

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 HSTA 12374

1 commission. The commission shall adopt regulations establishing appeal procedures.

2 (g) A person or group who believes that a violation of this chapter or a
3 regulation adopted under this chapter has occurred or is occurring may file an
4 administrative complaint with the commission within one year after the date of the
5 alleged violation. The commission may consider a complaint on an expedited basis or
6 a regular basis. The complaint shall be considered in accordance with the procedures
7 set out at AS 15.13.380(b) - (h).

8 (h) A decision of the commission under (c) of this section may be appealed to
9 the superior court. The court may consider the appeal on an expedited basis.

10 **Sec. 15.70.260. Adjustment for inflation.** Beginning in January 2011 and
11 every four years thereafter, the commission shall modify the dollar values specified in
12 AS 15.70.050, 15.70.080, and 15.70.090 to account for inflation. The commission
13 shall adopt by regulation a method to determine and publicly report the amount of the
14 adjustment.

15 **Sec. 15.70.270. Regulations.** The commission shall adopt regulations to
16 ensure effective administration of this chapter. The regulations must include
17 procedures for obtaining qualifying contributions, certification of candidates, recounts,
18 withdrawal or replacement of candidates, distribution of funds authorized by this
19 chapter, reporting of prepaid general election expenses, return of unspent fund
20 distributions, processing complaints alleging violations of this chapter, recordkeeping,
21 and compliance with this chapter.

22 **Sec. 15.70.280. Report to the legislature.** By January 30, 2010, and every
23 four years after that date, the commission shall submit a report to the legislature
24 documenting, evaluating, and making recommendations relating to the administration,
25 implementation and enforcement of this chapter and of the public financing of
26 elections fund established in AS 15.70.010.

27 **Sec. 15.70.390. Definitions.** In this chapter,

28 (1) "administrator" means the administrator of the public financing of
29 elections program appointed in accordance with AS 15.13.030(11);

30 (2) "commission" means the Alaska Public Offices Commission;

31 (3) "contribution" has the meaning given in AS 15.13.400;

1 (4) "election cycle," as applied to a candidate for state office, is the
2 period beginning on the 31st day following a general election for that office and
3 ending on the 30th day following the next general election for that office;

4 (5) "election year" means the calendar year during which a state
5 general election for a particular office is held;

6 (6) "expenditure" has the meaning given in AS 15.13.400;

7 (7) "fund" means the public financing of elections fund established in
8 AS 15.70.010;

9 (8) "general election campaign period" means the period beginning the
10 day following the primary election and ending on the day of the general election;

11 (9) "independent expenditure" has the meaning given in AS 15.13.400;

12 (10) "nonparticipating candidate" means a candidate, as that term is
13 defined in AS 15.13.400, who has not been certified under AS 15.70.070;

14 (11) "participating candidate" means

15 (A) a candidate, as that term is defined in AS 15.13.400, who
16 has agreed to participate in the program authorized by this chapter, who has
17 submitted and not withdrawn a declaration of intent, and who has not been
18 denied certification by the commission; and

19 (B) the joined campaign of the candidates for governor and
20 lieutenant governor under AS 15.70.190(b);

21 (12) "prepaid general election expenses" means payments made by a
22 candidate before the end of the primary election campaign period for goods or services
23 that will be delivered or provided during the general election campaign period and
24 includes

25 (A) rental payments;

26 (B) radio, television, newspaper, and other forms of
27 advertising;

28 (C) wages, salaries, and personnel costs;

29 (D) consulting services;

30 (E) other payments defined by the commission by regulation;

31 (13) "primary election campaign period" means the period beginning

1 the day following the qualifying period and ending the day of the primary election;

2 (14) "program" means the program authorized by this chapter;

3 (15) "qualifying contribution" means an allowable contribution under
4 AS 15.70.060 to a participating candidate that is made after the candidate submits a
5 declaration of intent and before the end of the qualifying period;

6 (16) "qualifying period" means the period during which a candidate
7 may collect qualifying contributions for the purpose of becoming a certified candidate;
8 for a candidate for statewide office, the period begins on August 1 of the year
9 preceding a year in which a general election is held and ends on June 1 of the general
10 election year; for a candidate for the legislature, the period begins on October 1 of the
11 year preceding a year in which a general election is held and ends on June 1 of the
12 general election year;

13 (17) "seed money contribution" means a contribution of not more than
14 \$100 from each individual made to a candidate, including a contribution from the
15 candidate or the candidate's relative;

16 (18) "statewide office" means the office of governor or lieutenant
17 governor.

18 **Sec. 15.70.395. Short title.** This chapter may be known as the Public
19 Financing of Elections Act.

20 * **Sec. 3.** AS 15.13.010 is amended by adding a new subsection to read:

21 (c) This chapter does not limit the application of AS 15.70 to contributions,
22 expenditures, and communications made for the purpose of influencing the nomination
23 or election of a candidate for governor, lieutenant governor, or a member of the state
24 legislature.

25 * **Sec. 4.** AS 15.13.030 is amended to read:

26 **Sec. 15.13.030. Duties of the commission.** The commission shall

27 (1) develop and provide all forms for the reports and statements
28 required to be made under this chapter, AS 15.70, AS 24.45, and AS 39.50;

29 (2) prepare and publish a manual setting out uniform methods of
30 bookkeeping and reporting for use by persons required to make reports and statements
31 under this chapter and AS 15.70, and otherwise assist candidates, groups, and

1 individuals in complying with the requirements of this chapter and AS 15.70:

2 (3) receive and hold open for public inspection reports and statements
3 required to be made under this chapter and AS 15.70, and, upon request, furnish
4 copies at cost to interested persons;

5 (4) compile and maintain a current list of all filed reports and
6 statements;

7 (5) prepare a summary of each report filed under AS 15.13.110 and
8 AS 15.70 and make copies of this summary available to interested persons at their
9 actual cost;

10 (6) notify, by registered or certified mail, all persons who are
11 delinquent in filing reports and statements required to be made under this chapter and
12 AS 15.70;

13 (7) examine, investigate, and compare all reports, statements, and
14 actions required by this chapter, AS 15.70, AS 24.45, and AS 39.50;

15 (8) prepare and publish a biennial report concerning the activities of
16 the commission, the effectiveness of this chapter, its enforcement by the attorney
17 general's office, and recommendations and proposals for change; the commission shall
18 notify the legislature that the report is available;

19 (9) adopt regulations necessary to implement and clarify the provisions
20 of AS 15.70, AS 24.45, AS 39.50, and this chapter, subject to the provisions of
21 AS 44.62 (Administrative Procedure Act); [AND]

22 (10) consider a written request for an advisory opinion concerning the
23 application of this chapter, AS 15.70, AS 24.45, AS 24.60.200 - 24.60.260, or
24 AS 39.50; and

25 (11) appoint an administrator to oversee AS 15.70 and to make
26 decisions authorized by that chapter or decisions under that chapter that are
27 delegated to the administrator by the commission

28 * Sec. 5. AS 15.13.045(b) is amended to read:

29 (b) In conjunction with (a) of this section, the commission may compel the
30 attendance of witnesses and production of papers, books, records, accounts,
31 documents, and testimony, and may have the deposition of witnesses taken in a

1 manner prescribed by court rule or law for the taking of depositions in civil actions
2 when consistent with the powers and duties assigned to the commission by this chapter
3 and AS 15.70.

4 * Sec. 6. AS 15.13.045(c) is amended to read:

5 (c) The commission may examine the papers, books, records, accounts, and
6 documents of any person subject to this chapter and AS 15.70 to ascertain the
7 correctness of a report filed with the commission, or in conjunction with an
8 investigation or inspection conducted under (a) of this section.

9 * Sec. 7. AS 15.56.012(a) is amended to read:

10 (a) Except as provided in AS 15.56.014 and 15.56.016, a person commits the
11 crime of campaign misconduct in the first degree if the person knowingly engages in
12 conduct that violates a provision of AS 15.13 or AS 15.70, or a regulation adopted
13 under authority of AS 15.13 or AS 15.70.

14 * Sec. 8. The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 APPLICABILITY. This Act applies

17 (1) after December 31, 2008, for the election cycles, as that term is defined by
18 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of state senator and state
19 representative; and

20 (2) after December 31, 2010, for the election cycle, as that term is defined by
21 AS 15.70.390, enacted by sec. 2 of this Act, for the offices of governor and lieutenant
22 governor.

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees
Corrections
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

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"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

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To: Legal Services

Fax #: 2029

From: Nancy Manly x2794
Alaska State Capitol, room 104
Juneau, AK 99801-1182

of Pages (including cover): 1

Phone: 907-465-4931
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Re: HB 261

Please draft a State Affairs Committee Substitute for HB 261 removing all reference to "Clean Elections". For example, can you replace "Clean Elections" with "Publically Financed Elections Fund." Our concern is that the term "Clean Elections" infers that the current elections are "not clean". "Publically Financed Elections Fund" more accurately describes the intent of the bill.

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TRANSACTION REPORT

FEB-21-2008 01:09 AM

FOR: REP LYNN

4654316

SEND

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Nancy Manly

From: Fenumiai, Gail M (GOV) [gail.fenumiai@alaska.gov]

Sent: Thursday, February 21, 2008 10:59 AM

To: Nancy Manly

Subject: Thank you

Good morning Nancy,

Please extend my thanks to Rep. Lynn regarding his request of the sponsor to remove the terminology "clean elections" from HB261. The division of elections greatly appreciates this.

Gail



Do "Clean Elections" Reduce Lobbyist and Special Interest Influence?

by Laura Renz & Sean Parnell

Maine and Arizona are currently the only two states that have statewide programs of taxpayer-funded political campaigns for state legislative campaigns, sometimes called "clean election" programs. Seeking to replace voluntary, private contributions from citizens to candidates of their choice, taxpayer-funded political campaigns programs instead provide government grants to candidates who qualify.

Candidates typically must obtain several hundred signatures and small contributions of \$5 or \$10 each from registered voters in the district in which they are running. Other than these small contributions and a limited amount of "seed money" candidates are allowed to raise at the beginning of their campaign, they are prohibited from raising or spending funds outside of their government grant¹.

Proponents of such programs claim that one of the benefits of replacing private contributions with taxpayer dollars is a decrease in the influence and effectiveness of lobbyists and so-called "special interests."

The Web site of Public Campaign, a leading advocate of taxpayer-funded political campaigns, states on its home page that such programs make "... elections about voters

and not lobbyists and campaign donors."² Maine Senate President Beth Edmonds states that "When I'm walking the halls of the legislature and I see lobbyists from major corporations or even small organizations, I know that I get to make decisions that think about all the people in my constituencies, all the people in my district and not just specific interest groups."³

This research examines the reality of these claims by analyzing the number of lobbyist registrations in these states since the adoption of taxpayer-funded political campaigns. If such programs do indeed diminish the influence and effectiveness of lobbyists (thereby reducing their value to those who hire lobbyists), then we would expect to see either a reduction in or a stable number of lobbyist registrations in both states since the implementation of taxpayer-funded political campaigns.

Analysis

The two states with taxpayer-funded political campaigns have had strikingly different experiences with regard to the number of lobbyist registrations. In Maine, the number of registered lobbyists increased, while Arizona saw a decline.

1 ME. REV. STAT. ANN. Title 21-A, § 1125 available at: <http://janus.state.me.us/legis/statutes/21-a/title21-Ach14.pdf>

2 Public Campaign, <http://www.publiccampaign.org/> on January 17, 2008.

3 Public Campaign, <http://www.publiccampaign.org/node/39242>, quoted from The Road To Clean Elections video, on January 17, 2008.



Since Maine's program of taxpayer-funded political campaigns began, the number of lobbyist registrations had grown to 477, an increase of 20%

In Maine, the number of registrations over time shows a significant increase in the number of lobbyist registrations after implementation of the Maine Clean Elections Act (MCEA).

In 1991, there were 351 lobbyist registrations in Maine⁴. In 2000, the last legislative session before the MCEA began doling out taxpayer funds to

candidates, there were 398 lobbyist registrations⁵.

Between 1991 and 2000, lobbyist registrations grew by 13%, with an average of 359 lobbyist registrations each year⁶.

Since Maine's program of taxpayer-funded political campaigns began, the number of lobbyist registrations had grown to 477⁷, an increase of 20% since 2000. The average number of registrations each year was 417, an increase of 16% over pre-MCEA registrations⁸.

Arizona's Clean Election Act went into ef-

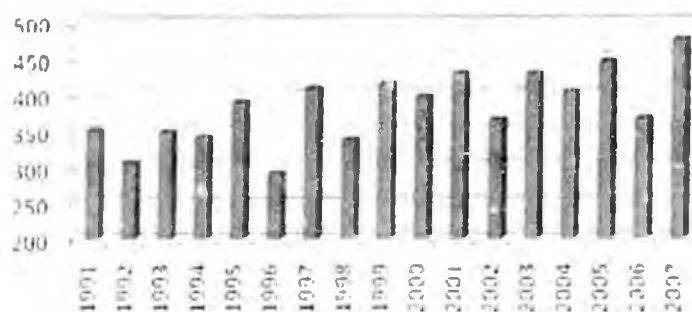
fect in the 2000 election cycle. Information available on the number of individual lobbyist registrations in Arizona is incomplete, but shows a clear decline in the number of registrations.

In 1995, the number of lobbyist registrations was 752, rising to 898 registrations by 2000⁹. Accurate information was not available for 1997-98, but for the available years

between 1995 and 2000 the average number of registered lobbyists was 864¹⁰.

By 2007, the number of registered lobbyists had declined to 691, a 30% decrease¹¹. The average number of registrations between 2001 and 2007 was 767, representing a drop of approximately 13%¹² from the period before adoption of taxpayer-funded political campaigns.

Figure 1: Lobbyist Registrations in Maine



4 The yearly totals for registered lobbyists in Maine were obtained from the Maine Ethics Commission, and are available for public inspection if requested.

5 See id.

6 See id., based on author's calculations

7 See id.

8 See id., based on author's calculations

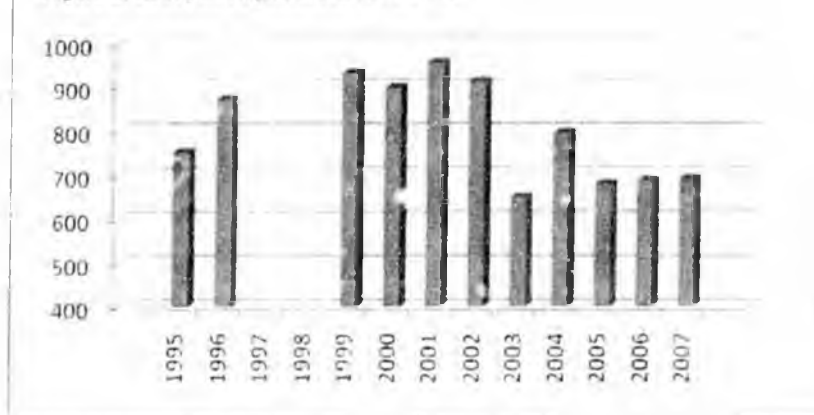
9 Compiled from Arizona Secretary of State Annual Reports, 1995-2007, available at http://www.azsos.gov/public_services/annual_report/sos_annual_reports.htm, and The Impact of State Legislative Term Limits on Lobbyists and Interest Groups, presented at the 5th Annual State Politics and Policy Conference on May 5, 2005 by Christopher Mooney, Director of the Illinois Legislative Studies Center at the University of Illinois at Springfield

10 See id., based on author's calculations

11 See id., based on author's calculations

12 See id., based on author's calculations

Figure 2: Lobbyist Registrations in Arizona



Conclusion

At this point several legislative sessions have passed since Arizona and Maine enacted their system of taxpayer-funded political campaigns. Presumably, if the influence and effectiveness of lobbyists were somehow diminished by these programs, we would by now be able to see some evidence of this.

