

SENATE FINANCE COMMITTEE  
February 28, 2022  
9:01 a.m.

9:01:03 AM

CALL TO ORDER

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

MEMBERS PRESENT

Senator Click Bishop, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Lyman Hoffman  
Senator Donny Olson  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

Senator Natasha von Imhof

ALSO PRESENT

Julee Douglas, Staff, Senator Donnie Olson; Brix Hanh, Staff, Senator Donnie Olson; Joel Hard, Director, Village Public Safety Officers, Department of Public Safety; Kelly Howell, Legislative Liaison, Special Assistant to the Commissioner, Department of Public Safety; Jason Wilson, VPSO Coordinator, Tlingit and Haida Central Council.

PRESENT VIA TELECONFERENCE

Kevin Fimon, Appointee, Alaska Mental Health Trust Authority Board of Trustees, Anchorage; Michael Nemeth, VPSO Program Coordinator, Aleutian Pribilof Island Association, Eagle River; Amber Vaska, Tanana Chiefs Conference, Alaska Regional Coalition, Fairbanks; Rhonda Pitka, Chief, Village of Beaver, Beaver.

SUMMARY

SB 81          VILLAGE PUBLIC SAFETY OFFICER GRANTS

SB 81 was HEARD and HELD in committee for further consideration.

CONSIDERATION OF GOVERNOR'S APPOINTEES: KEVIN FIMON, Alaska MENTAL HEALTH TRUST AUTHORITY (AMHTA) BOARD OF TRUSTEES

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9:02:49 AM

KEVIN FIMON, APPOINTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY BOARD OF TRUSTEES, ANCHORAGE (via teleconference), explained his personal and professional background. He remarked that his wife is a doctor.

9:04:46 AM

Co-Chair Stedman recalled that there had been some issues in the management of the Alaska Mental Health Trust Authority (AMHTA) Board of Trustees. He asked about issues with real estate holdings and the legal structure of the trust.

9:05:28 AM

Mr. Fimon replied that he had recently learned about some of the proposals and policies that had been completed. He offered to provide more information later. He relayed that he was aware of the issue with the non-cash assets and understood that the trust was seeking third party consultations on how to liquidate and maximize the assets.

9:06:27 AM

Co-Chair Stedman appreciated that the appointee had made themselves aware of the issues related to the trust. He thought that the strengths held by the appointee would benefit the board.

9:07:09 AM

Co-Chair Stedman FORWARDED the appointment of Kevin Fimon for consideration in accordance with Alaska Statute. He relayed that this did not reflect an intent by any member of the Senate Finance Committee to vote for or against the

confirmation of the individuals during any further sessions. There being NO OBJECTION, it was so ordered.

[9:07:44 AM](#)

AT EASE

[9:09:37 AM](#)

RECONVENED

#sb81

SENATE BILL NO. 81

"An Act requiring background investigations of village public safety officer applicants by the Department of Public Safety; relating to the village public safety officer program; and providing for an effective date."

[9:10:20 AM](#)

SENATOR DONNIE OLSON, SPONSOR, introduced his staff.

[9:10:30 AM](#)

JULEE DOUGLAS, STAFF, SENATOR DONNIE OLSON, relayed that she was a First Alaskan Fellow.

[9:10:39 AM](#)

BRIX HANH, STAFF, SENATOR DONNIE OLSON, introduced herself.

[9:10:52 AM](#)

Senator Olson introduced the legislation.

[9:15:00 AM](#)

Ms. Douglas discussed the Sectional Analysis (copy on file):

Please note that this is a sectional summary and not an authoritative interpretation of the bill. The bill itself is the best statement of its contents.

This bill implements eight of the nine short term recommendations from the Joint Legislative VPSO Working Group's report adopted January 24, 2020. The nine recommendations are:

Recommendation 1. Update the VPSO statutes to provide a clear law enforcement and public safety vision and mission for the program and provide VPSO personnel clear law enforcement duties and powers.

Recommendation 2. Create more financial flexibility for the VPSO grantee organizations in the updated VPSO statutes.

Recommendation 3. Restore VPSO funding levels to FY18 levels.

Recommendation 4. Fund unfunded mandates.

