

HOUSE FINANCE COMMITTEE
FIRST SPECIAL SESSION
May 7, 2015
1:35 p.m.

[NOTE: Meeting took place in Anchorage, Alaska at the
Legislative Information Office]

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CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting
to order at 1:35 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Les Gara
Representative Lynn Gattis
Representative Scott Kawasaki
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

Representative Steve Thompson, Co-Chair

ALSO PRESENT

Pat Pitney, Director, Office of Management and Budget,
Office of the Governor; Gary Folger, Commissioner,
Department of Public Safety; Lauree Morton, Executive
Director, Council on Domestic Violence and Sexual Assault,
Department of Public Safety; Representative Matt Claman.

PRESENT VIA TELECONFERENCE

Representative Bryce Edgmon; Representative David
Guttenberg; Representative Cathy Munoz; Michael Hanley,
Commissioner, Department of Education and Early
Development; Sana Efird, Assistant Commissioner, Department
of Health and Social Services; Jon Sherwood, Deputy
Commissioner, Medicaid and Health Care Policy, Department
of Health and Social Services; Christy Lawton, Director,
Office of Children's Services, Department of Health and

Social Services; Bernard Chastain, Captain, Alaska Wildlife Troopers, Department of Public Safety.

SUMMARY

HB 1001 APPROP: OPER. BUDGET/LOANS/FUNDS/AM APPRO

HB 1001 was HEARD and HELD in committee for further consideration.

#hb1001

HOUSE BILL NO. 1001

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making capital appropriations, and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

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Co-Chair Neuman addressed the day's agenda and recognized Senator Cathy Giessel, Senator Donny Olson, and Representative Andy Josephson in the audience. He discussed the activities of the previous day's meeting, explaining that the work had led to this day's discussion of the public education funding formula. He offered a historical review of the FY 15 fiscal legislative action involving the fund. He relayed that Pat Pitney had been asked to discuss the amount of money necessary in order to bring the base student allocation (BSA) back to FY 15 levels. He reviewed that the legislature had passed legislation that froze the state's debt reimbursement for new schools: a 5 year moratorium. He added that school districts had also been affected by the freezing of union salaries. He recognized Representative Kito in the audience.

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PAT PITNEY, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, noted that Michael Hanley, Commissioner, Department of Education and Early Development, was available via teleconference. She said that, not counting the one-time funds given in the

previously passed HB 278, just the BSA level would be an addition of \$4.5 million.

Co-Chair Neuman relayed that the funding mechanism used approximately \$123 million from the public education fund, and \$118 million from Alaska Gasline Development Corporation (AGDC), neither of which would be available in in FY 17. He asked whether the governor planned to submit a budget that reflected a downward trend in spending.

Ms. Pitney replied that the governor had worked to realize spending savings. She presented the analogy of state funding as, "right pocket money and left pocket money", in which the \$123 and \$118 million were not counted as unrestricted general fund. She clarified that the basis of those funds had been unrestricted general funds, and continued to look to the school districts as such. She said that the governor would submit an education budget similar to the current education budget in terms of spending, regardless of which pocket of money the funds were pulled from. She furthered that there would unlikely be significant education reductions in the governor's budget for FY 17, nor would there be reductions to other state agencies that equaled FY 16 cuts. She noted that many agencies had already been cut between 10 and 30 percent; additional reductions would be made in state agency operations, but education would be prioritized in the FY 17 budget.

Representative Gattis understood that the governor did not expect to reduce education spending in the future. She wondered why the \$32 million had been removed from the governor's originally proposed budget.

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Ms. Pitney replied that the governor's original proposal had reflected a 2.5 percent reduction in funds. She furthered that the governor's original state agency reductions had totaled just under 6 percent, the least of which had been taken from the area of education. She reiterated that the Walker Administration would protect the education budget as much as was possible, while taking into consideration the current fiscal climate.

Representative Gara believed that the Public Education Fund would need to be used in small amounts over the next few

years in order to stabilize education funding during the fiscal downturn. He asked where the forward funding could be found in the governor's latest proposal.

Ms. Pitney replied that the governor's bill restored the \$16.5 million, but did not address the loss that had occurred in the recent conference committee.

Representative Gara surmised that the Public Education Fund was no longer in existence under the current bill version.

