

HOUSE FINANCE COMMITTEE
April 5, 2010
9:05 a.m.

9:05:36 AM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Vice-Chair
Representative Allan Austerman
Representative Mike Doogan
Representative Anna Fairclough
Representative Neal Foster
Representative Mike Kelly
Representative Woodie Salmon

MEMBERS ABSENT

Representative Les Gara
Representative Reggie Joule

ALSO PRESENT

Kim Skipper, Staff, Representative Anna Fairclough, Sponsor; Mike Barnhill, Senior Assistant Attorney General, Department of Law; George W. Brown, Pediatrician, Juneau; Panu Lucier, Executive Director, Alaska Children's Trust/Friends of Alaska Children's Trust; Alison Elgee, Assistant Commissioner, Finance and Management Services, Department of Health and Social Services; Crystal Koeneman, Staff, Representative Anna Fairclough, Sponsor; Sue Stancliff, Special Assistant, Office of the Commissioner, Department of Public Safety; Audie Holloway, Director, Division of Alaska State Troopers, Department of Public Safety.

PRESENT VIA TELECONFERENCE

Diane Kaplan, Member, Alaska Children's Trust Board and President, Rasmuson Foundation, Anchorage; Mike O'Hare, Deputy Director, Division of Homeland Security/Emergency Management, Department of Military and Veterans Affairs; Chris Sherwin, Vice-President of Advocacy, Pacific Mountain Affiliate, American Heart Association.

SUMMARY

HB 190 CHILDREN'S TRUST GRANT FOR ENDOWMENT

CSHB 190(FIN) was REPORTED out of Committee with a "do pass" recommendation and with new zero note by the Department of Commerce, Community and Economic Development, new zero note by Department of Revenue, and new zero note by the House Finance Committee for the Department of Health and Social Services.

HB 361 CPR TRAINING FOR 911 DISPATCHERS

HB 361 was HEARD and HELD in Committee for further consideration.

#hb190

HOUSE BILL NO. 190

"An Act privatizing the Alaska children's trust as a separate endowment fund; providing for an administrator for the assets of the former trust; establishing conditions for a grant of the balance of the former Alaska children's trust; designating certain receipts as available for grants to the trust's successor; and providing for an effective date."

9:05:51 AM

Representative Fairclough MOVED to ADOPT Work Draft CSHB 190 (FIN), (26-LS0502\N, Mischel, 4/2/10, copy on file) as a working document before the committee.

Co-Chair Stoltze OBJECTED for DISCUSSION.

Representative Fairclough provided history of the legislation. The Alaska Children's Trust (ACT) and the Friends of the Alaska Children's Trust (FACT) boards had

come to her office 18 months prior with challenges they had been having, including the inability to track private donations and difficulty drawing matching money to the trust. The boards resolved to privatize the trust and brought the idea to the legislature. In the middle of the 2009 legislative session, the Alaska Supreme Court ruled in the University Land Grant case that the state had given appropriation powers away to the university. The administration decided to oppose the bill because of the ruling. Attorneys hired by FACT as well as Legislative Legal Services had been asked to interpret the ruling.

[9:09:17 AM](#)

Representative Fairclough continued that in mid-March [2010], the administration finalized its interpretation of the ruling and drafted HB 190. She emphasized that the legislation would not privatize the trust, but would create a grant account within the general fund. She stated that the proposal would accomplish approximately 70 percent of the original request by the trust, but leaves the legislature's power of appropriation. It would also require the state to account for private donations.

Representative Fairclough concluded that the trust board believed HB 190 would help them do the work of preventing child abuse. She stated that she had relied extensively on legal counsel and was confident that the provision could be legally defended.

KIM SKIPPER, STAFF, REPRESENTATIVE ANNA FAIRCLOUGH, SPONSOR, reviewed the sectional analysis (copy on file):

- Section 1, 2, 3. Amends AS 18.50.225(d); 18.50.272(e); 28.10.421(d)(14). Allows the legislature to appropriate funds generated from birth certificates and heirloom marriage certificates suitable for display; and Alaska children's trust license plates to the Alaska children's trust grant account.
- Section 4. Amends AS 36.30.990(1). Exempts the Alaska children's trust and the Alaska Children's Trust Board from the State Procurement Code.
- Section 5. Amends AS 37.14.200(b). Defines the assets of the trust to include appropriations, donations to

the trust, and income earned on investments of trust assets.

