

HOUSE FINANCE COMMITTEE
February 26, 2020
2:12 p.m.

[2:12:42 PM](#)

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 2:12 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Jennifer Johnston, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Andy Josephson
Representative Gary Knopp
Representative Bart LeBon
Representative Kelly Merrick
Representative Colleen Sullivan-Leonard
Representative Cathy Tilton
Representative Adam Wool

MEMBERS ABSENT

None

SUMMARY

HB 205 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 205 was HEARD and HELD in committee for further consideration.

HB 206 APPROP: MENTAL HEALTH BUDGET

HB 206 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda. The committee would resume budget amendments.

#hb205
#hb206

HOUSE BILL NO. 205

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; 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."

HOUSE BILL NO. 206

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

[2:13:18 PM](#)

^AMENDMENTS

[2:13:33 PM](#)

Co-Chair Foster directed members to the next amendment. He noted that the committee had left off on page 8 [of the "2020 Legislature - Operating Budget Transaction Detail - House Structure" document (copy on file)], Amendment H HSS 2. [Note: amendments were heard on 2/25/20 during the 1:30 p.m. meeting and 2/26/20 during the 9:30 a.m. meeting. See separate minutes for detail.]

Vice-Chair Ortiz MOVED to ADOPT Amendment H HSS 2 (copy on file):

Children's Services
H HSS 2 - Part-time OCS Caseworker in Wrangell
Offered by Representative Ortiz
1002 Fed Rcpts (Fed) 32.8
1004 Gen Fund (UGF) 58.4

Co-Chair Johnston OBJECTED for discussion.

Vice-Chair Ortiz explained the amendment. He shared that over the past several months he had heard about a continuing lack of Office of Children's Services (OCS) services in Wrangell. He detailed there was currently one OCS worker serving Wrangell out of Petersburg; however, the person also had caseloads in Juneau, Hoonah, and Sitka.

There had been a problem getting needed attention to specific issues that had developed in the Wrangell community. The amendment would fund a half-time position for an OCS worker in Wrangell. He referenced comments made from the community of Wrangell during public testimony on the particular issue. The community had come to a consensus that something needed to be done and had committed to work within the framework of a half-time caseworker. The community would cover housing costs for the worker. He noted that no added lease space would be required. The community was committed and had communicated with the Department of Health and Social Services (DHSS) Deputy Commissioner Clinton Lasley and OCS Director Natalie Norberg.

Vice-Chair Ortiz explained there was an overall understanding the department would pilot the project to see how it worked. The community would pay the other half of the position's duties that would involve other types of things that would be upstream in nature in relationship to some of the issues existing in Wrangell. He believed Mr. Lasley and Ms. Norberg were on board with the pilot project. He asked for the committee's support.

[2:16:37 PM](#)

Co-Chair Johnston spoke in support of the amendment. She believed it showed a good faith effort on the part of the community of Wrangell. She was appreciative of programs that communities found important enough to put skin in the game. She noted it was "these kind of partnerships" that the state would be looking for going into the future.

Representative Sullivan-Leonard asked what the caseload was like for one OCS worker in Wrangell. She asked what had occurred in the past when there had been an increased need for an OCS worker in Wrangell. She asked if a caseworker had been pulled from Juneau, Sitka, or elsewhere to help assist the community.

Vice-Chair Ortiz answered that the issues in Wrangell had started to emerge a number of years back. He detailed that at one point OCS had a full-time position in Wrangell. After the position had been pulled in the past several years, two OCS positions had remained in Petersburg, which meant Wrangell had still been getting adequate attention. He elaborated that Petersburg was down to one OCS worker

who was responsible for Petersburg, Wrangell, Kake, and sometimes Sitka and Juneau. He communicated that some unfortunate incidents had occurred in relationship to the duties of the OCS worker. He clarified there were no problems with the particular worker in terms of their diligence and ability to do the best they could. However, some holes had caused unfortunate situations in Wrangell, which had resulted in the position request. He relayed that specific caseload numbers varied, and he did not have the detail. The agency was stressed thinner and thinner around the state and Wrangell had seen some very negative impacts over the years due to shrinking resources.

Representative Sullivan-Leonard reasoned that an increase in PCNs was considered to help alleviate some of the stress caused by an increase in caseloads. She wondered if something dire had occurred that had led to the need for a half-time position [in Wrangell].

Co-Chair Johnston believed the committee had heard in public testimony that the caseworker in Petersburg had well over 60 cases at any given time. The issue was compounded by weather because it was difficult for the person to get into Wrangell, which had the bulk of the caseload work.

[2:21:01 PM](#)

Representative Carpenter addressed the part-time nature and the travel associated with the position. He thought the position cost \$72,000 plus \$19,000 in travel per year. He asked if the individual would work only in Wrangell or if they would travel to other communities. He asked what part-time meant.

Vice-Chair Ortiz answered that the \$19,200 was a one-time cost for initial training of the OCS position.

Co-Chair Johnston WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment H HSS 2 was ADOPTED.

