

1/28/99

Overview:

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HOUSE FINANCE COMMITTEE  
LOG NOTES  
January 28, 1999

GENERAL SUBJECT(S): BUDGET OVERVIEWS FOR THE FOLLOWING DEPARTMENTS:  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
DEPARTMENT OF Department of Law  
DEPARTMENT OF PUBLIC SAFETY

The following overview was taken in log note format. Tapes and handouts will be on file with the House Finance Committee through the 21st Legislative Session, contact 465-2156. After the 21st Legislative Session they will be available through the Legislative Library at 465-3808.

Time Meeting Convened: 1:35 P.M.

TAPE HFC 99 - 9, Side 1.  
TAPE HFC 99 - 9, Side 2.  
TAPE HFC 99 - 10, Side 1.

|   |                          |   |                            |
|---|--------------------------|---|----------------------------|
|   | <b>PRESENT:</b>          | X | Representative G. Davis    |
| X | Co-Chair Therriault      | X | Representative Foster      |
| X | Co-Chair Mulder          | X | Representative Grussendorf |
| X | Representative Austerman | X | Representative Kohring     |
| X | Representative Bunde     | X | Representative Moses       |
| X | Representative J. Davies | X | Representative Williams    |

|  |  |
|--|--|
| <b>ALSO PRESENT:</b>   |  |
| DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE; MICHELLE BROWN, COMMISSIONER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION; BARBARA FRANK, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ENVIRONMENTAL CONSERVATION; BRUCE BOTELHO, ATTORNEY GENERAL, DEPARTMENT OF LAW; DELL SMITH, DEPUTY COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY; KENNETH BISCHOFF, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF PUBLIC SAFETY; |  |
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| LOG | SPEAKER  | DISCUSSION   |
|-----|--|--|
| 000 | Co-Chair Mulder  | Convened the HFC meeting at 1:35 P.M.  |
|     |  | Introduced Commissioner Brown, Department of Environmental Conservation  |
| 132 | MICHELLE BROWN, COMMISSIONER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION | Provided a history of why Governor Egan created the agency of Department of Environmental Conservation. It provides more regulatory service for large operators and the small business people. |
| 259 | Commissioner Brown   | The department believes in doing service correctly with a comprehensive interdisciplinary approach. Cooperating with the federal government. Safe and  |

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|      |                    | healthy communities are the vision of the department. Protection and prevention.  |
| 347  | Commissioner Brown | Hard to put a value on prevention and wellness. Protecting the state by providing a level of confidence in the Alaska citizens by managing to the levels established.   |
| 461  | Commissioner Brown | Department works in partnership with business and works to manage risk. Example of Prince Williams Sound. Oil and Hazardous substance. Created public-private partnership and have provided training's to manage above water storage tanks.   |
| 576  | Commissioner Brown | Corps level functions, water, solid waste projects, cleaning up sites, access environmental problems, incentives for water for drinking water, developed protocol for food etc., technical assistance for underground storage tanks.  |
| 665  | Commissioner Brown | Highlighted fiscal policy issues: Reliance on restrictive funding sources to provide service to meet needs of citizens. Difficult to access Corp government functions. Not enough resources. How can the Department set policy with restrictive funding sources?                                  |
| 740  | Commissioner Brown | General Funds have been decreased since FY95 by 50%. Federal funds have stringent rules on what that money can be used for.   |
| 820  | Commissioner Brown | The costs to run a program needs to have the proper mix of funds. The Corp level of responsibilities must receive general funding dollars. More reductions means more risk for Alaskans.  |
| 884  | Commissioner Brown | User fees represent 6.5% of the budget. Legislature has the responsibility of establishing the fees. There are many issues on how to structure those fees.  |
| 975  | Commissioner Brown | The issue of improving the permits currently being issued. There needs to be more use of general permits. Also, need to use more third party contractors so not to use the current staff. Can the Department provide sufficient funding? Theoretical modeling creating a more restrictive permit. |
| 1038 | Commissioner Brown | Acquisition of federal government data. Whether the state should move to assumption as recommended by the key Ak  |