- Section 6. Repeals and reenacted AS 37.14.200(c). Provides for the commissioner of revenue to manage the trust as an endowment.
- Section 7. Amends AS 37.14.200 by adding new subsections AS 37.14.200(d)(e)(f)(g). The commissioner of revenue shall provide reports to the board on condition and investment of the trust. Allows the legislature to annually appropriate 5% of the market value, as calculated on a three year average, of the Alaska Children's Trust to the grant account. Allows the legislature to appropriate from the principal of the trust up to \$150,000 for administrative expenses of the board; and appropriate expenses related to the commissioner of revenue's management of trust assets. Explains that this section does not create a dedicated fund.
- Section 8. Amends AS 37.14 by adding new section AS 37.14.205. Creates an Alaska children's trust grant account as an account in the general fund and allows the legislature to appropriate funds from the trust to the grant account. Defines uses of the grant account to include making grants; obtaining private and federal donations; solicit contributions, gifts and bequests for the trust and grant accounts; and expend private restricted-use donations from the grant account without further appropriation.
- Section 9. Amends AS 37.14.225. Defines the membership of the ACT board, and their qualifications.
- Section 10. Amends AS 37.14.230. Describes the powers and duties of the ACT board, to include awarding grants, maintaining records of all donations to the trust and grant account; apply for and use funds from grant account to obtain private and federal grants for child abuse & neglect prevention programs; solicit donations to the grant account; account for interest earned on private restricted donations not fully expended.

- Section 11. Amends AS 37.14.230 by adding new subsection AS 37.14.230(b). Allows the Alaska Children's Trust Board to enter into joint arrangement with a private non-profit entity or entities for grant-making and fundraising without delegating its duties or authority.
- Section 12. Amends AS 37.14 by adding new section AS 37.14.235. Provides support staff from the Department of Health & Social Services.
- Section 13. Amends AS 37.14 by adding new section AS 37.14.245. Allows the Alaska Children's Trust Board to adopt regulations not subject to the requirements of the Administrative Procedures Act.
- Section 14. Amends AS 37.14.270 is repealed and reenacted. Defines board, grant account, private restricted-use donation, and trust.
- Section 15. Amends AS 37.14.210, 37.14.240, 37.14.250, and 37.14.260 are repealed.

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Representative Doogan referenced Sections 1, 2, and 3 and asked how much money the legislature would appropriate in an average year. Representative Fairclough replied around \$40,000.

Representative Doogan referenced Section 4 and asked why the state would be exempted from the State Procurement Code. Representative Fairclough answered that part of the problem has been limited grants; the procurement code has caused money donated for child abuse prevention to be spent to meet federal requirements. The provision would streamline an accountability process consistent with state law but not necessarily matching federal requirements.

Representative Doogan turned to Section 9 and asked whether in the past the board had more private citizens and fewer commissioners. Ms. Skipper responded that the board would stay the same at seven members. Representative Doogan asked whether the ratio of private members and commissioners would be the same as before. Ms. Skipper replied in the affirmative.

Representative Doogan queried changes related to adopting regulations not subject to the Administrative Procedures Act (APA) proposed in Section 13. Representative Fairclough replied that federal requirements had set a high bar through the APA, which was not necessary for smaller amounts.

Representative Doogan asked for details about what HB 160 would repeal [Section 15].

[9:18:59 AM](#)

MIKE BARNHILL, SENIOR ASSISTANT ATTORNEY GENERAL, DEPARTMENT OF LAW, responded to the question of exempting the trust from the APA. He explained that the context was that the people from ACT and Representative Fairclough's office had requested legal opinion about possible solutions. He stated that short of fully privatizing the trust, the Department of Law (DOL) had offered various solutions already existing in statute for other entities, such as full exemption from the Alaska Procurement Code and the APA. He opined that it was purely a policy call. The proposal was an attempt to free the trust from bureaucratic obstacles to fulfilling its mission. He added that the language came from statute related to the Permanent Fund.

Mr. Barnhill provided an overview of the the sections that would be repealed by HB 190:

- AS 37.14.210 - Sets out the powers and duties of the Commissioner of Revenue. The section would be replaced with language in Sections 6 and 7. The commissioner's investment duties would be aligned with the investment duties spelled out in AS 37.10.071, the fall provision for management of state funds.
- AS 37.14.240 - A provision governing fund utilization. The section would be replaced with language about an annual appropriation of 5 percent to the grant account to be expended by the board for child abuse and neglect prevention programs.
- AS 37.14.250 - Existing grant statute. The section was viewed as particularly burdensome by the board; it would be replaced by board authority to expend from the grant account for purposes of grant-making in the

area of child abuse and neglect prevention, as well as for additional fund-raising.

