

**ALASKA STATE LEGISLATURE**  
**SENATE STATE AFFAIRS STANDING COMMITTEE**

February 24, 2011  
9:00 a.m.

**MEMBERS PRESENT**

Senator Bill Wielechowski, Chair  
Senator Joe Paskvan, Vice Chair  
Senator Kevin Meyer  
Senator Cathy Giessel

**MEMBERS ABSENT**

Senator Albert Kookesh

**COMMITTEE CALENDAR**

OVERVIEW: DEPARTMENT OF PUBLIC SAFETY

- HEARD

OVERVIEW: DEPARTMENT OF ADMINISTRATION

- HEARD

OVERVIEW: DEPARTMENT OF CORRECTIONS

- HEARD

**PREVIOUS COMMITTEE ACTION**

No previous action to record

**WITNESS REGISTER**

JOE MASTERS, Commissioner  
Department of Public Safety  
Anchorage, AK

**POSITION STATEMENT:** Presented Department of Public Safety overview.

BECKY HULTBERG, Commissioner  
Department of Administration  
Juneau, AK

**POSITION STATEMENT:** Presented Department of Administration overview.

JOE SCHMIDT, Commissioner  
Department of Corrections  
Anchorage, AK

**POSITION STATEMENT:** Presented Department of Corrections overview.

CARMEN GUTIERREZ, Deputy Commissioner  
Division of Rehabilitation & Reentry  
Department of Corrections  
Anchorage, AK

**POSITION STATEMENT:** Presented overview for Division of Rehabilitation and Reentry.

#### **ACTION NARRATIVE**

[9:00:06 AM](#)

**CHAIR BILL WIELECHOWSKI** called the Senate State Affairs Standing Committee meeting to order at 9:00 a.m. Present at the call to order were Senators Giessel, Paskvan, and Chair Wielechowski.

#### **PRESENTATION: DEPARTMENT of PUBLIC SAFETY**

[9:03:08 AM](#)

**CHAIR WIELECHOWSKI** announced the first order of business would be a presentation by the Department of Public Safety.

**JOE MASTERS**, Commissioner, Department of Public Safety, said they have both a constitutional and a statutory mandate to provide public safety. One of the biggest drivers of service need is the population. As the population increases, the need for public services increases, as does the amount of crime. Mt-Su is the largest and fastest growing service area, and is policed mainly by state troopers. This is the main area of growth in the department. The question is how to best meet those increased needs.

[9:06:30 AM](#)

Efficiencies in services allow them to apply resources where needed, to do more with existing resources. A fundamental question is how to maximize and better leverage technology in order to improve services. One way is through the ability to interface with other agencies; to facilitate transfer of information between departments.

[9:07:46 AM](#)

**SENATOR MEYER** joined the meeting.

The backbone for public safety information in the state is the APSIN system. The current mainframe is archaic, and needs to be moved to a server-based system in order to experience cost savings. The Alaska Records Management System (ARMS) is just starting. This will allow a change in the way they do police reports, so they will reside on a system where they can be accessed by other agencies. This must be done through technology.

[9:09:54 AM](#)

Another increased efficiency would be the expanded use of video teleconferencing, especially for court hearings. This would require the cooperation of all three branches; executive, legislative, and judicial. Currently there are some allowances for video court hearings, but this needs to be greatly expanded. For instance, when grand jury hearings are held in Anchorage, this requires officers to fly in from rural areas, which takes a day of travel. Then they wait in the courtroom for their turn to testify. Then it takes another day to get back to their stations. The result is three days of lost productivity, in an area that cannot afford to lose a trooper for even one day. Expanded use of video in grand jury hearings would be a huge increase in efficiency. It could be used when no cross examination is needed.

CHAIR WIELECHOWSKI asked if that would require a statutory change.

[9:12:14 AM](#)

COMMISSIONER MASTERS answered he thought it would take legislation and a court rule change.