Recommendation 5. Related to Recommendation 4, in an updated VPSO statute, mandate that grant awards pay grantee organization their full indirect costs.

Recommendation 6. Move financial grant management to the Department of Commerce, Community, and Economic Development.

Recommendation 7. Maintain operational advisory, training, and experience requirement oversight at the Department of Public Safety.

Recommendation 8. In statute create a Tribal/Grantee organization consultation process before the Department can change training and experience requirements.

Recommendation 9. Revised versions (consistent with the recommendations of this report) of current VPSO regulations need to be placed in statute in order to operationalize the VPSO program and to facilitate the grant management moving to the Department of Commerce.

Section 1 (pages 1-3)

Amends AS 12.62.400 regarding criminal history background checks and adds VPSO program personnel as a program the Department of Public Safety is authorized to secure background checks via the Federal Bureau of Investigation. The substantive change occurs on page 3, line 21.

Section 2 (page 3)

Related to Section 1, Amends AS 18.65.080, one of the Department of Public Safety's enabling statutes. The amendment requires that the Department secure the background checks for VPSO program personnel.

Sections 1 and 2 implement Recommendation 2 regarding creating more financial flexibility for the program. At one point the Department of Public Safety (DPS) was conducting background checks for the VPSO program then unilaterally stopped with no notice the grantee organizations. Sections 1 and 2 together make it clear that background checks are a DPS function for the VPSO program.

Section 3 (pages 4-7)

In current statute the VPSO program has only one statute, AS 18.65.670. Section 3 proposes to repeal and reenact the statute and add multiple new subsections.

Subsection (a) has been rewritten to conform to the current Legislative Drafting Manual and because a new statute is proposed in Bill Section 4, AS 18.65.686, that updates VPSO duties and powers.

Subsection (b) is identical to existing (b), except the last sentence of existing (b) is not included as it was deemed unnecessary.

Subsection (c) is new and is the statutory codification of current DPS regulation 13 AAC 96.020. This implements Recommendation 9.

Subsection (d) is new and is the statutory codification of current DPS regulation 13 AAC 96.030 with changes that remove the prohibition of existing 13 AAC 96.030(2) that prevents the payment of bonuses from other non-VPSO grant revenue sources. Also removed is the requirement that grantees indemnify the state. These changes implement Recommendations, 2, 4, and 9.

Subsection (e) is new and is the partial statutory codification of current DPS regulations 13 AAC 96.040, specifically, (a)(2). This subsection sets the overall policy that one VPSO

is generally assigned to one village unless the grantee organization requests additional VPSO personnel per village. The changes reflect a more neutral and less harsh tone than the language from the regulation.

Subsection (f) is new and allows for traveling or "roving" VPSO personnel who are permitted to itinerate between villages within a grantee's region as public safety needs arise. These changes implement Recommendations 1, 2, and 9.

Subsection (g) is new and is the partial statutory codification of current DPS regulations 13 AAC 96.040. New (g) contains grant award record keeping requirements and other grant management requirements. These changes implement Recommendations 1, 2, and 9.

Subsection (h) contains new regulation adopting authority for the DPS commissioner, subject to the new consultation requirements of new (l) of this bill section. These changes implement Recommendations 1, 2, and 8.

Subsection (i) allows for funding grantee organizations' indirect rates up to a statewide average of 35%. This language has been used as intent language in multiple prior operating budget bills. These changes partially implement Recommendations 2, 4-5.

Subsection (j) is new and provides explicit instruction to the commissioner on grant fund disbursement. Specifically, that grant funds can be used for items reasonably related to public safety and VPSO duties as codified in this bill. Further, grant fund disbursement is to be timely and funding request are not to be unreasonably withheld. These changes partially implement Recommendation 2.

Subsections (k) and (l) are related to new (i) and provides for a consultation and negotiated rule-making process for when any of the state agencies involved with the VPSO program exercise

their regulation adopting authority. These changes implement Recommendation 8.

Section 4 (pages 8-14)

Creates new statutes:

AS 18.65.672 is the statutory codification of current DPS regulation 13 AAC 96.080 dealing with VPSO qualification requirements. These changes implement Recommendation 9.