[2:22:20 PM](#)

Representative LeBon MOVED to ADOPT Amendments H HSS 3 and H HSS 4 (copy on file):

Public Health

H HSS 3 - Restore separate Emergency Medical Services Grants allocation, reversing consolidation to Emergency Programs

Linked to H HSS 4 - Restore separate Emergency Medical Services Grants allocation, reversing consolidation to Emergency Programs TrIn 367163

1002 Fed Rcpts (Fed) -401.3

1003 GF/Match (UGF) -2,632.4

Public Health

H HSS 4 - Restore separate Emergency Medical Services Grants allocation, reversing consolidation to Emergency Programs

Linked to H HSS 3 - Restore separate Emergency Medical Services Grants allocation, reversing consolidation to Emergency Programs TrOut 367162

1002 Fed Rcpts (Fed) 401.3

1003 GF/Match (UGF) 2,632.4

Co-Chair Johnston OBJECTED for discussion.

Representative LeBon explained that the amendments would restore funding for the emergency medical services grants into its own separate allocation, similar to historical funding. The FY 21 governor's budget proposed to consolidate the funding for emergency medical services grants from its own allocation into the emergency program's allocation for the purposes of management efficiency. He continued that given the importance of emergency medical service regional organizations in managing pre-hospital care across Alaska, having their own allocation provided greater transparency in how and where the funds were used. He explained that by consolidating the funds, there was no delineation that the funds were used for the EMS regional grants. He added that the amendments did not add any new spending, they only impacted how the funds were tracked by the department.

Co-Chair Johnston WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendments H HSS 3 and H HSS 4 were ADOPTED.

[2:24:08 PM](#)

Representative Carpenter MOVED to ADOPT Amendments H LAW 1, H LAW 2, H LAW 3, H LAW 4, and H LAW 5 (copy on file):

Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME
H LAW 1 - Restore Funding Associated with Outside Counsel Contractual Expenditures
1004 Gen Fund (UGF) 400.0

Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME
H LAW 2 - Remove Wordage

Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME
H LAW 3 - Undo renaming to "Civil Division Except Contracts Relating to Interpretation of Janus v AFSCME"

Legal Contracts Relating to Interpretation of Janus v AFSCME Decision
H LAW 4 - Remove Wordage

Legal Contracts Relating to Interpretation of Janus v AFSCME Decision
H LAW 5 - Remove New Appropriation and Allocation for Interpretation and Application of the Janus v AFSCME Decision
1004 Gen Fund (UGF) -20.0

Representative Josephson OBJECTED.

Representative Carpenter discussed the governor's endeavor to align state policy with a recent Alaska Supreme Court decision commonly known as the Janus decision. He stated it was an attempt to protect the state workers' civil rights. The legislature was faced with deciding whether to defund a program when it disagreed with policy decisions. In the specific case, if the program was defunded, the legislature had to acknowledge it would put child protection and natural resources cases that fell within the Civil Division in jeopardy because of defunding. He was against defunding the Department of Law merely because the legislature did not like the policy. He explained that defunding the department would jeopardize other cases. He highlighted that the cost of the Janus contract was speculative. He reasoned that making cuts would impact current cases. He

remarked that the concept of the Janus decision was controversial. He believed the committee should look at the finance aspect of the issue, not the policy piece. He did not believe the committee should legislate policy by stripping money from the budget.

Representative Josephson opposed the amendments. He agreed that it was not a policy call, it was a budget tightening finance call. He noted that the matter in question was still in trial court in Anchorage. He highlighted the bond case where the state was trying to sell bonds to pay off its oil and gas tax credit obligation. He stated that the appellate court that would follow could be years away, but the contract was slowly being drawn on at present. He elaborated that \$100,000 had already been extended on the contract. He reasoned it was money that could be saved at present, given that according to the administration, the contract was for a U.S. Supreme Court appeal.

Representative Josephson noted that Representative Carpenter had stated that the attorney general was hoping to bring the state into consistency with the Janus decision. He countered that the amendments would bring the state into a new world beyond the Janus decision. He clarified there was no threat to the Child in Need of Aid office or the natural resources office because the cut in question came from Labor and State Affairs where the contract money had come from. He noted there was a 12 percent vacancy factor, which the committee and subcommittee had heard about.

[2:28:32 PM](#)

Representative Merrick opposed the amendment. She found the increment of nearly \$500,000 to be unacceptable in the current fiscal situation. She had spoken with the attorney general directly who had assured her that the Department of Law had highly qualified attorneys capable of handling the issue in-house for a fraction of the cost. She stated that the challenge was not one of competency but one of capacity. She asked the attorney general to prioritize his cases within the limits of the department's existing funding. She believed the money in the amendments seemed like a discretionary expense that could not be afforded during the current fiscal time.

Co-Chair Johnston noted that committee members likely had varying opinions on the Janus decision. She had not been encouraged by the attorney general's approach. She appreciated the Janus ruling because she believed it gave some options to state government at a time when options were needed, particularly as downsizing was occurring. She believed putting the issue on the national scene had been too hurried and too much. She remarked that the case was in the state courts and not at the Supreme Court level. She stated that the number of cases that made it to the Supreme Court was very limited. Additionally, Supreme Court decisions took time. She shared that a friend/constituent had just finished two rounds at the Supreme Court. She stressed that it was a finance decision and she believed the amendments did not reflect money well spent.

