

HOUSE FINANCE COMMITTEE
February 2, 2012
1:42 p.m.

[1:42:11 PM](#)

CALL TO ORDER

Co-Chair Thomas called the House Finance Committee meeting to order at 1:42 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Joseph Masters, Commissioner, Department of Public Safety (DPS); Dan Spencer, Director, Division of Administrative Services, Department of Public Safety; Joseph Schmidt, Commissioner, Department of Corrections (DOC); Leslie Houston, Director, Division of Administrative Services, Department of Corrections; Carmen Gutierrez, Deputy Commissioner, Department of Corrections; Dr. William Doolittle, Board Member, Alaska Mental Health Trust Authority (AMHTA); Larry Norene, Trustee, Alaska Mental Health Trust Authority; Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority; Mike Barton, Trustee, Alaska Mental Health Trust Authority; Greg Jones, Executive Director, Mental Health Trust Land Office, Department of Natural Resources.

SUMMARY

BUDGET OVERVIEWS:

Department of Public Safety
Department of Corrections

PRESENTATION:

Alaska Mental Health Trust Authority

^BUDGET OVERVIEW: DEPARTMENT OF PUBLIC SAFETY

[1:43:06 PM](#)

JOSEPH MASTERS, COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY (DPS), introduced staff from the department. He provided a PowerPoint presentation titled "Department of Public Safety Department Overview." He highlighted that DPS was the primary statewide law enforcement agency; its mission was to ensure public safety and enforce fish and wildlife laws (slide 2).

[1:45:59 PM](#)

Commissioner Masters provided a list of DPS priority programs including, Law Enforcement Patrol and Investigations, which encompassed Alaska State Troopers (AST), Alaska Wildlife Troopers (AWT), and special investigative units; Rural Law Enforcement, which included the Village Public Safety Officer program (VPSO) and rural areas; Domestic Violence and Sexual Assault Programs; Statewide Public Safety Programs, which included various systems and crime laboratories; resource protection; and, highway safety (Bureau of Highway Patrol).

Commissioner Masters emphasized that the department was the primary state law enforcement agency (slide 3). He noted that DPS had a much broader responsibility than providing direct AST and AWT services; it had a statutory mandate that required it to assist other state, federal, and municipal agencies related to major crime investigations (e.g. homicide, drug and alcohol, and internet crimes). The department was also responsible for search and rescue and training; training assistance was provided through the academy in Sitka, the Alaska Police Standards Council, and other. Statewide impact was also facilitated by the Alaska Public Safety Information Network (APSIN).

Commissioner Masters outlined performance indicators on slide 4. He relayed that AST had responded to approximately 115,000 calls for service in the past year in addition to 733 search and rescue calls, and 18 homicide investigations (17 of the homicides had been solved). He noted that AST had solved 51 out of 53 homicides in the past four years. He addressed rural law enforcement and its associated key indicator that dealt with the amount of criminal activity cases that were referred to the Department of Law (DOL) for prosecution and whether the number was increasing; the number had increased from 31 percent in FY 10 to 36 percent in FY 11. He discussed that the number of domestic violence and sexual assault cases accepted for prosecution had increased from 41 percent in FY 10 to 44 percent in FY 11.

Representative Gara asked for detail on the meaning of the increase in accepted prosecutions for rural law enforcement and domestic violence.

[1:50:09 PM](#)

Commissioner Masters replied that the indicator referred to the number of cases investigated by troopers that were referred to DOL; the preference would be for the number to increase as high as possible. He explained that a number of different items influenced whether a case was prosecuted including, the quality of a case, the amount of evidence obtained, how the case was handled at DOL, the availability of cooperative witnesses or victims, and other. The department had a 70 percent target rate for cases accepted by DOL for prosecution; DPS had started with a success rate around the 30 percentile and the number had been steadily increasing over time. He detailed that the department worked to identify cases that it would not move forward due to a lack of evidence, but it did not want to superficially keep the number low to increase the cases accepted for prosecution. He relayed that some agencies submitted almost all cases they investigated; whereas, others only submitted cases that they knew would result in prosecution. He noted that AST preferred to get DOL involved even in the marginal cases.

Representative Gara wondered what prevented the department from reaching its 70 percent target. Commissioner Masters believed that 70 percent was an arbitrary number and not a realistic one. He stressed that the ability to obtain evidence and witness and victim cooperation were

significantly different between person and property crimes. He elaborated that the national trend was similar where property crimes had higher acceptance rates for prosecution than person crimes.

[1:53:39 PM](#)

Commissioner Masters continued to discuss DPS performance indicators on slide 4. He highlighted two significant indicators under statewide public safety programs related to crime lab performance and how quickly evidence was processed: (1) requests that were processed within 30 days had increased from 78 percent in FY 10 to 83 percent in FY 11. He believed the department's goal of an increase to 90 percent was feasible; (2) requests that took longer than 120 days to process had decreased from 2 percent in FY 10 to 1.5 percent in FY 11. He relayed that backlogs in the lab for sexual assault investigations and evidence did not go back further than March 2010. Significant improvements had been made on property crime backlogs, which currently went back to 2009. He noted that approximately 40 percent of the DNA submitted for property crimes enabled the department to develop suspects.

Commissioner Masters identified resource protection performance indicators (slide 4). He relayed that AWT was responsible for efforts to reduce recreational boater deaths; there were 12 deaths in FY 11 and 11 deaths in FY 10 (the four years prior to FY 10 had seen decreases in the deaths). He relayed that wildlife violations constituted 4.9 percent of the overall number of contacts AWT had with resource users. He expounded that in 2008 there were 58,000 contacts and 86,000 contacts in 2011. The number of violations had been decreasing over the years, which indicated a higher adherence to laws. He discussed a final performance indicator related to highway safety and relayed that there had been a 14 percent decrease in the number of fatalities that related to driving under the influence (DUI) compared to the prior three-year average. The three-year period had been used in order to avoid artificial spikes in one year impacting the next year's numbers. There were 72 fatalities in 2011, 19 of which were suspected to be alcohol related.

[1:58:12 PM](#)

Co-Chair Thomas wondered whether DUIs in municipalities were included in the DPS fatality figures. Commissioner Masters replied that the primary mission for the investigations were fatalities that occurred in AST areas of responsibility; there were some that were jointly investigated (e.g. DPS would offer assistance on highway fatalities that occurred in a corridor within a city. In some cases DPS would most likely do the investigations in areas such as Wasilla or Palmer).

