

**ALASKA STATE LEGISLATURE**  
**HOUSE STATE AFFAIRS STANDING COMMITTEE**

March 17, 2022

3:06 p.m.

**MEMBERS PRESENT**

Representative Jonathan Kreiss-Tomkins, Chair  
Representative Matt Claman, Vice Chair  
Representative Geran Tarr  
Representative Andi Story  
Representative Sarah Vance  
Representative James Kaufman  
Representative David Eastman

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

CONFIRMATION HEARING(S) :

- HEARD

CS FOR SENATE BILL NO. 7 (JUD)

"An Act requiring the Department of Public Safety to publish certain policies and procedures on the department's Internet website."

- HEARD & HELD

HOUSE BILL NO. 255

"An Act requiring the Department of Public Safety to publish certain policies and procedures on the department's Internet website."

- HEARD & HELD

HOUSE BILL NO. 271

"An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 396

"An Act restricting certain investments of state funds in certain Russian entities; and providing for an effective date."

- BILL HEARING CANCELED

**PREVIOUS COMMITTEE ACTION**

BILL: SB 7

SHORT TITLE: STATE TROOPER POLICIES: PUBLIC ACCESS

SPONSOR(s): SENATOR(s) GRAY-JACKSON

01/22/21	(S)	PREFILE RELEASED 1/8/21
01/22/21	(S)	READ THE FIRST TIME - REFERRALS
01/22/21	(S)	STA, JUD
03/04/21	(S)	STA AT 3:30 PM BUTROVICH 205
03/04/21	(S)	Heard & Held
03/04/21	(S)	MINUTE(STA)
03/11/21	(S)	STA AT 3:30 PM BUTROVICH 205
03/11/21	(S)	Heard & Held
03/11/21	(S)	MINUTE(STA)
04/22/21	(S)	STA AT 3:30 PM BUTROVICH 205
04/22/21	(S)	Moved SB 7 Out of Committee
04/22/21	(S)	MINUTE(STA)
04/23/21	(S)	STA RPT 3NR 1AM
04/23/21	(S)	NR: SHOWER, HOLLAND, COSTELLO
04/23/21	(S)	AM: KAWASAKI
05/10/21	(S)	JUD AT 1:30 PM BUTROVICH 205
05/10/21	(S)	Heard & Held
05/10/21	(S)	MINUTE(JUD)
02/16/22	(S)	JUD AT 1:30 PM BUTROVICH 205
02/16/22	(S)	Moved CSSB 7(JUD) Out of Committee
02/16/22	(S)	MINUTE(JUD)
02/18/22	(S)	JUD RPT CS 1AM 2DP 2NR SAME TITLE
02/18/22	(S)	AM: HOLLAND
02/18/22	(S)	DP: MYERS, KIEHL
02/18/22	(S)	NR: HUGHES, SHOWER
03/08/22	(S)	TRANSMITTED TO (H)
03/08/22	(S)	VERSION: CSSB 7(JUD)
03/09/22	(H)	READ THE FIRST TIME - REFERRALS
03/09/22	(H)	STA, JUD
03/17/22	(H)	STA AT 3:00 PM GRUENBERG 120

BILL: HB 255

SHORT TITLE: STATE TROOPER POLICIES: PUBLIC ACCESS

SPONSOR(s): REPRESENTATIVE(s) TARR

01/18/22	(H)	PREFILE RELEASED 1/7/22
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01/18/22 (H) READ THE FIRST TIME - REFERRALS  
01/18/22 (H) STA, FIN  
03/17/22 (H) STA AT 3:00 PM GRUENBERG 120

BILL: HB 271

SHORT TITLE: AIDEA: MEMBERSHIP; RESPONSIBILITIES  
SPONSOR(S): REPRESENTATIVE(S) JOSEPHSON

01/18/22 (H) PREFILE RELEASED 1/14/22  
01/18/22 (H) READ THE FIRST TIME - REFERRALS  
01/18/22 (H) STA, FIN  
03/17/22 (H) STA AT 3:00 PM GRUENBERG 120

**WITNESS REGISTER**

PAULA VRANA, Commissioner Designee  
Department of Administration  
Juneau, Alaska

**POSITION STATEMENT:** Testified as commissioner designee of the Department of Administration.

SENATOR ELVI GRAY-JACKSON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced CSSB 7(JUD), as the prime sponsor.