Another area for increased efficiency is collaboration with other agencies. An example is the recent partnership of Public Safety with Corrections in the Village Public Safety Officer (VPSO) program. This provides efficiencies to both agencies. VPSOs assist with supervised probation in rural areas, which save time and cost of travel for the Department of Corrections (DOC) and allow DOC to put probationers in rural areas where they could not in the past.

Just beginning is a collaboration with statewide coordination of 911 and emergency communications.

[9:15:34 AM](#)

They have examined work flow processes in some areas. For instance, there was an issue with fingerprint background investigation time. Prints were submitted by job seekers (i.e. school bus drivers) and the average turnaround time was 105 days. This was unacceptable, and provided no protection, because people were hired before the check was complete. So the department looked at workflow and made changes and automated some pieces, and they reduced the time to three days. This is a small example but this type of thing can be done on a broader scale. The state needs to use consultants, develop internal expertise, and perhaps standardize some processes in state government.

9:18:50 AM

SENATOR PASKVAN asked about the issue of turnover, and what are the challenges to recruiting and retaining.

COMMISSIONER SCHMIDT said finding and retaining longer term employees is fundamental. They have low turnover at the commission level. He feels it is a good organization, with good training, and the salary and benefits are sufficient to attract people. This is not true in all job classes of the department. Some may be lagging in adequate pay, for instance computer programming and scientific analysis.

CHAIR WIELECHOWSKI asked about other specific work flow changes that could be looked at.

COMMISSIONER said he would get back on that.

CHAIR WIELECHOWSKI asked about jurisdictional issues; in the MatSu, for instance.

COMMISSIONER SCHMIDT responded there is no requirement for municipalities or boroughs to provide public safety services. They are only provided if taxes are sufficient to fund services. Cities provide some, but not usually unincorporated boroughs. Most of the population lives outside of city boundaries.

CHAIR WIELECHOWSKI asked if troopers go into Wasilla and Palmer.

COMMISSIONER SCHMIDT answered they have informal agreements with those areas, and statute also allows them to assist municipalities. Troopers help out with things like homicides, drugs, and highway safety. Often troopers traveling between areas will witness things, so they take care of them.

SENATOR MEYER asked about Girdwood.

COMMISSIONER SCHMIDT responded Girdwood is within the municipality of Anchorage. Citizens pay taxes in some service districts, but not in Girdwood, so troopers are there.

[9:26:16 AM](#)

CHAIR WIELECHOWSKI asked if there are any redundancies in the department.

COMMISSIONER SCHMIDT answered that is a loaded question. They are working on looking at organizational structure, and there is some talk of reorganization to better deliver services. They have reduced the number of bureaus. Several positions have been refocused. Internal accountabilities, internal audit review, inspections, planning and research are being conducted.

**PRESENTATION: DEPARTMENT of ADMINISTRATION**

[9:28:52 AM](#)

CHAIR WIELECHOWSKI announced the next order of business would be a presentation by the Department of Administration.

BECKY HULTBERG, Commissioner, Department of Administration (DOA), said the need to decrease growth in the cost of state government is very much on her mind. Today the state has a healthy savings account and sufficient revenue, but this could change in the future. DOA has a stewardship responsibility to ensure the public gets maximum value for dollars spent. They provide support services to state government, so things like relationships with employees, as well as retirement and benefits, are within their department. Governor Parnell has asked cabinet members to be innovators and collaborators. This sounds simple but is extremely important.

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She has identified two themes around efficiency and effectiveness. The first is technology as an enabler of improved business processes. Technology is a driver of efficiency if implemented effectively. The ASSET project is a standardized timekeeping system. Currently a lot of manual work is followed by data entry. Using this system will improve efficiency in that area.

CHAIR WIELECHOWSKI asked how it would work.

COMMISSIONER HULTBERG responded that the use of manual systems or Excel spreadsheets requires duplication of entry. By setting up an automated system, duplication will be avoided. Some divisions and departments may use a time clock, such as corrections, but most employees will use the interface.