Representative LeBon acknowledged it was within the legislature's power to specify how the department handled the appropriations. He thought the legislature needed to be careful about getting too involved in the specific management of policy in the executive branch. He recalled his banking days where legal matters had been handled both in-house and outside the bank. He explained that at times the bank used outside expertise that was appropriate for a situation. He had confidence in the department's ability to find a way to ensure that public employees' rights were protected regardless of the outcome of the amendments. He opposed the amendments.

Representative Carpenter provided wrap up on the amendments. He stated that the actions taken in the subcommittee were very deliberate. He believed the end result and the goal was to hamstring the governor and the attorney general in their ability to implement the Janus decision.

Representative Josephson MAINTAINED his OBJECTION.

[2:32:38 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Sullivan-Leonard, Tilton, Carpenter

OPPOSED: LeBon, Merrick, Ortiz, Wool, Josephson, Knopp, Foster, Johnston

The MOTION to adopt Amendments H LAW 1, H LAW 2, H LAW 3, H LAW 4, and H LAW 5 FAILED (3/8).

[2:33:32 PM](#)

Representative Merrick MOVED to ADOPT Amendments H MVA 1 and H DPS 4 (copy on file):

Military and Veterans' Affairs

H MVA 1 - Transfer Civil Air Patrol from DPS to DMVA
Linked to H DPS 4 - Transfer Civil Air Patrol from DPS
to DMVA TrOut 367173
1004 Gen Fund (UGF) 250.0

Statewide Support

H DPS 4 - Transfer Civil Air Patrol from DPS to DMVA
Linked to H MVA 1 - Transfer Civil Air Patrol from DPS
to DMVA TrIn 367174
1004 Gen Fund (UGF) -250.0

Co-Chair Johnston OBJECTED for discussion.

Representative Merrick expressed excitement about bringing the noncontroversial amendments to the committee. She explained that the amendments would transfer the Alaska wing of the Civil Air Patrol and associated funding from the Department of Public Safety (DPS) to the Department of Military and Veterans Affairs (DMVA). She detailed that the Alaska wing of the Civil Air Patrol (CAP) was the nonprofit auxiliary arm of the U.S. Air Force. Their headquarters were located on the Joint Base Elmendorf-Richardson (JBER) and were activated through the U.S. Air Force Alaska Rescue Coordination Center. Although CAP assisted DPS in search and rescue operations, DPS did not have the authority to task CAP with conducting missions. She shared that in the DPS subcommittee, people had expressed a desire to maintain CAP funding and \$250,000 was restored to its budget.

Representative Merrick elaborated that she had spoken to DPS during the subcommittee process and the department had indicated its support for CAP, but that it may not be the department best suited to do so. The amendment would transfer CAP and associated funding from DPS to DMVA where it would better align with the department mission. She had spoken with the adjunct general who had indicated DMVA was ready and willing to take on the Civil Air Patrol.

Representative Knopp was extremely pleased with the amendment. He had been interested in moving CAP from DPS and had contemplated the Department of Commerce, Community and Economic Development; however, he believed DMVA was a much better fit. He noted there had been committee discussions about the funding - the increment had typically been funded at or slightly above the proposed range. He highlighted that all of the pilots flying for CAP were volunteers and did not receive wages or overtime. The funds went to paying utility bills and airplane fuel. He emphasized it was a very good value for the money. He supported the amendment.

Representative LeBon thanked the amendment sponsor for thinking outside the box. He shared that prior to 1985, DMVA had been responsible for CAP. He reported that it had been transferred by Governor Bill Sheffield to DPS. The subcommittee had been told that at times DPS was pressed to give CAP the type of support it deserved. He reported his frustration at fighting the fight for two years in a row and was pleased at the proposal to address the issue in a different way to achieve success.

Co-Chair Johnston WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendments H MVA 1 and H DPS 4 were ADOPTED.

[2:37:29 PM](#)

Representative LeBon MOVED to ADOPT Amendment H MVA 2 (copy on file):

Military and Veterans' Affairs
H MVA 2 - Requesting Report on ALMR/SATS Transfer

Co-Chair Johnston OBJECTED for discussion.

Representative LeBon explained the amendment that included intent language regarding the request for a report on the Alaska Land Mobile Radio System (ALMR) SATS [State of Alaska Telecommunications System] transfer. He read from a prepared statement:

The governor's Fiscal Year 21 operating budget transfers the Alaska Land Mobile Radio System, commonly known as ALMR, and the State of Alaska

Telecommunications System (SATS) from the Department of Administration into the Department of Military and Veterans Affairs. The intent language would help ensure that the legislature is kept apprised of the progress and long-term outcome of the result of this transfer.

Co-Chair Johnston WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment H MVA 2 was ADOPTED.