- AS 37.14.260 - Eligibility section. There would be no corresponding section in the CS; eligibility would be determined by the board.

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Representative Doogan questioned whether the privatization route did not work because state funds could not be privatized. Mr. Barnhill responded in the affirmative; in the wake of the university land case, the department believed that the Alaska Supreme Court would disapprove of any attempt to privatize state funds.

Co-Chair Hawker thought "privatize" was a vague word; he asked whether there would be a problem with the legislature deciding to appropriate the money currently in the account to another organization as a named recipient grant. Mr. Barnhill replied that the last versions of the bill had done that by appropriating the entire balance of the trust account to a private entity. He stressed that a critical distinction made by DOL was between appropriating for expenditure and appropriating for management as a private endowment. He detailed that the Alaska Supreme Court identified two objectives as the purpose of the prohibition against dedicated funds. One objective is to preserve the flexibility of the legislature to appropriate funds. The second objective is to prevent the legislature from abdicating its responsibility for appropriating funds. The department thought that both objectives would be defeated by taking a pot of money and putting it into private hands. For that reason, even though the legislature would be appropriating to a named recipient and exercising appropriation power, DOL thought that ultimately the legislature's flexibility to further designate where the funds should go would be defeated, and recommended against it.

Co-Chair Hawker asked whether the legislature would be able to appropriate all or part of the state funds to a named recipient grant for whatever purpose without the constraints. Mr. Barnhill responded that the legislature would be able to do that as long as the funds would be expended for the purpose of child abuse and neglect

prevention. However, they did not recommend doing so for the purpose of managing an endowment.

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DIANE KAPLAN, MEMBER, ALASKA CHILDREN'S TRUST BOARD and PRESIDENT, RASMUSON FOUNDATION, ANCHORAGE (via teleconference) testified in support of HB 190. She noted that she was also a former member of the FACT board. She emphasized the importance of the issue of child abuse and neglect in Alaska; ACT and FACT wanted Alaska to be the safest place for children to grow up, not the least safe place. She believed that the current structure of the trust made it difficult for ACT or FACT to be effective in their work. In particular, there were issues around raising money when the fundraisers could not ensure that the intent of donors would be met, the inability to raise money for current initiatives and projects because of the structure of the legislation, and the considerable administrative burden related to being subject to Department of Health and Social Services regulations. She noted that the commissioners of the Departments of Education and Early Development and Health and Social Services sit as two of the seven members of the [ACT] board; the commissioners have consistently been in favor of moving towards a public/private partnership to operate the program.

Ms. Kaplan referred to varied legal opinions, including the possibility of lawsuits regarding the constitutionality of moving the assets. She believed HB 190 took a mid-way approach of dealing with the most pressing issues. She listed examples of fund-raising efforts that had been thwarted because donors could not be assured that donations were going where they intended them to go. She noted that when the Attorney General's Office investigated (in reviewing the legislation), they found that no records of any previous donations to the trust could be located anywhere in state government. She pointed out that the five fund-raisers on the FACT board take an oath to not engage in unethical fund-raising; she noted that the fund-raisers supported the legislation.

Ms. Kaplan testified that the trustees have been successful in receiving federal grant money in certain years because of the way the fund was structured; those are the only monies that have been available to give out in the form of grants. The grant-making process as it exists in the

department makes it impossible to fund the small, neighborhood grass-roots organizations that are doing the day-to-day work of addressing the issues on a community level. She noted that currently, the chance of obtaining a grant is almost nothing, which is not what the trust intended. She emphasized that the legislation would set up a private partnership with assets managed by a governor-appointed private board that would deal with current challenges around fundraising and grant-making.

[9:33:03 AM](#)

Co-Chair Hawker referred to earlier conversations regarding the trust's inability to raise money from the public because the money would go to the state. He talked about earlier versions of the legislation that were structured so that receipt of public funds would be outside the state. He stated concerns about creating a grant account within state funds and asking the public to contribute into a state-managed account. He questioned her feeling about the situation. Ms. Kaplan responded that ACT had been hoping for more; she called the proposal "half a loaf," but felt the legislation would be better than the current situation. She stated that the trustees were very frustrated. At the February 2010 meeting, the trustees had no idea of how much money was available for 2010 grants. She opined that the state has not been a diligent steward of the funds.