Commissioner Masters directed attention to an organizational chart on slide 5. The commissioner had primary responsibility for Administrative Services, Alaska State Troopers, and the Alaska Wildlife Troopers. Deputy Commissioner, Terry Vrabec was in charge of the Crime Lab, Fire and Life Safety, Statewide Services, and the Training Academy. The department also housed the Alaska Fire Standards Council, Alaska Police Standards Council, Council on Domestic Violence and Sexual Assault (CDVSA), and the Alcohol Beverage Control Board.

DAN SPENCER, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF PUBLIC SAFETY, pointed to slide 6 and made a joke about an eye exam, given that the slide title did not match the number of years provided on its chart.

Commissioner Masters explained that the chart on slide 6 included a nine-year look back for the department's total agency operations. The chart showed that the department's average annual general fund growth rate was 7.8 percent - the number coincided with the overall average state department budget growth. Between FY 09 and FY 10 the DPS average budget increase was approximately one-third of a percent higher than the overall department average due to efforts by the governor and legislature to improve rural services and sexual assault and domestic violence measures. The primary drivers of the cost over the past several years were increased personnel (primarily state troopers), VPSO increases and improvements, the changeover from Permanent Fund Dividend (PFD) felon funds, increases within CDVSA, and salary adjustments.

Co-Chair Stoltze queried the status of the funding source for PFD felons. Mr. Spencer responded that the PFD felon funds had been sloughed out; funds had been replaced by general funds. He did not have current data on hand.

Co-Chair Stoltze was interested in the information because the issue was related to public protection and victims' rights.

[2:02:38 PM](#)

Commissioner Masters accentuated that the department's ability to deliver services was directly related to having qualified and skilled employees (slide 7). He drew attention to a line chart related to the management plan and filled state trooper positions. He relayed that 399 of the 412 authorized DPS positions within AST and AWT were filled. There were 318 authorized positions within AST and 306 were filled; the number had increased from 257 positions filled in FY 08. Currently 93 out of 98 authorized AWT positions were filled compared to 82 filled positions in FY 08.

Representative Neuman believed that the troopers were doing well; however, he pointed to some concern from the Big Lake community related to trooper response time. He had previously been told that DPS had approximately 30 trooper positions open. He wondered about the reason and what measures had been taken to increase the number of applicants.

Commissioner Masters replied that it was very difficult to arrive at the number of filled positions. The department had to count each person by name in order to determine the number; the exercise had shown that the number of vacant positions was less than DPS originally believed. For an undetermined reason DPS had a more difficult time recruiting for specific positions particularly in 2010 and part of 2011. He believed the number was picking up; eight new employees had been hired and five more were expected in April as a result of a lateral hire. He communicated that DPS was currently receiving applications for the fall 2012 academy. He estimated that there was currently a 75 percent increase in the number over prior years.

[2:06:54 PM](#)

Representative Neuman asked about current trooper retention compared to past years. Commissioner Masters believed that the number of positions had remained relatively stable and that the turnover rate had not been high. He noted that there had been some departures as a result of disciplinary

actions or internal investigations. Several employees had left for personal/family reasons, but there had not been a recent "exodus" of employees leaving in search of better jobs, higher pay, or improved benefits.

Commissioner Masters addressed a historical line graph indicating that 58 out of 59 court service officer (CSO) positions had been filled in FY 12 (slide 8). He detailed that the positions provided critical court system security. Additionally, the positions had moved 62,000 prisoners, served 23,000 writs, and 10,000 warrants. He explained that CSOs allowed troopers to concentrate on other high priority work. Slide 9 included a historical chart related to VPSO positions. He stated that the legislature had been working closely with DPS to ensure that the VPSO program was revitalized and supported. As of January 1, 2012, 96 of the 112 authorized positions were filled in 76 communities.

Representative Gara asked whether the governor's plan was to add 10 VPSO positions per year over the course of a 10-year period. Commissioner Masters replied that the governor's plan was to add 15 VPSOs per year for a 10-year period; the plan was currently in its third year.

Representative Gara agreed that the VPSO program should be expanded in order to protect crime victims in communities. He wondered whether the rate could be accelerated to more than 15 new positions per year. Commissioner Masters explained that 15 new VPSO positions per year was the maximum growth the department could handle. The limitation was not necessarily based on training, but on the ability to identify and receive applicants. Currently non-profit organizations were the primary recruiters and were working with communities to ensure that infrastructure to support the officers existed. He equated the situation to a three-legged stool that included DPS, non-profits, and the communities, which provided day-to-day guidance, infrastructure (e.g. offices and holding cells), equipment, and other. There were currently communities willing to have VPSOs that did not have the appropriate infrastructures or financial ability in place. The department was providing help with items such as grant writing for federal programs such as the Combined Tribal Assistance Solicitation; DPS was also looking at utilization of funds to provide some assistance to help put heaters in offices and the rudimentary level of equipment for holding cells. He

reiterated that there were a variety of reasons that the maximum level remained at 15 per year.

2:13:58 PM

Commissioner Masters reiterated the importance of the VPSO program. A University of Alaska Anchorage Justice Center study showed that serious physical injury resulting from felony assault was reduced by approximately 40 percent with the presence of VPSOs. Additionally, the acceptance for prosecution rates for sexual assault had been increased by 3.5 times even though VPSOs did not investigate sexual assaults. Domestic violence cases that were prosecuted also increased 2.5 times. He informed the committee that VPSOs had responded to over 7,000 cases in the past year; the number would increase in upcoming years.

Representative Edgmon wondered how many of the 7,000 cases the prior year had been related to alcohol. Commissioner Masters believed the number was around 80 percent or more related to criminal cases.

Commissioner Masters turned to slide 10 titled "FY2012 Increments." The first increment funded three new troopers for VPSO support; duties included mentorship of VPSOs, mentorship of communities with VPSOs, and work with non-profits to ensure that the program was running correctly. All three of the positions had been filled and were located in Bethel, Kotzebue, and Fairbanks. The proposed FY 13 budget included funding for one trooper position for every 15 VPSO positions. A new investigator and criminal justice technician for internet crimes against children investigation had been hired in FY 12. Funding had been provided in FY 12 for a new trooper post that had been established in Selawik; troopers assigned to the post would be permanently based in the community as of February 15, 2012. The budgeted public safety emergency communications coordinator position had been filled. As of January 1, 2012, 10 of the 15 authorized VPSO positions had been filled. A \$50,000 funding increment to the Alaska Police Standards Council was included in FY 12 for child forensic interview training; the training was currently in the development phase and the department expected to expend the funds by the end of the fiscal year.