Because the Arizona and Maine results are so dramatically different, with one state experiencing significant growth in the number of lobbyist registrations while the other saw significant declines, there appears to be no relationship between taxpayer-funded political campaigns and changes in the number of lobbyists.

Using the number of lobbyist registrations as a proxy for the effectiveness and influence of lobbyists and interest groups, the evidence presented here does not support claims that taxpayer-funded political campaigns have reduced the influence and effectiveness of lobbyists and "special interests" in Arizona or Maine.

This reality has apparently not diminished belief in the ability of taxpayer-funded political campaigns to reduce the influence and effectiveness of lobbyists and interests groups.

The Maine Commission on Governmental Ethics and Elections Practices published a study in 2007 explor-

ing the impact of their system of taxpayer funded political campaigns. Candidates and legislators who have participated in this program consistently reported their reason for doing so as a way to "reduce the influence of lobbyists" and not be " beholden to anyone."

These conclusions are doubtful at best when contrasted with the continually rising number of state lobbyists in Maine since the adoption of taxpayer-funded political campaigns in 2000. The increase of state lobbyists in Maine makes it clear that despite implementation of MCEA, there is still an abundance of work for lobbyists within the Maine legislature.

Taxpayer-funded political campaigns have failed to reduce the effectiveness and influence of lobbyists in Arizona or Maine, and elected officials and policymakers seeking to curb their effectiveness and influence should not consider such programs as a remedy.

There is no evidence to suggest taxpayer-funded political campaigns have had any impact on the influence and effectiveness of lobbyists in Arizona or Maine



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The Center for Competitive Politics is committed to delivering the highest quality and most reliable research on issues related to campaign finance, political speech, First Amendment rights, and related topics.

The Center guarantees that all original factual data are true and correct and that information attributed to other sources is accurately represented.

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The Center for Competitive Politics (CCP) is a 501(c)(3) nonprofit organization based in Alexandria, VA. CCP's mission, through legal briefs, studies, historical and constitutional analyses, and media communication is to promote and defend citizens' First Amendment political rights of speech, assembly, and petition, and to educate the public on the actual effects of money in politics and the benefits of a more free and competitive election and political process. Contributions to CCP are tax deductible to the extent allowed by law.

2008 Center for Competitive Politics

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CENTER *for*
COMPETITIVE
POLITICS

March 31, 2008

The Honorable Bob Lynn
State Capitol #415
Juneau, AK 99801-1182

Dear Representative Lynn:

Across the country, campaign finance "reformers" are pushing forward so-called "clean elections" programs and promising legislators and constituents alike that these programs will deliver more competitive elections, restore citizens' confidence in government, eliminate the influence of "special interests," and a host of other presumptive benefits.

The Center for Competitive Politics (CCP), a nonpartisan nonprofit organization dedicated to defending the First Amendment political rights of speech, assembly, and petition, is systematically exploring the claimed benefits of taxpayer-funded political campaigns in an effort to determine whether such programs live up to their promises.

Issue Analysis #1 explores the claim that "clean elections" reduce lobbyist and special interest influence. After researching the number of lobbyist registrations in Arizona and Maine, the only two states that have statewide programs of taxpayer-funded political campaigns, CCP concludes that there appears to be no relationship between "clean election" programs and ability of lobbyists and interest groups to influence legislators. I have attached a copy of *Issue Analysis #1* for your review and hope that you will consider this information as this issue is discussed and debated in your state.

We expect to release several more *Issue Analysis* and other research over the next several months examining topics like electoral competitiveness, changes in the composition of the legislature, savings to taxpayers, and other issues related to taxpayer-funded political campaigns. Most of the research on these issues is still being conducted, but early results seem to indicate that on almost all measures, taxpayer-funded political campaigns fail to deliver the promised benefits.

If you have any questions or would like to request additional information concerning the Center for Competitive Politics or the results of a more free and competitive electoral process, please do not hesitate to contact Trevor Summerfield, CCP's Government and Coalition Relations Director, at (703) 894-6800 or TSummerfield@campaignfreedom.org.

Sincerely,

Sean Parnell
President

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Representative Gabrielle LeDoux

SPONSOR STATEMENT FOR HB 261

"An Act establishing a clean election program in the state."

Clean Elections will benefit Alaska in the many ways. It affirms the principle of "one person, one vote" by reducing the disproportionate influence of large contributors on elections and enabling citizens of all backgrounds to participate equally in the democratic process.

This act strengthens public confidence in government and eliminates the danger and perception of corruption caused by the private financing of election campaigns. It increases the accountability of elected officials to the voters.

The act creates genuine opportunities for qualified individuals to run for state office and encourages more competitive elections. It frees elected officials from the incessant demands of fundraising, enabling them to spend more time interacting with their constituents and carrying out their official duties and it slows the escalating cost of elections.

The act enables voters and candidates to hear and be heard on a more level playing field, and provides for more open and robust debate on issues of public concern.

Clean Elections is a system of public financing of political campaigns. Under Clean Elections, candidates who demonstrate they have a strong base of public support and agree to forego private fundraising are eligible for government financing of their campaigns. Once elected, these candidates are not beholden to large campaign donors or special interests. They are free to represent the needs of their constituents.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SS HB 261
() Publish Date: _____

Identifier (file name): HB261SS-DOA-APOC-2-14-08 Dept. Affected: Administration
Title: "An Act establishing a program of public funding for the financing of RDU election campaigns..." Component: Alaska Public Offices Commission
Sponsor: Representatives LeDoux, Gardner, Doll
Requester: House State Affairs Component Number: 70

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below

| | Appropriation Required | | Information | | | | |
|-------------------------------|------------------------|------------|--------------|--------------|--------------|--------------|--------------|
| | FY 2009 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
| OPERATING EXPENDITURES | | | | | | | |
| Personal Services | 572.5 | | 572.5 | 572.5 | 572.5 | 572.5 | 572.5 |
| Travel | 21.5 | | 21.5 | 21.5 | 21.5 | 21.5 | 21.5 |
| Contractual | 85.0 | | 85.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Supplies | 35.0 | | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Equipment | | | | | | | |
| Land & Structures | | | | | | | |
| Grants & Claims | | | | | | | |
| Miscellaneous | . | . | . | . | . | . | . |
| TOTAL OPERATING | 714.0 | 0.0 | 681.0 | 681.0 | 681.0 | 681.0 | 681.0 |

| | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | | |
|-----------------------------|--|--|--|--|--|--|--|

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

FUND SOURCE (Thousands of Dollars)

| | | | | | | | |
|----------------------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | | |
| 1003 GF Match | | | | | | | |
| 1004 GF | 714.0 | | 681.0 | 681.0 | 681.0 | 681.0 | 681.0 |
| 1005 GF/Program Receipts | | | | | | | |
| 1037 GF/Mental Health | | | | | | | |
| Other Interagency Receipts | | | | | | | |
| TOTAL | 714.0 | 0.0 | 681.0 | 681.0 | 681.0 | 681.0 | 681.0 |

Estimate of any current year (FY2008) cost: _____

POSITIONS

| | | | | | | | |
|-----------|-----|-----|-----|-----|-----|-----|-----|
| Full-time | 7.0 | 0.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |
| Part-time | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Temporary | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

ANALYSIS: (Attach a separate page if necessary)

This bill creates a clean elections section within APOC. Funding will be needed for a hearing officer, three accounting positions, two compliance officers, an administrative assistant and administrative support. Funding is also required for additional Commission meetings. Clean Election's staff is responsible for disseminating public funds to qualified candidates throughout the duration of their campaigns. Additionally, staff is responsible for certifying the qualifications of candidates eligible to receive public funding. During the course of the campaigns, clean election staff must monitor all campaign spending for compliance with the provisions of the clean elections act. The bill also provides state funding to candidates for Governor, Lieutenant Governor, State Senator, and State Representative. Several funding scenarios are presented below.

Prepared by: Brooke Miles, Executive Director Phone 465-5671
Division: Alaska Public Offices Commission Date/Time 2/14/08 3:02 PM
Approved by: Rachael Petro, Deputy Commissioner Date 2/14/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. SS HB 261

ANALYSIS CONTINUATION

It is difficult to accurately estimate the cost of providing public funds to candidates under this legislation. The cost will depend on the number of candidates that choose to participate in the public campaign financing program, and several other factors. Because public funding is optional, candidates cannot legally be mandated to use it, and some candidates are likely to not choose public funding, lowering the total cost of the program. Other scenarios could be analyzed in addition to the examples below.

The following cost analysis is based on 25%, 50%, 75%, and 100% participation. It was calculated using the number of primary and general election candidates in the 2006 election:

PRIMARY: (dollar amounts in thousands)

| # of Candidates | Office | Amount | 25% | 50% | 75% | 100% |
|-----------------|--------|--------|---------|---------|---------|---------|
| 13 | Gov | 250.0 | 812.5 | 1,625.0 | 2,437.0 | 3,250.0 |
| 8 | Lt Gov | 150.0 | 300.0 | 600.0 | 900.0 | 1,200.0 |
| 23 | Senate | 24.0 | 130.5 | 261.0 | 391.5 | 522.0 |
| 92 | House | 16.0 | 368.0 | 736.0 | 1,104.0 | 1,472.0 |
| Sub-Totals: | | | 1,611.0 | 3,222.0 | 4,832.5 | 6,444.0 |

GENERAL: (dollar amounts in thousands)

| # of Candidates | Office | Amount | 25% | 50% | 75% | 100% |
|-----------------|--------|--------|---------|---------|---------|----------|
| 6 | Gov/Lt | 500.0 | 750.0 | 1,500.0 | 2,250.0 | 3,000.0 |
| 20 | Senate | 36.0 | 180.0 | 360.0 | 540.0 | 720.0 |
| 72 | House | 16.0 | 432.0 | 864.0 | 1,296.0 | 1,728.0 |
| Sub-Totals: | | | 1,362.0 | 2,724.0 | 4,086.0 | 5,448.0 |
| Grand Totals: | | | 2,973.0 | 5,946.0 | 8,918.5 | 11,892.0 |

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Representative Gabrielle LeDoux

Clean Elections laws have been adopted in Maine, Arizona, North Carolina, New Mexico, Vermont, New Jersey, and Connecticut. Maine and Arizona have the longest history with Clean Elections, and voters in these two states enthusiastically support the system.

To qualify for public financing, candidates must agree not to accept any private contributions except a limited amount of startup or "seed" money. They also must collect a certain number of \$5 "qualifying contributions" from registered voters in their districts to demonstrate they have a solid base of public support. There are different numbers for various offices from Governor to Representative.

The purpose of these funds is to enable candidates to collect the required number of qualifying contributions from voters in their district. Seed money contributions are limited to \$100 or less and cannot exceed specific amounts for specific offices. The amounts are based on what it takes to run a viable campaign in Alaska. Clean Elections candidates can receive up to three times the specified limit to match an opponent's spending dollar-for-dollar. The purpose of this provision is to ensure that Clean Elections candidates are not buried by an opponent's spending and to provide an incentive for all candidates to participate in this system.

The cost to the State depends on the number of candidates who participate in the system. It could cost several million dollars a year if participation is widespread, as expected. The cost, however, may be offset by reductions in appropriations for pet projects proposed by special interests and policy changes stemming from Clean Elections. It's also important to keep in mind that even if Clean Elections were to cost \$5 million annually, this amount is less than half of a percent of a percent of the state's current budget.

Clean Elections is an idea whose time has come in Alaska.

LEGAL SERVICES

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

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

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

MEMORANDUM

January 16, 2008

SUBJECT: HB 261 and SSHB 261 Differences
(Work Order Nos. 25-LS0929\C and \E)

TO: Representative Gabrielle LeDoux
Attn: Suzanne Hancock

FROM: Alpheus Bullard *AKB*
Legislative Counsel

You have requested a memorandum about the differences between HB 261 and SSHB 261 ("Clean elections"). The following is a summary of changes made between the two bill versions.

Title. The title has been amended to better express the subject and contents of the bill.

Placement in title AS 15, bill organization, and section headings. The "clean elections" program has been moved from chapter 14 to chapter 70, sections are organized differently, and a few heading titles have been amended. These are drafting choices and have no bearing on the bill's substantive provisions.

Clean elections administrator. In HB 261, a commissioner of the Alaska Public Offices Commission ("commission") was responsible for overseeing administration of the new chapter and for making decisions authorized by the chapter. In SSHB 261, the commission appoints an administrator to oversee administration of the chapter.

Language. Throughout SSHB 261 the statutory language has been modified to be clearer and more exact, i.e. "*the qualifying contributions required of candidates . . .*" has been changed to "*the amount of the qualifying contributions required to be tendered by candidates . . .*"

Effective date. In SSHB 261, the applicability provision has been amended so that the bill would not become effective in the midst of election campaigns for the offices of state senator and state representative. The bill's provisions are now effective for campaigns for these offices in "election cycles" (as defined in the AS 15.70.390(4)) after December 31, 2008.

Independent expenditures. The language in sec. 15.70.140 (independent expenditures) has been changed from "[a] person or group that makes an independent expenditure under

Representative Gabrielle LeDoux
January 16, 2008
Page 2

AS 15.13.135 ... *involving* a participating candidate shall report ..." to read "... *supporting or opposing* a participating candidate ..." (emphasis added). The "supporting or opposing" language mirrors that employed in AS 15.13.135 and is probably less constitutionally objectionable.¹

If you have any questions, or if I can be of further assistance, please do not hesitate to contact me.

TLAB:med
08-016.med

¹ For my previous comments on this provision, please reference my May 12, 2007, memorandum to your office.



HAINES BOROUGH, ALASKA
P.O. BOX 1209 • HAINES, ALASKA 99827
Administration 907.766.2231 • (fax) 907.766.2716
Tourism 907.766.2234 • (fax) 907.766.3155
Police Dept. 907.766.2121 • (fax) 907.766.2128
Fire Dept. 907.766.2155 • (fax) 907.766.3373

December 28, 2007

Rep. Gabrielle LeDoux
112 Mill Bay Rd
Kodiak AK 99615

Dear Rep. LeDoux:

On December 11, the Haines Borough Assembly adopted the attached resolution in support of a Clean Elections system in Alaska. They asked me to send a copy to you.

Please let me know if I may provide additional information. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Julie Cozzi".

Julie Cozzi
Haines Borough Clerk

Attachments (1)

HAINES BOROUGH

RESOLUTION 07-12-119

AdoptedA RESOLUTION OF THE HAINES BOROUGH ASSEMBLY SUPPORTING
ADOPTION OF A CLEAN ELECTIONS SYSTEM IN ALASKA.

WHEREAS, several former and current legislators have recently been convicted for accepting money in exchange for votes; and

WHEREAS, this illegal activity has undermined public confidence in the integrity of Alaska's elected officials; and

WHEREAS, votes taken by these individuals during the 2006 legislative session cost the State an estimated \$1 billion in unrealized oil revenue, thus reducing available revenues critical to supporting our local governments; and

WHEREAS, the presence of corruption in Alaska politics has resulted in a withdrawal of business interest (i.e. the gas pipeline) in Alaska; and

WHEREAS, adoption of a Clean Elections system can help restore public trust in government, eliminate the potential for and perception of corruption, and promote greater accountability to voters; and

WHEREAS, under Clean Elections, candidates who demonstrate broad public support and agree to forego private contributions can voluntarily qualify for public financing of their campaigns; and

WHEREAS, Clean Elections affirms the principle of "one person, one vote" by curtailing the influence of special interest money; and

WHEREAS, Clean Elections allows for a greater diversity of candidates who will represent the public interest; and

WHEREAS, adoption of a Clean Elections system would relieve candidates of the need to raise campaign funds thus allowing more focus on issues of voters; and

WHEREAS, Clean Elections systems saves money by elimination funding for pet projects advocated by special interests; and

WHEREAS, Clean Election systems have been enacted in seven states and have proven popular with voters as well as candidates,

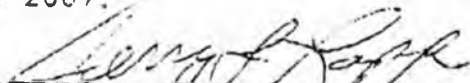
IN WITNESS WHEREOF
I, the Mayor, have hereunto set my hand and the seal of the Borough of Haines, Alaska, this 11th day of December, 2007.