KEITH BAUGUESS, Staff  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Provided a sectional analysis of SB 7, on behalf of Senator Gray-Jackson, prime sponsor.

LIEUTENANT ERIC OLSEN  
Alaska State Troopers  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions during the hearing on CSSB 7(JUD) and HB 255.

REPRESENTATIVE ANDY JOSEPHSON  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Introduced HB 271, as the prime sponsor.

ELISE SORUM-BIRK, Staff  
Representative Andy Josephson  
Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Answered questions and provided a PowerPoint presentation during the hearing on HB 271, on behalf of Representative Josephson, prime sponsor.

**ACTION NARRATIVE**

[3:06:42 PM](#)

**CHAIR JONATHAN KREISS-TOMKINS** called the House State Affairs Standing Committee meeting to order at 3:06 p.m. Representatives Vance, Kaufman, Tarr, Story, and Kreiss-Tomkins were present at the call to order. Representatives Claman and Eastman arrived as the meeting was in progress.

Department of Administration, Commissioner

[3:08:45 PM](#)

CHAIR KREISS-TOMKINS announced that the first order of business would be a confirmation hearing for Commissioner Designee Paula Vrana, Department of Administration (DOA).

[3:09:11 PM](#)

PAULA VRANA, Commissioner Designee, DOA, summarized her work experience and career history. She recounted her three-year tenure at DOA serving as the deputy commissioner, noting that the experience gave her a deep understanding of the department. She concluded by sharing more about her personal history.

[3:14:21 PM](#)

REPRESENTATIVE VANCE inquired about Commissioner Designee Vrana's goals for the department.

COMMISSIONER DESIGNEE VRANA listed the following goals for DOA: complete the consolidation of human resources, the Office of Information Technology, the Shared Services of Alaska, and the Office of Procurement and Property Management. She projected that the consolidation initiatives could be completed by the end of 2022. She spoke of her commitment to serving the other departments and the people of Alaska with the best customer service possible.

REPRESENTATIVE VANCE asked what the commissioner designee's priorities would be after the consolidation was completed.

COMMISSIONER DESIGNEE VRANA said the next step would be to stabilize and assess the efficiencies gained from consolidation.

[3:17:49 PM](#)

REPRESENTATIVE EASTMAN referenced the sizeable appropriation request from the Department of Health and Social Services (DHSS) for the recent data breach. He asked for an assessment of DOA's cyber security.

COMMISSIONER DESIGNEE VRANA said cyber security was a top priority for DOA. She believed that the state's cyber security posture was healthy; however, constant reassessment, improvement, and modernization was required.

REPRESENTATIVE EASTMAN asked about the department's ability to receive feedback regarding cyber security and react to it in a timely manner.

COMMISSIONER DESIGNEE VRANA said employees were trained on reporting concerns through the proper avenues.

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REPRESENTATIVE STORY noted the large number of employees working in the Division of Personnel, DOA. She asked about staff morale throughout the consolidation process and asked what steps would be taken to assess employee morale and make adjustments.

COMMISSIONER DESIGNEE VRANA opined that the State of Alaska (SOA) employees were the state's greatest resource; further, she believed in always staying in touch with staff morale. She addressed "change fatigue," which DOA staff had experienced at times, she shared.

REPRESENTATIVE STORY sought to understand a specific situation in which 44 positions were transferred and then recalled.

COMMISSIONER DESIGNEE VRANA explained that a number of positions moved to the Office of Procurement and Property Management, DOA, in July 2021; however, the decision was made to pause that consolidation due to considerations around the IRIS upgrade. Because of that, those positions were rerouted to their initial home in the Office of Procurement and Property Management.

REPRESENTATIVE STORY asked whether DOA required a strong rationale for transferring or consolidating positions.