Commissioner Masters pointed to FY 12 CDVSA increments on slide 11. He noted that the majority of funding went to

subgrants for CDVSA ongoing programs. He looked at the primary proposed FY 13 increments on slide 12. Increments included funding for the AST position for VPSO support (corresponding to the plan for 15 new VPSOs per year); the position was currently intended to provide support in Southeast. Another increment would go to AWT for a civilian pilot and operating costs for a turbine helicopter that would be stationed in the Interior for law enforcement response and search and rescue. A proposed \$500,000 increment would expand on existing VPSO funding to provide important VPSO and Village Police Officer (VPO) training that would enable the officers to meet APSC certification requirements. He added that VPSO training was currently APSC certified, but it did not meet the minimum standards to fulfill the requirements for basic police officer certification. He explained that DPS had a statutory responsibility to assist agencies with law enforcement. He elaborated that there were currently 125 VPOs in 49 communities who were hired by villages (subdivisions of state government). Most VPOs had little training; some had received two weeks of training through a Department of Justice grant that was no longer available. The proposal would integrate VPSO and VPO training, which would be provided in the Sitka academy and in regional hub areas such as Bethel. The slide also included an increment for a facilities maintenance position at the new crime laboratory facility.

[2:22:04 PM](#)

Commissioner Masters pointed to proposed CDVSA FY 13 increments on slide 13. The increments listed only related to DPS requests and not those included in the governor's initiative.

Representative Doogan referred to the department's FY 13 budget book and surmised that there had been a significant amount cost-shifting from federal to state funds. Commissioner Masters replied in the affirmative; several requests had been made as a result of diminishing federal funds. American Recovery and Reinvestment Act (ARRA) funding through the Justice Assistance Grants would be discontinued in the middle of FY 13. Currently ARRA funds paid for a DOL prosecutor and six investigator positions focused on investigations related to sexual assault, sexual abuse of minors, and internet crimes against children. He noted that the governor had approved very few full-time

positions that were attached to the federal funding; the expectation at the start was that the positions would initially be funded by the federal money and would eventually be funded by state general funds.

Representative Doogan observed that the DPS had the highest occurrence of cost-shifting out of all state departments. He requested an explanation of all of the shifts that had been made. He noted that several legislators had been sending departments the message that they should not expect federal funds to be replaced.

[2:25:53 PM](#)

Co-Chair Stoltze believed that when the positions had been created it was understood that the state would take advantage of the federal funds until it had to take over the financial responsibility.

Representative Doogan clarified that he had not meant to question the merits of the numbers, but only to ascertain what cost shifting was occurring.

Representative Neuman asked whether life saving measures were in place to respond to catastrophic events (e.g. a plane going down in Cook Inlet).

Commissioner Masters explained that the primary responders to a catastrophic event in Cook Inlet would be the Municipality of Anchorage and the Department of Military and Veteran's Affairs emergency management group; DPS would primarily act in a supporting role to provide resources and personnel. He believed the state would benefit by moving forward on improved planning with the municipality and the Ted Stevens International Airport. He did not think current plans were deficient, but that there was room for improvement.

[2:29:19 PM](#)

Co-Chair Thomas noted that the committee had been telling departments and school districts that ARRA funds would not be replaced with general funds. He would have a conversation with Co-Chair Stoltze about the proposed increment that could fall under a different circumstance.

Co-Chair Stoltze explained that the state had a commitment to the programs and had saved money by supplanting some of the costs with federal funds.

Co-Chair Thomas stressed that the committee had been firm [in its message to departments]. Commissioner Masters understood the committee's goals and would help provide information on determining priorities.

Mr. Spencer added that when ARRA funds had been discussed with the legislature, DPS was the only department that had received authorization to pay for positions with the funds.

[2:31:11 PM](#)

Commissioner Masters reviewed the status of current year accomplishments on slide 14. He discussed that the construction and completion of a new crime lab was on schedule and on budget with an expected completion date of approximately June 2, 2012. There were two ongoing projects at the Public Safety Academy, (1) was an addition that would allow the program to cook for and feed students in-house and (2) was the development of an emergency vehicle driver training track in Sitka. There was a successful Village Crime Reduction Program in rural Alaska where the department worked with AST and other agencies. He briefly referred to accomplishments in rural Alaska related to troopers and VPSOs.

Commissioner Masters spoke to major challenges that were before the department (slide 14). The loss of federal funds was one key challenge. The department had received a 10 percent federal Justice Assistance Grant penalty for non-compliance with federal Sex Offender Registration and Notification requirements; the penalty was expected to be between of \$65,000 to \$90,000. Additionally, DPS was working with the National Highway and Traffic Safety Administration and the Alaska Highway Safety Office regarding available Bureau of Highway Patrol funding.

[2:33:27 PM](#)

Commissioner Masters spoke to the department's ten-year operating plan, which included some of the primary relevant issues facing the department.

Representative Costello asked about the nature of the noncompliance with the Sex Offender Registration and Notification system. Commissioner Masters emphasized that Alaska had a very robust sex offender registration law and he believed it was doing well in the area. The state had a two-tiered system that included a lifetime or 10-year to 15-year registration requirement, whereas, the federal government had a slightly different three-tiered system. The federal government also required juveniles to register, but Alaska did not. Additionally, federal law required an in-person registration requirement; Alaska did require an initial in-person registration, but the requirement did not apply to re-registration. The cost of compliance would be approximately \$1 million to \$1.3 million per year.

Representative Costello queried whether DPS planned to continue to pay the fine or meet federal compliance in the future. Commissioner Masters clarified that the penalty was not a fine; it was a withholding of 10 percent of Justice Assistance Grants. His intention was to work with other impacted departments such as the Department of Law and Department of Health and Social Services; the concentration would be on items that made sense and related to public safety. The department would continue to debate with Justice Assistance its opinion related to whether or not it was in substantial compliance with requirements.

[2:36:29 PM](#)

Representative Edgmon stressed the importance of VPSOs to isolated communities. He asked whether there was a summary of all the current domestic violence programs provided by state departments. Commissioner Masters replied that the governor's office had compiled documents related to Governor Parnell's Choose Respect initiative, but they did not encompass every piece across departments. He offered to follow up with the documents.