A second project is the administrative system replacement project (ASRP), which will replace core accounting and payroll systems. These systems are reaching the end of their useful life, and have to be replaced. This requires a capital investment. The state currently has over 200 procurement officers, and the system doesn't know what they have purchased until a check is issued. The new system will provide accounting for what people are purchasing.

CHAIR WIELECHOWSKI asked if this is similar to Texas.

COMMISSIONER HULTBERG answered other state have gone through this and the department is looking at models from other states.

[9:36:07 AM](#)

The new system ultimately will allow more automated ways of entering HR information; it will allow more employee self service.

Technology--understanding the work flow process is critical. If you don't understand this, you can create inefficiency. Does the state have the competency within state government to use the tools that are out there to analyze workflow within a department; it is possible the state may need to hire outside consultants.

CHAIR WIELECHOWSKI asked what types of information employees would be able to enter.

COMMISSIONER HULTBERG responded they could go on line to add a dependent, change their withholding, etc. This would be better for employees and would remove the work of someone having to input information for them.

CHAIR WIELECHOWSKI noted some states have implemented a program called CityStat.

[9:39:02 AM](#)

COMMISSIONER HULTBERG said cross departmental collaboration gives better value for dollars spent. Right now the state is not effectively leveraging its IT dollars for maximum benefit to the

state. There is a natural tension between centralization and decentralization. Right now the system is not efficient. The state needs to find efficiency and provide service.

[9:40:32 AM](#)

COMMISSIONER HULTBERG said they are also looking at providing state services in a one stop shop mode. Services such as the DMV, hunting and fishing licenses, and PFD applications could all be in one location?

CHAIR WIELECHOWSKI noted some shops are opening up that are not run by the state, such as DMV, and they are charging more.

COMMISSIONER said those arrangements do exist.

SENATOR MEYER said he has used satellite offices frequently, and it is faster so you pay for convenience.

COMMISSIONER HULTBERG said DMV is one that touches most people. The more we can work to improve customer service, the better. Currently there are different levels of customer service in public facing departments. The state needs to have a uniform customer service policy.

[9:43:24 AM](#)

SENATOR PASKVAN asked what type of notice the public receives that there might be an additional charge. Are we outsourcing contractually?

COMMISSIONER HULTBERG said she would find out that information. She said the DOA is implementing a return to work program within the division of risk management, trying to help injured workers to reintegrate into the workforce. The longer someone is at home out of work, the less likely they are to come back. In terms of office space costs, the DOA could explore more flexible schedule arrangements or shift work to accommodate employees and reduce office space cost.

[9:45:40 AM](#)

CHAIR WIELECHOWSKI said that sometimes changes are made in order to create efficiencies, so there is an increment but you never see the deficit. This is not intentional, but the effect is that government grows. For instance, efficiencies in the court system could also create efficiencies in DOC. The state should be looking at the big picture, instead of piece by piece.

COMMISSIONER HULTBERG responded we have recognized that in the procurement area. A change only saves money if it is not being spent somewhere else. DOA can play an important role, but it ultimately comes down to management and oversight, department by department, with collaboration.

SENATOR MEYER said procurement is an area where we can gain a lot of efficiencies, but it may take an upfront investment. The legislature and the governor need to learn to invest upfront, in order to acquire the technology that results in efficiencies. The legislature also needs to look at the whole procurement code. There are so many exceptions, why have a code at all. There is potential for millions to be saved. The intent is not to lose jobs; change can be tough to do, but it needs to be done.

[9:50:53 AM](#)

COMMISSIONER HULTBERG said the Administrative System Replacement Project (ASRP) will be able to do some of those things. The system needs to be changed to a procure to pay process so the state can identify what are we buying in large quantities. She would also be happy to work with the legislature on the procurement code, which needs to be updated. It is also important to find efficiencies in the personnel area. We can take care of people and still find efficiencies. The word productivity doesn't need to mean fear. It is important to recognize that we have good people, and to take care of the people who work for us.

CHAIR WIELECHOWSKI asked how many retire each year.

COMMISSIONER answered she could provide statistics.

CHAIR WIELECHOWSKI noted that efficiencies can be done in a painless way.