AS 18.65.674 is the statutory codification of current DPS regulation 13 AAC 96.090 dealing with VPSO background checks. These changes implement Recommendation 9.

AS 18.65.676 is the statutory codification of current DPS regulation 13 AAC 96.100 dealing with VPSO training requirements. These changes implement Recommendations 1 and 9.

AS 18.65.678 is the statutory codification of current DPS regulations 13 AAC 96.040(b)(8) and 13 AAC 96.100 dealing with VPSO firearm training requirements. These changes implement Recommendations 9.

AS 18 65.682 is the statutory codification of current DPS regulation 13 AAC 96.110 dealing with VPSO certification. These changes implement Recommendations 9.

AS 18.65.684 is the statutory codification of current DPS regulation 13 AAC 96.120 dealing with the denial, revocation, or lapse of a VPSO certificate. These changes implement Recommendations 9.

AS 18.65.686 contains the duties and functions that VPSO personnel are currently performing but are not codified in the existing statute. This implements Recommendation 1.

AS 18.65.688 is a definitional section to deal with various terms used throughout the new statutory sections.

Section 5 (page 14)

Creates in the uncodified law a standard grandfather provision for existing VPSO personnel who may have been certified under different training requirements than what is provided for in this bill.

Section 6 (page 14)

Creates in the uncodified law a requirement that DPS continue its current level of interaction between itself and the VPSO personnel. That requirement is codified in current VPSO statute AS 18.65.670(c) with the language relating to DPS regulation authority extending to "the interaction between the Department of Public Safety and village public safety officers." This requirement is maintained by bill section 3(i) which uses the exact wording regarding DPS regulation authority.

Section 7 (page 14)

Is an effective date provision and provides that the subsections (b) - (g) of repealed and reenacted AS 18.65.670 become effective on July 1, 2020. These subsections are proposed codifications and modifications of current department regulations. This will allow the department time to take action to make the department regulations consistent with the new provisions of statute enacted by this bill.

Section 8 (page 14).

Provides that all other sections of the bill have an immediate effective date.

[9:26:09 AM](#)

Senator Hoffman appreciated this task force. He wondered whether the financial flexibility created in Section 2 would allow for grantees to do the work under self-determination.

[9:27:22 AM](#)

Senator Olson replied that the main objective of the bill was for recruitment and retention of Village Public Safety Officers (VPSO). He said that the numbers were currently at an all-time low. He deferred to the Department of Public Safety (DPS).

[9:28:35 AM](#)

JOEL HARD, DIRECTOR, VILLAGE PUBLIC SAFETY OFFICERS, DEPARTMENT OF PUBLIC SAFETY, stated that the bill went a long way towards implementing the recommendations of the VPSO taskforce convened by the legislature in 2000. He said he would continue to work with the bill sponsor to create a more flexible program that focused on recruitment and retention of VPSO officers. He lamented the past failure of recognizing work/life balance for officers and the direct relationship between facilities and infrastructure on retention.

[9:30:35 AM](#)

Senator Hoffman expressed concern that grantees could have their hands tied and wanted assurances that flexibility would be available to grantees to expend funds under self-determination. He thought that the VPSO program saved the state money but thought that the contracts could be too restrictive because of too strict interpretation of contracts by DPS.

[9:32:21 AM](#)

Mr. Hard replied that DPS had manages the VPSO program for 40 years. He said that the department was willing to engage in more flexible budget management. He thought that it would be advantageous for DPS to better understand the needs of specific communities to build more flexible contracts.

[9:34:55 AM](#)

Senator Wilson queried the current rate for the grantees.

[9:35:11 AM](#)

Mr. Hard replied that the rates were established and negotiated with the federal government. He did not have the exact rates.

[9:35:29 AM](#)

Senator Olson interjected that DPS was online for questions.

[9:35:45 AM](#)

KELLY HOWELL, LEGISLATIVE LIAISON, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY, said that the grantees had rates negotiated with the federal government that ranged from low percentages to 40 percent.

[9:37:01 AM](#)

Senator Wilson looked at Section 6 and wondered whether there were any issues with VPSOs meeting the hiring requirements set out in the bill.