2:38:48 PM

Representative Josephson MOVED to ADOPT Amendment H DNR 1 (copy on file):

Fire Suppression, Land & Water Resources
H DNR 1 - Federal Receipt Authority for Hunting Guide
Concession Program
1002 Fed Rcpts (Fed) 1,000.0

Co-Chair Johnston OBJECTED for discussion.

Representative Josephson explained the amendment pertained to an item that had been vetoed the previous year. He detailed that big game guides, supported by the Board of Game and the Big Game Commercial Services Board, had tried to develop a concession program on state lands for years (they were currently on federal lands). He read from a prepared statement:

A concession is fundamentally a lease to guide in a specific area that is awarded on a merit base criterion and with a limited duration, usually five to ten years. Alaska's constitution's common use clause prohibits sale of hunting guide concessions unlike our fish limited entry permits. It requires guide concessions to be awarded competitively. Concessions restrict and separate hunting guides. They do not restrict resident hunters; they benefit ethical guides. Hunting guides concession programs are on federal lands now, not state lands. DNR land and BLM land are only land statuses that allow unlimited entry of hunting guides.

This amendment, which costs the state nothing - it would be receipt authority of federal dollars. This amendment gives DNR authority to accept federal funds to implement a guide concession program that would apply to DNR and BLM federal land. There's a higher rate of Alaska ownership of guide businesses that operate on concession land because the competitive criteria for winning a concession favors Alaskans. Criteria such as years of experience hunting in a particular area.

Unregulated state lands are where many nonresident guides without Alaska experience and community ties end up operating. They often don't win the bids that Alaskan guides can win on federal lands. Unregulated commercial hunting contributes to user conflict and resource shortage and can force the decision to restrict opportunity for Alaskans through drawing hunts.

Representative Josephson reiterated that the amendment would cost the state nothing; it would be supported by a state fee structure in the event it came into place - meaning the federal dollars were received and the operation began. He read from a letter by former Deputy Interior Secretary Joe Balash dated July 2018 (copy not on file):

The BLM agrees that it is in the best interest of all stakeholders involved to work collaboratively to update Alaska's guide concession program. A guide concession program for the management of Alaska's wildlife and public land resources for professional big game hunting guides and outfitters, could lead to a number of benefits including enhanced enforcement of game laws.

[2:42:02 PM](#)

Co-Chair Johnston asked about the concessions' terms and timeframe. She was concerned that concessions could build equity in a way that could be dicey.

Representative Josephson answered that the amendment was intended to mirror the federal lease system. The duration of the concessions was five to ten years.

Representative Knopp opposed the amendment. He stated that regardless of the federal receipt authority, the plan was very controversial with many of the outdoor groups and resident hunters. He did not know the position of the Alaska Outdoor Council. He believed the plan had been vetoed in the budget. He referenced Representative Josephson's mention that it was guide concessions on DNR and BLM land. He was uncertain whether there were any federal guide concession programs. He was not willing to support the program until the public had an increased level of comfort.

Representative Josephson respected Representative Knopp's position but clarified there was a concession on federal land for guiding, which had been in effect for years.

Co-Chair Johnston MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Josephson

OPPOSED: LeBon, Merrick, Sullivan-Leonard, Tilton,
Carpenter, Knopp, Ortiz, Wool, Johnston, Foster

The MOTION to adopt Amendment H DNR 1 FAILED (1/10).

[2:45:12 PM](#)

Representative Knopp MOVED to ADOPT Amendment H DPS 1 (copy on file):

Fire and Life Safety

H DPS 1 - Add Director position to AK Fire Standards Council

1004 Gen Fund (UGF) 166.4

Co-Chair Johnston OBJECTED for discussion.

Representative Knopp explained that the amendment would add the director's position back to the Alaska Fire Standards Council similar to the Public Safety Standards Council. He stated that like the Civil Air Patrol, the entity fell under the Department of Public Safety (DPS). He recalled that DPS Commissioner Amanda Price had stated that DPS had no statutory obligation or priority related to the Civil Air Patrol and the Alaska Fire Standards Council. He elaborated that the two entities had been somewhat defunded

and downsized. He furthered that the issue had been brought to his attention by the Alaska Fire Chiefs Association during a recent visit. He reported that the association had requested the restoration of the director position.

Representative LeBon shared that he had chaired the DPS subcommittee and had no objection to the amendment.

Co-Chair Johnston WITHDREW her OBJECTION. There being NO further OBJECTION, Amendment H DPS 1 was ADOPTED.

[2:47:04 PM](#)

Representative LeBon MOVED to ADOPT Amendment H DPS 2 (copy on file):

Alaska State Troopers
H DPS 2 - Requesting report regarding Court Services
Officer job classification pay

Co-Chair Johnston OBJECTED for discussion.

Representative LeBon explained that the amendment included intent language that instructed the Department of Public Safety (DPS) to provide a report analyzing the pay disparity between a court services officer and state trooper job classes. He detailed that court services officers were responsible for transporting inmates to and from correctional facilities for court appearances and medical care as well as maintaining security in court rooms and serving process documents. He elaborated that court service officers were not included in the recent pay classification increase for the state trooper job classification. He explained that the disparity between court service officer pay and state trooper pay had subsequently increased. He relayed that a report on any effects the situation could have on recruitment and retention in the court service officer job class would help with future policy.