SENATOR PASKVAN asked if there is a particular category of employee that has constant turnover.

COMMISSIONER HULTBERG answered there may be one or two targeted areas, but none are at a crisis level yet. Administrative law judges may be of some concern. The Division of Personnel is aware of those areas that are having difficulty with recruitment and retention. This also involves a statutory responsibility to create a pay plan. DOA Will explore further if there is interest.

CHAIR WIELECHOWSKI said the question comes up every year; if we are losing people and it costs a lot to train replacements, we need to focus on retention.

COMMISSIONER noted that when people leave a job, less than half the time it is because of pay and benefits. Workplace culture, leadership training, and relationships with supervisors are most often cited.

SENATOR PASKVAN said he would like to know more about how many are retiring versus leaving because of low pay versus being stressed by managers, etc. He noted we need that type of information; some departments do have exit interviews, but the process could be improved.

[9:56:49 AM](#)

SENATOR GIESSEL asked how many employees are retiring and then being hired back on a contract basis.

COMMISSIONER HULTBERG responded the DOA is working on getting that information.

CHAIR WIELECHOWSKI noted that DOA manages some public buildings, and asked if retrofit and weatherization of those buildings could provide cost savings.

COMMISSIONER HULTBERG said she would find that information.

SENATOR PASKVAN said he would like to know what the trends are toward contract hire, especially of employees who were previously direct employees.

COMMISSIONER HULTBERG answered if someone comes back on a contract DOA can't get the information through the Division of Personnel. It has to be collected from each department.

SENATOR PASKVAN asked who makes the determination whether someone is hired as an employee versus on contract.

COMMISSIONER HULTBERG answered she would get the information. The Division of Personnel has some role, but many decisions are made by individual departments. This would be handled through procurement staff.

**PRESENTATION: DEPARTMENT of CORRECTIONS**

[10:01:34 AM](#)

CHAIR WIELECHOWSKI announced the next presentation would be from the Department of Corrections.

JOE SCHMIDT, Commissioner, Department of Corrections (DOC), said that they have identified possible efficiencies. The state constitution calls for five principles of criminal administration: public protection, community condemnation of the offender, rights of the victim, restitution, and the principles of reformation. Their mission statement gives three different approaches: secure confinement, reformative programs, and supervised reentry.

This gives them the ability to focus on areas needed. There is secure confinement for dangerous people. Reformative programs are needed because 95 percent get out of jail. This is not a prisoner rights approach; it is about the communities that people go back to. Where the prison population comes from is a result of the law making process. Reducing recidivism is where efficiencies will come from. We need to prevent the crime in the first place, and/or focus on people not coming back.

10:04:36 AM

About 200 a month come back from the probation department. Half come back with new crimes, and half of those with new crimes committed while waiting for a judicial process. During that time is when they commit new crimes. The DOC is implementing a new program called PACE, Probationer Accountability Certain Enforcement. The highest risk offenders are assigned to this program. If they do anything wrong, such as missing an appointment with their probation officer, the police pick them up that day. The Anchorage police department and courts have agreed to see them within 24 or 48 hours. Hopefully when they are released after a day or two, they don't lose any progress they have made. The PACE group is now up to 70, and continued expansion is the way of the future. DOC is focusing on domestic violence misdemeanants, and they are asking for resources to do this.

CHAIR WIELECHOWSKI asked how much was needed.

COMMISSIONER answered \$200,000. He noted the DOC's guidance comes from questions.

CHAIR WIELECHOWSKI said recidivism is a huge issue

COMMISSIONER SCHMIDT said most results from new crimes, but parole violations could also be new crimes. After treatment programs, the recidivism rate drops to 40 percent.

[10:10:04 AM](#)

In terms of the focus on recidivism, the VPSO partnership is a very strong program; part of the reason they downsized Goose Creek was to spread out the resource. People from rural communities had to get treatment in Anchorage or Fairbanks, and they have no support in the community, so getting them back home works best. Communities want them sent home. The sex offender program and halfway house in Bethel has been successful. DOC needs more of those programs. He would also like to expand electronic monitoring, which is 95 percent successful, meaning 95 percent of participants finish on time without a violation or a new crime. Five percent are probation violations. DOC wants to use this program more, and they are asking for funding. This costs \$13 a day as opposed to \$139 a day to keep an offender in prison.