Ms. Pitney replied in the affirmative.

Representative Gara asked whether there was a location to "park" the \$1.2 billion to use over the upcoming years to avoid cuts in education spending.

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Ms. Pitney replied that it was possible.

Co-Chair Neuman noted that Ms. Pitney had provided answers to questions from the prior day (copy on file).

Representative Gara observed that the problem with the Public Education Fund, should the \$1.2 billion be reinstated, was that the money could only be used to fund the BSA, and without enough money the BSA would be short funded. He asked whether it would be possible to create a sub-education account through the Alaska Housing Finance Corporation (AHFC) capital account.

Ms. Pitney thought that the concept was an interesting one. She spoke to a way in which capital funds had been handled in a similar manner. She thought that restricting funds for public education use would need to be written into statute.

Representative Gara wondered whether a sub-account could be created without creating a statute.

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Ms. Pitney understood legislative approval would be needed to name a fund.

Vice-Chair Saddler asked whether the \$32 million cut to education had been in acknowledgement by the administration that education should share in budget reductions.

Ms. Pitney answered that the administration had focused on the one-time nature of the education funds, while maintaining the integrity of the BSA. She said that reports had been commissioned addressing the BSA question in order to facilitate an open and transparent discussion. She stressed that there were additional reductions that could be made to education, but that they would be minimal as education was a key priority to the Walker Administration.

Vice-Chair Saddler understood that further reductions could be made to education, but that the administration would like the department to take less reductions than other departments.

Ms. Pitney replied in the affirmative.

Vice-Chair Saddler queried the circumstances under which education would take reductions.

Ms. Pitney replied that education funds should be reduced as a last resort.

Vice-Chair Saddler surmised that education was a top priority for Governor Walker and reductions in education spending would be made as a last resort.

Ms. Pitney pondered the intent of the line of questioning. She reiterated that education was one of the top priorities for the administration.

Co-Chair Neuman recognized Representative Millett in the gallery.

Representative Wilson requested a representative from Legislative Budget and Audit speak to the studies Ms. Pitney mentioned. She felt that Ms. Pitney was misinformed as to the information contained in the studies. She described the administrative philosophy concerning education as, "all about the funding and not necessarily about the accountability of where our children are on being compared to the rest of the children in the U.S."

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Ms. Pitney retorted that many variable impacted student performance. She furthered that administration held the desire to see the highest student performance possible and was open to programs that would provide the greatest learning outcomes. She deferred further explanation to the commissioner.

[Anchorage could not hear commissioner online for some reason]

Representative Wilson asserted that Alaska funded education at a higher level than most other states but did not get a high return on the investment. She contended that the department was failing to assess underperforming schools, and make improvements, which was required under statute.

Ms. Pitney deferred the question to the commissioner.

Co-Chair Neuman recognized Representative Vasquez in the gallery.

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Representative Wilson restated her question.

MICHAEL HANLEY, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (via teleconference), replied that the department took their responsibility to underperforming schools seriously. He said that the model of how that was done had been alter over the past few years. He shared that the new model was more collaborative, employing 12 coaches that worked directly with schools that were underperforming.

Co-Chair Neuman recognized Representative Mike Chennault in the gallery.

Representative Wilson queried the anticipated average rate of spending per student when the current range of spending per student, per year, was \$7,000 to \$48,000.

Commissioner Hanley answered that funding was based on the many variables; including the BSA, size factors, and

geographic differences. He believed that the aforementioned study would have some insight.

Representative Wilson expressed dissatisfaction with the response. She reiterated her question pertaining to the anticipated cost per student, per year.

Commissioner Hanley replied that he did not have a number. He said that the court had found that the department was meeting its constitutional responsibility in regard to adequately funding schools.

Representative Wilson believed that the issue was about accountability. She asserted that there were students in districts in the state that were not receiving an adequate education. She felt that further accountability measures should be taken so that children did not end up lost in the system. She wondered what was "so magical" about the \$1.2 billion figure.

Ms. Pitney rebutted that the amount of money requested was the full BSA, established by the legislature. She said that reports from the aforementioned studies, which would be available in summer 2015, would spur further discussion. She stressed that the administration was supportive in addressing accountability and learning outcomes; it was important to the state that student's learned as much as possible.