Representative Carpenter asked if the intent language would also to address the differences in job duties.

Representative LeBon answered that the depth of the dive would be up to the process itself. He would welcome the inclusion of that type of information.

Representative Carpenter requested a moment to write up language that would include job duties in the amendment.

2:48:57 PM

AT EASE

2:50:02 PM

RECONVENED

Representative Carpenter MOVED to AMEND Amendment H DPS 2 to insert the words "job duties" following the word "the" to read "analyzing the job duties and pay disparity."

There being NO OBJECTION, it was so ordered.

Representative Sullivan-Leonard asked if the information Representative LeBon was seeking with regard to job classifications, duties, and pay could be obtained from the Department of Administration, Division of Personnel and Labor Relations.

Representative LeBon responded that they would see how the information flowed to the legislature via the department or in the manner that was proposed. He was merely looking for the information.

Representative Sullivan-Leonard asked if the amendment sponsor had sought information from the department prior to offering the intent language.

Representative LeBon replied that he had not.

Representative Wool asked if the intent was to identify how similar court service officer positions were to state trooper positions in order to determine how close the wages should be. He thought it sounded like there was a pay disparity between the two positions that performed different jobs.

Representative LeBon answered in the affirmative. He explained there was overlap in the duties of the two positions, but he did not know the extent. The goal was to understand that both groups were being treated equally and fairly in terms of pay.

Representative Wool asked if court service officers were armed in the court room.

Representative LeBon replied that he believed they were armed. He thought Representative Josephson may have more information.

Representative Josephson answered that officers were armed and were called judicial services officers. He remarked that the individuals brought people into custody and took them away in addition to other duties.

2:53:45 PM

Representative Wool noted that the officers also transported people from prison. He imagined the positions interfaced with the Department of Corrections as well. He remarked that there was a continuum of officers between corrections officers, court services officers, and police officers. He knew corrections officers were not armed. He did not know if court services officers were armed when transporting prisoners. He surmised they would find out in the report.

Representative LeBon relayed that the intent language asked DPS to evaluate all information available. Additionally, the report to the legislature would include the department's fiscal capabilities and its expectation of employees. He communicated that any and all information available should be considered in the analysis.

Co-Chair Johnston WITHDREW her OBJECTION.

There being NO further OBJECTION, Amendment H DPS 2 was ADOPTED as AMENDED.

2:55:22 PM

Representative Merrick MOVED to ADOPT Amendment H DPS 3 (copy on file):

Village Public Safety Officer Program
H DPS 3 - Reduce Funding for Village Public
Safety Officer Program
1004 Gen Fund (UGF) -1,000.0

Co-Chair Johnston OBJECTED for discussion.

Representative Merrick explained the amendment with a prepared statement:

This amendment reduces funding for the Village Public Safety Officer program. It is with somewhat of a heavy heart that I offer this amendment again, this year. That means that the program was not able to hire the needed VPSOs to provide village public safety in the capacity that it needs to. But it has been historical that the village public safety officer program has had difficulty recruiting and retaining VPSOs and has historically had to lapse money due primarily to those unfilled positions. For several successive years, the program has lapsed funds and last year \$3.3 million alone was lapsed. With this unspent money it's important to get an accurate accountability of what our budget is, how much money we spend and on what. It's hard to shore that up when we don't know what's coming back and what hasn't been spent.

Our public safety subcommittee added the \$1 million to already \$11 million that the governor proposed. I know this was done with the best intentions to show support for the VPSO program, which I support wholeheartedly. But we can't keep giving more funds to a program that lapses funds. I hope that I can be proven wrong, that they can hire more VPSOs and that we can fund that through a supplemental budget. This is no way to slight the VPSO program, I very much support rural public safety. Public safety is one of the most important functions of government. This is just an accounting issue.

Representative LeBon spoke in opposition to the amendment. He relayed that the subcommittee had a thorough discussion and debate about the VPSO program. He shared that he had wanted to put more than \$1 million back into the program; however, he had hesitated to do so without further discussion in the House and Senate. He reported that the VPSO working group had studied the issue and had recommended taking the funding back to FY 18 levels, which would have been an increase in \$3 million. He recognized that some funds in the program had lapsed in the past; however, he was confident the VPSO working group was making progress in a number of areas where grantees believed the program may not have been administered as effectively as it could have been and that progress was being made. He stated

that the \$1 million was a modest increase to the program's budget.

Representative Sullivan-Leonard supported the amendment. She stated that the committee had talked about the VPSO program for the past four years. She found it challenging that money set aside for public safety in rural areas was not being used effectively. She elaborated that the money was not used to provide the public safety that was drastically needed in rural areas. She thought the \$1 million reduction was important. She wanted to see what the VPSO working group recommended in regard to a fiscal plan. She reasoned that perhaps additional funding could be considered by the legislature if the working group specified it was needed. She highlighted that the program already had a budget of \$11 million and was not filling the positions and its intent. She believed it was prudent to reduce the \$1 million.