NOW, THEREFORE, BE IT RESOLVED that the Haines Borough Assembly:

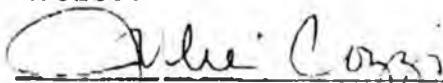
Section 1: Supports the objectives of a Clean Elections system and urges Governor Sarah Palin and the Alaska State Legislature to implement a Clean Elections system in Alaska without delay; and

Section 2: Declares that copies of this resolution will be sent to Governor Sarah Palin and all members of the Alaska State Legislature.

ADOPTED by a duly constituted quorum of the Haines Borough Assembly on the 11th day of December, 2007.


Jerry Lapp, Deputy Mayor

ATTEST:


Julie Cozzi, Borough Clerk



P.O. Box 189
WAKNEK, ALASKA 99633

www.theborough.com



TELEPHONE
(907) 246-4224
FAX
(907) 246-6633

Bristol Bay Borough

RESOLUTION 2007-11

BRISTOL BAY BOROUGH SUPPORTS ADOPTION OF A CLEAN ELECTIONS SYSTEM IN ALASKA.

WHEREAS several former and current legislators have recently been indicted for accepting money in exchange for votes; and

WHEREAS votes taken by these individuals have cost the state more than \$1 billion annually in unrealized oil tax revenues, revenue that is critical to supporting the operations of our local governments; and

WHEREAS this scandal has undermined public confidence in the integrity of Alaska's elected officials; and

WHEREAS adoption of a Clean Elections system can help restore public trust in government, eliminate the potential for and perception of corruption, and promote greater accountability to voters; and

WHEREAS under Clean Elections, candidates who demonstrate broad public support and agree to forego private contributions can qualify for public financing of their campaigns; and

WHEREAS Clean Elections is law in seven states and is extremely popular with voters as well as candidates; and

WHEREAS Clean Elections affirms the principle of "one person, one vote" by curtailing the influence of special interest money and enabling citizens of all backgrounds to participate equally in the democratic process; and

WHEREAS Clean Elections opens the door to a greater diversity of candidates who will represent the public interest; and

Resolution No. 2007-11

Page Two

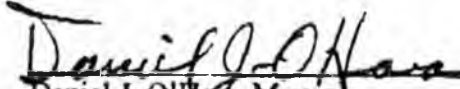
WHEREAS Clean Elections systems save money by eliminating funding for pet projects advocated by special interests; and

WHEREAS the time has come for Clean Elections in Alaska.


BE IT RESOLVED that the Bristol Bay Borough urges Governor Sarah Palin and the Alaska State Legislature to expeditiously implement a Clean Elections system in Alaska.

BE IT FURTHER RESOLVED THAT COPIES of this resolution shall be sent to Governor Sarah Palin and all members of the Alaska State Legislature.

PASSED THIS 6TH **DAY OF** AUGUST , 2007.


Daniel J. O'Hara, Mayor

ATTEST:


Betty J. Bohm, CMC, Borough Clerk

LEGAL SERVICES

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

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Mail Stop 3101


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

MEMORANDUM

January 11, 2008

SUBJECT: Sponsor Substitute for HB 261 - sectional summary
(Work Order No. 25-LS0929\A)

TO: Representative Gabrielle LeDoux
Attn: Suzanne Hancock

FROM: Alpheus Bullard 
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a provision in uncodified law that provides legislative findings for the establishment of a program of public funding for the financing of election campaigns for the offices of governor, lieutenant governor, state senator, or state representative.

Section 2. Adds chapter 70 to AS 15 (Elections), establishing a program of public funding for the financing of election campaigns of candidates for offices of governor, lieutenant governor, state senator, or state representative, entitled "Clean Elections."

Sec. 15.70.010. Establishes a separate fund in the general fund for the financing of election campaigns of candidates who are certified under the chapter and for the payment of the chapter's administrative and enforcement costs incurred by the Alaska Public Offices Commission.

Sec. 15.70.020. Provides limitations on the use, collection, and expenditure of program funds and other campaign contributions by candidates participating in the public financing of election campaigns program.

Sec. 15.70.030. Establishes how a candidate becomes a participating candidate in the public financing of election campaigns program.

Sec. 15.70.040. Establishes when a candidate may qualify for inclusion in the public financing of election campaigns program.

Sec. 15.70.050. Sets terms for the acceptance and use of "seed money" contributions by a candidate before the candidate files for certification under sec. 15.70.070.

Sec. 15.70.060. Provides conditions for the collection and acceptance of the "qualifying contributions" a candidate running for governor, lieutenant governor, state senator, or state representative must receive in order to become a certified candidate under sec. 15.70.070.

Sec. 15.70.070. Provides how a candidate participating in the public financing of election campaigns program may become a certified candidate eligible for receipt of program funds.

Sec. 15.70.080. Provides expenditure limits for participating candidates during the primary and general election campaign periods.

Sec. 15.70.090. Establishes the monetary amounts that certified candidates are eligible to receive as distributions from the program, allows the commission to establish procedures requiring the use of debit cards by the candidates for the funds disbursed, and limits eligibility for the receipt of program funds for certain candidates.

Sec. 15.70.100. Provides for the timing of distribution of program funds and how the amounts distributed are affected by unspent or unobligated seed money contributions or primary election funds held by a certified candidate.

Sec. 15.70.110. Requires certain candidates who are not participating in the program to file spending limit reports with the commission.

Sec. 15.70.120. Allows the administrator appointed by the Alaska Public Offices Commission to make a determination that a nonparticipating candidate has incurred expenses in excess of the limits established for participating candidates under sec. 15.70.080.

Sec. 15.70.130. Provides for the distribution of certain "matching funds" to participating candidates if nonparticipating candidates running for the same office incur expenses in excess of the limits established under sec. 15.70.080 for participating candidates.

Sec. 15.70.140. Provides for the reporting, investigation, and treatment of independent expenditures made by a person or group supporting or opposing a participating candidate that exceed \$500.

Sec. 15.70.150. Establishes that funds under the chapter must be used only for the purposes set out in AS 15.13.112.

Sec. 15.70.160. Governs contributions from political parties to candidates participating in the public financing of election campaigns program.

Sec. 15.70.170. Requires (1) certified candidates who are unsuccessful in the primary election and (2) all candidates after the general election to return to the commission all funds received under the chapter that have not been spent or otherwise obligated.

Sec. 15.70.180. Provides that a candidate who is seeking to be nominated by petition under AS 15.25.140 - 15.25.200 is eligible to take part in the public financing of election campaigns program if the candidate complies with the requirements of secs. 15.70.020 - 15.70.070 and that such a candidate may accept certain campaign contributions.

Sec. 15.70.190. Provides how the public funding of election campaigns program is applied to governor and lieutenant governor joined campaigns.

Sec. 15.70.200. Establishes that write-in candidates are not eligible to participate in the public funding of election campaigns program and must comply with the reporting requirements of sec. 15.70.110.

Sec. 15.70.210. Establishes how a candidate may withdraw from participation in the public financing of election campaigns program.

Sec. 15.70.220. Provides that the director of elections shall inform voters of which candidates on the ballot are participating in the program.

Sec. 15.70.230. Provides that if during an election year the commission determines that there is insufficient funding for the public financing program that the participating candidates will be authorized to solicit and accept private contributions permitted under AS 15.13 up to the limits established under AS 15.70 for certified candidates.

Sec. 15.70.240. Provides penalties for persons violating the provisions of AS 15.70. Penalties include monetary fines, disqualification as a candidate, and office forfeiture.

Sec. 15.70.250. Establishes administrative procedures for appealing decisions made by the commission or administrator under the chapter.

Sec. 15.70.260. Provides that the commission will modify the dollar values specified in AS 15.70, 15.70.080, and 15.70.090 to account for inflation.

Sec. 15.70.270. Directs the commission to adopt regulations to ensure effective administration of AS 15.70.

Sec. 15.70.280. Establishes that by January 30, 2010, and every four years after that date, that the commission will submit a report to the legislature evaluating the program and making recommendations.

Representative Gabrielle LeDoux

January 11, 2008

Page 4

Sec. 15.70.390. Contains the chapter's definitions.

Sec. 15.70.395. Provides the chapter with a short title: "This chapter may be known as the Clean Elections Act."

Section 3. Establishes that the application of AS 15.13 (state election campaigns) does not limit the application of AS 15.70 (Clean Elections Act) added by sec. 2 of the bill.

Section 4. Amends the duties of the Alaska Public Offices Commission to require that the commission appoint an administrator to administer AS 15.70 and adds administration and enforcement of the provisions of AS 15.70 to the duties of the commission.

Sections 5 and 6. Allows the commission to issue subpoenas, hold hearings, and investigate matters consistent with the powers and duties assigned the commission by AS 15.70.

Section 7. Makes the knowing violation of a provision of AS 15.70, or a regulation adopted under that chapter, a crime of campaign misconduct in the first degree.

Section 8. Adds a provision in uncodified law that the Act is effective December 31, 2008 for the election cycles, as that term is defined in sec. 15.70.390, for the offices of state senator and state representative, and after December 31, 2010, for the offices of governor and lieutenant governor.

If you have any questions, or if I can be of further assistance, please advise.

TLAB:ljw
08-011.ljw

ALASKA STATE LEGISLATURE



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Kodiak, AK 99615
(907) 486-8872
Fax (907) 486-5264

Representative Gabrielle LeDoux

MEMO

DATE: 1/25/2008
TO: HOUSE STATE AFFAIRS
REPRESENTATIVE BOB LYNN
FROM: REPRESENTATIVE GABRIELLE LEDOUX *cl*
RE: HEARING REQUEST FOR SSHB 261, "AN ACT ESTABLISHING A PROGRAM OF PUBLIC FUNDING FOR THE FINANCING OF ELECTION CAMPAIGNS OF CANDIDATES FOR STATE ELECTED OFFICES, TO BE KNOWN AS THE CLEAN ELECTIONS ACT."

I respectfully request that the Sponsor Substitute House Bill 261 be scheduled for a hearing in the House State Affairs.

Attached you will find:

- Sponsor Substitute for HB 261
- Sponsor Statement
- Additional documentation relating to the bill
- Sectional Analysis for SSHB 261
- My staff member assigned to this legislation is Suzanne Hancock, direct line 465-4230.

HB

266



Representative Beth Kerttula

House Minority Leader

Representative Andrea Doll
State Capitol
Juneau, AK 99801

March 20, 2008

Dear Representative Doll:

During the House State Affairs Committee meeting on March 20, 2008, you asked whether the child care center located in the Federal Building in Juneau was less expensive than other child care options in Juneau. My answer was that it was and that the fees were assessed on a sliding scale based on income. This information is not correct. Upon further research, we learned that the price for child care at that center is typical of other large child care providers in Juneau. It is slightly less than some and more than others.

Additionally, fees are not set on a sliding scale based on income. At this center, there is one set rate for child care. However, parents can petition the board in order to reduce their child care costs. The effect, then, is that parents with lower incomes can benefit from reduced child care costs at this child care facility.

I'm sorry for the incorrect information and I hope this makes it clear. If you have any further questions, please feel free to contact me or my aide.

Sincerely,

Representative Beth Kerttula

Cc: Representative Lynn, Chair
Representative Roses, Vice-Chair
Representative Coghill
Representative Johansen
Representative Johnson
Representative Gruenberg



Representative Beth Kerttula

House Minority Leader

HB 266 State Employee Dependents Child Care Centers

Explanation of Changes

Version C to Version E

Version E adds subsection (b) to AS 39.90.200 on page 2, lines 3-6. This subsection requires the Department of Administration to do a needs assessment in the community to determine whether or not there is a need for child care in the community before approving requests for onsite child care centers.

Alaska State Legislature ♦ District 3 ♦ Juneau

State Capitol ♦ Juneau, Alaska 99801-1182 ♦ (907) 465-4766 ♦ Toll-free (877) 465-4766 ♦ Fax (907) 465-4748

Rep.Beth.Kerttula@legis.state.ak.us ♦ www.kerttula.net

Alaska State Legislature

Chairman
State Affairs Committee

Vice-Chairman
Economic Development, Trade & Tourism
Committee

Member
Judiciary Committee
Joint Armed Services Committee

Finance Subcommittees
Corrections
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety



A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" RepBobLynnBlog.com

Session:
Alaska State Capitol
Juneau, AK 99801-1182

Phone: (907) 465-4931
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Interim:
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

FAX

To: Legal Services

Fax #: 2029

From: Nancy Manly x2794
Alaska State Capitol, room 104
Juneau, AK 99801-1182

of Pages (including cover): 1

Phone: 907-465-4931
Fax: 907-465-4316

Re: HB 266 State Employee Dependents Child Care Centers

3-20-08

HB 266 25-LS0846E passed out of committee as amended. Please draft a final CS to reflect the changes. Thank you.

Conceptual Amendment #1 (Roses)

Page 3 *delete* Lines 3-8

Page 3 *delete* on Lines 13 starting with the word "Neither" thru Line 15

25-LS0846E
Wayne/Mischel
3/17/08

CS FOR HOUSE BILL NO. 266()

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES KERTTULA, Wilson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the approval and administration of child care services by the**
2 **Department of Administration primarily for the benefit of state officers and employees;**
3 **and providing for an effective date."**

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

5 *** Section 1. AS 39.90 is amended by adding new sections to read:**

6 **Article 3. Child Care Services.**

7 **Sec. 39.90.200. Duties of department.** (a) Under AS 39.90.200 - 39.90.290,
8 the Department of Administration shall approve, administer, and coordinate child care
9 services for state officers' and employees' children and dependents and for other
10 children as provided in AS 39.90.210. The department shall

11 (1) review and approve requests from state agencies for child care
12 services;

13 (2) provide technical assistance on child care program startup and
14 operation under AS 39.90.200 - 39.90.290; and

1 (3) assist other agencies in conducting needs assessments for child care
2 services, designing child care centers, and selecting child care service providers.

3 (b) Before approving the establishment of a program that provides child care
4 services under AS 39.90.200 - 39.90.290, the department shall review the availability
5 of state-licensed child care services in the municipality in which the program would be
6 located to determine if there is a lack of availability sufficient to justify the approval.

7 **Sec. 39.90.210. Children served.** The department shall give primary emphasis
8 to providing child care services to state officers' and employees' children and
9 dependents who are not subject to compulsory school attendance, and, to the extent
10 possible, emphasis shall be placed on child care for children under the age of four. The
11 department may allow other parents to use the child care services, but shall give
12 priority to the children and dependent of state officers and employees.

13 **Sec. 39.90.220. Location of programs; operating costs.** (a) Child care
14 programs under AS 39.90.200 - 39.90.290 may be located in state-owned office
15 buildings, educational facilities and institutions, custodial facilities and institutions,
16 and, with the consent of the president of the senate and the speaker of the house of
17 representatives, in buildings or spaces used for legislative activities. In addition,
18 centers may be located in privately owned buildings conveniently located to the place
19 of employment of the officers and employees to be served by the centers.

20 (b) If a child care program under AS 39.90.200 - 39.90.290 is located in a
21 state-owned office building, educational facility or institution, or custodial facility or
22 institution, or in a privately owned building leased by the state, the sponsoring state
23 agency may be responsible for the maintenance, utilities, and other operating costs
24 associated with the child care center, in accordance with regulations of the department.

25 **Sec. 39.90.230. Costs of care.** The cost of child care services provided under
26 AS 39.90.200 - 39.90.290 shall be offset by fees charged to the state officers and
27 employees or other parents who use the child care services. The department may
28 provide for a sliding fee schedule, with fees charged on the basis of household income.

29 **Sec. 39.90.240. Selection of providers.** (a) The provider of proposed child
30 care services under AS 39.90.200 - 39.90.290 shall be selected by the department,
31 using the procedures in AS 36.30 (State Procurement Code). Management of the

1 contract with the service provider shall be the responsibility of the sponsoring state
2 agency.