Ms. Kaplan admitted that trust would rather move the assets out of the state. She opined that she would do it anyway and let it be challenged. However, given the threat of a constitutional challenge, the trust felt the legislation would improve the situation greatly in terms of being able to segregate the funds in a grant account, moving more to a percent of market value structure, and allowing donations to be received for current activities and not go directly into the corpus where they cannot be tracked. She suggested trying out the proposal. She believed the intent of those involved was good.

[9:37:11 AM](#)

Co-Chair Hawker agreed with acting and allowing settlement through litigation. He was not comfortable that the provision would accomplish as much as he wanted. Ms. Kaplan responded that FACT had exhausted resources on lobbyists for the past three years to get previous versions of the

legislation passed. She commended Representative Fairclough's efforts to get some positive change through.

Representative Doogan asked whether there would be more flexibility and ability to fund-raise if the trust were privatized. Ms. Kaplan answered that the situation varies from year to year; the trustees have no idea how much money will be available because only the income [interest on the principal] is available to be spent. There is no current percent of market value. She emphasized that year-by-year grants were not a dependable way to address the serious problems of child abuse in the state. However, the legislation would provide some level of regular funding for multi-year sustained initiatives that were working. Having a grants account would free the trustees to be a lot more pro-active and sensible in administration of the funds. She pointed out that most children's trusts get funding from the state, but that is not the case in Alaska. Most other children's trusts get federal funding available to every state for child abuse prevention; in Alaska, every dollar going into the trust annually is contributed by individuals. The legislation would at least free up the grants account to be managed more flexibly.

[9:42:20 AM](#)

Representative Doogan was concerned that there might be a small annual stream of funding, but that the trust would be locked into the state system. He wondered whether the trust could be set up on its own with the currently available assets so that it could raise its own money. Ms. Kaplan responded that the trustees had requested just that. However, possible constitutional issues have continued to kill legislation [attempting to do so]. The trust did not want to go through that yet another year and hoped the bill would provide some partial relief. She stated that there would be strong support from the trustees to do what Representative Doogan described.

Representative Fairclough noted that there was currently \$10 million in the Alaska Children's Trust; Ms. Kaplan had been referring to any interest off that account as the amount available to be spent. The amount fluctuates based on earnings and costs. As an example, she referred to a document from the trust showing that in FY 08, the trustees had awarded \$550,000 in grants. In FY 2009, the trust was

only able to award \$186,799. She emphasized that the large variance in available funds made it difficult to plan.

Representative Fairclough referred to a \$170,000 Department of Health and Social Services (DHSS) fiscal note for management of the trust. She noted that Ms. Kaplan had testified that the state contributes nothing. She queried current administrative support levels for ACT and FACT. Ms. Kaplan responded that at one time, the department had one full-time employee (that later turned into a half-time employee) to administer the trust; for a period of time there was no staff. She referred to a meeting at which there was no staff to provide the information the trust needed to make decisions. The trust had attempted to hire someone through state government, but was unable to do so; they then requested hiring a staff member outside of state government, which was finally allowed. An annual operating grant is made out of principal of the trust (allowed under law for amounts under \$150,000) to the Foraker Group to employ a person (Panu Lucier) as the executive director of both ACT and FACT. There are grant administrators within the departments who issue grant agreements and receive reports. She was not aware of any employee of the department that was connected with the trust other than the commissioner.

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Ms. Kaplan referenced the \$550,000 awarded [in FY 08]; she believed the vast majority of the funds were federal earmarks from Senator Stevens. The funds would end in June, so there was no expectation of having them in the next year.

Representative Fairclough noted that DHSS was asking for two staff for grant support for the trust. She queried the support needed from the state. Ms. Kaplan responded that administration would take up 40 percent of available funding. She pointed out that a typical expectation for administration would be 8 or 10 percent.

Representative Kelly had concerns about the two additional state employees.

GEORGE W. BROWN, PEDIATRICIAN, JUNEAU, spoke in support of HB 190 as going in the direction of providing more protection for children. He did not think child abuse in

Alaska was as bad as it had been 40 years ago. For example, deaths due to neglect and abuse have been reduced 9 or 10 times. He felt there was still a long way to go. He thought the situation was complicated by talk about money and who controls it. He stressed that prevention is also is at least that complicated, and requires a change in attitude on the part of society. He believed there should be respect for all children. He thought the bill was good because it placed responsibility on both the public and the private sectors.