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|      |                    | water permitting group which will cost in state dollars.   |
| 1086 | Commissioner Brown | Increments are risk reduction and permitting. Risk reduction includes checking of high-risk food surveying facilities. Secondly, Safe Water Drinking Act which require new monitoring for that program. Water and WasteWater. The federal government has provided more funding for these programs. It does take staff to implement the federal grants. |
| 1170 | Commissioner Brown | Two increments to improve the second point. This will positively affect salmon habitat. It will need a modest \$11.5 million dollars.  |
| 1210 | Commissioner Brown | Additional increments requiring budget increments.   |
| 1230 | Co-Chair Mulder    | Asked if the Department had been asked to decrease the budget.   |
| 1260 | Commissioner Brown | Yes  |
| 1270 | Co-Chair Mulder    | Does public think this is an important service?  |
| 1282 | Commissioner Brown | They are very important. More info is available through the internet. Information must be provided.  |
| 1317 | Commissioner Brown | The public often does not know what is required of them. Public is often uninformed.   |
| 1345 | Co-Chair Mulder    | Were vacancies recently filled?  |
| 1358 | Commissioner Brown | Yes and explained the process. The net is no increase and rearranged of staff. The position was moved to Anchorage.  |
| 1400 | Co-Chair Mulder    | Believed that industry need more help than the public?   |
| 1416 | Commissioner Brown | Technical people do not always communicate correctly for regulation packages and they train the staff for communication. She added that she had imposed a hiring chill.  |
| 1465 | Co-Chair Mulder    | Asked for clarification.   |
| 1483 | Commissioner Brown | Explained the need for clear communication by a team of people who build complimentary skills. Some people are not fully trained.  |
| 1524 | Co-Chair Mulder    | Salmon habitat?  |
| 1534 | BARBARA FRANK      | It does not overlap with that in Fish and Game. It came from board of Habitat last year. Should not make changes that affect the timber operations. Last year water shed assessment to identify water bodies throughout the state. Department of   |

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|      |                            | Environmental Conservation is responsible to clarify that info. There is collaboration between the two agencies.  |
| 1619 | Commissioner Brown         | Important to coordinate throughout the state. Work directly with EPA. Once on the water body list.  |
| 1663 | Co-Chair Therriault        | Asked the size of the Clean Air Fund?   |
| 1695 | Commissioner Brown         | Noted that the federal government asked that be established but there are other \$ needed in order to implement the program. Every dollar has to be accounted for in the established of the program. The Department is limited as to what to do with the funding. A mix of money is needed. |
| 1752 | Co-Chair Therriault        | Disagreed with the need with technically trained people.  |
| 1790 | Co-Chair Therriault        | He acknowledged that Department of Environmental Conservation has kept EPA at bay.  |
| 1806 | Commissioner Brown         | Noted that there are many people who tract permits. This is important for the large operators.  |
| 1827 | Representative Grussendorf | Agreed that interpretation is important. He referenced the BRU of environmental health and the Seafood and San inspection.  |
| 1855 | Ms. Frank                  | New component is Food Safety Component to increase efficiencies.  |
| 1872 | Representative Bunde       | Asked the kind of guidance given to the information employees.  |
| 1903 | Commissioner Brown         | Reviews all press releases; guidance is available in the lobbying issue. Not a problem yet.   |
| 1933 | Representative Bunde       | Asked how fees are set for permits in the remote areas.   |
| 1971 | Commissioner Brown         | Stated that it varies. Travel costs are averaged. Those costs are not included.   |
| 2014 | Co-Chair Therriault        | That was addressed last year.   |
| 2026 | Representative J. Davies   | Asked for examples of high-risk areas.  |
| 2037 | Ms. Frank                  | There is a matrix that characterizes the risks within a facility...i.e. smoking etc ranking.  |
| 2070 | Representative Austerman   | Asked for written copies of high risk. He pointed out the difference between those items contained in the short form.   |
| 2105 | Ms. Frank                  | The only increment in that component is \$330 thousand dollars.   |
| 2121 | Co-Chair Mulder            | Pointed out fund source change, which   |