3 (b) Upon approval of the department, the sponsoring state agency may be
4 responsible for the operation of the child care center when

5 (1) procedures under AS 36.30 fail to procure a qualified service
6 provider; or

7 (2) the service provider's contract is cancelled and attempts to procure
8 another qualified service provider are unsuccessful.

9 **Sec. 39.90.250. Requirements for service providers.** An operator selected to
10 provide services under AS 39.90.200 - 39.90.290 shall comply with all state and local
11 standards for the licensure and operation of child care facilities, maintain adequate
12 liability insurance coverage, and assume financial and legal responsibility for the
13 operation of the program. Neither the operator nor any personnel employed by or at a
14 child care facility shall be considered to be employees of the state unless a state
15 agency operates the facility under AS 39.90.240(b).

16 **Sec. 39.90.260. Consortiums.** In the areas where the state has an insufficient
17 number of officers and employees to justify a work site child care center, a state
18 agency may join in a consortium arrangement with other public employers to provide
19 child care services.

20 **Sec. 39.90.270. Regulations.** The department may adopt regulations necessary
21 to achieve the purposes of AS 39.90.200 - 39.90.290.

22 **Sec. 39.90.290. Definitions.** In AS 39.90.200 - 39.90.290,

23 (1) "department" means the Department of Administration;

24 (2) "sponsoring agency" means a state agency that requests the
25 assistance of the department in providing child care services to the children and
26 dependents of the agency's officers and employees.

27 * Sec. 2. This Act takes effect July 1, 2008.

Bill History/Action for 25th Legislature

BILL: HB 266

SHORT TITLE: STATE EMPLOYEE DEPENDENTS CHILD CARE CTRS

BILL VERSION:

CURRENT STATUS: (H) STA

STATUS DATE: 01/15/08

THEN HES, FIN

SPONSOR(S): REPRESENTATIVE(S) KERTTULA, Watson

HEARING: (H) STA Mar 18 8:00 AM CAPITOL 106 TELECONFERENCE

TITLE: "An Act relating to the approval and administration of child care services by the Department of Administration primarily for the benefit of state officers and employees, and providing for an effective date."

Bill Number: [Display Bill](#) [Next Bill](#)
[Full Text](#)

[Sponsor Statement](#)
[Display Committee Action with Bill History](#)

| Jrn-Date | Jrn-Page | Action |
|----------|-------------|-------------------------------------|
| 01/04/08 | 1690 | (H) PREFILE RELEASED 1/4/08 |
| 01/15/08 | <u>1690</u> | (H) READ THE FIRST TIME - REFERRALS |
| 01/15/08 | 1690 | (H) STA, HES, FIN |
| 01/15/08 | 1690 | (H) REFERRED TO STATE AFFAIRS |

Similar Subject Match or Exact Subject Match
DAY CARE
MINORS
PUBLIC EMPLOYEES

Bill Number: [Display Bill](#)
[Next Bill](#)

[Return to Basis Main Menu \(25th Legislature\)](#)



Representative Beth Kerttula

House Minority Leader

House Bill 266

Sponsor Statement

State Employee Dependents Child Care Centers

House Bill 266 would allow child care centers to be located in office buildings owned or leased by the State of Alaska. Agencies interested in on-site child care facilities would work with the Department of Administration to determine need and feasibility. This bill provides important benefits to the State as an employer, employees and their children, and child care providers. Passage of HB 266 would reaffirm Alaska's commitment to children and families.

As an employer, the State will greatly benefit from the passage of this bill. Two decades of research shows that addressing work/life concerns can improve recruitment and retention, reduce absenteeism and tardiness, and increase job satisfaction and loyalty. With recruitment and retention of employees being major concerns in today's economy, this bill will help to attract more prospective employees to the State. On-site child care will not only provide better benefits to employees, resulting in less turnover, it will also provide a higher quality of care for our children.

The time has come to provide the State, employees, and children with the resources necessary to succeed. I greatly appreciate your support of House Bill 266.



Representative Beth Kerttula

House Minority Leader

House Bill 266

Sectional Analysis

State Employee Dependents Child Care Centers

Section 1: Adds new Article 3 to AS 39.90.

39.90.200 Duties of Department: The Department of Administration will be responsible for coordinating child care services for state officers' and employees' children and dependents. This responsibility includes reviewing and approving requests from different state agencies, providing technical assistance, and assisting other agencies in determining need for child care services, designing child care centers, and selecting providers.

39.90.210 Children served: Priority will be given to state employees' children and dependents. Emphasis will be placed on children younger than 4 and those not subject to compulsory school attendance.

39.90.220 Location of programs; operating costs: Child care centers can be located in government buildings and privately-owned buildings. The sponsoring state agency is responsible for covering maintenance, utilities, and other operating costs associated with the child care center.

39.90.230 Costs of care: Costs can be offset by fees to parents and guardians using the services. Fees can be assessed on a sliding-scale based on household income.

39.90.240 Selection of providers: Child care providers will be selected by the Department of Administration, and management of the contract with the provider will be done by the sponsoring state agency. If there are no qualified providers, the sponsoring state agency may operate the center itself.

39.90.250 Requirements of service providers: Service providers must comply with all state laws and standards that apply to operation of child care centers, maintain adequate insurance, and assume all financial and legal responsibility for the program. Operators and employees of the service providers are not considered employees of the state, unless the state agency is operating the facility.

39.90.260 Consortia: In areas where the state need for child care does not justify a center, state agencies may join together with other public employers.

39.90.270 Regulations: The Department of Administration may adopt regulations to institute this policy.

39.90.290 Definitions.

Section 2: Effective date July 1, 2008.

LEGISLATIVE RESEARCH REPORT

JUNE 19, 2007



REPORT NUMBER 07.197

STATE AND FEDERAL SUPPORT FOR CHILD CARE FACILITIES IN PUBLIC BUILDINGS

PREPARED FOR REPRESENTATIVE BETH KERTTULA

BY PATRICIA YOUNG, MANAGER

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You asked for information on federal and state support of child care and early childhood programs for children of public employees. Specifically, you asked whether the federal government or states require or encourage child care facilities and programs within government buildings. You also asked about programs to assist working parents of newborns.

CHILD CARE FACILITIES IN FEDERAL BUILDINGS

Recently published data identified 225 federal child care centers operating across the country with a total capacity for nearly 18,000 children. Approximately half of these centers are located in space managed by the General Services Administration (GSA); the rest are sponsored directly by other federal agencies.¹ The centers are independently run, and while providers get space and

¹GAO, *An Assessment of Dependent Care Needs of Federal Workers Using the Office of Personnel Management's Survey*, GAO-07-437R (Washington, D.C.: March 30, 2007). Data is current as of 2005. Other federal agencies include the Department of Veterans Affairs, the Federal Aviation Administration, the Forest Service, the Coast Guard, the Department of Energy, the Department of Defense, and the National Aeronautics and Space Administration, among others. We include a copy of this report as Attachment A.

utilities without cost, they must be able to operate without federal monetary subsidies. In exchange for space and utilities, providers must become accredited by the National Association for the Education of Young Children (NAEYC) as part of the licensing agreement, and they must follow NAEYC curriculum guidelines. Although the centers are open to the community, federal law requires that at least 50 percent of the enrollment must be dependents of federal employees.

In addition to on-site child care centers, other federal programs include the Dependent Care Flexible Spending Account for using pretax dollars to pay for care and the Child Care Subsidy Program for lower-income federal workers. Federal law authorizes the use of appropriated funds, including revolving funds otherwise available for salaries, by executive agencies to provide child care services for lower income federal civilian employees.²

Agency officials view programs such as on-site quality child care and flexible work arrangements as benefits that help attract and retain committed and effective employees. Although difficult to quantify, surveys show a positive return on investment. According to Liz Themelis, child care program specialist with the GSA, a cost benefit study conducted at the National Security Agency (NSA) showed a return of \$4 for every \$1 spent.³

ON-SITE CHILD CARE FOR STATE EMPLOYEES

Nearly half of the states make on-site child care available for children of state employees, although the number of such facilities per state varies considerably. According to Workplace Economics, Inc., as of January 2005, at least 22 states offered on-site child care facilities in certain locations.⁴ We subsequently identified two other states and several local governments providing on-site child care for public employees.⁵ The Workplace Economics survey also identified eight states offering subsidies for off-site care and notes that all states make pre-tax dependent care accounts available for employees.

Alaska is not among the states currently providing child care in state buildings, although the idea has been around for more than 30 years. From 1975 to the present, 16 measures to create child care centers in state buildings have been before lawmakers, with at least one introduced during every Legislature from the 9th through the 18th (1975 – 1994) and also from the 22nd through the 24th (2001 – 2006). So far, the concept has received little consideration: ten of these measures

² Title 40 U.S.C. § 590 authorizes federal agencies to establish on-site child care centers, subsection (g) specifies that such agencies may use appropriated funds otherwise available for salaries and expenses to provide child care. We include a copy of 40 USC § 590 and 5 CFR Part 792 as Attachment B.

³ Liz Themelis, child care program specialist, GSA, Ms. Themelis can be reached at (216) 522-4963. All 230 NSA child care slots are filled by children of employees or contractors. Although a convenient study cohort, the NSA's unique character makes comparisons with other agencies somewhat problematic.

⁴ "2005 State Employee Benefits Survey," (Washington, D.C.: Workplace Economics, Inc., 2005), pp. 47-52. Workplace Economics, Inc., is a private consulting firm that annually publishes a detailed survey of benefits provided to state employees across the nation. States offering at least one on-site child care facility for state employees are Arizona, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, Oklahoma, Pennsylvania, Rhode Island, Utah, Virginia, West Virginia, and Wyoming. We include a program description and regulations from Florida and Oklahoma as Attachment C.

⁵ Minnesota and Washington also operate on-site child care facilities for children of state employees. In addition, the State of Colorado operates a statewide child care resource and referral system, and child care providers in various locations throughout the state offer tuition discounts to state employees.

died without a hearing, and only one bill—SB 247 in 1983—passed out of its chamber of origin. Table One provides details on the 16 measures.

Table One: Legislative Measures Proposing Child Care Facilities in Alaska State Buildings, 1975 - 2006

| Legislature | | Bill | Sponsors | Final Status |
|-------------|-------------|--------|---|--------------|
| Number | Years | Number | | |
| 9th | 1975 - 1976 | HB 349 | Sullivan | (H) FIN |
| 10th | 1977 - 1978 | HB 74 | Duncan, Rudd | (H) FIN |
| 11th | 1979 - 1980 | HB 379 | Duncan | (H) HES |
| 12th | 1981 - 1982 | HB 347 | Duncan, Clocksin | (H) HES |
| 13th | 1983 - 1984 | SB 247 | Fahrenkamp, V.Fischer, Kerttula, Sturgulewski, Josephson, Rodey | (H) FIN |
| 14th | 1985 - 1986 | SB 165 | Fahrenkamp, Sturgulewski, V.Fischer, Rodey, Kerttula | (S) FIN |
| | | HB 262 | Clocksin, Pourchot, Collins, Duncan, Goll, Gruenberg, Hurley, Koponen | (H) FIN |
| 15th | 1987 - 1988 | SB 99 | Fahrenkamp, Sturgulewski | (S) STA |
| | | SCR 28 | Fahrenkamp, Josephson, Duncan, Rodey, Sturgulewski | (S) HES |
| 16th | 1989 - 1990 | HB 437 | Taylor, Hudson, Ulmer | (H) HES |
| 17th | 1991 - 1992 | HB 61 | Taylor, Kubina | (H) FIN |
| 18th | 1993 - 1994 | SB 119 | Kerttula, Salo | (S) STA |
| | | HB 194 | Sitton, Brice, Brown, Finkelstein, Ulmer, Nordlund | (H) HES |
| 22nd | 2001 - 2002 | HB 482 | Kerttula | (H) STA |
| 23rd | 2003 - 2004 | HB 43 | Kerttula | (H) HES |
| 24th | 2005 - 2006 | HB 162 | Kerttula, Gara | (H) STA |

Notes and Sources: *Bill Histories and Final Status of Bills and Resolutions, 1975-1992*, and the on-line Bill Action and Status Inquiry System (BASIS) for the 18th Legislature (1993-1994) to the present. The majority of these 16 measures languished in the first committee; only one (SB 247 introduced in 1983) passed out of the originating body.

PROVISIONS FOR WORKING PARENTS OF INFANTS AND TODDLERS

We have no comprehensive information on state provisions for working parents of newborns, although clearly, infant care is more difficult to obtain and more expensive than care for older children. According to a national survey of America's families conducted for the Urban Institute, infants and toddlers are more likely to be with relatives and in parents' care, while children at three and four years old are more likely to be in center-based care.⁶ Even when infants are cared for by relatives or stay-at-home parents, however, stress for parents can be significant.

For parents who work, flexible personnel policies help to alleviate stress and to balance family and work responsibilities. Employers cite such "work life" measures as important factors in effectively recruiting and retaining productive and committed employees.⁷ Researchers with the Family and Work Institute note that many private companies have discovered the profitability of allowing working parents to share jobs, to work flexible schedules, to work from home or off-site, to provide on-site care centers or back-up care, and to bring newborns (and sometimes their care providers) to work. Many private companies also subsidize extended or odd-hour child care for individuals who work on shifts or on compressed schedules.

According to information compiled by WFC Resources (formerly the Work and Family Connection), diverse flexibility options are among the most appealing strategies employers use, and that more and more are using them.⁸ These alternative work arrangements and on-site child care reduce employee stress, absenteeism, and turnover and promote employee satisfaction, commitment, performance and productivity. WFC Resources provided the following information on a study conducted in 2000:

The American Business Collaboration for Quality Dependent Care (ABC) has impacted about 1,500 projects across the U.S. [This study] says those efforts have paid off in the area that means most to companies—they have improved productivity among those who have used the supported services. . . . Researchers found 63% of . . . employees who had used [such] services . . . believe their productivity improved due to those programs. More than a third (35%) were better able to concentrate at work, 30% left work early less often to deal with family matters, 27% took fewer days off and 26% were late less often.

Attachment D is "Infant and Toddler Child Care: Meeting the Needs of Families with Options that Work," part of a 2004 research and policy series produced by NCSL and others. This report identifies promising state policy strategies and highlights options for improving availability, quality, and affordability of infant and toddler care.

⁶ Jeffrey Capizzano, Gina Adams, and Freya Sonenstein, "Child Care Arrangements for Children under Five: Variation across States," *National Survey of America's Families* (Washington, D.C.: The Urban Institute, Series B, No. B-7, March 2000).

⁷ James T. Bond, Ellen Galinsky, Stacy S. Kim, and Erin Brownfield, "Highlights of Findings," *2005 National Study of Employers, Families and Work Institute*, September 2005.

⁸ "Flexibility is Gaining Ground, Says WFC Resources Poll," WFC Resources e-mail news release, June 11, 2007.

THE VALUE OF QUALITY CHILD CARE AND EARLY EDUCATION

While the availability and affordability of child care is an important workforce issue, even more compelling are the impacts of care on children's growth and development, particularly during the first five years of life. During the first five years

the brain undergoes its most dramatic growth, and children acquire the ability to think, speak, learn, and reason. Early experiences can and do influence the physical architecture of the brain, literally shaping the neural connections in an infant's developing brain.⁹

Recent research shows that nearly 90 percent of a person's brain growth occurs by the age of five.¹⁰ And hundreds of research studies—some conducted over decades—point to both short and long-term benefits of quality preschool programs, particularly for disadvantaged children. As Steffanie Clothier, director of the National Conference of State Legislatures (NCSL) Children and Families Program, points out, children who go to high quality preschools

are less apt to end up in special education classes, repeat a grade or get in trouble with the law. Experts say investing in preschools can increase graduation rates, college attendance and lifetime earnings. Preschool benefits can also go beyond school success to healthy life choices and attitudes about school achievement, smoking or using drugs, and participation in the community.¹¹

Three long-term studies of high quality early education programs have been especially revealing. The High/Scope Perry Preschool project has found a savings of over \$17 for each \$1 spent (in 2000 dollars) by the time the children reached the age of 40. The other studies also show increasing returns on investment as the children age. Financial analysts point out that investment in high quality child care produces much higher returns than investment in most other public or private ventures. Figure One demonstrates this through an analysis by Arthur J. Rolnick, senior vice president and director of research for the Federal Reserve Bank of Minneapolis. The chart—which appeared in "Preventing Crime with Pre-Kindergarten: A Critical Investment in Alaska's Safety," a research brief published by Fight Crime: Invest in Kids—shows the 20-year return on a \$1,000 investment in high quality prekindergarten care and in U.S. stocks.