Dr. Brown spoke of a conversation with the director of the children's trust fund in Wisconsin, which has had a public and private partnership that has worked well for some time. He commended work done and encouraged staying the course.

PANU LUCIER, EXECUTIVE DIRECTOR, ALASKA CHILDREN'S TRUST/FRIENDS OF ALASKA CHILDREN'S TRUST, spoke in support of HB 190. She reported professional experience. She believed the legislation was a good compromise that would allow the trust to get out of the state procurement process. She described challenges due to caps and irregular grant funding.

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Ms. Lucier emphasized that for the second year in a row, the trust had only \$75,000 available for requests for proposals (RFPs). She reported the difficulty of operating with such a small amount, especially since ACT had the goal of making Alaska the safest state for children by 2030. She emphasized that the goal could not be reached at the current rate of funding. She referred to programs for families and stressed that changes needed to take place at the family and community level. She stated concerns about state agencies and about using general funds. She hoped that the funds would not be used by the legislature for other purposes.

Co-Chair Stoltze noted that the greater fear would be the administration spending the funds.

Representative Austerman asked how the executive director position was funded. Ms. Lucier responded that she was not a state employee; the position was funded by the the Foraker Group, but she reports to the ACT and FACT boards.

Vice-Chair Thomas queried the ultimate goal of the bill and what would make it work fully. He wanted to understand the compromises made.

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Ms. Lucier responded that the goal of HB 190 was to address constitutionality concerns. The compromise bill would allow the trust to accomplish many of the things it hoped to do. She added that privatization was the ultimate goal.

ALISON ELGEE, ASSISTANT COMMISSIONER, FINANCE AND MANAGEMENT SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, reviewed the thinking behind the fiscal note. She explained that the fiscal note developed by the department anticipated that the full management of the activities of ACT would revert to DHSS. Therefore, the \$150,000 grant currently made from the principal to the Foraker Group for support of the trust would be replaced with in-house staff. She stated that the department did not pre-suppose the legislature's desire in terms of funding the personnel with the principal grant (although that is allowed in the legislation); it has been represented as general funds, recognizing the limitations of the trust and the options available to the committee as to how it should be funded.

Representative Kelly queried the role of the department related to the executive director position. Ms. Elgee responded that the fiscal note would [fund the position].

Co-Chair Hawker noted that the fiscal note was sponsored by the Rules Committee at the request of the governor, which needed to be corrected. Ms. Elgee agreed.

Co-Chair Hawker asked whether the other money was soon to be appropriated in the FY 11 operating budget. Ms. Elgee answered that the department would appropriate the trust revenue available for grant funding; she did not know the status of the principal funding of the grant to the Foraker Group. She offered to check.

Co-Chair Hawker referred to a previous fiscal note that zeroed out the allocation within Children's Services and Children's Trust Programs (\$13,000 in travel, \$100,000 in services and commodities, and \$435,000 in grants). He asked where the \$150,000 to the Foraker Group came from. Ms. Elgee offered to get more information.

Co-Chair Hawker believed there needed to be an offset somewhere. He thought there should be a way to do it without adding the two employees. Ms. Elgee reported that DHSS misunderstood the intent in Section 12, which stated that the department would provide staff to the board.

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AT EASE

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RECONVENED

Co-Chair Stoltze WITHDREW his OBJECTION to adopting the work draft. There being NO further OBJECTION, CSHB 190 (FIN), (26-LS0502\N, Mischel, 4/2/10, copy on file) was ADOPTED.

Representative Fairclough asked whether eliminating Section 12 would create any technical difficulty. Mr. Barnhill responded that it would not.

Representative Fairclough informed the committee that the intent was not to name DHSS as the source of staff support; the intent was to allow the executive director to maintain the relationship with the Foraker Group. She recommended eliminating the section.

Representative Fairclough addressed questions regarding the bill being only half an answer to the challenges faced by the trust. She stated that HB 190 was the best compromise given battling legal opinions and would enable the state of Alaska to defend its position should an action be brought against it. She acknowledged that the bill was not full privatization, but she intended to propose that the committee move a portion of the fund (as much as \$10 million or as little as zero). The money could be attached to the bill; it could be brought up through the capital budget. She wanted the full amount to be privatized in order to help children. She emphasized that HB 190 was the best way to take a first step and encouraged support.