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Ms. Pitney relayed that the administration looked forward to conversations about achieving the best student outcomes in the state.

Representative Gattis referred to many emails she received about "fully funding" education. She wondered what a "fully funded" education system meant. She wondered if an increase to the BSA would "fully fund" education. She said that the legislature had increased education spending over the years, surpassing inflation. She felt that at that rate the state would only be able to fund the one administrative department in the future. She contended that the legislature had not cut the BSA, it just had not added the funding agreed upon in HB 278.

Ms. Pitney replied that the request level the administration had put forward was to meet the BSA established in HB 278. She lamented that the administration had eliminated from their budget the one-time funding that was over and above the BSA. She furthered that in the opinion of educators, even HB 278 had not established sufficient funding for education. She asserted that education would always benefit from additional funding.

Representative Gattis asked what the BSA would be if the funds were added back into the budget.

Ms. Pitney replied that the BSA would be \$5,580.

Commissioner Hanley offered verification of the BSA number.

Representative Gattis stated that \$5,880 was where the BSA began before it went through "all these different machinations" resulting in a per student payment that ranged from \$7,000 to \$50,000 per student. She echoed her previous concern with the term "fully funded" and what, exactly, that meant.

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Co-Chair Neuman corrected that correspondence students received less than \$5,880 per year.

Representative Pruitt asked where the information the administration would base their budget for FY 17 would come from, and whether the administration would perform further analysis on the funding formula.

Ms. Pitney responded that the administration expected that the current fiscal climate would allow for savings in the first year. She said that administration would continue discussions with school districts concerning the need to limit spending. She hoped that discussions pertaining to learning outcomes would be fruitful in determining best practices. She relayed that spending constraints in FY 17 were anticipated, but that education should be funded at the highest possible level, and reductions minimized to the greatest possible degree.

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Representative Gara asked whether Alaska ranked last in the nation for third grade reading scores.

Commissioner Hanley replied that the exam that compared that data was given to fourth grade students; Alaska was near the bottom in the nation for fourth grade reading scores.

Representative Gara asked whether it was an evidence-based practice to teach to individual children and keep class sizes small.

Commissioner Hanley replied in the affirmative.

Representative Gara expressed great concern with the proposed \$48 million education budget cut.

Representative Wilson argued that money had been added repeatedly to the education budget. She queried whether test scores reflected funding levels.

Commissioner Hanley replied that scores had not greatly improved, but the graduation rate continued to increase.

Representative Wilson asked whether the department had done studies on the correlation between class size and impact on learning.

Commissioner Hanley replied that a study had not been done. He furthered that the differences between urban and rural class demographics would make a class size study for the entire state a difficult task.

Co-Chair Neuman recognized that, given the unique geographic and cultural make-up of the state, it was impractical to compare Alaska's education system to any other state in the nation.

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Co-Chair Neuman spoke to the governor's request of \$1 million in unrestricted federal receipts for 7 permanent, full-time, front line social workers in the Office of Children's Services (OCS). He stated that the funding could be considered partial implementation of recommendations from 2012 work load study. He said that in 2016 the Conference Committee on the budget had added \$1,746,600 in

unrestricted general funds, which had been enough funding for 18 positions, and to begin implementation of the study's recommendations. He added that in FY 15 the legislature had enough funding for 15 full-time positions. He relayed further funding history of the line item.

Vice-Chair Saddler queried the department's proposed source for funding the \$1 million for front line social workers.

Ms. Pitney answered that the increment was federal funding that had come as part of another program, the delivery of which had provided additional federal funds.

Vice-Chair Saddler asked which program the funds would come from.

Ms. Pitney replied that the funding was Children's Health Insurance Program (CHIP) funding.

Co-Chair Neuman asked about the plan for long-time funding of the positions.

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SANA EFIRD, ASSISTANT COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), replied that the money was CHIP performance bonus money that the department earned by meeting certain criteria. She said that the one-time funding could be used unrestricted for various purposes.

Vice-Chair Saddler asked how much of the CHIP money was available and how long would those funds last.