Representative Knopp shared that he did not sit on the DPS subcommittee and he was reluctant to undo its actions because the increase was modest; however, he agreed with the amendment sponsor that the program had experienced problems and lapsing money was not favorable. He believed the sponsor's request was reasonable. He was interested to hear the number of employed VPSOs and the number of vacant positions. He wondered if any progress had been made.

[3:01:10 PM](#)

Representative Merrick replied that there were 43 VPSO positions filled and 5 vacant. She elaborated that 8 individuals were scheduled to attend the academy and 34 VPSOs were currently operational.

Representative LeBon responded to an earlier question by Representative Sullivan-Leonard. He relayed that the VPSO working group had recommended the funding at the full amount he had mentioned previously. He explained that the amendment would only partially fund the working group's request.

Co-Chair Foster asked for the number vetoed by the governor in the FY 20 budget. He believed it was \$3 million.

Representative Merrick believed Co-Chair Foster was correct.

3:02:23 PM

AT EASE

3:03:31 PM

RECONVENED

Co-Chair Foster repeated the previous question. He asked for the amount vetoed by the governor in the FY 20 budget.

Representative Merrick answered that the original FY 20 budget had been \$14 million and \$3 million had been vetoed. She explained the amount that would lapse would not be known until the end of the fiscal year. She detailed that at the end of the second quarter only 35 percent of the funding had been distributed. She believed it was likely funding would be lapsed in the current year.

Co-Chair Foster considered the numbers. He reasoned that the veto of \$3 million reflected about 20 percent of the original \$14 million budget. He referred to the reference to lapsing funds. He asked if the amendment sponsor had read the VPSO working group report. He paraphrased from the report that included nine recommendations. He detailed that two of the findings under recommendation 3 specified that the problematic approach to grant funding approvals had led to artificial funding lapses that had been used as a justification for reducing the VPSO budget. He had heard numerous times from grantees that their requests were constantly being denied. Grantees wanted the ability to use the funds for small items like tires or fuel and larger items like infrastructure. He explained that grantees were not using all of the money because their requests were being denied. He noted that the information was coming from the [working group] report.

Co-Chair Foster noted that Representative LeBon had mentioned FY 18 funding levels. The working group recommendation was between \$13.4 million and \$13.5 million. He explained that the amendment would decrease the funding from \$12 million to \$11 million, which was \$2.4 million below the recommendation. He wanted the funding level to be as close to the \$13.4 million as possible. He had been concerned with the disparity. He strongly supported what the state was doing with troopers and correctional officers in terms of recruitment and retention. He believed the current governor and legislature had made public safety a

priority. He detailed that the House Finance Committee had provided more funding for personnel, salary increases, and recruitment and retention of troopers and correctional officers. It was his desire to do the same with the VPSO program. He referenced backup he had passed out showing intent language (copy on file):

It is the intent of the Legislature that the Department of Public Safety continue to collaborate with the Village Public Safety Officer (VPSO) grantees to strengthen a recruitment and retention plan. This plan may include spending for infrastructure such as VPSO housing, office space, and holding cells.

Co-Chair Foster suggested removing the decrement of \$1 million and inserting the intent language. He relayed that grantees had been working on a recruitment and retention plan. He elaborated that audit findings had found some fairly minor issues that were taking place. He wanted the plan to be strengthened. He remarked there had been significant media attention over the past year with the Anchorage Daily News article series and ProPublica article series. The series had highlighted villages where a cell was merely a room and a person may just be handcuffed to a chair. He explained that a lot of infrastructure was lacking. He believed the \$1 million could go a long way toward helping to fix some of the problem.

Co-Chair Foster highlighted that the working group had referred to unfunded mandates. He detailed that unfunded mandates included things such as the state would provide a VPSO to a village but the regional nonprofit Native organizations responsible for coordination also needed to provide things like office space, holding cells, and other. He explained that the space ended up being a cabin or shack that was nothing like a traditional jail or holding cell. Meanwhile, any other public safety component in the state had well equipped vehicles and jail space, yet at the village level the state would not provide the infrastructure. He believed the funding would go a long way toward helping with the problem. He stated that recruitment and retention and increasing the number of VPSOs was one component, but the infrastructure was the other component. He asked the amendment sponsor if she had interest in removing the proposed decrement and adding the intent language to Amendment H DPS 3.

3:10:35 PM

Representative Merrick knew that the issue impacted Co-Chair Foster's district more than any of the other members on the committee. She requested an "at ease" to consider it.

3:10:51 PM

AT EASE

3:16:49 PM

RECONVENED

Co-Chair Foster asked if Representative Merrick had time to consider his suggestion.

Representative Merrick understood that the issue was very personal for Co-Chair Foster and his district. She considered the suggestion and MOVED to AMEND Amendment H DPS 3 to add the intent language read by Co-Chair Foster and to reduce the decrement to \$500,000.

Representative Josephson felt badly that he had not been able to study the issue as much as he wanted. He shared that his life had intersected with VPSOs in Kotzebue and Kalskag. He was concerned because the VPSO working group (headed by Representative Chuck Kopp) had recommended a higher budget increment than was included in the amendment; therefore, he had concern about the amendment to the amendment.