Representative Fairclough summarized the challenges:

- The trust and people who have tried to provide additional funding for the trust have received unpredictable funding from the grant line.
- The Department of Revenue has sometimes placed the assets in more risky investments (from the Alaska

Children's Trust perspective) inside the the Permanent Fund allocation; the trust gets lost in the mix.

- There are multi-faceted accounting problems, including being unable to account for donations in the private sector; the bill would fix that. The bill would not fix unworkable and antiquated records; the Foraker Group, DHSS, and the ACT and FACT boards also continue to have problems with the issue.
- Local communities cannot compete for smaller grants.
- ACT and FACT boards want multi-year initiative strategies in local communities to reduce child abuse; state bureaucracy is holding this up.

Representative Fairclough argued that HB 190 would be a "gigantic" step towards relieving the problems with access to funds.

[10:13:11 AM](#)

Representative Fairclough MOVED to ADOPT conceptual Amendment 1:

Page 6, lines 19-21:
Section 12: Delete whole section

Co-Chair Stoltze OBJECTED for discussion. He noted that eliminating the section would not eliminate the department from assisting the effort.

Representative Doogan summarized his understanding that the proposal would eliminate the two state employee positions; there would then be one employee working through a grant that would go through the Foraker Group. He asked how accounting problems described would be solved by the amendment. Representative Fairclough replied that a grant fund would be created that would move money directly to FACT; in the end the ACT board could establish what previous versions have had: a singular appropriation so they know where the money goes to. All the money would be spent out and gone from the state.

Representative Doogan stated concerns because as it was currently set up, the money was still state money. He

thought that there should be a way for accounting for the money if it was going to go through the described process.

[10:16:28 AM](#)

Representative Kelly pointed to page 3, lines 13 and continuing, related to the Commissioner of Revenue solving the discussion about poor investment practices and so on. He asked whether that would stay in and whether there would a zero fiscal note for the management of the program. Representative Fairclough responded yes.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, conceptual Amendment 1 was ADOPTED.

Co-Chair Hawker directed the committee aide to prepare a zero fiscal note for the bill in lieu of the DHSS fiscal note.

Representative Austerman queried the status of the negative fiscal note by DHSS. Co-Chair Stoltze replied that the note was for a previous version of the bill that was not adopted.

Representative Fairclough MOVED to report CSHB 190(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

CSHB 190(FIN) was REPORTED out of Committee with a "do pass" recommendation and with new zero note by the Department of Commerce, Community and Economic Development, new zero note by Department of Revenue, and new zero note by the House Finance Committee for the Department of Health and Social Services.

#hb361

HOUSE BILL NO. 361

"An Act requiring 911 dispatchers to be trained in cardiopulmonary resuscitation; and providing for an effective date."

[10:20:06 AM](#)

Representative Fairclough informed the committee that Alaska was one of the few states that do not require Cardiopulmonary Resuscitation (CPR) training through

statute for all 911 dispatchers. She believed the training should be required. She noted that the issue was complex.

CRYSTAL KOENEMAN, STAFF, REPRESENTATIVE ANNA FAIRCLOUGH, SPONSOR, explained that HB 361 (version A) would request a 911 coordinator to monitor and facilitate the training of emergency dispatchers in CPR and require that dispatchers be trained in CPR. Alaska is one of 18 states that do not mandate the training.

Ms. Koeneman reviewed background regarding the location of the 911 coordinator. In 2004, there was an omnibus bill stipulating that the coordinator be housed within the Department of Military and Veterans Affairs (DMVA) because federal grant money was anticipated that required a 911 coordinator within the state. There has been debate about whether DMVA or the Department of Public Safety (DPS) should house the position.

Representative Fairclough added that the committee could choose under the proposed CS to include CPR training, which would put into state statute a standard already required through regulation in other forms of training throughout the state. She noted that DMVA had asked to move the coordinator position over to DPS and it was discovered that little had been done in coordinating, monitoring, and training dispatchers of emergency medical services throughout the state. The department provided a fiscal note. Ms. Koeneman interjected that there was no fiscal note for the new CS. The House Health, Education, and Social Services Committee (HES) had adopted a blank CS that moved the position to DPS.

Co-Chair Hawker queried the version of the bill being discussed. Ms. Koeneman replied that she was referring to Version R (blank CS) that was adopted in HES; that version did not move from committee because they were unable to get a fiscal note from the department even after the CS was adopted. The HES committee did not feel comfortable bringing the bill to the Finance Committee with an unknown fiscal note. Version A moved out of HES.