Ms. Efird shared that the balance was slightly over \$4 million. She stated that the department had been working to find ways to maximize other federal funding. It had looked at ways to free up general funds in FY 16, to fund child advocacy centers, and to offset funding for additional OCS positions. She explained that the he proposal was a stop-gap to gain the additional positions needed to meet the needs of the division.

Vice-Chair Saddler asked about the specific funding plan for the future.

Ms. Efird answered that at the discretion of the commissioner the money could be used again for the same purpose. She related that the department was continually looking for ways to free up general funds and maximize federal funds and programs.

Ms. Pitney relayed that OCS had demonstrated need. She said that the administration would look to find funds going forward from the general fund or other fund sources. She admitted that the funding was one-time, but that goal was the safety of children in the system.

Vice-Chair Saddler understood that future general funds would be sought to backfill the program.

Ms. Pitney replied in the affirmative.

Co-Chair Neuman lamented that finding consistent funding for social programs was a problem for the committee.

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Representative Gattis wondered how much it cost the state to find people that fit the criteria for the program.

Ms. Pitney deferred the question to Ms. Efird. She noted that there had been general funds freed up during the course of the legislative process because a way to have federal funds cover a larger share of a specific program had been discovered. She said that at that time, the request was to use the saved general funds towards the program; however, in the conference committee budget, the Department of Health and Social Services general fund reduction had been \$92 million.

JON SHERWOOD, DEPUTY COMMISSIONER, MEDICAID AND HEALTH CARE POLICY, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), relayed that the CHIP performance bonus awards were based on states experiencing enrollment increases in their Medicaid program that had taken certain steps to streamline Medicaid eligibility. He noted that Alaska's CHIP program was a Medicaid expansion program. He relayed that the program had experienced enrollment growth, but that the department had not spent any additional money to support enrollment activities and qualify for federal funds.

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Co-Chair Neuman recognized Representative Claman in the gallery.

Representative Gattis described the categorized the federal funding for the foster programs as federal overreach.

Representative Gara asked whether the number of foster youth had risen from 1,700 to 2,500 in the past several years.

Ms. Efird replied in the affirmative.

Representative Gara noted that as caseloads rose, it became more difficult to find permanent homes for the children.

Ms. Efird replied in the affirmative.

Representative Gara understood that Anchorage and Mat-Su had caseloads that were 70 percent higher than the national caseload recommendation.

CHRISTY LAWTON, DIRECTOR, OFFICE OF CHILDREN'S SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (via teleconference), could not speak to a specific figure, but purported that the number was higher than it should be, nearing twice the national average.

Representative Gara relayed that OCS had qualified for the replacement of \$2.9 million in general funds with Temporary Cash Assistance for Needy Families (TANF) bonus money, freeing up the \$2.9 million of general funds.

Ms. Efird explained that through performance based budgeting and accountability efforts the department was currently looking across divisions to find ways to maximize various funding sources. She relayed that through a collaboration between OCS, and the Division of Public Assistance, it had been determined that current TANF funding could be used to support the Child Advocacy Center funding, currently general funds of \$2.9 million, in the OCS budget.

Representative Gara asked whether the department proposed earlier in 2015 to use the \$2.9 million in freed up general funds to address that shortage of case workers at OCS.

Ms. Efird replied that the replacement of the \$2.9 million happened after the governor's proposed budget had been before the legislature. She shared conversations with OCS had resulted in the idea of freeing up the funds. She relayed that the entire House Finance Committee had not been directly contacted concerning the issue.

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Co-Chair Neuman noted that the committee had decided to use the funds to reduce the overall budget.

Representative Gara asked whether the \$2.9 million of TANF money would remain available to fund the Child Advocacy Center.

Ms. Efird replied in the affirmative.

Representative Gara asked whether the number of children in unstable homes would increase if OCS caseloads were not reduced.

Ms. Lawton answered in the affirmative. She said that the state would experience an increase in repeat maltreatment and the rate of children entering into foster care. She stressed that increased numbers would likely contribute failing a federal audit, and that children would die as a result of unmet needs.

Representative Gara understood that underfunding and increasing case numbers would lead to casualties.

Ms. Lawton replied that children died regularly in the state as a result of child abuse and neglect; more cases, with insufficient resources, would contribute to a rise in child fatalities.

