENERAL.—Section 301(d) of the Help Amer-
24 ica Vote Act of 2002 (42 U.S.C. 15481(d)) is amended
25 by striking “on and after January 1, 2006” and inserting

1 “in time for elections for Federal office beginning with the
2 regularly scheduled general election to be held in Novem-
3 ber 2004”.

4 (b) INTERIM PAPER SYSTEM.—Each State and juris-
5 diction that certifies in the manner described in section
6 102(a)(3)(B) that it shall be unable to comply with the
7 requirements of section 301 in time for the regularly
8 scheduled general election for Federal office to be held in
9 November 2004 shall receive a paper voting system, based
10 on paper systems in use in the jurisdiction, if any, at the
11 expense of the Commission that shall be deemed compliant
12 with section 301 by the Commission for use in the Novem-
13 ber 2004 general elections.

14 **SEC. 6. REQUIREMENT FOR FEDERAL CERTIFICATION OF**
15 **TECHNOLOGICAL SECURITY OF VOTER REG-**
16 **ISTRATION LISTS.**

17 Section 303(a)(3) of the Help America Vote Act of
18 2002 (42 U.S.C. 15483(a)(3)) is amended by striking the
19 period at the end and inserting the following: “, as cer-
20 tified by the Commission.”.

21 **SEC. 7. REQUIREMENT FOR MANDATORY RECOUNTS.**

22 The Election Assistance Commission shall conduct
23 manual mandatory surprise recounts of the voter-verified
24 records of each election for Federal office (and, at the op-
25 tion of the State or jurisdiction involved, of elections for

1 State and local office) in .5 percent of the jurisdictions
2 in each State and .5 percent of the overseas jurisdictions
3 in which voter-verified records are preserved in accordance
4 with this section immediately following each general elec-
5 tion for Federal office, and shall promptly publish the re-
6 sults of those recounts. The treatment of the results of
7 the recount shall be governed by applicable Federal, State,
8 or local law, except that any individual who is a citizen
9 of the jurisdiction involved may file an appeal with the
10 Commission if the individual believes that such law does
11 not provide a fair remedy.

12 **SEC. 8. EFFECTIVE DATE.**

13 Except as provided in section 3(b), the amendments
14 made by this Act shall take effect as if included in the
15 enactment of the Help America Vote Act of 2002.

○

S 1980 IS

108th CONGRESS

1st Session

S. 1980

To amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES**December 9, 2003**

Mr. GRAHAM of Florida introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

A BILL

To amend the Help America Vote Act of 2002 to require a voter-verified permanent record or hardcopy under title III of such Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

This Act may be cited as the 'Voter Confidence and Increased Accessibility Act of 2003'.

SEC. 2. EXTENSION OF TIME PROVIDED FOR STATES TO REQUEST PAYMENTS UNDER TITLE I.

(a) **PAYMENTS FOR ACTIVITIES TO IMPROVE ADMINISTRATION OF ELECTIONS-** Section 101(a) of the Help America Vote Act of 2002 (42 U.S.C. 15301(a)) is amended by striking 'not later than 6 months after the date of the enactment of this Act' and inserting 'not later than the Tuesday next after the first Monday in November 2003'.

(b) **PAYMENTS FOR REPLACEMENT OF PUNCH CARD OR LEVER VOTING MACHINES-** Section 102(b)(1) of such Act (42 U.S.C. 15301(b)(1)) is amended by striking 'not later than the date that is 6 months after the date of the enactment of this Act' and inserting 'not later than the Tuesday next after the first Monday in November 2003'.

(c) **EXTENSION OF PERIOD OF AUTHORIZATION OF APPROPRIATIONS-**

(1) **IN GENERAL-** Section 104(a) of such Act (42 U.S.C. 15304(a)) is amended by striking '\$650,000,000' and inserting 'an aggregate amount of \$650,000,000 for fiscal years 2003 and 2004'.