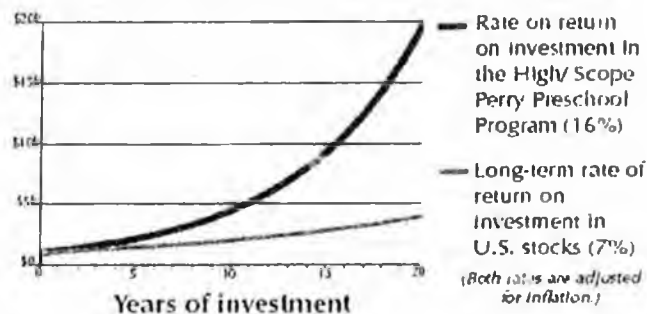
⁹ J. Shonkoff and D. Phillips, eds., *From Neurons to Neighborhoods: The Science of Early Childhood Development* (Washington, D.C.: National Research Council and Institute of Medicine, National Academy Press, 2000), and National Scientific Council on the Developing Child, *Children's Emotional Development is Built into the Architecture of their Brain*, Working Paper No. 2, Winter 2004, referenced by Julie Cohen, Ngozi Onunaku, Steffanie Clothier, and Julie Poppe in "Early Childhood: Helping Young Children Succeed," a *Research and Policy Report* of NCSL and Zero to Three (NCSL, 2005). We include a copy of this report as Attachment E.

¹⁰ Julie Poppe and Steffanie Clothier, "The Preschool Promise," *State Legislatures*, June 2005.

¹¹ Steffanie Clothier and Julie Poppe, "Preschool Rocks: Policymakers around the Country are Investing in Preschool," *State Legislatures*, January 2007. We include a copy of the article as Attachment F.

Figure One: Return on Investment in Quality Child Care

A \$1,000 Investment in Quality Pre-kindergarten Returns over \$19,000 in 20 Years while a Stock Market Investment Returns less than \$4,000



Rolnick & Grunewald, 2003 & Farrell, 2002

"Preventing Crime with Pre-Kindergarten: A Critical Investment in Alaska's Safety," a research brief published by Fight Crime: Invest in Kids.

Information from researchers at NCSL shows that 40 states have established state-funded prekindergarten programs, Alaska not among them. Attachment G is "Effective Investments in Early Care and Education: What Can We Learn from Research?" This document includes a synthesis of research into early childhood development, descriptions of initiatives in a number of states, and policy options for consideration.¹²

Attachment H is "The Economic Benefits of High-Quality Early Childhood Programs: What Makes the Difference?"¹³ This document was prepared in February of 2006 for the Committee for Economic Development, an independent, non-profit public policy research organization, in an effort to determine what exactly goes into making an early child development program one of high quality.

I hope this information is helpful. Please do not hesitate to contact us if you have questions or need additional information.

¹² Judith Carroll, Susan Ochshorn, Sharon Lynn Klagan, and Bruce Fuller. "Effective Investments in Early Care and Education: What Can We Learn from Research?" *Research and Policy Report*, NCSL, March 2004. This publication is a collaborative effort by NCSL, Sharon Lynn Klagan of the National Center for Children and Families at Columbia University, and Bruce Fuller of Policy Analysis for California Education (PACE) at the University of California at Berkeley. We include this document as Attachment G.

¹³ Ellen Galinsky, "The Economic Benefits of High-Quality Early Childhood Programs: What Makes the Difference?" Washington, D.C.: Committee for Economic Development, February 2006.

AEYC

February 21, 2008

Representative Kerttula
Alaska State Capitol
Juneau, AK 99801-1182

Greetings,

This letter is in support of House Bill 266, to increase the availability of child care for children of state employees. This legislation addresses a critical need for employees and officers working for the State of Alaska. According to an economic impact study released by the McDowell Group in 2006, nearly 10% of workers in Alaska depend on access to child care for their children in order to work.

This legislation follows national trends by states and large employers to increase recruitment and retention of skilled workers through supporting access to quality child care. Indiana is an example of a state government partnering with a private contractor; offering child care located in the Indiana State Government Center next to the Capitol building in Indianapolis. The employer sponsored program located in the Federal Building in Juneau is another model of a successful program. Gold Creek Child Development Center is the only nationally accredited program in Southeast Alaska. Gold Creek offers priority enrollment to federal employees, and receives a facility and maintenance at no cost.

All branches of the U.S. Military have been leading the nation in offering high quality, accessible, and affordable child care programs. Leaders in the military know that supporting access to quality child care leads to a more productive workforce, increased loyalty, and lower absentee rates.

Our agency operates a referral program for parents, and maintains a database of all licensed and approved programs in Juneau. There has been a steady decline in the number of spaces for children in programs that meet minimum health and safety standards through the Department of Health and Social Services. House Bill 266 would be a positive step toward reversing this trend.

AEYC is available to provide any additional information you may need, and we thank you for your work toward solutions on this issue. Passing this legislation will have a positive impact on the State of Alaska workforce, on the health and education of young children, and the self-sufficiency of families.


Joy Byon
Executive Director

AEYC

Association for the Education of Young Children - Southeast Alaska
3100 Channel Drive, Suite 215, Juneau, Alaska 99801
Main: (907) 789-1235 - Referrals: (907) 789-1231 - Fax: (907) 789-1238
www.aeyc-sea.org

February 21, 2006

Representative Kerttula
Alaska State Capitol
Juneau, AK 99801-1182

Re: HB266

Dear Representative Kerttula:

This letter is in support of House Bill 266, to increase the availability of child care for children of state employees. This legislation addresses a critical need for State of Alaska employees and officers that we know is reflective of the need for quality childcare throughout Juneau.

Childcare is an important concern not only in Juneau, but throughout the rest of the state, as well. From our experience, community research and networking, we know that the need for quality childcare is a common thread that runs through many issues that influence our communities. Probably the most critical of these matters facing employers is recruitment and retention of qualified employees. Being able to offer quality childcare options to state employees, administrators and legislators would be a win-win situation, as it provides an incredible benefit for the employee, while giving the State of Alaska an advantage in hiring the most suitable personnel for the position.

As we continue to work together to build healthy communities throughout the State of Alaska, it is so important to begin with strengthening our families and children. Thank you meeting with me and talking about this issue earlier this year and for valuing our children and families through your leadership as one of our Representatives.

Sincerely,

Brenda Hewitt
President

Dear Representative Kerttula,

Thank you for sponsoring HB 266. I can't tell you how excited I am about this bill. Both my husband and I are state employees and parents of two children ages two and six months. Like other families, we have had a rather difficult journey in acquiring good, solid, affordable and reliable daycare services.

My first problem I encountered was that one daycare provider of mine was always faltering as to whether or not she could afford to stay open, and this caused a reliability issue. The second issue is that when I found my current provider, I later discovered that she is doing it under the table and won't sign my DCAP forms for reimbursement. DCAP is a service for State Employees where we can have a set amount taken out of our paycheck to reduce our taxable income and be reimbursed after our daycare provider signs off and acknowledges that they've provided the services. Now I'm out \$5000 if I don't find another provider this year.

The benefit of having a reliable daycare center near our work location will be one reason for me to continue to work for the State. It is attractive to working parents in that we will have more time with our families due to less commute time picking up and dropping off kids at an off-site location. It will also lessen our stress because we will know that they are legally operating with proper staffing, education, licensing, and funding. The possibility of reduced cost for daycare is also very appealing, as at this time we spend \$1200 per month on daycare costs.

I am currently on wait lists including locations such as Gold Creek Child Development Center at the Federal Building and at the Juneau Christian Preschool. If I don't find proper daycare my only other option is that I will have to quit my job and stay at home, which we really can't afford. In turn this will cost the State more because with only one income our family becomes eligible for WIC and Denali Kid Care.

Thank you so much for your support.

Olivia Orsborn
Administrative Manager
Boards Support Section
Department of Fish and Game

Michael Orsborn
Microcomputer Network Technician I
Department of Health and Social Services

February 27, 2008

Representative Kerttula
Alaska State Capitol
Juneau, AK 99801-1182

Dear Representative Kerttula,

This letter is in support of House Bill 266. I fully support the State of Alaska increasing the availability of child care. A perfect place to start is for children of state employees. This legislation addresses a critical need for employees and officers working for the State of Alaska. I know that having support around child care is a critical element for parents in the workforce.

I have read national studies that have found employers who support employees in their need for child care, report an increase in recruitment and retention of their workers. As a working parent of a young daughter, I encounter the competing demands of work and family life needs on a daily basis. Having a supportive and flexible employer, who understands my role as a parent, has lead me to be a more productive and satisfied employee.

Employee supported and sponsored child care is a trend that has only proven successful across the nation. In my own search for employment and child care, I found fewer than ten employers in the State of Alaska who sponsor on-site child care. If the State of Alaska were to adopt this for their employees, the State would be following best practice in the early childhood care and education field while also setting a positive example for other employers in the state.

Child care is extremely hard to find in this State. Quality child care is even harder to find. The idea of the State of Alaska considering this legislation excites me. I see this as a positive move toward supporting our workforce, hard working parents and placing value on families and young children.

Sincerely,

Stephanie Berglund
Anchorage Working Parent



Child Care CONNECTION

February 27, 2008

Representative Kerttula
Alaska State Capitol
Juneau, AK 99801-1182

Dear Rep. Kerttula:

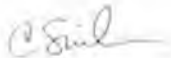
I am writing this letter in support of House Bill 266 that will enable the state to support child care services for state employees. This legislation makes it possible for child care programs to operate in state buildings which will help address a critical need for these services throughout Alaska.

As the Child Care Resource and Referral Agency for Southcentral Alaska, Child Care Connection works to strengthen the early care and education industry. Specifically, we work with parents to assist them in their search for early care and education programs; we provide training to early care and education professionals to help prepare them for their work with children; and we work with the community to develop resources for the industry. This work enables us to keep a pulse on the supply and demand for early care and education services. Over the past several years we have seen a steady decline in the number of spaces for children in programs that meet minimum health and safety standards through the Department of Health and Social Services. House Bill 266 would be a positive step toward reversing this trend and ensuring that Alaska's working families can find and secure child care services.

Many large employers around the nation and within the state are recognizing the important connection between child care services and a strong, vibrant workforce. This legislation follows national trends by states and large employers to increase recruitment and retention of skilled workers through supporting access to quality child care. The employer sponsored child care programs located throughout the state have not only helped meet community needs but have also been a catalyst for improving the quality of care throughout a community. The Municipality of Anchorage has several employers who have helped sponsor child care program, including Providence Hospital, BP, and Credit Union 1. All of these programs exceed licensing standards and have obtained Accreditation through the National Association for the Education of Young Children. This not only benefits the families of those programs but has had positive competition-based influences on other community based programs to increase employee wages and improve program quality.

It is without reservation that I recommend the adoption of House Bill 266. Please feel free to contact me if you have further questions or if you would like additional comments. Thank you for considering this important legislation that will help support families and children throughout Alaska.

Sincerely,



Candace Winkler, MPA MSW
Chief Executive Officer

*Advancing the quality of early education and child development by empowering parents,
educating child care professionals, and collaborating with our communities.*



P.O. Box 141689 Anchorage, AK 99514-1689 Tel 907 563 1966 Fax 907 563 1959 1 800 278 3723
Client Services 907 563 2996 www.childcareconnector.org



Lia Carpeneti

From: Aurora Hauke
Sent: Thursday, February 21, 2008 12:21 PM
To: Lia Carpeneti
Subject: FW: HB 266

From: Colleen Norman [mailto:cnorman76@yahoo.com]
Sent: Friday, January 18, 2008 4:30 PM
To: Rep. Beth Kerttula
Subject: HB 266

Dear Representative Kerttula,

I just heard about and read HB 266 and as one of your constituents, I couldn't thank you more for sponsoring this bill. I am currently a state employee who cannot find day care for my 3 month old child. I have been on waitlists since the week I found out I was pregnant but unfortunately it looks like nothing is opening soon. If I can't find something relatively soon, I may have to stop working, which we cannot really afford to do.

I just wanted to offer my support for this bill and I will spread the word for others to contact their legislators around the state.

Thank you.

Colleen Deal

Analyst Programmer

Department of Environmental Conservation

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Thank you for giving me a moment to reflect on the numerous benefits House Bill 266. The ability to allow child care facilities in state owned facilities would provide for Alaskan families with dramatic changes that cannot be touted enough. Recent changes in State employee pension and benefit packages allow for a great opportunity for the state to become a role model in business as a family friendly employer. Allowing child care facilities in state facilities allows children to be closer to their parents, cuts down on transportation costs, traffic congestion, saves gas and improves family relationships. It will improve employee moral, employee efficiencies, cut down on employee tardiness and create economic opportunity for child care facilitators to provide a higher quality care. Studies show that a family-friendly workplace helps businesses' bottom line, employee retention and productivity.

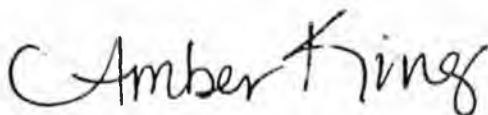
A Large Majority of Women with Children Work Outside the Home

- Seventy-two percent of American women with children under age 18—78% of women with children ages 6 to 17, 64% of women with children under age 6, and 56% of women with infants (under age 1)—are in the labor force.¹
- As women have moved into the labor force in greater numbers, they have increasingly taken jobs that are both full time and year round. In 2002, 74% of all employed women with children under age 18—77% of those with children between the ages of 6 and 17, 70% of those with children under age 6 and 66% of those with infants—were working *full time*.²

Work/family conflict is not just a professional women's issue it's a family issue that deserves urgent attention. As a former State of Alaska employee who vacated my position after three weeks on returning from maternity leave due to these exact conflicts in search of a friendly family employer I can tell you that this issue is real and rampant in all parts of our state. Lack of affordable child care, quality child care and scheduling flexibility affect whole families in Alaska everyday.

House Bill 266 is a vital piece of legislation that we feel would dramatically improve the State of Alaska's ability to compete in today's markets, improve employee family flexibility that would improve hire rates and retain a viable workforce and provide a great service for its most valuable resource...its children.