COMMISSIONER DESIGNEE VRANA said typically, the consideration of a duty station or a position location was taken on a case-by-case basis.

REPRESENTATIVE STORY inquired about the process by which a position's location was assessed.

COMMISSIONER DESIGNEE VRANA shared her understanding that the decision on where to recruit for a position belonged to DOA; however, a change in duty position ultimately resided with the Office of Management & Budget (OMB).

[3:27:34 PM](#)

REPRESENTATIVE CLAMAN asked whether Commissioner Designee Vrana was still an active member of the Alaska Bar Association.

COMMISSIONER DESIGNEE VRANA answered yes.

REPRESENTATIVE CLAMAN returned to the topic of cyber security. He inquired about the department's capacity to respond to a cyber security attack and whether there were enough personnel.

COMMISSIONER DESIGNEE VRANA pointed out that DOA housed the State Security Office, which was entirely dedicated to cyber security matters. She believed that the dedicated team in the State Security Office had enough resources in the event of a cyber security attack.

REPRESENTATIVE CLAMAN contended that the commissioner designee was talking about prevention, as opposed to response. He considered a scenario in which a data breach occurred in the Division of Motor Vehicles (DMV) and asked whether the department could respond in an effective way.

COMMISSIONER DESIGNEE VRANA stated that the department had planned its response in the event of a cyber security attack. Further, she recalled that when an incidence had occurred, DOA's daily work was not negatively impacted.

[3:32:15 PM](#)

REPRESENTATIVE CLAMAN shared some specific complaints made by constituents; one involved an individual who needed to modify his retirement plan, which required a form that was approved by DOA. The citizen in question reported that it took over a month for the department to respond. He asked whether Commissioner Designee Vrana had heard of similar problems.

COMMISSIONER DESIGNEE VRANA said she would have to look into that situation, adding that it was concerning to hear. She said she had not heard of the Division of Retirement and Benefits falling behind or dealing with a backlog.

REPRESENTATIVE CLAMAN requested that Commissioner Designee Vrana follow up with more information. Additionally, he recounted a constituent's complaint regarding a delay in death benefits. He surmised that the department lacked sufficient personnel to accomplish its work.

COMMISSIONER DESIGNEE VRANA pointed out that the delay may have been in the Vital Statistic Department, DHSS, which was outside the control of the Division of Retirement and Benefits. She offered to follow up on that situation.

REPRESENTATIVE CLAMAN reiterated his concern about essential service delays due to a shortage of staff in state departments.

[3:36:29 PM](#)

REPRESENTATIVE EASTMAN inquired about the current policy on communication between legislators and department employees.

COMMISSIONER DESIGNEE VRANA explained that communication between legislators and state employees in their official capacity must flow through the legislative liaison in both directions.

REPRESENTATIVE EASTMAN asked what distinguished personal capacity from official capacity.

COMMISSIONER DESIGNEE VRANA said it would be assessed on a case-by-case basis.

REPRESENTATIVE EASTMAN asked whether a department employee who reported fraud, waste, or abuse to a legislator via the legislative liaison would be penalized.

COMMISSIONER DESIGNEE VRANA said she would always encourage an employee to report any instances fraud, waste, or abuse.

REPRESENTATIVE EASTMAN asked whether there would be a penalty if a department employee reported fraud, waste, or abuse to a legislator without going through the liaison.

COMMISSIONER DESIGNEE VRANA was unsure of the answer. She declined to speak on generalities.

REPRESENTATIVE EASTMAN inquired about the department's plans for the use of the IP addresses managed by DOA.

COMMISSIONER DESIGNEE VRANA was unfamiliar with the IP addresses referenced by Representative Eastman. She stated that during the pandemic, SOA purchased many laptops to enable telework for employees across the state; however, she was not familiar with any concerns regarding IP addresses since the distribution of those laptops.

[3:42:10 PM](#)

REPRESENTATIVE TARR noted that the Public Defender Agency and the Office of Public Advocacy were among the myriad of responsibilities headed by the department. She expressed her hope that both would be prioritized.