Co-Chair Thomas equated efforts to combat domestic violence to fighting a forest fire. He asked DPS to follow up with information on the total cost spent across departments used to improve the problem. He wondered whether or not enough funds were allocated to the issue.

[2:38:57 PM](#)

AT EASE

2:47:07 PM

RECONVENED

^BUDGET OVERVIEW: DEPARTMENT OF CORRECTIONS

2:47:20 PM

JOSEPH SCHMIDT, COMMISSIONER, DEPARTMENT OF CORRECTIONS (DOC), introduced department staff. He discussed that he planned to provide a department overview including trends, core services, performance measures, and budgetary items. He pointed to a PowerPoint presentation titled: "Alaska Department of Corrections FY 2013 Overview." The DOC mission that had been written in 2008 was to enhance the safety of the state's communities, provide secure confinement, reformative programs, and a process of supervised community reintegration (slide 2). He relayed that the department's core services were derived from its mission statement and included secure confinement and reintegration.

Commissioner Schmidt detailed that one of the department's long standing targets was the number of correctional officer positions filled; the item remained part of the approach, but the focus had shifted from the end target of no escapes to how to achieve the goal. He noted that the topic of no escapes would be discussed later in the presentation; there had been one escape in January 2011, but the conviction had not taken place until July; therefore, it would appear in the FY 12 data.

Commissioner Schmidt moved to slide 3 titled "DOC at a Glance." Alaska was one of six states that operated as a unified correctional system, which meant that it oversaw all misdemeanants and felons; in states that were not unified, the state was in charge of sentenced felons and counties, municipalities, and sheriff departments were in charge of misdemeanants and unsentenced felons. He explained that when comparing itself to other states it was important to take the type of system into account. He relayed that in 2010 DOC had conducted 38,000 offender bookings of 22,000 individuals; people were often booked more than once. He expounded that 4,300 of the bookings were classified as Title 47s or non-criminal commitments, which constituted a 12-hour hold; individuals who were brought in due to danger of exposure to the elements fell into this category. He furthered that there were

approximately 6,000 offenders in prison and approximately 6,000 offenders on probation or parole. He added that Alaska's DOC ratios were fairly close to those of other unified states.

Commissioner Schmidt reported that 96 percent of the department's positions were filled; there were currently 1,511 staff. There were 12 facilities statewide and one out-of-state facility in Hudson, Colorado. The Colorado facility had capacity for 1,050 and currently housed 1,048 inmates. There were 13 field probation offices, 15 regional jail contracts, 6 community residential centers (halfway houses), and electronic monitoring programs in 7 communities.

Representative Joule referenced regional jails and asked about progress on the Kotzebue contract jail. Commissioner Schmidt would follow up with the committee following a February 7 meeting on the topic. He added that the department wanted to find movement where it could on the issue and to make things work. He furthered that many budgetary issues had been worked through, but that some questions still remained.

[2:52:01 PM](#)

Commissioner Schmidt pointed to DOC core services on slide 4. Core Services included providing secure confinement; there were 12 in-state correctional facilities with a maximum bed capacity of 3,840 beds. He noted that capacity was divided between maximum and general. Maximum capacity was determined by taking all general population beds and half of the special-use beds (e.g. segregation beds or other). He noted that it was preferable to have some level of empty beds to prevent having "to move someone to move someone"; some facilities were completely full on occasion (e.g. Bethel and other locations). He reiterated that the out of state Hudson, Colorado contract was for a maximum of 1,050 inmates. He explained that as the department became closer to opening the new Goose Creek Correctional Center (GCCC), inmates would begin coming back in the second or third quarter of the next fiscal year. Once additional progress had been made on the facility it was likely that some instate inmates would be moved into GCCC because the state was at its maximum capacity in the Colorado facility. Colorado had laws designating the type of prisoner that could be sent to its prison; therefore, Alaska was "getting

tight" on who it could send; the state was pushed into sending shorter term prisoners to the out-of-state facility, which resulted in a transportation and a reentry problem because prisoners did not get back to Alaska in time for reentry services.

Co-Chair Stoltze asked whether there were other contract facilities and if so how many. He referred to a police officer who had been convicted of "heinous crimes" and surmised that he would not have been placed in a general prison population. Commissioner Schmidt responded that there were currently 17 prisoners in contract prisons out of state.

Co-Chair Stoltze wondered where the contract prisons appeared in the budget.

LESLIE HOUSTON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF CORRECTIONS, replied that the budget item was included in the out-of-state contract component along with the Colorado contracts. The budget item was approximately \$24 million; \$23.4 million was for the Colorado contract and the remainder paid for the additional various contracts. She elaborated that in addition to high profile prisoners, there were some seriously ill prisoners who were housed in a special needs prison in Shelton, Washington.

Commissioner Schmidt continued to discuss core services on slide 5. In relation to the department's "provide supervised release" strategy, there were six community residential centers (halfway houses) with 789 beds. He noted that halfway houses allowed for housing, employment, and sober support, which were the most important items when it came to an individual's reentry into the community; the chance of recidivism was greatly increased if one or more of the items were not addressed. Offenders were not placed in halfway houses because they were less expensive than jail beds; they were used as an appropriate measure to provide reentry service and additionally helped to reduce overcrowding issues in jails. The department housed 13 regional adult probation offices, and 7 communities with electronic monitoring with the capacity to support up to 385 offenders; the success rate was approximately 90 percent. The electronic monitoring had been expanded and was currently beginning in Barrow; the service had been used with 130 offenders in 2008 and was currently

supporting 350 offenders. The current budget would use program receipts to fund a couple of staff positions; the goal was to increase the number of offenders on electronic monitoring to approximately 380. He added that the program was very inexpensive to operate.

[2:56:45 PM](#)

Commissioner Schmidt addressed DOC reformative programs including, substance abuse treatment, sex offender management, vocational education, education, domestic violence, faith-based reentry, and mental health services (slide 6). The department's studies showed that 92 percent of people in custody had issues with substance abuse. He noted that a person's substance abuse problem was not always the reason they committed a crime. He relayed that DOC had a sex offender management program at the Lemon Creek Correctional Center in Juneau and was hoping to implement another program in a location that had not yet been disclosed. He furthered that DOC had implemented an innovative treatment program in the Bethel halfway house; the program helped prevent offenders from being "trapped" in Anchorage on a waiting list. He added that the department was considering expanding the model to domestic violence.