[9:37:35 AM](#)

Mr. Hard replied that he did not believe so. He stated that he had worked to ensure that there would not be unintended consequences. He said that VPSOs under the previous stature had a requirement of 240 hours of training, which was elevated under the bill. He said that the new standards would highlight the law enforcement component of the program, but the hope was to not eliminate the allowance to hire under the previous statute at the lower model, which was heavier on the public safety component. He hoped that a suite of capabilities would be available to villages.

[9:39:43 AM](#)

Co-Chair Stedman remarked that there had been a struggle with the VPSO program over the years, and it had been difficult to get the political support to strengthen the program. He noted that some communities could not support a police department but still deserved basic public safety. He shared that some of his communities believed that the communities should be the grantee. He pointed to Section 3 and expressed concern that organized villages might be precluded from applying. He wondered why the bill was so restrictive in allowing the communities to receive and distribute the grants. He expressed concern with the pay scale for VPSOs. He relayed the concerns of constituents who lived in villages without any public safety presence.

[9:45:16 AM](#)

Senator Olson remarked that the intention of the program was to provide continuity with a cohesive program with

standards and support. He thought that a centralized program that provided adequate oversight was necessary.

[9:47:57 AM](#)

Co-Chair Stedman remarked that the size of the community should be considered. He asserted that communities could be small and sophisticated. He asked about compensation and whether the pay might be too little. He that the bill could be an opportunity to provide the necessary financial flexibility. He reiterated his concerns on VPSO compensation.

[9:50:15 AM](#)

Senator Olson deferred to the department.

Co-Chair Bishop spoke of the financing. He asked for a definition of "timely distribution" of a grant.

[9:51:00 AM](#)

Mr. Hard replied that the department's commissioner was committed to the VPSO program. He thought that the bill addressed long existing issues. He thought that too much time was being spent on the position of VPSOs and felt that the real question was being lost. He believed the real issue was wat type of VPSO was needed for each individual community and how the department could meet that need. He hoped that the program and statute could be changed to reflect the current needs of communities. He felt that the department had done poorly in its management of the program. He said one area of progress was that salaries in the 90s were starting at \$35,000 annually - currently they were \$60,000 up to \$120,000 per year. He said that efforts were being made towards hiring and retention.

[9:55:08 AM](#)

Mr. Hard said that at the peak of the program there were 113 officers - currently there were 51. He believed that there was room for growth and hoped that innovative marketing would help. He spoke of current applicants going through the vetting process. He noted that work/life balance issues often wore officers out and forced them to leave their positions.

[9:57:09 AM](#)

Co-Chair Stedman wondered about communities that had no officers. He spoke to the budget in FY 19 and the increase in funding for the program over the years - he expressed concern for the allocation of those resources. He hoped to work with the bill sponsor to bring in VPSO officers through City Hall. He stressed the need for more protection for small communities.

[9:59:35 AM](#)

Senator Wielechowski cited Page 11, line 21. He thought that the language could be interpreted in several ways. He asked whether there were reasons outside of the language that could result in the revoking of a VPSO license.

Mr. Hard related that he did not know why the language was in statute. He said that all circumstance for revoking a certificate could not be articulated in statute.

Senator Wielechowski thought that the language in the bill could lead to litigation.

[10:01:38 AM](#)

Senator Hoffman asked how communities went about getting a VPSO and whether there was flexibility for communities to subcontract with corporations. He asked how unserved or underserved communities went through the process to get a VPSO.

[10:03:13 AM](#)

Mr. Hard described the process under current statute. He thought that the current process was flawed. He said that subcontracting with tribal entities had never been contemplated but could be beneficial.

[10:05:18 AM](#)

Senator Hoffman spoke to the legislature's role in crafting public safety policy. He felt that the changes to the program under the proposed legislation took into consideration only certain public safety considerations. He asserted that Alaska was diverse, and conditions varied greatly across the state, which made it important that

public safety policy be crafted to serve the specific needs of the communities where it would be implemented.

[10:06:22 AM](#)

Senator Wilson wondered about program funding over the past few years, including lapsed funding. He was unsure how the proposed legislation differed from current statute in ensuring unfilled positions were going to be filled.