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|      |   | might be a sourer of the discrepancy.  |
| 2138 | Ms. Frank   | Agreed noting that it had been moved.  |
| 2150 | Representative G. Davis   | He understood that program had been removed. There are engineers who are responsible for stamping certain programs. Does this make sense? Why should that be additionally approved? He asked if there were other areas that this was occurring. Those areas should be contracted.  |
| 2217 | Commissioner Brown  | Yes in both contracting and or hiring third party people. Permitting often fluctuates a lot. That is an area, which has been looked at.  |
| 2259 | Co-Chair Mulder   | Representative Williams will be the subcommittee chair.  |
| 000  | TAPE CHANGE   | DEPARTMENT OF LAW  |
| 038  | BRUCE BOTHELO,<br>ASSISTANT ATTORNEY<br>GENERAL,<br>Department of Law | Explained the mission of the Department of Law. He spoke to the handout and the task of the department both civil and criminal.  |
| 118  | Attorney General Botelho  | The civil division is divided in to 11 sections with the largest being in Anchorage. He spoke to the current trends happening in the State. There have been fewer reported crimes although there have been a steady increase in the caseload of the Department. The other trend in the criminal div has been the increase to challenge the unlawful statutory schemes. |
| 255  | Attorney General Botelho  | Continued addressing current trends. On the civil division side there are ongoing efforts in child protection. There has been an overwhelming flood in the State to new hires in the private sector. Overwhelmed state lawyers are leaving at a dramatic rate. Huge impact causing other lawyers to be assigned while trying to fill vacancies.                        |
| 419  | Attorney General Botelho  | The second area of trouble, the amount of tort regulation that has been brought upon the State on behalf of the State with high emotional content and heavily litigated. Department of Law has felt this as a drain on resources.  |
| 487  | Attorney General Botelho  | Millers Reach Case to gain access and class action certification and the Old Run Case/state not timely responding to the missing family. Tremendous impact on the State.   |
| 547  | Attorney General Botelho  | Consumer protection efforts have been minimal. This area has not been as   |

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|      |                          | aggressive as the State historically was. Has require tremendous state resources.   |
| 616  | Attorney General Botelho | Litigation and settlement costs to the State. Department of Law continues to have on-going involvement and enforcement. Currently, litigation with 13 different places to sell to minors. Impact that has affected and working with the FDC.  |
| 725  | Attorney General Bottle  | Request for 1 full time attorney in Consumer protection. The trends in the kinds of cases and how they translate in the budget request.   |
| 775  | Attorney General Botelho | Spoke to model legislation, which deals with the non-settling manufactures. Not required by 2001.   |
| 810  | Co-Chair Mulder          | Why is the settlement before the US Supreme Court   |
| 827  | Attorney General Bottle  | Each state is individually responsible for their own settlement. It is a unique to AK Department of Law. There must be 60- wait period. Alaska is the only state, which has that provision.   |
| 879  | Representative J. Davies | Asked if Alaska receipt of funds is contingent on the proposed legislation.   |
| 919  | Attorney General Botelho | Reaching settlement with the five tobacco companies felt that they would be put at a disadvantage to the large companies and asked for a provision to provide a safety mechanism. The settlement must contain certain standards throughout the industry.  |
| 1000 | Representative Bunde     | Observed that who brought the suit? In the civil division he thought that there was overlap. Why the need for separate subdivision.   |
| 1051 | Attorney General Botelho | Historically, Department of Law started with resources division but with the Prudoe Bay issue it became obvious that additional section was necessary to address all leasing issues as well as tax related issues. This agency has focused on Department of Fish and Game issues and these kinds of issues surfaced with many different related issues involving federal and State relations. And issued tied to State sovereignty and federal sov. |
| 1157 | Attorney General Botelho | Corps of lawyers to provide legal advice to the oil spill trustees and the federal cleanup requirements.  |
| 1198 | Attorney General Botelho | These areas are interrupted yet distinct.   |
| 1217 | Representative           | Asked how much administrative support was   |

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|      | Bunde  | needed.  |
| 1234 | Attorney General Botelho                                     | Each attorney carries a full caseload and in that respect, consolidation would be unwise and would be beyond the ability for the attorney.   |
| 1280 | Co-Chair Mulder  | Increase of \$45 thousand for Post Secondary Ed  |
| 1310 | Attorney General Botelho                                     | State has developed a collection section asking Department of Law to take on those concerns as well as CSEA. Department of Law delivers a good product for a cheaper prices.   |
| 1354 | Representative Austerman                                     | Asked when the first payment would be due.   |
| 1370 | Attorney General Botelho                                     | June 30, 1999 or when 80% of the State has signed on although there are challenges to the settlements.   |
| 1427 | Representative Austerman                                     | Federal loans requesting 50%   |
| 1431 | Attorney General Botelho                                     | The federal Gov. agency has indeed noted that they will garner 50% of the money for Medicaid. Congress has asked that effort not be undertaken. If there is effort, Department of Law will be the ones to make the effort. He indicated that there will be a strong effort to enact resolutions to express their concerns to congress that federal got will leave the money alone. |
| 1520 | Representative J. Davies                                     | Is there a draft resolution?   |
| 1531 | Co-Chair Mulder  | Chair for Subcommittee will be Representative Kohring.   |
| 1553 | DEPARTMENT OF PUBLIC SAFETY                                  |  |
| 1564 | DELL SMITH, DEPUTY COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY | Spoke to the duties of the Department.   |
| 1614 | Mr. Smith  | \$3.6 million dollar change to proposed budget. Explained the increases. Increment to Fish and Wildlife protection. Maintain a target of 87 specialists on ground. Support cost to maintain a trooper level in the year 2000. In the process of hiring the academy as recommended last year by the Legislature.  |
| 1685 | Mr. Smith  | VPOS salary increase and absent increment for Child Protection Act etc.  |
| 1717 | Mr. Smith  | The department has had cost increases which has not been addressed with current budget. There has been consternation   |