[3:43:22 PM](#)

REPRESENTATIVE CLAMAN moved to advance the confirmation of Paula Vrana, commissioner designee for the Department of Administration, to the joint session of the House and Senate for consideration. He reminded members that signing the reports regarding appointment to boards and commissions in no way reflected individual members' approval or disapproval of the appointees, and that the nominations were merely forwarded to the full legislature for confirmation or rejection. There being no objection, the confirmation was advanced.

**SB 7-STATE TROOPER POLICIES: PUBLIC ACCESS**  
**HB 255-STATE TROOPER POLICIES: PUBLIC ACCESS**

[3:43:59 PM](#)

CHAIR KREISS-TOMKINS announced that the next order of business would be a combined hearing of CS FOR SENATE BILL NO. 7(JUD), "An Act requiring the Department of Public Safety to publish certain policies and procedures on the department's Internet website" and HOUSE BILL NO. 255, "An Act requiring the

Department of Public Safety to publish certain policies and procedures on the department's Internet website."

[3:44:38 PM](#)

SENATOR ELVI GRAY-JACKSON, Alaska State Legislature, prime sponsor, introduced CSSB 7(JUD). She paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

This bill would require that the Department of Public Safety publish on their website the department's current policies and procedures related to the conduct of peace officers employed or regulated by the department. The duty of the Department of Public Safety is to ensure public safety within our communities and, as such, the public must be able to easily access the current policies and procedures that requires peace officers regulated by the department to adhere to.

[3:46:17 PM](#)

REPRESENTATIVE TARR, prime sponsor of HB 255, provided brief introductory remarks. She noted that HB 255 did not include the same amendments as its companion bill, CSSB 7(JUD), which were adopted during the Senate Judiciary Standing Committee (SJUD).

[3:46:51 PM](#)

KEITH BAUGUESS, Staff, Alaska State Legislature, on behalf of Senator Gray-Jackson, prime sponsor, presented a sectional analysis of SB 7 [included in the committee packet], which read as follows [original punctuation provided]:

**Section 1:** Amends AS 44.441.020 to add the Department of Public Safety shall publish on their website the current policies and procedures related to the conduct of peace officers employed or regulated by the department.

[3:47:39 PM](#)

REPRESENTATIVE EASTMAN asked what inspired the sponsor to draft this bill.

SENATOR GRAY-JACKSON remarked, "I was inspired to bring this bill forward."

REPRESENTATIVE EASTMAN asked what inspired her.

SENATOR GRAY-JACKSON said she was inspired by recent events, such as the death of George Floyd and others. She referenced [similar] incidents in the Municipality of Anchorage in 2019.

[3:48:52 PM](#)

REPRESENTATIVE STORY asked whether the changes made in SJUD added the Village Public Safety Officers provision.

SENATOR GRAY-JACKSON answered yes. She explained that a second amendment was also adopted in SJUD, which clarified that any confidential information that disclosed the techniques and procedures for enforcement investigations would not be provided; further, that any guidelines for law enforcement investigations and prosecutions would be excluded as well.

[3:49:52 PM](#)

REPRESENTATIVE EASTMAN asked whether a member of the public who was using the website would be able to see what information was excluded.

SENATOR GRAY-JACKSON deferred the question to Lieutenant Olsen.

[3:51:09 PM](#)

LIEUTENANT ERIC OLSEN, Alaska State Troopers (AST), said the website noted that any redactions had been limited to those that were applicable to AS 40.25.120(a)(6)(E)-(G).

REPRESENTATIVE EASTMAN asked, "Are those roughly similar to the exemptions listed in this statute or is there a way of tying those two things together?"

LIEUTENANT OLSEN asked Representative Eastman to clarify the question.

REPRESENTATIVE EASTMAN asked if the bill were to pass, whether the department would reference, on the website, the exemptions in this bill.

LIEUTENANT OLSEN said the department would have to consult with the commissioner's office. He offered to follow up with the requested information.

[3:53:16 PM](#)

REPRESENTATIVE CLAMAN asked how many pages of policy currently existed.

SENATOR GRAY-JACKSON said she had no idea.

LIEUTENANT OLSEN answered hundreds of pages.

