

HOUSE FINANCE COMMITTEE
January 17, 2001
1:34 PM

TAPE HFC 01 - 11, Side A
TAPE HFC 01 - 11, Side B
TAPE HFC 01 - 12, Side A

CALL TO ORDER

Co-Chair Mulder called the House Finance Committee meeting to order at 1:34 PM.

MEMBERS PRESENT

Representative Eldon Mulder, Co-Chair
Representative Bill Williams, Co-Chair
Representative Con Bunde, Vice-Chair
Representative Eric Croft
Representative John Davies
Representative Carl Moses
Representative Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Jim Whitaker

MEMBERS ABSENT

None

ALSO PRESENT

Representative Gretchen Guess; Karen Perdue, Commissioner, Department of Health and Social Services; Janet Clarke, Director, Division of Administrative Services, Department of Health and Social Services; Joseph Perkins, Commissioner, Department of Transportation and Public Facilities; Kurt Parkan, Deputy Commissioner, Department of Transportation and Public Facilities; Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities.

GENERAL SUBJECT (S):

Review of Departments Accomplishments
Department of Transportation and Public Facilities
Department of Health and Social Services

The following overview was taken in log note format. Tapes and handouts will be on file with the House Finance Committee through the 22nd Legislative Session, contact 465-2156. After the 22nd Legislative Session they will be available through the Legislative Library at 465-3808.

LOG	SPEAKER	DISCUSSION
	TAPE HFC 00 - 11 SIDE A	<u>DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES</u>
000	JOSEPH PERKINS, COMMISSIONER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES	Reviewed rewards received; update on recent public opinion survey; update on measures from SB 261.
182	Commissioner Perkins	Outlined the responsibilities of the department. He spoke to the mission of the department to develop, operate, maintain, and manage facilities, vehicles, and transportation modes.
268	Commissioner Perkins	Outlined the number of outstanding awards that the department and the employees had received this past year.
399	Commissioner Perkins	Emphasized that the department has the top engineers in the nation. He listed the committees in which he participates. Alaska should be proud of the accomplishments of the department.
478	Commissioner Perkins	Discussed how the customers view the department. He mentioned that the department had improved over the past two years. Satisfaction with highways and roads has increased 52%. He noted that 78% were satisfied with the Alaska Marine Highway System. Those who use bikes and walking trails are more satisfied. Reviewed areas of concern. Only 7% of Alaskans had participated in a DOT plan process.
600	Commissioner Perkins	Need to improve public awareness of the programs implemented by the department.
650	Representative Croft	Thought that the process is made for frustration. He recommended taking another approach.
727	Commissioner Perkins	Addressed the performance measures. All divisions are tracking legislatively assigned performance measures. The department has not determined how to measure the percentage but will provide that info next year.
786	Commissioner Perkins	The percentage of state national highway system lane miles of roads that meet standards of the American Association of state highway and transportation officials. There are many that do not meet the progress.
855	Commissioner Perkins	Reviewed the percentage of requested

		engineering firm audits and desk reviews completed in the previous fiscal year.
886	Commissioner Perkins	Discussed the percentage of required compliance reviews for responsiveness to disadvantaged business enterprise and on the job training contract requirements completed.
921	Commissioner Perkins	Reviewed the environmental impact statement phase due on the Ketchikan Airport access by December 31, 2001.
1024	Commissioner Perkins	Answered questions of the Committee regarding the Dalton Highway.
1089	Representative Hudson	Asked the total miles the state is responsible for.
1102	Commissioner Perkins	600,000 miles.
1111	Commissioner Perkins	Compared the percentage of cost effective private maintenance contracts at non-certified airports compared to the total number of non-certified airports.
1146	Commissioner Perkins	Discussed the percent pass level of annual federal airport certification inspections for response and safety standards set out in federal aviation regulations.
1204	Commissioner Perkins	Reviewed the 5% target for annual increase in cargo landings at the international airports measured on a three year rolling average.
1235	Commissioner Perkins	Responded to Representative Hudson, noting that there would be an increased cost. The problem is with the structural engineering. The problem is complex and will need to be earthquake proof. The big contract has not yet been awarded. It is generating interest at this point.
1324	Commissioner Perkins	Discussed the percentage of airport development master plans that are completed and airport layout plans that are adopted by Region.
1364	Commissioner Perkins	Discussed deferred maintenance projects. The department received \$8 million in FY01. The backlog has increased by 14 percent and public facilities continue to deteriorate.
1409	Commissioner Perkins	Referred to mechanical systems and noted that 100 percent passed safety inspections
1429	Commissioner Perkins	Reviewed airport regulations.
1445	Commissioner Perkins	Noted that the legislation passed bond funding for the transfer of some harbors. No community has taken advantage of the bonding.