Co-Chair Neuman believed that it was the job of the OMB director to look at the overall state budget and to determine what funds went to the different departments, and then it was the department's commissioners decided where the money was spent. He said that the legislature was tasked with working from the governor's proposed funding levels.

Ms. Pitney responded that he was correct. She shared that the budget had been due 15 days after the new

administration had started, and that the best budget had been put forward as was possible in that timeframe. She relayed that DHSS was looking at ways to maximize the use of other funds and that this opportunity that came available prior to the governor's amendments. She said that the \$2.9 million in savings, plus \$89 million additional dollars, had been reduced from the DHSS budget in one year. She stressed that there was \$92 million less in the conference committee budget for DHSS than there had been in the FY15 management plan, a 7.4 percent decrease.

Co-Chair Neuman countered that all of those funds had not been reduced by the legislature.

Ms. Pitney acquiesced that the governor's initial proposal had included a \$50 million reduction. She felt that reducing the DHSS programs by \$100 million would increase the workload for the department's already limited workforce. She lamented that the hope had been that the legislature would support the use of the funds; however, that had not been the case so the department was asking the legislature to reconsider the previous decision.

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Co-Chair Neuman remarked that the legislature had a hard job. He said that the administration needed to decide what merited funding and then the legislature needed to work through the budget and set appropriate funding levels. He said that the bonus \$2.9 million had been intended to be used for advocacy centers, the department was not going to use those funds specifically for advocacy centers, so the House Finance Committee decided that those funds should be used across the overall state budget.

Representative Wilson asked how many vacancies there were currently at OCS.

Ms. Lawton replied that OCS typically carried a 20-25 percent vacancy level for front-line staff.

Representative Wilson asked how long it took to fill vacancies at OCS.

Ms. Lawton answered that it took an average of 45 to 60 days in larger urban area offices; in rural areas it could take up to 12 months.

Representative Wilson wondered whether the funds could be used for anything other than frontline social workers.

Ms. Lawton deferred the question to Ms. Efird.

Representative Wilson surmised that the vacancies could be difficult to fill.

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Ms. Lawton answered that in most cases in urban areas the positions were not difficult to fill. She stated that smaller, remote areas were more challenging. She furthered that turnover was equally great in both areas. She did not harbor concerns that the bulk of the positions would not be filled. She reiterated that filling positions would take longer in rural areas.

Representative Wilson understood that OCS had been working with tribal organizations, be believed that ultimately collaboration between the two groups was how the state would move forward in protecting Alaska's children.

Co-Chair Neuman spoke to the difficulty of front-line social worker jobs.

Vice-Chair Saddler asked whether the state was a signatory to any state contract binding the state to the recommended standards set out for OCS caseworkers and foster children.

Ms. Lawton answered no.

Vice-Chair Saddler asked whether the state had any legal obligation to foster children that bound the legislature to the standard.

Ms. Lawton replied that the state had no legal obligation to follow the recommendations.

Vice-Chair Saddler observed that the state had many demands and needs, but limited finances.

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Representative Munoz asked how many frontline social workers were currently employed by the department.

Ms. Lawton replied 288.

Representative Munoz understood that 25 percent of the 288 positions were vacant, but had been planned for in the budget.

Ms. Lawton replied yes.

Representative Munoz asked why the department was not more aggressively trying to fill the positions.

Ms. Lawton rebutted that the department was aggressively working to fill the positions and that some budgeting had been based on anticipated vacancies.

Representative Munoz asked whether the turnover rate would improve if the positions were filled, reducing the caseload.

Ms. Lawton answered in the affirmative.

Co-Chair Neuman asked how many qualified applicants the department currently had on file.

Ms. Lawton replied that she could not speak to the number of pending applicants for current vacancies. She offered to provide the information to the committee at a later date.

Co-Chair Neuman queried the level of difficulty in finding applicants for the positions.

Ms. Lawton reiterated that in the most rural areas it was difficult to fill positions.

Co-Chair Neuman assumed that the hard to fill positions were accountable for the 25 percent vacancy rate.

Ms. Lawton agreed that those positions contributed to the vacancy rate.

Co-Chair Neuman reiterated that the positions were hard to fill because the job was difficult.

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Representative Kawasaki spoke to the minimum vacancy factor listed in by OMB of no less than 4 percent for fulltime positions of 51 or more, and no higher than 7 percent.