[3:54:22 PM](#)

CHAIR KREISS-TOMKINS announced that CSSB 7(JUD) and HB 255 were held over.

**HB 271-AIDEA: MEMBERSHIP; RESPONSIBILITIES**

[3:54:57 PM](#)

CHAIR KREISS-TOMKINS announced that the final order of business would be HOUSE BILL NO. 271, "An Act relating to the Alaska Industrial Development and Export Authority; and providing for an effective date."

[3:55:13 PM](#)

REPRESENTATIVE JOSEPHSON, Alaska State Legislature, prime sponsor, introduced HB 271. He paraphrased the sponsor statement [included in the committee packet], which read in its entirety as follows [original punctuation provided]:

HB 271 aims to improve upon the governance structures of the Alaska Industrial Development and Export Authority (AIDEA) and provides legal mechanisms for additional transparency and oversight of this public corporation.

Currently, AIDEA is under considerable scrutiny from the public and the media. Concerns have been raised about the integrity of decision-making processes used by the authority and relating to personnel matters within the authority. These concerns have been aggravated by extensive use of executive sessions during AIDEA board meetings, limited public engagement

on major development projects, a perceived lack of responsiveness to public comments and little transparency in AIDEA's business agreements.

First established in 1967, AIDEA has a long and complex history. Over the years, the role AIDEA plays in the economy of the state has shifted and its financing programs have expanded markedly. AS 44.88, the chapter of statute governing the authority, is a hodgepodge of various funds, programs, and legal requirements. There is little in statute to ensure that AIDEA acts in the best interest of the public and state economy when financing projects and little required scrutiny. HB 271 would address these issues by restructuring the AIDEA Board to be more diverse and less susceptible to political whims of any given administration. It would also create a uniform set of processes for approval of projects requiring \$10 million in financing (or more) and would require the authority to be forthright with the public about business dealings and contracts.

Additionally, under the framework created by HB 271, AIDEA would systematically analyze the impacts of projects at all stages of development and outcomes after completion to ensure that AIDEA is in fact achieving the statutory directives of promoting balanced growth of the economy, creating stable employment opportunities in the state, and providing state businesses with adequate financial and technical assistance.

The need for AIDEA reform has been discussed perennially and this reform is timely. HB 271 provides the necessary framework for AIDEA to become a transparent and trusted development finance organization, work

[4:05:50 PM](#)

REPRESENTATIVE VANCE thanked the bill sponsor for calling attention to this issue of transparency and the Alaska Industrial Development and Export Authority (AIDEA's) tendency to call sporadic executive sessions for lengthy amounts of time. She asked how the bill would address that concern and provide better interface with the public.

REPRESENTATIVE JOSEPHSON said Representative Vance had highlighted one issue in the bill that needed further development. He opined that there were times when executive session makes sense, such as litigation; however, AIDEA {"the authority") was in executive session "all the time." He welcomed a friendly amendment on the matter.

[4:07:47 PM](#)

REPRESENTATIVE EASTMAN observed that Section 6 updated the 15-day requirement for notice of proposed action. He suggested that notice should be posted on AIDEA's website and asked whether that would be considered a friendly amendment.

REPRESENTATIVE JOSEPHSON said, "Definitely."

REPRESENTATIVE EASTMAN inquired about the legal implications of removing the language "at the pleasure of the governor" [on page 1, line 14].

REPRESENTATIVE JOSEPHSON explained that his intention was to depoliticize the provision, which dealt with public membership of the authority. He added, "The part that ... our attorneys would want to offer you advice on is less that concern than the confirmation issue."

REPRESENTATIVE EASTMAN asked the bill sponsor to speak to the "confirmation issue."

REPRESENTATIVE JOSEPHSON stated that AIDEA was not a regular government department; therefore, the governor's absolute appointing authority was in question.

REPRESENTATIVE EASTMAN turned attention to Section 6, which changed the allotted time for public testimony from "a total period of at least one hour" to "not less than two minutes". He asked whether that provision had been abused by AIDEA in the past. Additionally, he asked whether the new language could unintentionally limit public testimony.