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|       |                         | regarding the # of troopers. He listed the current number of troopers and have included the amount of support costs for maintaining the recommended level.   |
| 1785  | Mr. Smith               | Funding approved \$800 thousand dollars. Currently, on track.  |
| 1810  | Representative Bunde    | Asked where the new troopers will be assigned.   |
| 1829  | Mr. Smith               | Offered to try although pointed out that it is an ever-changing situation.   |
| 1848  | Representative Bunde    | Asked if there was a statutory to maintain a communication search and rescue network.  |
| 1868  | Mr. Smith               | Not within Department of Public Safety   |
| 1885  | Representative G. Davis | Commented on civil defense starting there. He noted the increase for VPSO's.   |
| 1919  | Mr. Smith               | There was a 12% increase for VPSO's. The initial request was for 35% increase, which was not funded.   |
| 1942  | Representative G. Davis | Applauded the process of budgeting. He noted that over the interim, officers appointed to court transport of mental patients. Troopers are assigned to transport, he heard that there are some contractual operations to do that.                                |
| 2045  | Mr. Smith               | Replied that Department of Public Safety has tasked contractual help address the solution.   |
| 2071. | Representative G. Davis | Last year the department to boost up prisoner transportation problem. Has the prison situation been alleviated?  |
| 2095  | Mr. Smith               | Trying to relieve and are transferring money around to address this concern. Budgeting sufficient money for these concerns.  |
| 2123  | Representative G. Davis | Concern for funding for lab in Anchorage. Is there a crisis?   |
| 2150  | Mr. Smith               | The final outcome has found that the municipal police department have expressed concern yet so far have been able to deal with it. During the interim, there has been federal funding for the DNA testing to process the DNA catalogue from convicted offenders. |
| 000   | TAPE CHANGE             |  |
| 031   | DELL SMITH              | Have requested funding in year 2000  |
| 057   | Representative G. Davis | Are there an additional request for funding of troopers in the last year.  |
| 103   | Mr. Smith               | The Legislature authorized 17 new troopers for last year. He explained the need to carry those troopers for a full year, not an entire year.   |

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| 164 | Co-Chair Mulder            | Up on that the Governor requested 19 less positions not the Legislature   |
| 242 | Representative J. Davies   | Noted that these are complicated issues and should not be mischaracterize these positions.  |
| 285 | Representative Bunde       | Why did the senate need witnesses there?  |
| 310 | Representative Austerman   | Spoke to VPSO's in communities that had varied responsibilities within the communities. He asked if that had been addressed.  |
| 365 | Mr. Smith                  | Offered to investigate that information.  |
| 403 | Representative Williams    | Asked why commercial fishermen, fire arms.  |
| 441 | Mr. Smith                  | Are fully commissioned officers and in some areas in the state they are the only officers in those areas. They do serve warrants in that function and are trained as a state trooper.   |
| 514 | Mr. Smith                  | Alaska believes that given the resource value and the size of the State it is important to have Department of Law enforcement in that resource. There is a brown shirt division within the department and it is focused on Department of Law enforcement. |
| 589 | Representative Williams    | Commented on his community and VPSO officer having that responsibility.   |
| 640 | Mr. Smith                  | Replied that if they are fully trained State troopers.  |
| 676 | Representative Williams    | Stated that it costs more for these positions and those brown shirts level of expertise required on that level and save the state money.  |
| 727 | Mr. Smith                  | Noted that other states have had game wardens, which have not worked very well. Brown shirts are an appropriate response to the current needs.  |
| 779 | Mr. Smith                  | Voiced concern that a number of communities throughout the state, the only Department of Law enforcement present is the brown shirt.  |
| 813 | Representative Grussendorf | The person that is a brown shirt has the same qualifications of a state trooper   |
| 835 | Mr. Smith                  | All go through the same training and regulations and additional expertise on certain issues.  |
| 857 | Representative G. Davis    | Provided an example of fish poaching. That is the perception of people in the state.  |
| 910 | Co-Chair Mulder            | Noted that Representative G. Davis would  |