Ms. Pitney replied in the affirmative, from a budgeting perspective. She deferred the question for further detail to the department.

Ms. Efird clarified that in order to meet personal services cost there was a vacancy rate considered. She said that the 25 percent vacancy that Ms. Lawton spoke of did not have full funding for every position. She said that merit increases needed to be taken into consideration for personal services budgeting.

Representative Kawasaki understood that smaller caseloads would equate to reduced turnover in the agency.

Ms. Lawton agreed.

Representative Gara asserted that turnover and the vacancy rates were affected by the excessive caseloads; if the number of caseloads was brought down, the vacancy rate would decrease.

Ms. Lawton agreed.

Co-Chair Neuman lamented that there were not unlimited funds to go around.

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Co-Chair Neuman shared that there was a request by the Alaska State Troopers, Alaska Wildlife Troopers maintenance contracts for Alaska Wildlife Trooper helicopters. The request was to fund third-party maintenance contracts with the agency's two primary search and rescue helicopters, included in the governor's FY 16 endorsed budget as part of a larger \$2.4 million increment to expand the agency's aircraft section in accordance with audit recommendations. The original \$2.4 million increment had been denied by the legislature during the regular session. He understood that the department was requesting \$500,000 in undesignated general funds.

GARY FOLGER, COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY, indicated that Co-Chair Neuman was correct.

Co-Chair Neuman acknowledged that Representative Johnson in the gallery.

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Representative Kawasaki asked how many additional people had been suggested by the original audit.

Commissioner Folger responded that the original audit had recommended 12 or 14 full-time positions.

Representative Kawasaki asked what the department could expect to get with the additional \$500,000.

Commissioner Folger replied that the department needed people with the skills necessary to maintain the latest generation of aircraft.

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Representative Kawasaki spoke to relocation of helicopters, which had left a vacancy. He wanted to know whether there were other resources available for safety implementation.

Commissioner Folger stated that there were private entities and medivac flights available. He related that there were missions, such as active shooter calls, which were unique to public safety.

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Representative Pruitt asked how many aircraft the state currently owned.

Commissioner Folger replied that the department had 44 aircraft, the bulk of which were Super Cubs; the larger assets included two King Airlifts, two A Star Helicopters, and 3 R-44 Helicopters.

Representative Pruitt wondered whether the \$500,000 was for a specific type of aircraft, and were all other aircraft covered by already allocated funds.

Commissioner Folger stated that the additional funds would be used for the maintenance contract, plus parts, of the A Star Helicopters.

Representative Pruitt surmised that the legislature could expect the number to be embedded in the budget.

Commissioner Folger replied in the affirmative.

Representative Pruitt asked what would happen if the money was not allocated.

Commissioner Folger replied that without the funds there would be a reduction of public safety services.

Representative Pruitt asserted that the state had worked with one A Star Helicopter for many years. He wondered whether the second aircraft was necessary given the fiscal climate and the cuts made to other departments.

Commissioner Folger believed that the helicopters were necessary.

Co-Chair Neuman asked whether the department charged for search and rescue services.

Commissioner Folger replied in the negative.

Co-Chair Neuman asked whether the department could start charging for search and rescue services.

Commissioner Folger answered in the affirmative. He said that other states had fees associated with resource licenses.

Co-Chair Neuman asked for additional information on how the department could charge fees for search and rescue services.

Vice-Chair Saddler asked how the department had gotten by with one A Star Helicopters in the past.

Commissioner Folger answered that the original aircraft were military surplus. He said that the department had done the best it could with limited resources.

Vice-Chair Saddler understood that the department had gotten by with one helicopter in the past.

Commissioner Folger answered yes.

Representative Gattis thought that the state could save money by farming maintenance jobs out to the private sector. She said that her constituents believed that private companies should be doing much of the search and rescue work and that they "bitched and moaned" about the number of aircraft owned by the state.

BERNARD CHASTAIN, CAPTAIN, ALASKA WILDLIFE TROOPERS, DEPARTMENT OF PUBLIC SAFETY (via teleconference), responded that the state was already soliciting third-party vendors for work on some of the aircraft. He relayed that there were no mechanics in Fairbanks to work on the aircraft located there. He explained that the cost of the mechanic for Fairbanks and Anchorage, and the third-party vendor maintenance for both the Anchorage and the Fairbanks helicopters would cost the requested \$500,000.