Sincerely,



Amber King, Juneau NOW member

From the US Dept. Of labor Statistics 2003 Current Population Survey, Employment Characteristics of Families in 2002, Tables 5 and 6. <http://www.bls.gov/opub/ils/pdf/opbils24.pdf>

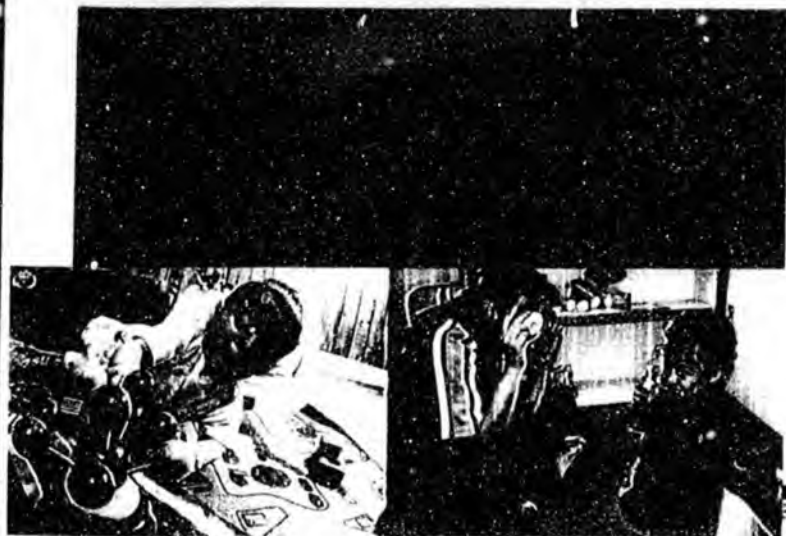
A SUMMARIZED ECONOMIC IMPACT REPORT ON
EARLY EDUCATION AND CHILD CARE SERVICES IN
ALASKA

step^{up} early ed & child care

Based on the McDowell Group Report July 2006

PREPARED FOR:
SYSTEM FOR EARLY EDUCATION DEVELOPMENT (SEED)
UNIVERSITY OF ALASKA SOUTHEAST





step^{up} early ed & child care

STUDY FINDINGS ARE DETAILED
ON THE FOLLOWING PAGES:

| | |
|---|-------|
| <i>Demographics</i> | Pg. 2 |
| <i>The Economic Impact on Alaska</i> | Pg. 3 |
| <i>The Early Learning and Child Care Sector</i> | Pg. 5 |
| <i>Impact on Alaska Families</i> | Pg. 7 |
| <i>Alaskans Support Funding</i> | Pg. 9 |

Why should you care about the availability of quality early education and child care in Alaska? Because stepping up early education for our children is critical for all of us.

LET US STEP YOU THROUGH THE FACTS.

1) Early childhood education and child care play a critical and measurable role in Alaska's economy.

2) The availability of quality, affordable child care remains a challenge for many Alaska families

3) Alaskans across the state place a high priority on state funding for early education and child care

Until recently, there was no data specific to Alaska to demonstrate how the welfare of our youngest community members impacts the entire state – both in the short term and long term. But thanks to this study commissioned by the System for Early Education Development (SEED) and completed in July 2006 by McDowell Group, there is now local information to combine with the knowledge learned from national studies to provide an accurate baseline. What the statistics demonstrate is that Alaska lags behind much of the country in providing quality early education and child care to our residents. And while there are certainly entities working hard throughout Alaska to provide quality care for our children, Alaska remains one of only 10 states without a state-funded, statewide early childhood education system.

ALASKA IS ONE OF ONLY 10 STATES WITHOUT A STATE-FUNDED, STATEWIDE EARLY CHILDHOOD EDUCATION SYSTEM.

"I believe that high quality early childhood programs are critically important for the health and well-being of our community, and they are especially important for the health and well-being of our children. ... What can never be forgotten or taken lightly is that these programs provide a proven economic benefit to the organizations they serve. It is important that we recognize that. Research has shown that organizations who offer these services on-site for their employees retain these employees for an additional five years. The value of keeping these employees for this extended amount of time is immeasurable, and as a leader of an organization with more than 4,000 employees, I can tell you that recruiting talent is expensive, difficult and time consuming. Keeping our talent in the first place is without a doubt the best way to ensure we can sustain and live out our mission at Providence, and I'm grateful for the role our Center for Child Development plays in doing that each day."

AL PARRISH, CHIEF EXECUTIVE
PROVIDENCE HEALTH SYSTEM IN ALASKA

SCOPE OF THE ALASKA STUDY

The purpose of this study is to measure the economic impacts of the early education and child care sector on Alaska's economy. This study focuses on education and care of children under six years of age. Economic impacts are measured in terms of employment, spending on child care services, and the role that child care services play in making it possible for Alaska families to earn income.

This study also examines research conducted elsewhere in the U.S. that measures the broader societal economic benefits stemming from quality child care services.

A key component of this project was a telephone survey of 725 randomly selected households. The primary purpose of the phone survey was to collect information on the types of child care services Alaska families use and how much money households spend on child care services. The survey also collected information on Alaskan's attitudes about the importance of state government funding for early education and child care services.

ALASKA WORKING PARENT DEMOGRAPHICS

To best understand the data, it is critical to first understand the scope of the population we are considering. In 2004, Alaska's population included 62,913 children under six years of age, according to the Alaska Department of Labor and Workforce Development (DOLWD). Of these children, approximately 63 percent (39,400 children) were living in households where all available parents were in the labor force, whether families were dual-income or single parents. These children resided in 29,400 Alaska households, all of which were potentially in need of child care services.

Detailed look at the **39,400** children under the age of six, where all available parents are in the workforce

LIVING WITH SINGLE
MOTHER, IN
LABOR FORCE

23%



LIVING WITH SINGLE
FATHER, IN
LABOR FORCE

12%

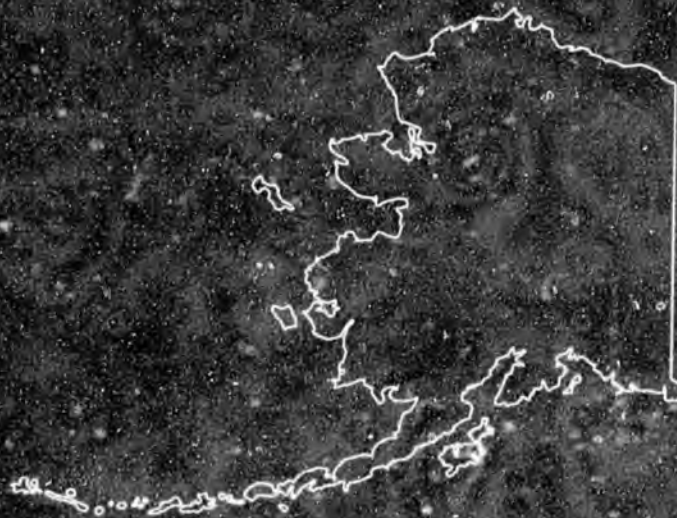
LIVING WITH TWO PARENTS,
BOTH IN LABOR FORCE

65%



THE ECONOMIC IMPACT ON ALASKA

Mounting evidence shows that investment in quality early learning and child care is critical to building and maintaining a viable state economy. The economic impact of the early education and child care sector includes jobs for thousands of Alaskans, millions of dollars in spending by households and governments, and indirect contributions of Alaska's resident labor force and family income.



JOBS

DIRECT & INDIRECT:
7,400 in child care workforce

CONTRIBUTION TO
THE WORKFORCE:
29,400 Alaskans can join the
workforce because they
have child care

WAGES

DIRECT & INDIRECT:
\$124 million in child care
workforce payroll

CONTRIBUTION OF
HOUSEHOLD INCOME:
\$850 million in annual wages
paid to working families with
child care

IMMEDIATE IMPACT OF QUALITY EARLY EDUCATION AND CHILD CARE

Child care providers make it possible for **29,400** Alaskans to enter the labor force (one adult for each household with children under six years of age where all parents are in the labor force). The 29,400 Alaskans that are in the workforce because child care services are available to them account for 9.5 percent of the Alaska resident workforce. If these working parents also account for 9.5 percent of all Alaska resident wages, their total annual wages would be just under \$850 million. This indicates an average of \$28,820 per family in additional Alaska annual income, indirectly made possible by child care services, is equal to approximately 40 percent of Alaska's mean family income in 2003.

Other data suggests a similar household income impact related to adding a second wage earner. In 2004, median family income for families with one wage earner was \$43,709. Median family income for families with two wage earners was \$77,159, a difference of \$33,450. This analysis assumes that the typical parent who is in the labor force because child care services are available to him or her earns the same wages as the average Alaska worker. This may or may not be true given the demographics of families with young children. Nevertheless, it is clear that the availability of child care has major implications on income for Alaska residents in general, and on family household income in particular.

"Investment in early childhood development programs brings a real (that is, inflation-adjusted) public return of 12%, and a real total return, public and private, of 16%. We are unaware of any other economic development effort that has such a public return"

ART ROLNICK
SVP AND DIRECTOR OF RESEARCH
FEDERAL RESERVE BANK OF MINNEAPOLIS

LONG-TERM ECONOMIC IMPACTS OF QUALITY EARLY EDUCATION & CHILD CARE

A host of studies have been done to track the long-term economic impact of high quality early child care development on society. Though none of these studies focuses on Alaska, the implications for Alaska are relevant. The results of these studies have shown conclusively that although investment is required to provide quality early care to infants, toddlers and youths, the rate of return far exceeds that initial investment.

The largest benefit provided by quality early care was increased earnings capacity projected from higher educational attainment, along with higher taxes paid from better paying jobs. Other benefits are lower criminal justice system costs, reduced welfare costs, savings for crime victims, and savings on school remedial services budgets. The results of several studies are highlighted below.



29% higher high school graduation rates



20% higher college attendance



70% lower crime incidence



20% lower welfare dependence



\$143,000 additional earned income per capita, resulting from better employment

LONG-TERM BENEFITS OF EARLY EDUCATION AND CHILD CARE

Studies also note that expenditures on education that are focused on K-12 may be misplaced given that brains develop rapidly in the early years (0-4), then develop at a much slower pace from age 4 through 18. The implication is that the earlier the investment on early education, the higher the return on investment will be.

step 1 → **EARLY CHILDHOOD EDUCATION AND CHILD CARE PLAY A CRITICAL AND MEASURABLE ROLE IN ALASKA'S ECONOMY.**

SIZE OF COMPARABLE INDUSTRIES IN ALASKA

6,500 Workers in child care

6,400 Workers in air transportation sector

6,000 Workers in residential and nonresidential building construction

THE EARLY LEARNING AND CHILD CARE SECTOR

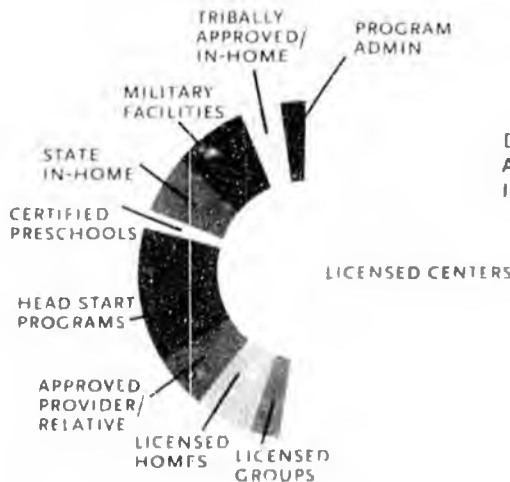
When understanding the economic impact of early education and child care, the actual workforce in this field is often overlooked. Yet it has been found that at least 6,500 Alaskans participate in the child care sector workforce.

The estimate of 6,500 participants is derived from a variety of sources (as described in the full McDowell Group report). It must be understood that this is a conservative estimate, however. It does not include an unknown number of at-home providers who care for four or fewer unrelated children, or any number of related children, and therefore are not required to be licensed.

Yet, even without these added positions, the size of this workforce is comparable to other significant industries in Alaska. For example, the residential and non-residential building construction sector employed an average of 6,000 workers in Alaska in 2004, and Alaska's air transportation sector employed an average of 6,400 workers that same year.

"As Executive Dean of the College of Rural and Community Development, I understand the importance of early childhood education. We have strong partnerships with the State of Alaska, tribal entities and Head Start organizations to train students who will serve as providers, educators, and role models for their communities. It is impressive to see the impact early care and education has on Alaska's economy."

**BERNICE JOSEPH,
EXECUTIVE DEAN
UNIVERSITY OF ALASKA FAIRBANKS
COLLEGE OF RURAL AND
COMMUNITY DEVELOPMENT**



DETAILED LOOK AT THE CHILD CARE AND EARLY EDUCATION WORKFORCE IN ALASKA

Not only is Alaska's early education and child care sector significant in size, it features a wide variety of service providers. It includes any program providing care for children from birth to age six. Examples of these programs include center-based child care, family child care, Head Start, Early Head Start, private and public preschools, Montessori programs, and pre-kindergarten services.



Despite the prominence of individuals employed in this workforce, there is a very low correlation in compensation. DOLWD payroll data indicated that the average monthly wage of an individual employed in this sector was \$1,342. This is well below the average for all sectors of the Alaska economy; the average monthly wage in Alaska for this same time period was \$3,218 – nearly three times that amount.

To put this in further context, the average salary of a preschool teacher is approximately half of the average salary of a kindergarten teacher, even though the age difference of those they teach may be less than one year. The average income of a full time/full year childcare worker in 2005 was \$20,960 (Alaska Department of Labor and Workforce Development). The average wage for preschool teachers was \$26,460 and \$51,960 for kindergarten teachers.

Source: ECCS pgs. 28-29. The ECCS plan was published by the Office of Children's Services, DMSS, State of AK.

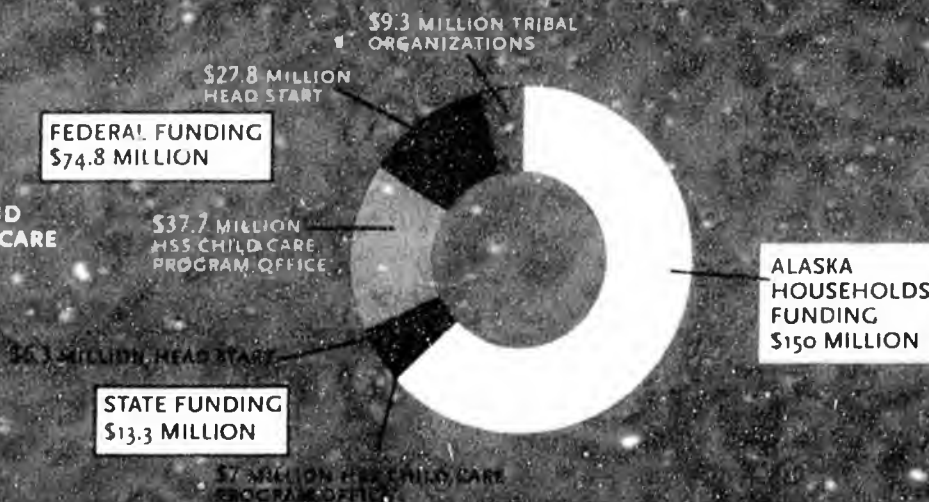
ALASKA WAGE COMPARISON



CHILD CARE SERVICES REVENUE AND FUNDING

There are two sources of spending on early education and child care services – government funding and spending by parents on child care services. Based on the analysis of the McDowell Group report, Alaska households may be spending \$150 million annually on child care services for children under six years of age. In comparison, government spending on child care totals \$88 million in Alaska, with nearly \$75 million of that contribution coming from federal funding. Together, approximately \$240 million is spent in Alaska on child care services for young children.

ALASKA HOUSEHOLD, STATE AND FEDERAL FUNDING FOR CHILD CARE SERVICES IN ALASKA





"I emphasize strongly how important it is to give the children the best start ... to have the children have a good early learning experience."

THE WALTER C. BOBBLIT
FAMILY LEADERSHIP CENTER
CENTRAL UNIVERSITY OF SCIENCE &
TECHNOLOGY

IMPACT ON ALASKA FAMILIES

To better understand how the early education & child care sector directly impacts families, 725 Alaska households were asked about their use of child care services as a part of this study's telephone survey. The findings of this study are understood to be the first set of data on this topic directly applicable to Alaska.

The survey sample included 323 households with children under six years of age. The sample included households from urban Alaska, defined as all communities with more than 8,000 residents. The sample also included surveys from households in communities with between 2,000 and 8,000 residents (labeled "Rural I"), as well as surveys from households in communities with fewer than 2,000 residents (labeled "Rural II"). In conducting statewide analysis of the survey results, data from these areas of the state were weighted to reflect their actual proportion of the state's population.