Co-Chair Foster thanked Representative Merrick for her consideration. He believed it was a good discussion.

Representative LeBon appreciated the offer but opposed the amendment to the amendment.

Co-Chair Johnston asked if the language suggested by the cochair was included in the amendment.

Representative Merrick agreed that she would insert the intent language suggested by Co-Chair Foster and reduce the \$1 million decrement to \$500,000.

Representative Knopp supported the amendment to Amendment H DPS 3. He reasoned that the art of compromise was about getting what was fair. He believed the inclusion of the

intent language represented a win. Additionally, the amendment would decrease the proposed decrement.

[3:19:50 PM](#)

Representative Wool had not delved into the topic extensively; however, he recalled hearing substantial testimony the previous year in the House State Affairs Committee and perhaps the House Judiciary Committee. He noted a task force had spent significant time on the topic. He highlighted that the task force had requested more money than was proposed. He realized funds had been lapsing; however, he hoped that through the work of the task force and media coverage on the severity of the issue that efforts would be doubled down to fully staff and increase the system's functionality. He did not believe it made sense to hamstring the program by reducing access to funding. He reasoned that any unspent funds would lapse at the end of the year; the money was not lost.

Representative Wool thought the flexibility to utilize the funds was positive. He highlighted that holding cells were lacking in many communities. He supported the expanding the ability to use VPSO funds as mentioned in the intent language provided by Co-Chair Foster. However, he did not support the intent language with a \$500,000 decrement. He stressed that the task force had recommended \$3 million and the subcommittee only got \$1 million. He stressed that the funding was already below the task force recommendation. He pointed out that some of the task force members were former law enforcement professionals who had more experience on the subject than he did. He hoped the department could double down its efforts and fill vacancies. He reiterated his support for the intent language and opposition to the decrement.

Representative Sullivan-Leonard supported the amendment to Amendment H DPS 3. She appreciated the amendment sponsor's offer for compromise. She considered the history of the VPSO program and how its budget had been formed in the past. She highlighted that the past budgets brought forward for the program had not been fulfilled. She thought a decrement of \$500,000 was fine. She suggested that issues pertaining to housing, office space, and holding cells would be better addressed in the capital budget.

[3:23:09 PM](#)

AT EASE

[3:23:30 PM](#)

RECONVENED

Representative Knopp felt that Representative Wool missed the takeaway from the amendment to the amendment. He stated that the intent language did far more than leaving the \$1 million in the budget. He stated that in conversations with grantees about being denied the use of funding for holding cells, housing, office space, tires, and fuel, there had been a need for the money but DPS had refused to allow the expenditures. He emphasized that inserting the intent language did much more than leaving the \$1 million in the budget. He explained that once the VPSO program had the ability to use funding for the aforementioned needs, there would no longer be lapsed funds. He believed it would mean more need would be demonstrated the following year. He thought it would go a long way for recruitment and retention of VPSOs. He supported the amendment to Amendment H DPS 3.

Co-Chair Johnston agreed with Representative Knopp that a lack of access to funding for support services had been hamstringing the VPSO program. Her concern with the amendment to the amendment was that \$500,000 would not go very far for most rural communities for housing, a holding cell, winter tires, and other. She supported the intent language, but believed the decrement went in the wrong direction.

Co-Chair Foster asked if Representative Merrick had stated that 43 VPSO positions were filled and 34 were operational because some of the individuals were in training.

Representative Merrick nodded in the affirmative.

Co-Chair Foster pointed out that there were about 232 small villages and there was a huge gap in what was needed. He appreciated Representative Merrick's consideration, but he did not support the amendment to Amendment H DPS 3.

Representative Merrick WITHDREW the amendment to Amendment H DPS 3.

[3:27:06 PM](#)

Co-Chair Foster asked if the amendment sponsor had looked into how the amendment may impact the state troopers. He explained that with 232 communities and only 40 VPSOs, there were many communities with no law enforcement or public safety presence. He referenced the hub-and-spoke model previously mentioned by the commissioner. He used Nome as an example of a hub community. He elaborated that if there was an altercation, a state trooper flew out to the village to take care of the problem if there was no other law enforcement presence. He explained that there were numerous times where the situation was a problem. For example, there could be a domestic violence situation that occurred at 2:00 a.m., which could be very explosive. He detailed that law enforcement officers approaching the residence did not know whether there were weapons involved. He furthered there could be a situation where there was a trained and experienced law enforcement responder such as a VPSO. Alternatively, if a trooper had to travel to reach the location, they may have to charter an airplane to deal with the situation.

Co-Chair Foster shared that there were 17 villages in his region and 32 in his district. He explained that at any given time there could be a sexual assault, an alcohol related assault, a search and rescue, or many other things. He applauded the troopers in his community who worked very hard. He wondered how the proposed decrement would impact state troopers. He relayed that fewer VPSOs in a village meant more traveling and callouts for troopers. He expounded that VPSOs were working 24 hours a day, 7 days a week, year-round, with no backup. He explained that VPSOs eventually burned out. At some point the troopers felt the issue as well or they were unable to respond to all of the situations, in which case village residents were short changed. He wondered if the amendment sponsor had an opportunity to talk to any of the grantees or state troopers about their view on the impact of a \$1 million cut to the VPSO program.