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Representative Gattis asked whether the aircraft were sent to mechanics with specific knowledge of each aircraft.

Mr. Chastain elucidated that legislative audits and the NTSB investigation prior to the Helo-1 crash in 2013, recommended that the staffing level had been inadequate for the number of aircraft, and the department's responsibilities to the state. He reminded the committee that the department had reorganized as a result of the investigation and audit work, and had brought a proposal to the legislature for the reorganization; the request had been denied. He stated that in order to comply with some of the recommendations, mechanic work for the two A Star Helicopters had been sent out to a third-party vendor. He added that most of the maintenance for the department's existing aircraft was contracted out throughout the state. He relayed that the department continually chartered their aircraft throughout the state from third-party vendors, for a variety of reasons.

Representative Gattis asked whether the helicopters were stored in Fairbanks, rather than Anchorage, because that was where the mechanic was located.

Mr. Chastain clarified that the two helicopters were located in Anchorage and Fairbanks, the maintenance could occur anywhere in the state.

Representative Wilson solicited the opinion of Senator Donald Olson.

Senator Olson echoed the words of Mr. Chastain from the gallery.

Representative Wilson wondered whether all of the aircraft for the department could be privately chartered. She wondered whether a study had been done on using only private vendors.

Mr. Chastain replied that the department had looked into chartering flights. He said that it had been difficult to find a charter could accommodate the sometimes dangerous circumstances in certain law enforcement situations. He stated that often charters were busy with already scheduled full revenue trips, which made them unavailable. He related that the department had considered hiring a charter company to have an aircraft on standby, but the expense was too high.

Representative Wilson requested numbers comparing life threatening emergency calls and lesser emergency calls. She felt that Alaskan's had become irresponsible executing outdoor activities, expecting to be rescued for free.

Co-Chair Neuman believed that the subject warranted further discussion during budget subcommittee meetings for FY 17.

Co-Chair Neuman continued to the Council on Domestic Violence and Sexual Assault (CDVSA) request of \$1.5 million of incremental, one-time funding. He said that the funding had been previously included in the governor's FY 16 endorsed budget as a transfer to the council's base budget, primarily for prevention programs. He relayed that the funding had been converted to a one-time increment in the House, and had died in conference committee.

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Ms. Pitney deferred questions to Lauree Morton. She stressed the area was one of real need in the state. She explained that in FY 15, the funding amount for CDVSA had been \$3 million; the administration had originally reduced that to \$1.5 million, and sought to more tightly align the council and prevention activates. She shared that the administration had focused on prevention programs and

awareness as state DVSA statistics were "off the charts on the wrong side". She asserted that the administration wanted to keep the program a high priority.

Co-Chair Neuman asked what the state had done to reduce incarceration rates. He asked pointedly what the commission had done to make recommendations to the legislature, and to assist the Department of Law, and to craft legislation to improved incarceration rates. He recited some statistics concerning sexual assault and domestic violence.

[3:19:12 PM](#)

LAUREE MORTON, EXECUTIVE DIRECTOR, COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, DEPARTMENT OF PUBLIC SAFETY, agreed that the numbers were too high. She explained that the primary responsibility of the council had been to fund shelters and rape crisis centers that acted as emergency rooms, taking in victims of sexual assault and battery. She believed that legislature and administration had been consistently dedicated assuring that help would be available when necessary. She relayed that the make-up of the council included representatives from the Department of Law (LAW), Department of Public Safety (DPS), Department of Corrections (DOC), Department of Education (DEED), DHSS, and 4 public members. She stated that the board met 4 times per year to review the actions the state should be taking to work to reduce DVSA crimes. She related that the recent focus of the board had been on primary prevention. She relayed that the legislature had allocated money in 2009, specifically for primary prevention statewide; Governor Parnell's Choose Respect Initiative began in 2010, and devoted more monetary resources to primary prevention efforts. She avouched that due to the council's work awareness and conversation surrounding the issues had increased in communities, and sub-communities, throughout the state. She believed that LAW and DOC should speak to incarceration rates. She believed that, statutorily, the council had consistently looked to ways to strengthen resources for victims to aid them in escaping DVSA crimes. She noted that the council had recommended legislation that protected victims from being charged for sexual assault forensic exams, as well as legislation to assure that insurance companies did not try to categorize the results of abuse as a pre-existing condition. She added that the council had brought forward recommendations for victim housing; there was currently a priority in Alaska Housing