TYPE OF CHILD CARE SERVICES USED BY ALASKA HOUSEHOLDS*

| Types of Child Care | Total (n= 268) | Urban (n=117) | Rural I (n=32) | Rural II (n=40) |
|--------------------------------|-------------------|------------------|-------------------|--------------------|
| Preschool or child care center | 49% | 43% | 27% | 36% |
| Care at someone else's home | 31 | 42 | 52 | 22 |
| Care in your home | 27 | 34 | 26 | 21 |
| Head start | 8 | 0 | 8 | 32 |
| Before or after school care | 8 | 7 | 11 | 2 |
| Other | 1 | 0 | 0 | 3 |
| Don't know | 0 | 0 | 0 | 0 |

*Percentages do not add to 100% because households may have children in more than one child care setting. Sample sizes (N) for Total are number of children under six years of age. Sample sizes for subgroups are number of households.

FINDING ACCEPTABLE CHILD CARE

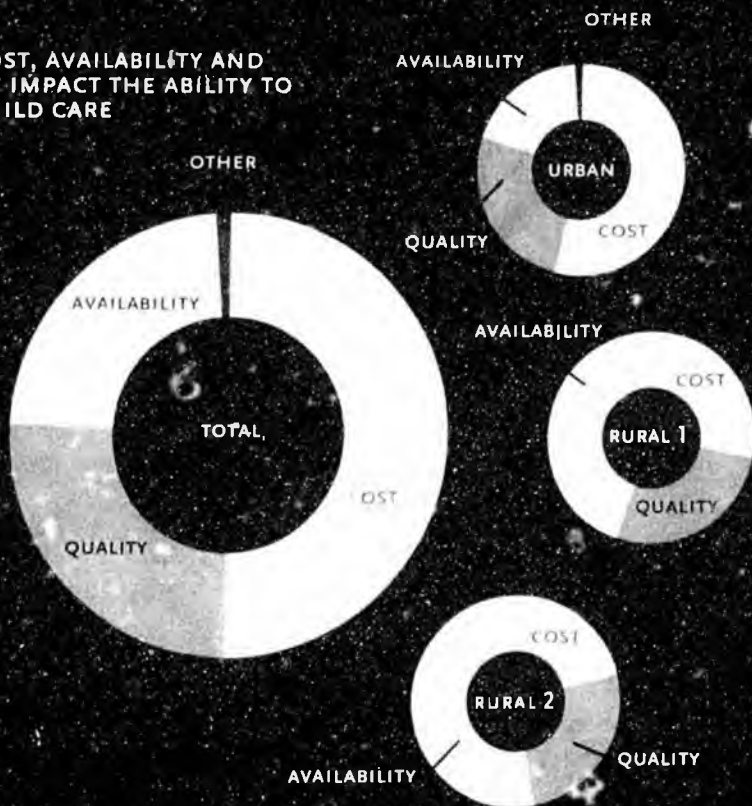
This study also found that 45 percent of Alaska households with children under six in a child care situation found it difficult or very difficult to find acceptable child care. About the same percentage (49 percent) found it either easy or very easy to find acceptable child care.

Finding quality early education and child care programs proved to be an issue both in rural and urban areas of the state.

36% of households with children under the age of six reported that the quality, cost or availability of child care services had prevented someone in their household from seeking employment, or had in some way restricted the number of hours that they could work.



HOW COST, AVAILABILITY AND QUALITY IMPACT THE ABILITY TO FIND CHILD CARE



FACTORS AFFECTING ABILITY TO FIND ACCEPTABLE CHILD CARE

Among households in Alaska's smallest communities (the "Rural II" areas, or communities under 2,000 residents), 26 percent reported that the quality, cost or availability of child care services had prevented someone in their household from seeking employment, or had in some way restricted the number of hours that they could work. The difference between rural and urban in this regard is probably not due to better child care service in rural areas, but rather to the fact that rural areas have fewer employment opportunities available. Among those households where cost, quality or availability of child care services have been a constraint, cost was a major factor for 78 percent of households. Availability had a major impact on 56 percent of households, and quality on 48 percent.

COST MOST OFTEN CITED

When asked which factor had the greatest impact on their ability to find acceptable child care, cost was most often cited. Half (50 percent) indicated that cost had the greatest impact on their ability to find acceptable child care, while 26 percent cited quality, and 23 percent cited availability.

MONTHLY COST

\$400-\$900
DEPENDENT ON AGE OF CHILD AND LOCATION

Cost is apparently more of an issue in urban Alaska, while availability is more of an issue in rural Alaska. Just over half of urban households indicated that cost had the greatest impact, compared to approximately one quarter of those in rural areas. Conversely, within rural areas, approximately half the households reported that availability had the greatest impact, compared to only 19 percent of urban areas.

COST IS A LARGE ISSUE

It is not a surprise that cost is a significant issue. The cost of full-time child care in Alaska ranges from \$400 to \$900 per month, depending on the age of the child and the location of the care. Given these figures, it was perhaps surprising to find that just one in seven Alaska households with children in child care services received some form of child care assistance.

MONTHLY COST OF FULL-TIME CHILD CARE

Just 1 in 7 Alaska households with children under six in child care services received financial assistance for child care



EARLY CHILDHOOD EDUCATION AND CHILD CARE PLAY A CRITICAL AND MEASURABLE ROLE IN ALASKA'S ECONOMY.

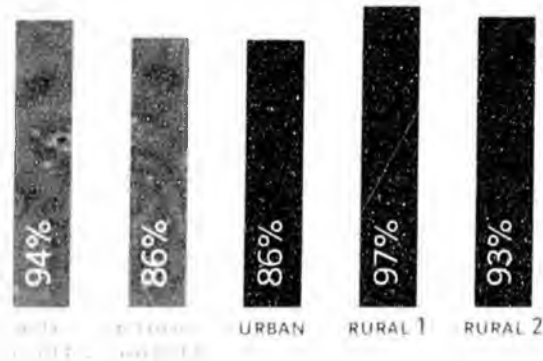


9 of 10 alaskans support funding

The telephone survey described earlier also asked all households a series of questions about state funding support for early learning and child care services in Alaska. Results showed overwhelming support for the funding of early education and child care.

Nearly nine out of 10 Alaska residents (87 percent) think it is important or very important for state government to provide financial support for early education and child care. Among residents with children under six years of age, 94 percent think state support is important or very important. Even among residents without young children, 86 percent think state financial support is important or very important. Further, urban and rural residents alike feel it is important to provide funding for early education and child care.

THOSE STATING IT IS "IMPORTANT" OR "VERY IMPORTANT" FOR STATE GOVERNMENT TO PROVIDE FINANCIAL SUPPORT.



audiences who expressed above average support for early education and child care

Alaskans were also asked if the state should give early learning and child care high, medium or low funding priority. Two-thirds (66%) feel it should have high priority. A variety of population subgroups were more likely to give it a high priority. They include:

- 76% households with children under six
- 72% female residents
- 77% residents aged 35 to 44
- 76% low income residents (<\$25,000)
- 73% high income residents (>\$100,000)

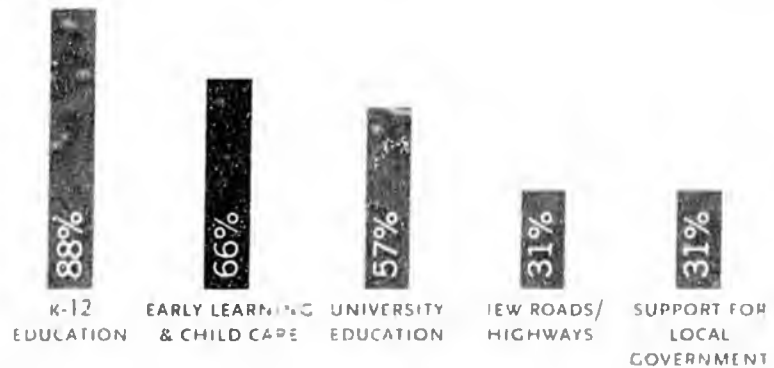


alaskans place priority on funding early education and child care

"The data shows what I have also personally experienced – that the issue of quality early education and child care is one of the most important social issues facing us in Alaska today."

JIM CALVIN, MCDOWELL GROUP

Alaskans also give early learning a high priority for state funding, when compared to other state-funded programs. Among the categories of spending presented to survey respondents, only K-12 education was rated as a high priority more often.



THE RELATIVE IMPORTANCE OF EARLY EDUCATION AND CHILD CARE

To press this matter further, a third question regarding Alaskans' perception of the importance of funding for early learning and child care focused on relative importance. More than three-quarters of Alaska residents feel that early learning and child care are more important to fund than support for local government or construction of new roads and highways. Almost two-thirds (63 percent) feel that funding for early learning and child care is more important than funding for university education. Among the various programs, only K-12 education is viewed as more important than early learning and child care.

report conclusion - next steps

This series of questions regarding perceived importance of state funding for early education and child care services in Alaska indicate that Alaskans place a high priority on funding for education in Alaska, with a high interest in early education and child care.



end notes

This piece serves as a condensed summary of the July 2006 McDowell report titled "Economic Impact of Early Education and Child Care Services in Alaska." This complete study was commissioned and prepared for the System for Early Education Development (SEED), based at the University of Alaska Southeast. This publication is funded by a grant from the U.S. Department of Education, Fund for the Improvement of Education.

You may download a full copy of the report at <http://seed.alaska.edu> or request the full report from the SEED administrator at 907.796.6414.

We thank you for taking the time to review this report, which contains critical data regarding the future of Alaska's children and our economy.

Report revised and reprinted December 2006

The McDowell Group study team would like to acknowledge the invaluable assistance provided by the Project Steering Committee. The Committee included Mary Lorence (*Manager, Alaska Child Care Programs, Department of Health and Social Services*), Joy Lyon (*Executive Director, Association for the Education of Young Children, Southeast Alaska*), Mary Lou Madden (*Madden Associates*), and Carol Prentice (*SEED Program Manager*). In addition, SEED would like to recognize the contribution made by SEED Council members Candace Winkler and Cindy Harrington.

SEED also appreciates the collaboration with Alaska's *Ready to Read, Ready to Learn Task Force*, 28 Alaskan leaders dedicated to improving the literacy and learning skills of Alaska's pre-kindergarteners.



Alaska SEED
System for Early Education Development



SEED COUNCIL MEMBERS

SEED COUNCIL CHAIR: **PATTY MERITT** Associate Professor, Coordinator, Early Childhood Program, Valley Campus, UA Fairbanks

CHAIR ELECT: **CANDACE WINKLER** Chief Executive Officer, Child Care Connection

SEED COUNCIL MEMBERS:

DIEDRE BAILEY Youth Programs Manager, Department of Labor and Workforce Development

MARGARET BAUER Director, Worklife Services, Center for Child Development, Providence Alaska Medical Center

MARCEY BISH Child Care Licensing Manager, Department of Health and Social Services

GARA BRIDWELL Executive Director, Play 'N Learn, Inc.

CYNTHIA CURRAN Administrator, Teacher Education and Certification, Department of Education and Early Development

BARB DUBOVICH Executive Director, Camp Fire USA

MARYELLEN FRITZ Director, Southcentral Foundation Head Start

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CAROL PRENTICE SEED Program Manager, University of Alaska Southeast



Representative Beth Kerttula

Alaska State Legislature, District 3
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MEMORANDUM

TO: Representative Bob Lynn
Chairman, House Committee on State Affairs

FROM: Representative Beth Kerttula *Beth Kerttula*

SUBJECT: HB 266 State Employee Dependents Child Care Centers

DATE: February 20, 2008

I respectfully request that the House Committee on State Affairs schedules House Bill 266 State Employee Dependents Child Care Centers for a hearing.

Enclosed you will find:

- HB 266
- Sponsor Statement
- Sectional Analysis
- Background Information: Legislative Research Report Summary

Thank you for your consideration. Please do not hesitate to contact me if you have any questions.

Nancy Manly

From: Nancy Manly
Sent: Thursday, March 20, 2008 4:50 PM
To: Crystal Koeneman; Rep. Bob Roses; Rep. Beth Kerttula; Lia Carpeneti
Subject: Final STA CS for HB 266 Version M

Attachments: 3-20-08 Final STA CS for HB 266 Version M.pdf



3-20-08 Final STA
CS for HB 26...

Crystal: I have reviewed the final STA CS for HB 266 and it looks like it was amended as your boss had intended. I would appreciate your looking it over prior to my taking it to the Chief Clerk's office so it can be read across on Tuesday 3/25/08. I will also copy the sponsor for their review too. Thanks.

Nancy Manly, Chief of Staff and
House State Affairs Committee Aide *for*
Representative Bob Lynn
House District 31
907-465-2794 Fax: 907-465-4316

HB

269

Nancy Manly

From: Lori Roland
Sent: Wednesday, April 02, 2008 10:01 AM
To: Nancy Manly
Subject: ques' on

Nancy, below is excerpt from 2/28 minutes regarding HB 269. I have all the Dennis Bailey memos in the packet, but do not have the Jeff Freidman e-mail. He thought it should be part of the packet/public record, so if you have it or are going to get it, please send a copy to me. Thanks.

REPRESENTATIVE GRUENBERG thanked all involved for tightening up the language of bill, which he said is now constitutional. He noted for the record that the committee had received legal opinions from Dennis Bailey of Legislative Legal and Research Services, dated January 24, 28 and February 13, as well as an e-mail from Jeff Freidman stating concerns, which he said have been addressed in Version K. He stated his desire that all those documents be included in the committee packet.

Lori Roland

Secretary/Transcriptionist
House Records
465-6609

Library

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

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Mail Stop 3101


State Capitol
Juneau, Alaska 99801-1182
Deliveries to 296th St., Rm. 329

MEMORANDUM

January 24, 2008

SUBJECT: Whether the federal supremacy clause or the foreign commerce clause would prohibit the state from requiring purchase of items only made in the United States; penalties for using flag manufactured outside the United States; whether reported cases have considered state laws mandating purchase of flags made only in the United States (HB 269, Work Order No. 25 LS1013\C)

TO: Representative Max Gruenberg
Attn: Lisa Mariotti

FROM: Dennis C. Bailey 
Legislative Counsel

You have asked me to review HB 269, which requires that only flags manufactured in the United States shall be purchased by the state, in the context of the federal constitution's foreign commerce clause and the commerce or treaties clauses. Although the restriction may initially seem of little consequence, a mandate that prohibits the state from purchasing foreign products may be judicially interpreted to interfere with the right of the Congress to regulate foreign trade. Such a restriction might violate the foreign commerce clause of the United States Constitution, art. I, sec. 8, clause 3, which provides that the Congress has the power to regulate commerce with foreign nations; the foreign affairs powers (e.g., the making of treaties) given to the president under art. II, sec. 2, cl. 2 of the United States Constitution; or the supremacy clause, art. VI, sec. 2, which states that the United States Constitution, the laws of the United States, and treaties made under the authority of the United States are the supreme law of the land. The work request was only recently brought to my attention so additional time is needed for me to prepare a more formal opinion at your request.

You have also asked me to review the penalties that may be imposed on a state entity or school that fails to comply with the requirement that only flags manufactured in the United States may be purchased by the state and displayed in state facilities and schools. I was unable to find a statutory penalty for failure to display a flag at school buildings under AS 14.03.130, which is amended by sec. 1 of HB 269. The statutory penalty violating AS 15.15.060(c), which is amended by sec. 2 of HB 269, probably falls under the crime of election official misconduct in the first degree, which penalizes the intentional failure to perform an election duty under AS 15.56.070(a)(1) and is a class C felony. The penalty for violation of the state procurement code (AS 36.30), which is

amended by sec. 3 of HB 269, probably falls under the criminal and civil penalties for violation of the procurement code under AS 36.30.930, which reads:

Sec. 36.30.930. Civil and criminal penalties. The following penalties apply to violations of this chapter:

(1) a person who contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction in a manner the person knows to be contrary to the requirements of this chapter or the regulations adopted under this chapter is liable for all costs and damages to the state arising out of the violation;

(2) a person who intentionally or knowingly contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction under a scheme or artifice to avoid the requirements of this chapter is guilty of a class C felony.