Representative Gara wondered whether substance abuse treatment programs were offered for different time periods (i.e. 30 days to 6 months) based on prisoners' needs. Commissioner Schmidt deferred the question to Deputy Commissioner Carmen Gutierrez. He noted that the average prisoner stay was between 120 and 160 days. In the past the department had one long-term program that had been shortened to 6 months; any new programs were between 90 and 150 days in order to bring them into alignment with the average prisoner stay.

CARMEN GUTIERREZ, DEPUTY COMMISSIONER, DEPARTMENT OF CORRECTIONS, answered that the treatment programs were not one-size-fits-all. She explained that there were two separate treatment programs that were provided based on inmate risk assessment and substance abuse assessment screening: (1) a 90-day program for short-term treatment and (2) a program at Highland Mountain female prison and an out-of-state Residential Substance Abuse Treatment (RSAT) program in Colorado that lasted six months or more. The goal was to coordinate the treatment to end close to the

time of an inmate's release date. There were after care programs available in Anchorage and Fairbanks, given that research showed that after care increased the effectiveness of the treatment programs.

Representative Edgmon shared that he along with other committee members had toured the Goose Creek Correctional Center in October 2011. He observed that half of the facility was built to house prisoners and the other half was to provide special programs. He wondered how much the new facility would increase the department's statewide capacity to implement treatment programs (i.e. front-end services/the "Jerry Madden" model).

Commissioner Schmidt replied that GCCC would allow for some increased program capacity. Prisoners incarcerated for more than one year would probably be sent to a facility such as GCCC and back to a facility near home when they neared the end of their stay (with treatment needs already met). The department was currently using the Colorado facility in the same way; with the opening of the new facility there would be a great increase in-state, but inclusive of the Colorado facility it would not be a great increase overall. The department was currently assessing how large the program plan should get; there was capacity for approximately 1,000 per year. Criminality had not been solved but recidivism rates had been reduced as a result of treatment programs.

[3:03:22 PM](#)

Representative Edgmon surmised that the additional space that GCCC would provide would enable room for programs such as vocational education and other that had not been possible before. Commissioner Schmidt responded in the affirmative related to vocational education.

Ms. Gutierrez added that the goal of GCCC was to provide a living environment where prisoners were required to accept responsibility for themselves; they would be required to get meals, medications, mail, and other. To the fullest extent possible the prisoners would be employed; the space would allow the department to offer a variety of vocational education programs that would provide prisoners relevant job skills to use upon their release. The department was currently working to identify the most appropriate vocational training for the facility.

Commissioner Schmidt directed attention back to DOC core services on slide 6. He touched on educational programs and the importance of General Educational Diplomas (GED). He listed other programs including domestic violence, faith-based reentry, and mental health services. He relayed that 18 percent to 20 percent of the prison population was chronically mentally ill.

Representative Joule observed that frequently a court order required prisoners to complete substance abuse, domestic violence, sex offender, or other treatment programs; until recently treatment services had not been available in Alaska's prisons. He discussed that prisoners released in a location other than their community who were required to complete a treatment program to fulfill a court order were often faced with needing to find finances to pay for their travel home. Many families did not have funds to pay for travel; therefore, individuals were placed in precarious positions. He wondered whether the issue had been solved.

Commissioner Schmidt agreed that the issue was a problem. He relayed that the department was proud of the Bethel model [where offenders were provided treatment in a halfway house]. He stressed that when individuals were released away from home without the required treatment the risk of re-offense while waiting to get into treatment was close to 100 percent because housing, sober-support, and jobs were not an option. An expansion of the Bethel model to other communities would help solve the problem when treatment in prison was not an option.

Ms. Gutierrez added that DOC was aware of the untenable situation facing rural Alaskans who were released from custody with court order conditions that made it impossible for them to return to their communities. She expounded that the department employed one probation officer who worked on release plans; the officer contacted communities to determine whether it was safe for an individual to return while waiting for admittance into a treatment program. Often times it was not possible for a person to return home safely because a victim may reside there or due to a lack of support or other. She elaborated that when the individuals ended up in an urban area (e.g. Anchorage or Fairbanks) with no support or experience, they typically ended up in a homeless shelter and reoffended for drinking or other; at that time an individual was placed back into custody and was put at the bottom of the waiting list for

treatment. In order to address the serious problem the department had increased the number of community providers particularly for sex offender community-based treatment; the previous wait for treatment in Anchorage had been one year, but it was currently down to 30 days. She furthered that in some other communities there were no longer waiting lists.

[3:10:59 PM](#)

Commissioner Schmidt followed up that the department would look into purchasing plane tickets for former inmates following the completion of the required treatment program.

Representative Neuman asked for detail on any current vocational education programs that were offered in prisons throughout the state. He wondered about the percentage of inmates who were provided the opportunity to participate in the programs. Commissioner Schmidt would get back to the committee with the information.

Representative Neuman asked how many facilities offered vocational education. Ms. Gutierrez replied that there were no vocational training programs at facilities that were primarily pretrial (e.g. the Anchorage Complex); however, the majority of the facilities housing sentenced offenders had programs. She detailed that the Palmer facility had a carpentry program. Additionally the department was working on creating a welding program (similar to one offered in the Colorado facility), there was a small engine repair program in northern Alaska, a net mending class in two institutions for fishermen, a materials maintenance program, and other. She relayed that the programs were all listed on the DOC website; the department would provide the committee with a comprehensive program list.

Commissioner Schmidt pointed to mental health services offered by the department. There were approximately 1,200 new referrals per month statewide; 42 percent of the prisoners were mental health trust beneficiaries and 18 percent to 20 percent had chronic illnesses such as bipolar disorder or schizophrenia. He believed that the department was the biggest mental health provider in the state.

Representative Gara asked whether there would be a material improvement in any of the treatment programs when comparing

the current Colorado facility with the Goose Creek facility.

Ms. Gutierrez replied that the RSAT program in Colorado was very high quality; it was the department's goal to have superior vocational education and faith-based re-entry programs. Currently DOC was not considering a sex offender treatment program at GCCC and there was not an existing program at the Colorado facility. The agency believed that overall Goose Creek would provide greater services to a greater number of inmates.

Representative Gara asked whether any other programs would be superior at Goose Creek aside from vocational education.

Ms. Gutierrez answered that education would also be superior. She explained that currently the Hudson Correctional Center was not obtaining the number of GED graduates that were achieved in the in-state prison system.