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|     |                 | be the Subcommittee Chair.         |
| 937 | Co-Chair Mulder | Adjourned the meeting at 3:30 p.m. |
|     |                 |                                    |

**ATTORNEY GENERAL**  
*Juneau*

**CIVIL DIVISION**  
**Deputy Attorney General**  
*Juneau*

**Transportation**  
*Anchorage, Fairbanks, Juneau*  
- construction/operations of public facilities, including ferries, airports, highways, harbors, buildings, and communications facilities

**Human Services**  
*Anchorage, Fairbanks, Juneau*  
- child abuse and neglect  
- juvenile delinquency prosecutions  
- public assistance programs  
- social and health services legal issues  
- education issues; labor issues

**Environmental Law**  
*Anchorage, Fairbanks, Juneau*  
- environmental enforcement/defense including contaminated sites cleanup and restoration  
- water and air quality  
- *Exxon Valdez* cost recovery; Trustee Council

**Oil, Gas and Mining**  
*Anchorage, Juneau*  
- oil and gas tax and royalty claims  
- oil and gas lease sale challenges  
- pipeline tariff cases  
- Beaufort Sea (Dinkum Sands)  
- resource development (NorthStar, Alpine)

**Commercial**  
*Anchorage, Juneau*  
- banking, securities, investments, gaming, corporations and insurance  
- occupational licensing (Juneau)  
- collection/enforcement of state taxes  
- public housing; alcoholic beverage control

**Special Litigation**  
*Anchorage, Fairbanks, Juneau*  
- tort claims and admiralty/personal injury cases against state  
- workers' compensation cases where state is employer

**Collections and Support**  
*Anchorage, Fairbanks, Juneau*  
- collection of debts, fines and judgments owed the state  
- child support enforcement litigation

**Governmental Affairs**  
*Anchorage, Juneau*  
- public finance/budget legal issues  
- employment/labor law; employee benefits  
- elections; campaign finance  
- procurement; Medicaid rate  
- state/local government relations

**Legislation/Regulations**  
*Juneau*  
- preparation of governor's legislation  
- review and analysis of all legislation before the governor takes action  
- review of all regulations

**Fair Business Practices**  
*Anchorage*  
- public utility regulation and oil and gas pipelines  
- occupational licensing  
- postsecondary education  
- student loan program

**Natural Resources**  
*Anchorage, Fairbanks, Juneau*  
- land management issues  
- fish and game management and enforcement  
- Commercial Fisheries Entry Commission  
- coastal zone management

**Consumer Protection**  
*Anchorage*  
- consumer protection  
- antitrust law enforcement

**Statehood Defense**  
*Anchorage, Juneau*  
- submerged lands and navigability  
- Native sovereignty  
- RS2477 and access cases  
- ANILCA challenges  
- salmon treaty; ESA

**Mental Health Lands**  
*Anchorage*  
- *Weiss v. State*  
- settlement implementation  
- trust administration issues  
- 3rd party claims for damages

Attachment # 1  
1/28/99

**ATTORNEY GENERAL**  
*Juneau*

**CRIMINAL DIVISION**  
**Deputy Attorney General**  
*Anchorage*

**Criminal Justice Litigation and Legal Services**  
*Juneau*

- Corrections legal services
- Public Safety legal services
- criminal justice legislation
- DMV appeals
- Violence Against Women Act paralegal coordinator
- volunteer coordinator

**Special Prosecutions and Appeals**  
*Anchorage*

- appeals
- white collar crime
- environmental crimes
- special fish and game violations
- Medicaid provider fraud
- welfare fraud
- child support prosecutions

**First Judicial District**

**Second Judicial District**

**Third Judicial District**

**Fourth Judicial District**

**Juneau DA**

**Sitka DA**

**Ketchikan DA**

**Barrow DA**  
*Supervised by Fairbanks*

**Nome DA**

**Kotzebue DA**

**Anchorage DA**  
- Narcotics Unit

**Dillingham DA**

**Kenai DA**

**Kodiak DA**

**Palmer DA**

**Fairbanks DA**

**Bethel DA**