REPRESENTATIVE JOSEPHSON recounted receiving many complaints from members of the public regarding AIDEA's long executive sessions, insufficient notice, and the inability to participate from 2019-2021.

REPRESENTATIVE EASTMAN expressed concern that the written responses to public comment may necessitate a substantial amount

of additional work for the authority. He asked whether the bill sponsor's intent was for AIDEA to send a general response. Further, he expressed his hope that the authority would not be required to respond to each individual comment if there were thousands.

REPRESENTATIVE JOSEPHSON directed attention to the language in question on page 3, line 7, and acknowledged that it could use some editing.

[4:16:47 PM](#)

REPRESENTATIVE VANCE asked whether it was customary to delineate a time limit on public testimony in statute.

[4:17:34 PM](#)

ELISE SORUM-BIRK, Staff, Representative Andy Josephson, Alaska State Legislature, pointed out that the existing AIDEA statute laid out a one-hour minimum for public testimony. In changing that language, she said the bill sponsor's intent was to ensure that every member of the public was heard.

REPRESENTATIVE VANCE suggested that AIDEA should be required to post public notice of the start time for public testimony so that members of the public weren't missing their chance to call in.

MS. SORUM-BIRK reiterated that the bill was a starting point.

[4:20:03 PM](#)

MS. SORUM-BIRK introduced the PowerPoint presentation, titled "HB 271; AIDEA Reform and Transparency" [hard copy included in the committee packet]. She began on slide 2, which highlighted media headlines concerning AIDEA.

[4:21:10 PM](#)

MS. SORUM-BIRK outlined a sectional analysis of the proposed legislation on slide 3, which read as follows [original punctuation provided]:

- **Sections 1 through 3 and 13-** Board confirmation and composition.
- **Section 4-** Executive Director confirmation and personnel policies.

- **Sections 5 and 6**- Processes for adopting regulations and receiving public input.
- **Section 7**- AIDEA dividend to state.
- **Sections 8 and 9**- Project oversight and approval processes.
- **Section 10**- Prioritization of projects based on furthering existing state policies.
- **Section 11**- Development of performance metrics related to legislative intent.
- **Section 12** - Public access to AIDEA records.
- **Section 14**- Transitional language.
- **Section 15**- Effective date.

[4:26:23 PM](#)

MS. SORUM-BIRK skipped slides 4-5 and outlined transparency of records and outcomes on slide 6, which read as follows [original punctuation provided]:

**Current Law- AS 44.88.215**

- HB 386 (ch 109 SLA 1998) first added the confidentiality language to statute
  - This language was further strengthened by HB 90 (ch 71 SLA 2010).
- Per legislative records- before 1998 loan applicants had to fill out a waiver.
- Under the Alaska Public Records Act (AS 40.25) exceptions already exist for financial information required to be kept confidential under federal law.

[4:28:34 PM](#)

MS. SORUM-BIRK skipped slide 7 and proceeded to outline alignment with state policies and legislative intent on slide 8, which read as follows [original punctuation provided]:

- State Energy Policy (AS 44.99.115)
- Coordinated and comprehensive approach to energy efficiency and conservation
- Economic development through development of both renewable and nonrenewable energy resources
- Supporting Applied Research to alternative and emerging technologies
- State administrative centralization and coordination with federal initiatives

- State Arctic Policy (AS 44.99.105)
- Development with lens of vibrant communities and healthy environment
- Positive investment climate through strategic infrastructure
- Safe and secure maritime transport
- Integration of Indigenous knowledge into conventional research
  
- Legislative Intent for Creation of AIDEA
- Creation of year-round employment
- "Balanced growth of economy"
- Business benefiting through financial and technical assistance
- Supporting/ creating exports

MS SORUM-BIRK concluded on slide 9, which questioned what Alaskans and the legislature wanted AIDEA to be, whether it be a development finance organization, a state funded bank, an economic development authority for the state, an investor in extraction industries, or a driver for green energy.

[4:31:40 PM](#)

CHAIR KREISS-TOMKINS announced that the bill was held over.

[4:32:49 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 4:32 p.m.