Commissioner Schmidt addressed performance indicators on slides 7 through 9. The department worked to achieve secured confinement with no prison escapes; there had been one prisoner convicted of escape in the beginning of 2012. Another goal was to decrease the number of special incident reports; the reports were filed when inmate misbehavior was above and beyond normal levels (e.g. staff were harmed or another prisoner was harmed). He detailed that the number had decreased from 70 incidents in 2009 to 66 in 2010.

Commissioner Schmidt highlighted supervised release goals on slide 8. The department was working to increase the percent of probationers and parolees who satisfy their court ordered conditions of release. During FY 11 1,820 offenders were discharged and 48.5 percent met requirements established by courts; the statistic had not been calculated in the past and DOC hoped to improve the number the following year. The new statistics were aimed at helping the department identify areas that needed improvement. Efforts were underway to reduce the criminal recidivism rate; according to a 2007 judicial council study, recidivism was defined as a person who reoffended within three years of their release date. He furthered that currently the first participants in the program plan had been out of jail for two years; the number would be more meaningful the following year for comparison purposes. The percentage of felony offenders re-incarcerated within three years had been decreased from 50 percent in 2007 to 49 percent in 2008. He noted that the people released in 2008

marked the beginning of the program; therefore, the department expected the number to decrease when data was available in the future.

Commissioner Schmidt discussed reformatory programs on slide 9. The number of offenders who completed an institutional or community based substance abuse treatment program increased from 424 in FY 10 to 719 in FY 11. Under a containment management program the number of sex offenders who received a polygraph [while on probation] increased from 383 in FY 10 to 454 in FY 11. Sex offenders were contained and modeled and the department worked to make sure that behavior was not repeated.

[3:18:34 PM](#)

Commissioner Schmidt continued to discuss reformatory programs on slide 10. He addressed work to increase the number of offenders who receive a GED while incarcerated; the number had gone from 247 in FY 10 to 254 in FY 11. He remarked that the number had been in the 180s a couple of years earlier and that the department was proud of the improvement. Inmates who completed the faith-based rehabilitative program had increased from 36 in FY 10 to 44 in FY 11. He communicated that the faith-based programs were not scientific; therefore, performance data was difficult to compare with other programs.

Commissioner Schmidt pointed to DOC goals (slide 11), which included, protection of the public, reduction of recidivism, delay the need for the construction of a new prison for sentenced offenders (he pointed to talk that Goose Creek would cost \$50.5 million per year. Every year the department could put off running another facility was another \$50 million not spent on incarceration), ensure that incarcerated offenders spend their time in custody productively, and work collaboratively with outside stakeholders to achieve the goals (e.g. work with Anchorage police, the Department of Health and Social Services (DHSS), and other). He noted that DOC had revamped its internal medical system.

Commissioner Schmidt directed attention to challenges on slide 12. The department worked to meet operational needs around the clock; it did not have control of who came in the door or over inmates' health. He stressed that DOC needed to stay dynamic and make fiscal changes as needed on

an annual basis. He reiterated the importance of community based resources that offered sober support, housing, and employment to released offenders. He relayed that Ms. Gutierrez worked with communities to locate different resources and on the five-year reentry plan; 95 percent of offenders would be released into communities and the more the public was involved the better. He touched on the need to conduct necessary maintenance on aging facilities. Electronic records were important as DOC compiled its program plan. He explained that the interfacing of computer systems was always challenging.

Commissioner Schmidt turned to additional challenges facing the department (slide 13). Medical care costs the prior year were approximately \$40 million; as a result the department conducted a dismantling of the system to examine all associated costs. The approval process for outside medical treatment had been significantly decreased. He furthered that it was the first year he could remember that the department was not requesting a supplemental for medical expenses. He noted that the issue had not been solved, but he believed DOC was on the right path. He hoped that work with DHSS would result in external improvements such as Medicaid billing for halfway house occupants and other. The department would detail internal changes in budget subcommittee meetings during the current legislative session and would address remaining issues including increased efficiencies and alternative ways to pay for medical costs.

[3:22:58 PM](#)

Representative Costello believed that inmates were prohibited from traveling with prescriptions and as a result DOC pharmacists were filling prescriptions more than once for the same inmates when individuals were transferred to long-term correctional facilities. She believed prescriptions were purchased in bulk from manufacturers. She believed there was waste of pharmaceuticals and that the situation presented a burden to the limited number of DOC pharmacists. She wondered whether the department was looking at the issue to save costs.

Commissioner Schmidt believed prescriptions went with inmates when they were transported, but he would follow up with a detailed response. He detailed that the department had begun to provide a one-week supply of medication

(particularly in the mental health area) because it would have been thrown away and going off medication would cause more problems and recidivism; there was a cost to the strategy and in order to prevent a waste of prescriptions, medicine was used for other inmates when possible.

Ms. Houston added that DOC had improved its storage of pharmaceuticals. She agreed that the department would get back to the committee with an answer.

Commissioner Schmidt pointed to two pie charts on slide 15 related to the percent of offenders based on their length of stay. He communicated that in December 2002, 52 percent of inmates were in jail for six months or less; the number had been reduced to 38 percent in December 2011. He clarified that the slide only showed a one-day snap shot. The number of inmates in jail for three years or more had gone from 6.94 percent in 2002 to 23 percent in 2011. He did not have detail on what had caused the change, but noted that program plans were built around the average sentence length. He provided a one-day snap shot of percentage of inmates sentenced for violent versus non-violent crimes on slide 16. The non-violent number had increased from 42 percent in 2002 to 62 percent in 2011. He communicated that the bad news was that expensive prison beds were being used for a large number of non-violent inmates; the good news was that the non-violent criminals could usually be placed in other community-type placements.

Commissioner Schmidt turned to slide 17 titled "Institutional Inmate Population 2002 - 2020," which included a chart depicting how the population lined up with the number of prison beds. He explained that the red line illustrated the number of prison beds; there were not enough beds for the population, which resulted in the need for an out-of-state contractor. He related that when the Goose Creek facility opened there would be a few more beds than inmates; however, in 2015 or 2016 the system would be out of prison beds again. He expounded that another prison would not need to be "on board that day," but it did mean that discussions about a prison would be necessary; he did not look forward to the issue. The need for extra prison space could be pushed out further into the future if recidivism rates were addressed and decreased even minimally.

