

SENATE FINANCE COMMITTEE
February 15, 2019
9:01 a.m.

9:01:53 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Peter Micciche
Senator Donny Olson
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Mike Shower

ALSO PRESENT

Donna Arduin, Director, Office of Management and Budget; Anna Kim, Administrative Services Director, Department of Law, Office of Management and Budget; Ed Sniffen, Deputy Attorney General, Department of Law; Sylvan Robb, Administrative Services Director, Department of Corrections, Office of Management and Budget; Kelly Goode, Deputy Commissioner, Department of Corrections; Representative Tammie Wilson.

SUMMARY

SB 20 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 20 was HEARD and HELD in committee for further consideration.

#sb20

SENATE BILL NO. 20

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

[9:04:34 AM](#)

^DEPARTMENT REVIEW: LAW

[9:04:34 AM](#)

DONNA ARDUIN, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, introduced herself.

[9:05:51 AM](#)

ANNA KIM, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF LAW, OFFICE OF MANAGEMENT and BUDGET, introduced herself.

[9:06:08 AM](#)

ED SNIFFEN, DEPUTY ATTORNEY GENERAL, DEPARTMENT OF LAW, introduced himself.

Ms. Kim discussed the presentation, "State of Alaska, Office of Management and Budget; FY 2020 Governor's Amended Budget; Presentation to the Senate Finance Committee; February 15, 2019; Director Donna Arduin" (copy on file). She highlighted slide 2, "Department of Law."

Co-Chair Stedman asked for a funding comparison.

Ms. Kim explained the funding comparison.

Co-Chair Stedman asked how many chairs were full in keeping the constant position count.

Ms. Kim detailed the numbers of the divisions.

Co-Chair Stedman asked about what would be considered abnormal.

Ms. Kim deferred to Mr. Sniffen.

Mr. Sniffen looked at slide 3, "FY 2020 Budget: Department of Law."

[9:10:14 AM](#)

Senator Wielechowski noted the request for all exempt and partially exempt employees to support the governor's agenda. He asked for the number of employees that were terminated due to the governor's request.

Mr. Sniffen replied that there were three positions that were let go as a result of the transition.

Senator Wielechowski wondered how many were let go in the Department of Law.

Mr. Sniffen replied three.

Senator Wielechowski asked why they were let go.

Mr. Sniffen did not have that information.

Senator Wielechowski requested that information.

Co-Chair Stedman felt that the question could be considered later. He requested the expected demands on the department if there was a new crime bill package.

Mr. Sniffen stated that positions had been added the year prior.

Co-Chair Stedman asked for information about the long distance plea bargaining in the rural areas.

Mr. Sniffen agreed to provide that information.

[9:17:12 AM](#)

Ms. Kim addressed slide 4, "FY2020 Budget: Department of Law Snapshot":

- Fully support Civil Division through billing of services (-\$750.0 GF//+\$750.0 I/A)
- Statewide Support - Executive Branch 50 percent Travel Reduction (-\$190.1 GF)

- Criminal and Civil Divisions - Fully Funding Positions Added in SLA2018 (+\$307.6 GF)

Co-Chair von Imhof asked what the final bullet meant, and what the money would be used toward.

Ms. Kim replied that eight positions were added in the year prior, but were not fully funded. The money fully funded the positions in the current year.

Co-Chair von Imhof surmised that the travel and fully funded positions offset each other. She wondered whether the \$1.1 million in SB 32 for prosecutors and support staff was not added to the budget until the bill passed the legislature.

Ms. Kim replied in the affirmative.

[9:20:55 AM](#)

Senator Wielechowski remarked that the Criminal Division had seen many cuts, and the Attorney General testified that those cuts lead to the inability to prosecute over 5000 criminals. The legislature had restored a few positions the year prior, but nowhere near the previous level. He wondered how the level would be reached to not allow criminals to run free without the positions restored in the Criminal Division.

Mr. Sniffen recalled that testimony, and noted that there were a number of positions that were let go. The goal was to slowly add the prosecutors over time, and that process would continue.

Senator Wielechowski stressed that there were new crimes that needed to be prosecuted, so the level was not being reached. He wondered whether there were enough prosecutors to prosecute all the crimes in the state.

Mr. Sniffen replied that the cases would be prosecuted to the fullest extent of the law. He remarked that the crime package would provide prosecutors with more tools.

Senator Micciche announced that he estimated that backing out the changes, and examined the policy calls, there would be a \$60 million to \$80 million shift.

Ms. Arduin replied that all the departments worked on the fiscal note to determine what may happen. The fiscal note may change in the process. She noted that if more resources were needed, there would be a request.

[9:25:41 AM](#)

Senator Hoffman stressed that the key statement was "within the given resources."

Ms. Arduin replied that all the agencies in the administration was to live within the resources. The crime bills might cause some confusion, because those appropriations were not in the budget. The appropriations would come with the passage of the crime bills, and increase resources for the agencies according to the increased activities.

Senator Wilson requested information about the 24 positions.