The attorney general is responsible for enforcing the procurement code. AS 39.30.940. I was unable to find a specific penalty for violation of AS 44.09.030 relating to the requirement of displaying flags, which is amended by sec. 4 of HB 269.

You also asked me to briefly look at whether a judicial decision concerning a statute requiring that flags be manufactured in the United States has been reported. My searches revealed no state or federal cases addressing a requirement that a flag be manufactured in the United States.

If I may be of further assistance, please advise.

DCB:ljw
08-032.ljw

Bob:

HB269 requires that official flags of the United States of America and the State of Alaska be manufactured in the United States, and that only such flags be displayed on state buildings and schools. This bill isn't as complex as AGIA or ACES and, on the surface, may not seem to be as important as some of the other issues we struggle with on this committee, or on the House floor. But this bill *is* important, and I hope you think so too.

All manner of products are imported into our nation, but those items are "things." Our nation's flag is *not* a "thing," it's not just bits of colored cloth sewn together in a pretty pattern.

Our flag is a *unique* symbol to which we "pledge allegiance" - because it represents our nation's unique heritage, and Values, for which thousands of Americans have died. Justice Felix Frankfurter described our flag as "The symbol of our national life." I hope you agree.

This bill helps protect the time-honored tradition of American flags being made in America when, according to legend, a delegation from the Continental Congress called upon Betsy Ross to sew that first American flag - and George Washington may have been part of that delegation.

I have *no* problem with Free Trade, so long as it occurs on a level playing field, and so long as it doesn't jeopardize national security. Nobody's saying we shouldn't import cars, or clothes, or a myriad of other things - but please, at least *one* thing - the American flag - the most important symbol of America - should be manufactured in America.

Many of the flags procured by the state are bought to fly over the capitol building. It would seem to me that it never occurs to most Alaskans who make that request for flags, that the flag they receive may have been made in communist China, or some other foreign country.

A couple years ago, a young Marine from my district, serving in Iraq, asked my office for an Alaska flag to proudly display his tent so his buddies could see it. We don't know where that flag was manufactured - but we *should* have been able to know, and this bill would have made it possible. The sad fact is, that young Marine was killed in action soon after he received the flag. Another fact is, that Marine's mother is now a staffer for Senator Huggins. I hope that flag was made in America.

I also have a letter of support from Anchorage 550KENI talk show host Mike Porcaro in support of this bill, and he's one of my constituents. Let me give credit where credit is due. The fact is, it was Mike Porcaro's comments on one of his radio shows that gave me the idea for this bill. Mike is usually very shy and subtle on his show, but when talking about our flag on his radio show, I detected that Mike had an opinion on the subject of the American flag.

In summary, we're talking about the American flag – and the American flag *should* be an American flag. Same same, the Alaska flag.

Let me ask my Chief of Staff Nancy Manly to come forward to present some other information on this bill.

Derm Jones - Chief procurement officer
for the State can answer any
questions on Procurement.

Avoid
unnecessary delay
but as a company
to a colleague
~~not just~~
absent no just

not must patient
on flag issue

PORCARO
COMMUNICATIONS

HB 269

January 23, 2008

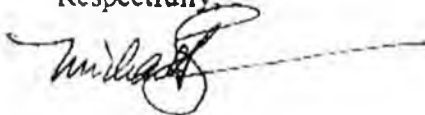
Representative Bob Lynn
House District 31

Dear Representative Lynn:

I am writing in support of Representative Lynn's House Bill No. 269, requiring that United States and Alaska flags on display at state buildings and schools be manufactured in the United States. This issue is close to me because it is a symbol of our support for the economy, the American worker and those who have risked their lives in defense of this nation. While many jobs and resources have fled our country, this is a simple example of how we are willing to pay for a quality product and preserve manufacturing jobs. This symbol of respect and freedom must be made by American hands.

Tennessee and Minnesota have already taken action. Alaska can also show its leadership on this issue. I urge your support of House Bill No. 269.

Respectfully



Michael Porcaro



433 West 9th Avenue, Anchorage, Alaska 99501

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internet porcarocommunications.com

Library

Before the State Affairs Committee, Alaska State Legislature
Written testimony of Demian A. Schane in support of HB 284 (PFD Allowable Absences:
Fellowships)

January 24, 2008

Dear Committee Members:

My name is Demian Schane, and I am a resident of Juneau, Alaska. I currently work for the National Oceanic & Atmospheric Administration, but I would like to make clear that I give this testimony as an individual and on my own behalf. I do not represent the views of my agency or the federal government.

I applaud the efforts of Representative Hawker and urge all legislative staff to support HB 284. I believe it is important, and the current PFD statute already does this to a certain extent, to support residents who leave the State for educational purposes or to serve the country and State (e.g., to serve in the military, in Congress, in the U.S. Peace Corps, or on the U.S. Olympic Team). The proposed amendment adds one more excusable absence that I believe is a worthy one.

Every year, a handful of Alaskans are offered fellowship opportunities to live abroad in the pursuit of educational and/or vocational training. I personally spent 10 months in Iceland on a U.S. Fulbright grant studying the European Union's mechanisms for regulating escapes from farm fishing operations. It was a uniquely rewarding experience and an honor and privilege to represent the U.S. and Alaska in Iceland.

The Fulbright Program is funded through the U.S. Department of State and it promotes a cultural and educational exchange program in numerous foreign countries. The grantees can enroll in a foreign university or conduct research independently under the auspices of a university or professional organization. During the grant period, grantees will typically meet with the staff of the U.S. embassy and the host country's counterparts. The host country may also offer a variety of forums to foster the exchange of ideas, experiences, and values. For example, in Iceland, there were conferences on international seafood trade, aquaculture innovations, and genetic impacts on wild fish populations from farmed fish escapes. In short, the program offers U.S. citizens an opportunity to further their understanding of issues and policies of international significance and experience how other cultures endeavor to resolve them.

U.S. sponsored fellowships such as the U.S. Fulbright Program are professionally and personally rewarding. I hope that the Legislature recognizes and supports its fellow Alaskans' efforts to pursue such opportunities by allowing them to do so without losing their residential status and eligibility for a PFD disbursement.

Thank you for your time and consideration.

Sincerely,
Demian A. Schane
836 Calhoun Ave
Juneau, AK 99801
907-463-5145

dschane@gmail.com

LEGAL SERVICES

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LEGISLATIVE AFFAIRS AGENCY
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Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 24, 2008

SUBJECT: Whether the federal supremacy clause or the foreign commerce clause would prohibit the state from requiring purchase of items only made in the United States; penalties for using flag manufactured outside the United States; whether reported cases have considered state laws mandating purchase of flags made only in the United States (HB 269, Work Order No. 25 LS1013\C)

TO: Representative Max Gruenberg
Attn: Lisa Mariotti

FROM: Dennis C. Bailey 
Legislative Counsel

You have asked me to review HB 269, which requires that only flags manufactured in the United States shall be purchased by the state, in the context of the federal constitution's foreign commerce clause and the commerce or treaties clauses. Although the restriction may initially seem of little consequence, a mandate that prohibits the state from purchasing foreign products may be judicially interpreted to interfere with the right of the Congress to regulate foreign trade. Such a restriction might violate the foreign commerce clause of the United States Constitution, art. I, sec. 8, clause 3, which provides that the Congress has the power to regulate commerce with foreign nations; the foreign affairs powers (e.g., the making of treaties) given to the president under art. II, sec. 2, cl. 2 of the United States Constitution; or the supremacy clause, art. VI, sec. 2, which states that the United States Constitution, the laws of the United States, and treaties made under the authority of the United States are the supreme law of the land. The work request was only recently brought to my attention so additional time is needed for me to prepare a more formal opinion at your request.

You have also asked me to review the penalties that may be imposed on a state entity or school that fails to comply with the requirement that only flags manufactured in the United States may be purchased by the state and displayed in state facilities and schools. I was unable to find a statutory penalty for failure to display a flag at school buildings under AS 14.03.130, which is amended by sec. 1 of HB 269. The statutory penalty violating AS 15.15.060(c), which is amended by sec. 2 of HB 269, probably falls under the crime of election official misconduct in the first degree, which penalizes the intentional failure to perform an election duty under AS 15.56.070(a)(1) and is a class C felony. The penalty for violation of the state procurement code (AS 36.30), which is

Representative Max Gruenberg

January 24, 2008

Page 2

amended by sec. 3 of HB 269, probably falls under the criminal and civil penalties for violation of the procurement code under AS 36.30.930, which reads:

Sec. 36.30.930. Civil and criminal penalties. The following penalties apply to violations of this chapter:

(1) a person who contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction in a manner the person knows to be contrary to the requirements of this chapter or the regulations adopted under this chapter is liable for all costs and damages to the state arising out of the violation;

(2) a person who intentionally or knowingly contracts for or purchases supplies, equipment for the state fleet, services, professional services, or construction under a scheme or artifice to avoid the requirements of this chapter is guilty of a class C felony.

The attorney general is responsible for enforcing the procurement code. AS 39.30.940. I was unable to find a specific penalty for violation of AS 4.09.030 relating to the requirement of displaying flags, which is amended by sec. 4 of HB 269.

You also asked me to briefly look at whether a judicial decision concerning a statute requiring that flags be manufactured in the United States has been reported. My searches revealed no state or federal cases addressing a requirement that a flag be manufactured in the United States.

If I may be of further assistance, please advise.

DCB:ljw
08-032.ljw

Alaska State Legislature

Chairman

State Affairs Committee

Member

Judiciary Committee

Economic Development, Trade & Tourism
Committee

Education Committee

Joint Armed Services Committee

Finance Subcommittees

Labor & Workforce Development

Community & Economic Development

Military & Veterans' Affairs



A Communication From

REPRESENTATIVE BOB LYNN

District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us

"Bob Lynn's Alaska Blog" AlaskaDistrict31.blogspot.com

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Sponsor Statement

HB 269

HB 269 requires that official flags of the United States of America and the State of Alaska be manufactured in the United States, and that only such flags be displayed on state buildings and schools.

All manner of products are imported into our nation, but those items are "things." Our nation and state's flags are not "things," not just colored cloth. They are unique symbols to which we "pledge allegiance" because they represent our nation's unique heritage, values, and for which thousands of Americans have died for.

The National Headquarters of the American Legion has passed a resolution that encourages state agencies to purchase and display only American manufactured American flags. States other than Alaska have already enacted such legislation.

Now is the time to bring Old Glory and Alaska's "Eight Stars on a Field of Blue" home to the United States, and that's what this bill does.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB269
 () Publish Date: _____

Identifier (file name): HB269-DOA-GS-1-11-08 Dept. Affected: Administration
 Title: "An Act Requiring Procurement of United States and Alaska flags made in the US to be displayed in state buildings ..." RDU: State Owned Facilities
 Component: Facilities
 Sponsor: Representative Lynn
 Requester: (H) State Affairs Component Number: 2429

Expenditures/Revenues (Thousands of Dollars)

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

| | Appropriation Required | Information | | | | | | |
|-------------------------------|------------------------|-------------|------------|------------|------------|------------|------------|------------|
| | | FY 2009 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 |
| OPERATING EXPENDITURES | | | | | | | | |
| 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 | 0.0 | 0.0 |

| | | | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

| | | | | | | | | |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| CHANGE IN REVENUES () | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
|-------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|

FUND SOURCE (Thousands of Dollars)

| | | | | | | | | |
|----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | | | |
| 1003 GF Match | | | | | | | | |
| 1004 GF | | | | | | | | |
| 1005 GF/Program Receipts | | | | | | | | |
| 1037 GF/Mental Health | | | | | | | | |
| Other Interagency Receipts | | | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2008) cost: _____

POSITIONS

| | | | | | | | | |
|-----------|---|---|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Temporary | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

This bill would require the state to buy only US manufactured Alaska and US flags, and require that only US made Alaska and US flags be displayed at state buildings and schools

The Division of General Services (DGS) already ensures that the flags we purchase and display are manufactured in the US. Given this previously existing practice, this bill will have no effect on the division

Prepared by: Vern Jones
 Division: General Services
 Approved by: Kevin Brooks Deputy Commissioner
Department of Administration

Phone: 465-5684
 Date/Time: 1/11/08 2:00 PM
 Date: 1/11/2008

Relevant Statutes HB 269 Require Alaska/USA Flags Made in the USA

Sec. ~~44.09.030~~. Display and retirement of flags.

(a) The official flag of the state shall be displayed with the flag of the United States only from sunrise to sunset, or between the hours designated by proper authority. However, the flag may be displayed after sunset upon special occasions when it is desired to produce a patriotic effect.

(b) The flag of the United States and the flag of the State of Alaska shall be displayed daily, weather permitting, in the following places:

(1) on or near the main administration building of every institution under the authority or control of the state government;

(2) in or near every schoolhouse during school days.

(c) An official flag of the state that is no longer a fitting emblem for display because it is worn, tattered, or otherwise damaged may be respectfully retired by fire.

Sec. ~~14.03.130~~. Display of flags and pledge of allegiance.

(a) United States and Alaska flags shall be displayed upon or near each principal school building during school hours and at other times the governing body considers proper. The governing body shall require that the pledge of allegiance be recited regularly, as determined by the governing body. A person may recite the following salute to the flag of the United States or maintain a respectful silence: "I pledge allegiance to the flag of the United States of America and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

(b) A school district shall inform all affected persons at the school of their right not to participate in the pledge of allegiance. The exercise of the right not to participate in the pledge of allegiance may not be used to evaluate a student or employee or for any other purpose.

Relevant Statutes HB 269 Require Alaska/USA Flags Made in the USA

Sec. 15.15.060. Polling places, voting booths, and supplies.

(a) Immediately following the appointment of the election board, the election supervisor in conjunction with the election board chair shall secure polling places for holding the election, suitable ballot boxes that will assure security, and an adequate number of voting booths or screens, national flags, pens, and pencils. At every polling place, at least one voting booth shall be furnished and not less than one voting booth or screen shall be furnished for each 100 votes or fractional part of 100 votes cast in the previous election. At every polling place, at least one-half of the voting booths used shall be not less than six feet in height, enclosed on three sides, and provided with a curtain extending from the top of the voting booth to within approximately 30 inches of the floor. The curtain of the voting booth must conceal the voter while voting. The election supervisor and the election board chair may, in an emergency, secure an alternate location for a polling place.

(b) To assure administrative economy and to protect the secrecy of the ballot, the director may adopt regulations prescribing

(1) the type of polling place for holding the election;

(2) the requirements regarding ballot boxes, voting screens, national flags, and other supplies; and

(3) subject to the specifications of (a) of this section, the requirements regarding voting booths.

(c) The director shall pay the cost of necessary election expenses incurred in securing a place for holding the election, a suitable ballot box, and an adequate number of voting booths, screens, national flags, and other supplies. The national flag shall be displayed over or near the entrance of each polling place.

(d) When the director determines that there is an area in the state where a voter may be confused as to the voter's correct precinct polling place, the director shall provide each polling place in that area with maps and materials that indicate house district boundaries, precinct boundaries, and polling places.

LEGAL SERVICES

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

MEMORANDUM

July 12, 2007

SUBJECT: Purchase of flags manufactured in the United States; drafting issues (Work Order No. 25-LS1013\A)

TO: Representative Bob Lynn
Attn: Nancy Manly

FROM: Dennis C. Bailey *DCB*
Legislative Counsel

This memo accompanies the draft bill you requested. Please note the following.

I have omitted a reference to the Flag Manufactures Association of America (FMAA) as an entity to establish what actually constitutes "manufactured in the United States." This avoids a possible unconstitutional delegation of a legislative function by permitting the FMAA to establish or modify a definition that would otherwise be established or modified by the legislature. Instead, I used the definition extracted from the FMAA website.

The Alaska Procurement Code applies to flag purchases by the state without a specific reference in the bill. AS 36.30.005(a) Also, the Procurement Code preference for Alaska products applies and should address your request for a preference for flags made in Alaska. See AS 36.30.328.

If I may be of further assistance, please advise.

DCB:med
07-336.med

Enclosure