Co-Chair Hawker summarized that the bill introduced to the committee was Version A; the differentiation was the housing location of the coordinator. He queried the language being proposed for amendment in the A version. The language was put into statute some years ago to establish

the coordinator in DMVA. He asked whether there was a person filling the position at DMVA currently.

MIKE O'HARE, DEPUTY DIRECTOR, DIVISION OF HOMELAND SECURITY/EMERGENCY MANAGEMENT, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS (via teleconference), responded that there was not a person filling the position. He provided background. In 2004, a Senate bill was brought before the House Rules Committee that included the additional duties of the 911 coordinator to the DMVA Division of Homeland Security and Emergency Management in an effort to secure potential federal grant dollars for 911 enhancements. A prerequisite for receiving the grant funding was having a coordinator designation in place; the responsibilities were to coordinate 911 communications in communities around the state, set uniform standards for 911, look for federal grant monies for 911, and enhance capabilities. The position was an "other duties as assigned" position with no funding. The federal grants did not materialize.

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Co-Chair Hawker summarized that the legislature had provided for the position in the 2004 legislation but had not funded the position with a fiscal note, and that the position has never been funded by the legislature; there was only the hope that federal grant money would be available. Mr. O'Hare agreed.

Co-Chair Hawker summarized that the position existed, was not funded, and was not filled. He thought the next question proposed in the legislation was moving the coordinator to DPS and securing funding for it. The funding question in HES had resulted in reverting to the A version. He queried the perspective of DPS.

SUE STANCLIFF, SPECIAL ASSISTANT, OFFICE OF THE COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY, was uneasy about referring to a CS that had not yet been adopted by the Finance Committee. Co-Chair Hawker said she could answer the questions under the hypothetical that the position was moved from DMVA to DPS.

Ms. Stancliff replied that DPS had worked with the bill sponsor and was willing to take the responsibility on. The department believed a real coordinator would be needed and had prepared a fiscal note to that effect.

Co-Chair Hawker asked how much funding the agency would request. Ms. Stancliff replied that the fiscal note would require one full-time person to act as the 911 coordinator; the initial cost to set up the position for FY 11 would be \$162,700; future years would require \$151,000, which included the required CPA training.

10:31:45 AM

Co-Chair Hawker asked whether the committee wanted more information about the coordinator position.

Representative Kelly summarized that another state employee would be added at significant cost. He commented that most areas already had the certification and asked whether the issue was a local one.

AUDIE HOLLOWAY, DIRECTOR, DIVISION OF ALASKA STATE TROOPERS, DEPARTMENT OF PUBLIC SAFETY, testified in support of the CPR qualifications, which the department thought were very important. He added that state troopers and about several thousand eighth-graders would be working with the American Heart Association to get more CPR training out to everyone.

Mr. Holloway stated that the issue was the disparity between what is available in urban and rural areas. Currently, nearly any person with a cell phone or land line thinks they can call 911 and reach a live person; that is not the case in many Alaskan rural villages. He reported that the department had not been doing as much as they should with 911 because the coordinator position was expected to address the issue.

Mr. Holloway informed the committee that the department had discovered that over 60 percent of business and 911 calls were made from cell phones. Most of the state trooper 911 centers are subcontracted through local agencies; they have a good working relationship that they want to maintain. Many of the 911 calls were going to many different places and not necessarily to a Public Safety Answering Point (PSAP) qualified to provide 911 services. Some of the calls were going to business offices within a village or city that could be closed, a village public safety officer's phone, or a recorder saying "call 911." He did not think the public was being served as well as it should be.

10:36:20 AM

Mr. Holloway referenced changing technology and believed the department should be prepared to collect information from more than just a phone call. He thought the 911 coordinator position was needed to set up the policies, procedures, education, and training necessary to meet the public's expectation of what services should be available. For instance, the public should be able to send text messages and photographs and be able to use a cell phone to call 911 and get somewhere productive. Currently, there are places in the state where it is not clear where the 911 call would end up, causing delays while the call is moved to the appropriate place.

Mr. Holloway hoped for collaboration with local personnel so that when they could not provide a response there would be an ultimate PSAP number that would be able to offer assistance. He also hoped to know more about developing technology and work with communication providers (such as the Alaska Telephone Association) interested in helping the state with the issue. Providers are mandated by law to send 911 calls to someplace where the calls will be answered; there currently is a lot of confusion about where to send the calls.

Mr. Holloway stressed that the priority was that a person dialing 911 would get an answer from a person.