CHAIR WIELECHOWSKI asked who administers the ignition interlock program.

COMMISSIONER SCHMIDT responded he would find the information.

He noted that DOC medical costs are going up. Cost containment is a challenge, because the law says they are required to provide essential care.

[10:14:23 AM](#)

CARMEN GUTIERREZ, Deputy Commissioner, Department of Corrections, thanked the committee for its worthy approach. She said inmate medical care is a big issue which grows as the number of people incarcerated increases. Under state statute and regulation and policy and procedure, the DOC is required to provide inmates with necessary medical, dental, and mental health services. DOC has a history of utilizing the most cost effective method for treatment, but the primary decision is not cost, but rather the need. Is it medically necessary? DOC has to provide these services to unsentenced as well as sentenced offenders.

The driving factor for fy12 increases is the increased cost of contractual medical fees for services. DOC does not have the capacity to treat all ailments inside the institutions. These costs have increased beyond the increase in inmate population.

They have implemented cost containment measures, such as increasing the fee individuals are required to pay when they request treatment. This has been increased to \$5. They have also addressed cost efficiencies in terms of long care acute inmate care; St. Elias Specialty Hospital now has a contract to provide long term care for inmates who would otherwise be in the hospital. This results in savings of up to \$7,000 a day.

CHAIR WIELECHOWSKI asked if a wealthy person is in jail who pays for their medical care.

MS. GUTIERREZ said currently the DOC does not have an electronic medical records system. As a result they lack the necessary infrastructure to collect private insurance from inmates. Regulation says they can collect but they don't have the infrastructure to do it. DOC has contacted a third party medical care collection agency, but they won't do the job without an electronic medical records system. It would not be cost effective for them to handle paper files. DOC has a million dollar capital request in the fyl2 budget for an electronic medical records system. This would provide great efficiencies they currently can't employ. They could then collect private insurance.

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Other cost containment measures include renegotiating contracts with hospitals to align costs and standards of care with Medicaid. They are in the process of aligning pharmaceutical costs also. They are doing a case by case review of all pay for services cases in outside medical care facilities.

CHAIR WIELECHOWSKI asked how much are we paying.

MS. GUTIERREZ answered this year it is estimated to be \$38 million.

CHAIR WIELECHOWSKI responded, "So a million dollar investment would be good." He asked if DOC could seek assets from a person who has them.

MS. GUTIERREZ said she did not know the answer but would find out.

SENATOR PASKVAN asked if a person is on Medicaid or Medicare does DOC use that rate of pay to establish what the provider is paid.

MS. GUTIERREZ responded there are two important issues. If a person is on Medicaid or Medicare, DOC can't collect. They are trying to negotiate fee-for-service contracts that are consistent with the Medicaid rate. In some cases they are paying more.

SENATOR PASKVAN asked will health care providers accept those rates of pay.

10:26:24 AM

MS. GUTIERREZ answered they may have some success with hospitals. With regard to doctors, they may not have same success. Because they are in great demand, many won't take Medicaid. There is a severe shortage of internists in the state, so DOC pays what it has to pay.

MS. GUTIERREZ said the goal for long term efficiencies is to use proven evidence based practices to implement programs that address the issues that brought the offender into custody in the first place. Alaska's prison system cannot continue to grow at the current rate.

The goal is to identify the drivers of prison growth; 48 percent are in custody for offenses against a person, or for sex offenses. This means 52 percent are in custody for nonviolent offenses. The greatest efficiency would be to reduce the rate of prison growth, possibly by identifying alternatives to incarceration for offenders who do not present a danger to the public.

10:30:01 AM

There being no further business to come before the committee, Chair Wielechowski adjourned the Senate State Affairs Standing Committee meeting at 10:30 a.m.