Mr. Sniffen agreed to provide detailed information.

[9:30:48 AM](#)

Senator Bishop noted that the departments were communicating with each other. He wondered whether it was said that if the legislature felt that there should be more money, that the administration would accept that money.

Ms. Arduin replied that she could not provide an answer, rather would leave that for the governor to analyze.

Senator Bishop noted that the legislature had passed an omnibus crime bill. He did not believe that the money or time was given to see if that bill would work. He remarked that there was a desire to respond to the concerns. He did not want to "low ball" the number.

Senator Wielechowski recalled that the Attorney General would start approving plea bargains, and wondered whether that was a new policy.

Mr. Sniffen agreed to provide further information.

Co-Chair Stedman asked for a high level answer.

Mr. Sniffen replied that when a case was prosecuted with an opportunity to review the case, and decide to settle. The prosecutors made that decision within the bounds of the law.

[9:35:23 AM](#)

Co-Chair Stedman wondered whether substantial savings would be expected if there were more plea bargains.

Mr. Sniffen replied that the issue of saving money would enter into the discussion when determining a plea bargain.

Co-Chair Stedman remarked that if there were budgetary pressure related to bargaining, he would rather have a supplemental request.

Ms. Arduin stressed that the department stated that the budget was not related to the plea bargains.

Senator Hoffman stated that in order to keep Alaskans safe with the financial means available would utilize their budget on a priority basis.

^DEPARTMENT REVIEW: CORRECTIONS

[9:38:48 AM](#)

SYLVAN ROBB, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF CORRECTIONS, OFFICE OF MANAGEMENT and BUDGET, introduced herself.

KELLY GOODE, DEPUTY COMMISSIONER, DEPARTMENT OF CORRECTIONS, introduced herself.

Ms. Robb looked at slide 6, "FY2020 Budget: Department of Corrections." She looked at the top of the bars which showed the changes in the budget. She shared that the grey represented federal funding. She stated that the change was due to an increase in federal man days. She remarked that there were more inmates in the institutions paid for by the federal government. She stated that there were steadily increasing numbers in federal man days since 2013, with the exception of 2015. She looked at the green bars, which represented other funding. She shared that, for the department, the majority of the other funding was comprised

of the PFD criminal funds. She explained that those were funds from PFD awarded to the department from the PFD applications that were ineligible to apply. That money was used to offset the healthcare cost.

[9:40:37 AM](#)

Co-Chair Stedman asked for explanation of the general funds.

Ms. Robb replied that the department did not have much DGF, and only had a small number of fees. She stated that inmates were charged a copay for health insurance, and there were some other small fees. She shared that the department was approximately 89 percent UGF funded.

Senator Micciche looked at the issue of transparency, and asked that each department provide the split out from UGF and DGF.

Co-Chair Stedman stated that the request had been given to OMB, and it was hoped that they would modify their charts.

Senator Micciche felt that continuing to discuss the fee for service option, there was a discouraging of potential for services that folks may choose to help fund through DGF.

Co-Chair Stedman felt that there was a difference of opinion, and wanted to focus on the schedule of the committee.

Senator Hoffman wondered whether the department could give a general overview of where the state is on overcrowded facilities. He remarked that the Yukon Kuskokwim facility was probably close to twice the capacity than it was designed. He wanted to know the overall capacity versus what the facilities were at.

[9:46:02 AM](#)

Co-Chair Stedman felt that the question was applicable in the next slide.

Ms. Robb continued to look at the funding comparison in the slide.

Co-Chair Stedman queried the position comparisons.

Ms. Robb addressed the position comparisons on the slide.

[9:49:22 AM](#)

Ms. Robb highlighted slide 7, "FY2020 Budget: Department of Corrections Snapshot":

- Funding for Video Court Hearing Institutional Staffing (+\$969.6 GF and +10 PFTs)
- Reduce Authority Due to the Elimination of the Professional Conduct Unit (-\$1,199.7 GF and -5 PFTs)
- Transition at least 500 inmates to out of state facilities (-\$12,802.5 GF)
- Close a Sentenced Wing of the Wildwood Correctional Center (-\$6,000.0 GF and -46 PFTs)
- Statewide Support - Executive Branch 50 percent Travel Reduction (-\$71.2 GF)

[9:54:27 AM](#)

Senator Micciche stressed that the population of inmates that would not move out of state would increase dramatically. He felt that the decisions were made without corrections professionals.

Ms. Robb replied that there were a number of factors that went into considering the facilities. She stated that a number of facilities had a number of unsentenced inmates, so closing facilities with unsentenced inmates increased cost, because transportation costs were added.

Senator Micciche felt that the response made less sense. He stressed that the facility open made more sense.

[10:00:15 AM](#)

Co-Chair Stedman remarked that there would be many questions in subcommittee on that issue.