[3:28:44 PM](#)

Ms. Houston outlined FY 13 operating budget changes on slide 18 (shown in millions):

- Salary and Health Insurance Increases \$ 1,961.6
- Maintain Current Level of Services \$ 2,487.4
- New Initiatives \$29,182.6
- FY12 August Fuel/Utility Reversal (\$ 720.0)
- One Time Item Reversal (\$ 630.0)

Co-Chair Stoltze wondered how much of the \$29 million for new initiatives was not directed at the Goose Creek facility. Ms. Houston replied that the request for Goose Creek was \$29.1 million.

Co-Chair Stoltze observed that the entire amount under new initiatives was designated for Goose Creek and requested more transparency in the future. Commissioner Schmidt affirmed.

Ms. Houston pointed to FY 13 capital changes on slide 19 (shown in millions):

- Maintain Current Level of Services \$6,000.0
 - o Annual Facility Maintenance & Repairs
 - o Deferred Maintenance Projects
- New Initiatives \$5,250.0
 - o Goose Creek Correctional Center FFE
 - o Information Technology Disaster Recovery & Novell Replacement Projects

Representative Gara pointed to slide 13, which showed that medical costs in Anchorage had increased by 46 percent compared to a nationwide increase of 27 percent. He referred to a recent Medicaid presentation that had shown that per patient costs would increase drastically. He stressed that rising health care costs were impacting numerous state agencies the increase was one of the biggest drivers of future budget problems facing the state. He noted that the reasons for the dramatic increases were not apparent and that an answer could only come from the health care industry. He remarked that an increase of stricter laws designating more crimes as felonies was responsible for the increase in non-violent, incarcerated offenders who

were serving longer jail sentences. He stated that the increase would cost the state more money.

Co-Chair Thomas commented that with the combination of declining revenue and oil production and an average budget increase of 7 percent annually, the state would be in a deficit in two years; therefore, the legislature was urging departments to keep their budgets down.

[3:32:10 PM](#)

AT EASE

[3:36:48 PM](#)

RECONVENED

^PRESENTATION: ALASKA MENTAL HEALTH TRUST AUTHORITY

DR. WILLIAM DOOLITTLE, BOARD MEMBER, ALASKA MENTAL HEALTH TRUST AUTHORITY (AMHTA), introduced staff and trustees. He communicated that program details would be provided in depth during finance subcommittee presentations. [A PowerPoint presentation was on hand titled "House Finance Committee FY 13 Budget; Alaska Mental Health Trust Authority" (copy on file).]

LARRY NORENE, TRUSTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY, referred to a legislative resolution from two years earlier that had encouraged the trust to develop its resources in order to increase income it could contribute to the budget for mental health issues. He furthered that trustees had learned several years earlier that income was declining; the discovery had coincided with a discussion related to future mental health needs.

Mr. Norene elaborated that the permanent fund had not been producing, Trust Land Office (TLO) income was declining, the population was aging, and a decline in state revenue was possible. Trustees had determined that a change in direction was necessary in order to provide income to meet current spending and future beneficiary needs. He detailed that with a new TLO director the work was well underway. Trustees were pleased with progress in all areas; resource managers for oil, gas, minerals, timber, real estate, and coal were producing. Progress made was giving trustees a "glimmer of hope" that the trust could potentially contribute its share of funds in the future. The impetus for trustees' concern was the decrease in income combined

with the projected need shown in the AMHTA annual report. The trust was underweight, but it was considering a number of resource development projects including investments in income producing properties versus current raw land investments that were more of a liability than an asset.

Co-Chair Stoltze asked for a history of the litigation and how components of the settlement fit together.

[3:44:24 PM](#)

JEFF JESSEE, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY, gave a brief history of the program. He explained that when Alaska was working to become a state the question of how to pay for an existing hospital that treated mental health patients arose in conjunction with the fact that the state did not like the existing system and wanted to create its own mental health program. Congress had passed the Mental Health Enabling Act and along with it came some cash that built the original Alaska Psychiatric Institute and a motel in Valdez for people with developmental disabilities; federal revenue was provided, which diminished over an eight-year period to wean the state off of the federal funds; the first and only mental health land trust in the nation was created. He provided additional history related to the development of the trust. There was a settlement in 1995 that resulted in a \$200 million cash endowment and a reconstituted 1 million acres of land. The money was managed by the Alaska Permanent Fund Corporation and the TLO managed the trust's natural resources; the income from the land was the trust's funding source used to assist with mental health programs.

Co-Chair Stoltze queried the legal obligations the trust had that were different than other land management groups. Mr. Jessee explained that trustees had a primary obligation of loyalty to trust beneficiaries. The mission was to maximize revenue from the trust's natural resources and other assets over time. Managers of normal state land often considered multiple public needs and uses that may be different than revenue generation; a discount may also be given to an industry for a particular asset in order to create jobs. He reiterated that the trust's goal was to maximize revenue to the trust for services to the beneficiaries.

[3:48:01 PM](#)

Co-Chair Stoltze concluded that when weighing the needs of providing a program, a judge may look at providing for something like Fetal Alcohol Spectrum Disorder versus a neighborhood view shed concern.

Mr. Jessee replied in the affirmative. He added that the trust also endeavored to be a good neighbor. For example, the trust worked to trade sensitive lands - that could cause difficulties such as landslides next to homes - with other less sensitive lands with resources.

Co-Chair Stoltze asked what type of view the trust took related to length of investments. Mr. Norene responded that the trust was perpetual and took a very long-term view. He furthered that private foundations and other were required to "spend things off," but the trust was only looking for growth and income; it was in the process of developing a 5-year investment strategy for internal use.

[3:49:38 PM](#)

Co-Chair Thomas asked whether sensitive lands traded to AMHTA for development represented a good deal related to resource management. He expressed concern about the logging of primarily old-growth forest compared to second-growth areas.

MIKE BARTON, TRUSTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY, answered that lands consisted of a full range of age classes including some old-growth and different stages of second growth. He expounded that the old growth would be immediately available for harvest and second-growth would come on while the old-growth was developed. He opined that there were many definitions of a good deal. He stated that there was much more value in the standing timber located on lands given up by the trust; however, because of the surrounding controversy, he believed there was a legitimate question related to how much of the sensitive land would be available for development and in what timeframe it would occur.