10:39:11 AM

Co-Chair Hawker queried funding sources for the position. He asked whether there was a way to access 911 surcharges. Mr. Holloway believed that the state did not get the surcharges; local organizations did.

Co-Chair Hawker thought something was missing regarding the funding source.

Representative Fairclough supported the fiscal note. She noted that the 911 system needed structure and that the lack of structure was putting communities at risk. She pointed out that requiring CPR could be put on statute, and that communities need to develop procedures for local protocol standards. The CS could allow the state to work

with individual communities to set up a 911 structure and standardize training.

Representative Kelly acknowledged that the idea was good, but pointed out differences in services in different areas of the state. He referred to law enforcement positions that had already been approved and stated concerns about another state employee position. He did not want to promise 911 services immediately, though he wanted that to be a goal. He also wanted to know how to get a person trained in any given remote location and what could happen if there was not such a person. He was concerned about liability as well as increased costs.

[10:43:26 AM](#)

Mr. Holloway responded that the state troopers were expected to respond as quickly as possible to the calls, wherever they originated. He thought the choices were continuing the current practice of letting the system grow organically and chaotically, or acquiring a coordinator to organize a set of rules to provide statewide standards for at least minimal response. He acknowledged that it could take time to answer calls from remote areas, but thought it would be faster than the current system. He believed the state did well getting assistance to people in emergency situations in difficult circumstances. He pointed out that there were over 700 search-and-rescue calls each year; the process could go faster with a more organized system.

Representative Kelly acknowledged the work already being done. He was concerned about giving the state troopers another set of conditions and wondered whether the task was more appropriately left with individual communities. He reiterated concerns with the fiscal note and an added employee.

Representative Salmon spoke to challenges in rural communities. He provided an example of a woman in a village whose life was saved by a person trained in CPR. He wanted the system related to CPR training and 911 capability to be developed further. He stated that he supported the legislation.

[10:48:05 AM](#)

Vice-Chair Thomas stated that he represented what he called "urban villages," with troopers in Haines, Hoonah, Cordova, and Craig. He asked who the dispatcher was for the locations. Mr. Holloway responded that calls for Southeast usually went through Ketchikan and then local municipalities.

Vice-Chair Thomas asked how the positions and training would be funded in the smaller locations. He wondered whether the burden would be placed back on the municipalities. Mr. Holloway replied that he shared the concerns. He pointed out that most communities require CPR and that the training could be done effectively online. He hoped that the proposed coordinator position would be able to access grant funds to train people around the state. He believed that the state should assist [financially] if it requires standards. He noted that funds are available.

Vice-Chair Thomas pointed out that volunteer fire departments in many smaller communities offer CPR training. He noted that 911 calls do not always go through trooper dispatch. Mr. Holloway agreed; the state troopers are the recipient of other people's initial 911 calls through locals, subcontractors, fire departments, and other local entities.

Vice-Chair Thomas noted that most commercial fishermen's calls go through the Coast Guard.

Representative Austerman commented that he wanted a more in-depth discussion regarding the larger policy issue of a state-wide 911 system.

[10:52:00 AM](#)

CHRIS SHERWIN, VICE-PRESIDENT OF ADVOCACY, PACIFIC MOUNTAIN AFFILIATE, AMERICAN HEART ASSOCIATION (via teleconference), testified in support of HB 361. He reported that the American Heart Association (AHA) was strongly supportive of efforts to improve the state's 911 system and of filling the 911 coordinator position. He agreed that there were a lot of issues to be worked out and felt that the coordinator could oversee the process and work with entities like the AHA. The association specifically supported putting a system in place that would assure that a caller could reach a person trained in CPR and able to walk the caller through until help arrived.

Mr. Sherwin spoke to concerns and possible improvements for the legislation. The association would like the CPR training provided to be based on science and have a hands-on practice component. He pointed out differences between a person trained in giving CPR and a person trained in how to provide the instruction to someone else over the phone (pre-arrival instruction). A standard part of training for a certified emergency medical dispatcher usually includes how to provide pre-arrival training over the phone. A person who is only trained in giving CPR may not be able to provide the information over the phone. He referred to screen protocol that can help a person walk a caller through the process.

[10:57:05 AM](#)

Co-Chair Hawker closed public testimony.

Co-Chair Hawker noted that the bill before the committee was still the original HES version.

HB 361 was HEARD and HELD in Committee for further consideration.

[10:59:26 AM](#)

ADJOURNMENT

The meeting was adjourned at 10:59 AM.