Senator Wielechowski remarked that there were many people in the news who have said that being sent to out of state prisons is like sending them to a crime university. The criminals learned all new types of ways to commit crime, and brought those lessons back to Alaska. He stressed that it was a bad idea to send inmates out of Alaska. He

remarked that Ms. Arduin had past experience with private prison groups. He wondered whether she had any discussions with any private prisons, that she had a relationship with, about housing Alaska inmates.

Ms. Arduin replied that she had no connections with private prisons and she did not have any conversations with them.

Senator Wielechowski wondered whether the department had any conversations with any out-of-state facilities about housing Alaska inmates.

Ms. Robb replied that the conversations were only about whether beds were available.

Senator Wilson noted no changes in the Judicial services line item, and wondered whether there was still a plan to have video court funding in FY 20 and the implementation in FY 21.

Ms. Robb understood that the change in the law still said that Courts "may" use videoconferencing instead of "shall."

Senator Wilson noted that in the Matsu there were four prison facilities. He queried the intent of the Palmer Correctional Facility.

[10:05:04 AM](#)

Ms. Robb replied that there was no decision made to reopen the Palmer Correctional Facility, and the department was currently gathering the cost of that facility.

Senator Wilson asked about the maintenance and facilities of Highland Correctional Facilities. He noted that facility had seen some problems, and did not like that the TLC program had been eliminated.

Co-Chair Stedman queried the description of the program.

Senator Wilson shared that TLC was a faith-based recidivism-reduction program. He felt that the rate was so reduced, and did not see anything about reductions for substance abuse and additional services in the presentations.

Co-Chair Stedman wondered if Senator Wilson wanted to know the status of the program.

Senator Wilson stated that he wanted to know why good programs were moved out of the prisons.

Ms. Robb stated that TLC was moved to the Anchorage Correctional Center. The 37 men were moved with the men. The program was not discontinued, rather it allowed the commissioner to bring the program to the women housed in the Highland Correctional Center.

Co-Chair von Imhof wondered whether each commissioner would be participating and present in the subcommittee meetings.

Ms. Arduin replied that she could not speak for every commissioner, but assumed that there would be work as they are scheduled to be present at the meetings.

Co-Chair von Imhof queried a plan for implantation of all the structural changes that were being brought for each of the departments. She remarked that there were many correctional facilities, and wondered how the flow of inmates would be within the different facilities.

[10:10:38 AM](#)

Ms. Arduin replied that there was a plan to address those details in the subcommittee process.

Senator Hoffman remarked that he had requested a general overview of the correctional facilities. He queried the capacity of the facilities, and whether they were overcrowded. He queried future plans for any additional facilities in the upcoming four years.

Ms. Robb replied that the facilities were at an average 94 percent capacity statewide. She stated that the Yukon Kuskokwim was often near capacity.

Senator Hoffman wondered whether there were plans to add an additional facility in the future.

Ms. Robb replied that there was currently no plan for an additional facility. She stated that the plan was to send 500 out of state, and providing numbers on reopening Palmer Correctional Center.

Senator Wielechowski asked whether there was an analysis to determine if this was the most efficient system.

Ms. Robb stated that transporting prisoners to hearings was the responsibility of the Department of Public Safety.

Co-Chair Stedman asked about the status of community jails in the budget proposal.

Ms. Robb replied that there were 15 community jails in locations with no institutions. She stated that those contracts were still in place.

Co-Chair Stedman asked about the money for the community jails.

Ms. Robb stated that it was essentially unchanged from the previous year.

Senator Olson recalled that during the administration transition period, there were resignations requested of some of the health professionals. He stressed that there was a nursing shortage. He wondered how many of those health care providers were relieved of their duties.

[10:15:24 AM](#)

Co-Chair Stedman also requested the status of the medical issues within the prison.

Ms. Robb replied that nurses were classified staff, so none of them were asked to resign. He stated that there were a number of health professionals, and they were all retained.

Senator Olson queried the status of the jail in Nome.

Ms. Robb did not understand the issue.

Senator Olson wondered whether there was a consideration of closing the jail.

Ms. Goode stated that there was no discussion about closing that jail.

Senator Bishop remarked that he was the former commissioner of Department of Labor and Workforce Development, and had

worked closely to develop job training programs in the prisons. He hoped to see that continue. He remarked that Wildwood had assets to expand vocational education for inmates. He stressed the importance of the inmates developing careers. He felt that shutting down Wildwood was troubling.

Senator Wilson wondered whether there would be compliance with RIA funding.

Ms. Robb agreed to provide further information.

Co-Chair Stedman asked for explanation of the program.

Ms. Robb replied that it was the Rape Elimination Act.

Senator Micciche shared a story about when he was mayor, and strongly support the people working in public safety, and correction officers were no exception. He requested that the departments notify employees respectfully about whether they were losing their jobs. He asked that the department conduct a study about how to reduce the costs for housing inmates in Alaska.

Co-Chair Stedman requested the cost of Goose Creek.

Senator Micciche added that he would like information about the existing facilities.

SB 20 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

[10:26:27 AM](#)

The meeting was adjourned at 10:26 a.m.