Finance Corporation (AHFC) to assist victims who have escaped their abuser. She stated that the council strongly believed that devoting money to primary prevention efforts was the state's best hope in curbing domestic violence and sexual assault. She contended that the council had been recognized nationally as being on the forefront in prevention efforts for domestic violence and sexual assault. She said that several evidence based social/emotional learning programs were being pilot tested in the state, and that the \$1.5 million would allow the council to implement the vetted programs across the state. She related that 81 percent of the council's remaining funding went to shelters and rape crisis centers, federal dollars were used for first responder training and provided legal advocacy for victim services and, statutorily, could not be used for prevention efforts. She stressed that the \$1.5 million would further the efforts to stop domestic violence and sexual assault.

[3:26:13 PM](#)

Co-Chair Neuman countered that regardless of what the council had accomplished, the state still led the nation in levels of domestic violence and sexual assault. He demanded further information on past funding levels for the program and turn around on investment. He queried the total operating expenses of the council. He assumed that 20 percent of the \$18 million that the department received was used to fund administrative costs.

Ms. Morton answered that the council had approximately \$3.7 million in federal money that was used for programs; for example, first responder training. She said that the anticipated budget for the council in FY 15 was \$18,243,000. She admitted that she would need to get back to the committee with the actual numbers.

Co-Chair Neuman commented that the chair of the council did not know what the council's expenditures were. He felt that the funding that the council received should be taken away and spent in another area of the department.

Vice-Chair Saddler asked whether the council had recommendations for specific legislation to improve the DVSA statistics in the state. He wondered how much money the council spent on prevention efforts.

Ms. Morton answered that the funds that the council had to spend on prevention had been allocated through the Choose Respect Initiative; \$157,000 were received in 2009, which went into the base. She furthered that the federal funds available for prevention were through the Family Violence Prevention and Services Act; 75 percent of those funds had to go to residential services, and 25 percent could go to prevention activities.

Vice-Chair Saddler probed the monetary amount associated with the percentages.

Ms. Morton replied approximately \$650,000 per year.

Co-Chair Neuman asked Ms. Morton to provide the council's budget to the committee.

Ms. Morton agreed to supply the information.

Vice-Chair Saddler asked whether the council received any money through the Violence Against Women Act.

Ms. Morton answered yes; the council received funds through the Services Training Officers and Prosecutors (STOP), which was a formula grant awarded to each state. She explained that the funding had the base amount of \$600,000, with a population formula distribution if Congress allocated money above the base. She relayed that Alaska varied between \$750,000 and \$825,000. She shared that the funds were federally regulated in their distribution, 30 percent was designated to strengthening victim services, 25 percent to law enforcement, 25 percent to prosecution, and 5 percent to judiciary funding.

Co-Chair Neuman interjected, reiterating his request for the council's budget. Again, Ms. Morton agreed to provide the information at a later date.

Representative Gara asked about the number of rural communities in the state that had no law enforcement.

Commissioner Folger replied approximately 50 percent.

Representative Gara asked whether one of the most effective things to prevent sexual assault would be to have at least one law enforcement officer per community.

Commissioner Folger replied that studies had shown that communities felt safer when there was a representative from law enforcement in their vicinity.

Representative Gara asked for the exact number of rural communities without a law enforcement presence.

Commissioner Folger agreed to provide the information.

[3:34:00 PM](#)

Representative Wilson thought that services for victims were nice, but wondered about incarceration levels.

Commissioner Folger replied that additional funding was needed in order to prosecute perpetrators. He lamented that prevention was hard to measure.

Representative Wilson questioned whether more perpetrators were being caught as a result of current laws.

Co-Chair Neuman opined that the issue was difficult and urgent.

Co-Chair Neuman discussed the schedule for the following day.

ADJOURNMENT

[3:38:00 PM](#)

The meeting was adjourned at 3:37 p.m.