Co-Chair Thomas stated that people still believed logging was negative. He discussed that areas of his district had experienced significant logging compared to other more urban areas such as Juneau. He was sensitive about further harvesting of resources in his district despite the fact

that jobs would be created. Mr. Barton commented that the entire area on each side of the Gastineau Chanel in Juneau had been clear-cut at one point.

Co-Chair Thomas noted that the harvesting had occurred during the past mining days. He stated that there had been no logging in the Juneau area since around 1978. He wanted to be comfortable with the strategy going forward.

[3:52:36 PM](#)

GREG JONES, EXECUTIVE DIRECTOR, MENTAL HEALTH TRUST LAND OFFICE, DEPARTMENT OF NATURAL RESOURCES, responded to a prior question related to the trust's future plan. He explained that the five-year plan was built on 20-year financial projections. Trust activities had "ramped up" significantly in the past several years and included minerals, timber, real estate, and oil and gas. Many of the projects were high profile including the Chickaloon coal lease sale, which had received strong industry interest. Other projects included an underground coal gasification project that was currently underway, and work with a mining company interested in obtaining the Chuitna Coal Project, and coal leases in Healy and Sutton with Usibelli Coal Mine.

Mr. Jones continued to list current AMHTA projects including work on the Fort Knox gold mine to expand the area and extend the life of the mine out to 2021, International Tower Hill Mines was working in an area with gold deposit that was in the top two percent in the nation, and a 212-acre lease had been issued for a mine in Salcha. The trust was working with Buccaneer on a new gas field in Kenai that was already producing royalties. Efforts were also underway with other oil and gas companies including Apachee, Cook Inlet, and Aurora on exploration, drilling, and production. The real estate focus was to sell some of the trust's non-performing assets (valuable lands without development capability), create investment property, and to purchase income property. The trust had purchased an office building in mid-town Anchorage and was working with a Fortune-500 company on a single-tenant lease. He briefly touched on timber investment; AMHTA was working to create a land exchange with the U.S. Forest Service in order to move away from communities concerned about their view sheds while simultaneously not damaging the trust's ability to generate timber revenue. He stressed that with close to \$40

million in revenue, timber had been the largest contributor to the trust since the settlement; it had averaged at almost \$3 million per year, which would change if the exchange was not conducted.

[3:56:46 PM](#)

Representative Gara appreciated the way the trust had worked with communities near mines with one exception. He stated that the Chuitna project currently included a proposal to dredge up 11 miles of salmon-bearing habitat connected to the Chuit River. The project that would ship coal to China was opposed by the residents of Tyonek. He asked trustees to work with a contractor on a proposal that did not involve dredging up the salmon stream. He understood that the trust believed the habitat could be rebuilt; he stated that salmon streams were not like Dorito chips - it was not possible to just make more. He reiterated his hope that the trust could find an alternative. He added that commercial fishermen in Cook Inlet had gone on the record opposing the project.

Mr. Jones replied that the trust was concerned about the issue as well and had been working with a contractor and the community. The trustees had traveled to look at successful methods for rebuilding habitat at existing mines in the Lower 48 and Alaska. He agreed that salmon streams could not just be recreated, but there were successful examples. He furthered that the trust was taking a close look to determine whether the proposal could achieve a successful outcome related to the salmon habitat. He relayed that the trust would be against the project if a successful outcome was not possible. Trustees were currently working with the U.S. Army Corps of Engineers to establish the conditions of the return of the land to the trust upon completion of the project.

Representative Guttenberg wondered what condition the proposal specified the land should be in upon its return to AMHTA. Mr. Jones answered that the proposal was for the land to be returned as forestry silvaculture lands. He elaborated that the creek would be replicated during the mine and when the land was returned the original stream would be put back with the replicated creek left in place.

Representative Guttenberg communicated that he was interested in seeing how the proposal compared to rivers that had been reclaimed in the past.

Co-Chair Stoltze compared the issue to the Pebble Mine [another controversial mine proposal in Alaska]. He asked about the trust's land responsibility and how it fit into the overall mission.

Mr. Jones replied that the trust took a very long-term view [on land management]. He detailed that the principal assets of the trust could not be disposed of without being reinvested; principal assets could not be used to fund programs or any other overhead. He furthered that the trust remained intact and that if land would be returned, AMHTA wanted to ensure that there would be an economic use for it; in the case of the Chuitna mine it would be 30 years in the future. The trust routinely discussed what land would be worth in 100 years.

[4:01:31 PM](#)

Representative Doogan referred data on slide 6 of the presentation. He wondered whether the \$24.6 million in distributable income was the trust's target or an expectation. Mr. Jones responded that the \$2.4 million TLO income shown on the slide was currently over \$4 million. The total projection was calculated on a formula for withdrawals from the investment fund plus the TLO income. He believed AMHTA did a relatively precise job with forecast estimates based on known activities and balances.

Representative Doogan inquired whether \$25 million was what the trust hoped to get or what it expected to get. Mr. Barton replied that the \$24.6 million was what the trust expected to get and did not represent a target.

Co-Chair Stoltze surmised that the trust's goal was to increase the TLO income through investment in additional gold and coal mines and oil and gas leases. He had heard a universal request from beneficiaries - who understood that there was a legal and moral obligation to the budget and settlement - to please let them stand on their own feet.

Mr. Barton agreed that the intent was to grow the total TLO income as quickly as possible.

Mr. Jones added that the TLO was one of the most malleable and manageable areas. The trust had worked hard in the past 1.5 years to focus on income and to increase its number of resource projects.

Co-Chair Stoltze expressed that he would love to hear success stories and that AMHTA had been allowed to use the tools provided by the courts. He recalled the work and time it had taken for the trust to get to its current point. He stated that the goal was to provide beneficiaries with the tools to help themselves and to adhere to the legal obligations specified by the settlement. He would be happy to hear that there were no waitlists for people with disabilities and that the necessary programs were available.

[4:07:33 PM](#)

Mr. Jones recalled that when he started in 2010 he had been given the mission to increase income and maximize the value of resources. Currently there were 1,000 jobs on trust land throughout the state. He surmised that within the next five years there would be 2,000 jobs on trust land.

Mr. Jones relayed that trustees were open to any questions from the committee.

Co-Chair Stoltze believed there was currently an alignment of interest and opportunity related to the trust. He shared that he would love for beneficiaries to have coal and gold mining, land rental royalties, and other. He had tried to be consistent on his message related to the issue. He thanked the trustees for their work.

#

ADJOURNMENT

[4:10:59 PM](#)

The meeting was adjourned at 4:10 PM.