[3:30:44 PM](#)

Representative Merrick appreciated Co-Chair Foster's comments. She believed there was confusion about the intention of the amendment. She was not intending to reduce the number of VPSOs. She stressed that it was a funding issue. She would like to have a VPSO in all 232

communities; however, she believed it was impractical to expect it to happen. She had read the VPSO task force report and it had been covered a finance subcommittee meeting. She shared it was her understanding VPSOs were supposed to be first responders, not law enforcement officials. She thought the VPSOs were not intended to do the same thing that state troopers did. She believed the intent was to tide the situation over until the troopers arrived. She did not believe the \$1 million cut would have an impact on the troopers. She stated that the troopers would still go to the community. She reiterated support to have a VPSO in every community; however, she did not believe it was practical. She did not think the proposed decrement would reduce the number of VPSOs.

Co-Chair Foster replied that Representative Merrick may be correct that the amendment would not reduce the numbers of VPSOs, but it would not allow the number to grow if spending was capped. He addressed Representative Merrick's remarks that a VPSO was intended to take care of a situation before a trooper could arrive. He was concerned about the first moments of many situations including assault or domestic violence where someone on the ground was needed to respond.

Co-Chair Johnston MOVED to AMEND Amendment H DPS 3 to insert the intent language provided by Co-Chair Foster. Additionally, the amendment would be amended with \$1 million.

Co-Chair Foster asked for clarity on the amendment to the amendment.

Co-Chair Johnston read the language that Co-Chair Foster had provided earlier (copy on file):

It is the intent of the Legislature that the Department of Public Safety continue to collaborate with the Village Public Safety Officer (VPSO) grantees to strengthen a recruitment and retention plan. This plan may include spending for infrastructure such as VPSO housing, office space, and holding cells.

Co-Chair Foster asked about the \$1 million portion of Co-Chair Johnston's amendment.

Co-Chair Johnston explained that the amendment to the amendment would include an increment of \$1 million.

Co-Chair Foster clarified that the amendment to Amendment H DPS 3 would change the \$1 million decrement to a \$1 million increment.

Representative Carpenter OBJECTED.

Co-Chair Foster spoke to the amendment to the amendment. He highlighted the VPSO working group's third recommendation to increase funding to FY 18 levels of \$13.4 million. He relayed that the VPSO budget was currently at \$12 million and adding \$1 million would increase the number to \$13 million. He supported the bipartisan working group's recommendation. He detailed that the working group was comprised of members from the House and Senate; it had taken a substantial amount of public testimony and had considered the subject in depth. He supported the amendment to the amendment.

[3:35:53 PM](#)

Representative LeBon supported fully funding the program back to the FY 18 level per the working group recommendations. His decision to add \$1 million for the VPSO program was partially strategic after the large cut from the prior year with the hope of finding a workable number with the recognition that some funds had historically lapsed. He shared that he had been looking for a middle ground that would satisfy enough people and keep the program moving forward. He supported the proposed amendment to Amendment H DPS 3.

Representative Wool stated that the adoption of the language would increase spending for things like housing, office space, holding cells, etcetera. He noted that the intent language specified that the plan was to address recruitment and retention. He understood that one of the problems with hiring additional VPSOs was a lack in housing and adequate facilities such as holding cells. He reasoned that the amendment to Amendment H DPS 3 would help hire more people. He addressed the statement that troopers had to respond to a situation. He thought having a person on the ground to help diffuse a situation in the immediate timeframe was positive and may mean a trooper would not need to fly in.

Representative Wool thought the discussion was similar to discussing a school that was failing. He provided a scenario where an inner city school was underperforming, and the response was to cut its funding. He thought the opposite was the case. He remarked that sometimes it was necessary to increase resources (e.g. additional teachers or learning devices) if the goal was for a school to do well. He stated that if something was underperforming and the goal was for it to do well, the answer was not to make financial cuts to use the funds elsewhere. He thought the funds would be used elsewhere if money lapsed. He supported the amendment to the amendment.

[3:38:55 PM](#)

Representative Merrick asked if she could withdraw Amendment H DPS 3.

Co-Chair Johnston was open to the withdrawal of the original amendment. She WITHDREW her amendment to Amendment H DPS 3. There being NO OBJECTION, it was so ordered.

Representative Merrick WITHDREW Amendment H DPS 3. There being NO OBJECTION, it was so ordered. She appreciated the robust discussion and observed that much work was needed in the specific area.

[3:40:02 PM](#)

AT EASE

[3:41:40 PM](#)

RECONVENED

Co-Chair Foster reported that the meeting would adjourn for the day. He relayed that amendments would continue the following morning at 9:00 a.m.

HB 205 was HEARD and HELD in committee for further consideration.

HB 206 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[3:42:22 PM](#)

The meeting was adjourned at 3:42 p.m.