Mr. Hard explained that there were 55 funded positions, 52 VPSO positions and 3 regional coordinators. He furthered that the governor's budget would add 10 more positions. He spoke of past lapsed funding, which he felt was due to years when there were more employees lost than gained. He said that the issue, with respect to positions, was that positions could be filled but not for very long. He lamented that systemic issues drove VPSOs from communities. He thought that if the statute could be updated to allow multiple officers assigned to a village and for VPSOs to move in a transient way to areas that needed support.

[10:10:01 AM](#)

Co-Chair Stedman spoke of the grant issue. He wondered what the difference was when dealing with VPSO grants versus every other type of grant acquired by local governments. He asserted that mayors of small towns were just as able to navigate the grant process as mayors of larger cities.

[10:12:16 AM](#)

Senator Olson remarked that there was room for amending the bill and stated that there would be a committee substitute crafted that would incorporate suggestions from the committee and the department.

[10:13:03 AM](#)

Senator Wilson looked at page 14 and wondered whether there current VPSO would fall under the rules of the new statute.

[10:13:29 AM](#)

Mr. Hard replied that current VPSOs would not be subject to the training hour requirement written into the new statute.

He said that much of what was in the bill had been imported from current regulation, with "modest" change.

[10:14:20 AM](#)

Senator Wilson asked whether any currently employed VPSO fell under the restrictions listed in Section 4.

[10:14:47 AM](#)

Mr. Hard replied in the negative.

[10:14:53 AM](#)

Co-Chair Bishop wondered whether a person who had used marijuana in the past would still be eligible to apply.

[10:15:44 AM](#)

Senator Olson considered that everyone makes mistakes when they are young. He relayed that domestic violence would be a red flag and that the definition of domestic violence varied between the city and rural areas. He contended that the bill had been crafted to reflect the changing times regarding marijuana.

[10:17:52 AM](#)

Co-Chair Bishop opened invited and public testimony.

[NOTE: The following testifiers are to be considered PUBLIC TESTIMONY.]

[10:18:34 AM](#)

MICHAEL NEMETH, VPSO PROGRAM COORDINATOR, ALEUTIAN PRIBILOF ISLAND ASSOCIATION, EAGLE RIVER (via teleconference), spoke in support of the legislation. He remarked on the importance of the partnership between VPSOs and State Troopers. He thought that statute should evolve and believed that the proposed bill would meaningfully update the statutes. He spoke to communities that did not have VPSOs but wanted them. He said that a diverse selection of voices existed within his organization. He spoke of the difficulties of putting a VPSO in every community regardless of size. He spoke to the indirect rate for his organization, which was 22.2 percent. He said that the

rated were based on administrative costs for the year and had been confirmed by a third-party audit. He said that organizations that managed the programs could reach out to communities that wanted a VPSO. He lamented that funding was an issue.

[10:24:25 AM](#)

AMBER VASKA, TANANA CHIEFS CONFERENCE, ALASKA REGIONAL COALITION, FAIRBANKS (via teleconference), spoke in support of the bill. She said that VPSO reform was of the highest priority for the coalition. She stressed the importance of public safety and the need for improvement in the VPSO program.

[10:28:10 AM](#)

RHONDA PITKA, CHIEF, VILLAGE OF BEAVER, BEAVER (via teleconference), testified in support of the bill. She stressed the need for public safety in rural Alaska. He felt that the legislation had significant support from all stakeholders and was important for triggering meaningful change to the VPSO program and public safety in rural Alaska.

[10:29:53 AM](#)

JASON WILSON, VPSO COORDINATOR, TLINGIT AND HAIDA CENTRAL COUNCIL, spoke in support of the legislation. He echoed previous statements of support for SB 81. He spoke to VPSOs and TPOs (Tribal Police Officers) in rural communities. He felt that the bill would cement a strong working relationship between the department and Tribal communities.

[10:32:42 AM](#)

Co-Chair Bishop OPENED and CLOSED public testimony.

[10:33:22 AM](#)

Co-Chair Bishop discussed the housekeeping.

SB 81 was HEARD and HELD in committee for further consideration.

#  
ADJOURNMENT

10:33:42 AM

The meeting was adjourned at 10:33 a.m.