1472	Co-Chair Williams	Asked the problem
1481	Commissioner Perkins	Noted that the community has to bond and then the state repays their bond Some communities cannot bond; communities would like the state to bond and the communities take over the harbor.
1587	Co-Chair Mulder	Continued discussion on community vs. state bonding. He noted that there would have to be statutory changes to allow the use of GAVEE bonds.
1653	Commissioner Perkins	Concluded that once a problem is recognized it can be addressed.
1704	Representative Hudson	Asked for information regarding fish taxes that have been paid.
1717	Commissioner Perkins	Noted that regional numbers were collected for asphalt road surfacing. The total was 157 miles.
1757	Commissioner Perkins	Discussed the Dalton Hwy. He noted that approximately 30 miles were paved. The Taylor Hwy had 10 - 15 miles paved. Additional paving will be under contract by this summer on the Dalton highway.
1837	Commissioner Perkins	The northern region maintains highway and airport lane miles with 42.1 miles per full time equivalent position. The average is 38.1 per FTE position. The average of other western states is 21.7 miles. The state of Alaska is doing almost twice the work per employee of other states.
1982	Commissioner Perkins	Stated that the department is not doing the maintenance that he would like to see. He would like to do more.
2026	Commissioner Perkins	The state transferred 22.6 lane miles to other municipal governments.
2054	Commissioner Perkins	Observed that the department would implement a maintenance management system to establish specific maintenance criteria. It should be completed by 2003.
2086	Commissioner Perkins	In response to a question by Representative Lancaster, Commissioner Perkins felt that the transfer of lane miles would stay about the same.
2109	Commissioner Perkins	Noted that a better schedule is needed for preventive maintenance on the fleet.
2134	Commissioner Perkins	He did not know the average down time for light duty equipment.
2153	Commissioner Perkins	In response to a question by Representative Whitaker, Commissioner Perkins explained that the state does maintenance on equipment that is not owned by the state. This is called light

		duty equipment.
2203	Representative Lancaster	Asked if the cost per mile would be available. Commissioner Perkins affirmed. He added that the equipment fleet for the department is stable.
2234	NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES	Explained that agencies can continue to hold onto vehicles after the replacement cost has been fully depreciated. This would allow the fleet to enlarge slightly.
2280	Representative John Davies	Questioned if down time is a maintenance measure. Ms. Slagle affirmed.
2308	Ms. Slagle	Stated that the heavy-duty equipment fleet stays even.
2338	Commissioner Perkins	The state equipment fleet has ranged from less than 10 percent to 86 percent of blue book rate.
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027	Commissioner Perkins	Noted that actual performance was 145.53 inspections per full-time-equivalent employee. This is an increase.
071	Commissioner Perkins	There were a total of 14,813 weighing and measuring devices inspected.
112	Commissioner Perkins	Observed that 100 percent of the federal highway funds were obligated. The state received an additional \$1.5 million dollars in federal funds.
170	Commissioner Perkins	Noted that it is difficult to measure the percentage of projects in the capital budget that have been designed.
220	Commissioner Perkins	Noted that 14 percent of total project costs were spent on development.
243	Commissioner Perkins	Implemented a system which will provide information on difference between projection and actual.
283	Commissioner Perkins	Observed that 55 percent of the design and engineering work was performed by private contractors.
344	Commissioner Perkins	Noted that outsourcing is generally more expensive than doing the work in house.
365	Commissioner Perkins	Observed that approximately \$500 million dollars of planned project work is completed each year; this is 6.6 percent of the \$7.5 billion dollar needs list.
411	Commissioner Perkins	Stated that 100 percent of the required federal data was collected.
445	Commissioner Perkins	Discussed highway costs and reviewed contract administration costs. Administration costs were approximately

		18 percent.
477	Commissioner Perkins	Discussed change order costs.
501	Commissioner Perkins	Noted that there is a 77 percent on time departure rate for ferries.
527	Commissioner Perkins	Discussed costs per rider mile: marine hwy was .51. The Washington State Ferry System reports a ratio of .60 per rider mile.
562	Commissioner Perkins	Fuel prices have increased 50 percent, which has increased the cost
585	Commissioner Perkins	Ridership increased about 1 percent.
619	Commissioner Perkins	Average onboard costs declined.
663	Commissioner Perkins	Customer satisfaction was good with 75 percent at very good.
682	Commissioner Perkins	Concluded that 2000 was a good year for the department. There was \$80 million in extra federal that did not require a state match; \$30 million of this will be spent on the Dalton Highway.
775	Representative John Davies	Discussed roads in his district. He noted that during the paving process gravel flows into the road shoulder, which could be a problem.
830	Commissioner Perkins	Noted that the department is looking at precoated gravel.
875	Commissioner Perkins	In response to a question by Representative John Davies, Commissioner Perkins discussed the ability to keep winter maintenance workers during the summer. Most summer workers are on the federal dollar.
		<u>DEPARTMENT OF HEALTH & SOCIAL SERVICES</u>
986	Karen Perdue, Commissioner, Department of Health and Social Services	Highlighted performance measures. He provided members with a handout (copy on file). Reviewed page 19. He discussed ATAP. Noted that 38 percent of families were working; 58 percent were working but not all had enough hours of participation to count as the federal participation. No state has ranked higher.
1162	Commissioner Perdue	Discussed Page 20; 80 percent of the clients are keeping their jobs after one year. The success is not as great after 2 years; about 30 percent come back to assistance.
1255	Commissioner Perdue	Reviewed childcare; 1,000 children in 600 families are in childcare Pass II.
1298	Commissioner Perdue	Discussed page 22 - earned income. Noted that 31 percent were getting a pay check while on assistance; this reflects that some of those working are in training or volunteering. The average wage is \$10.20

		an hour for those leaving public assistance.
1356	Commissioner Perdue	Reviewed page 24 - immunizations. Would like to modify by percentage at age 2. Now at 80 percent for age 2. Outreach and the outbreak of measles have resulted in a higher percentage.
1465	Commissioner Perdue	Noted that the department will work to immunize for hepatitis.
1506	Representative Hudson	Questioned if the numbers take into account those whose parents opt out of immunizations.
1530	Commissioner Perdue	Discussed page 25 - infant learning. Noted that 84 percent of those qualified are enrolled in the program. There is a 307-child waiting list. The program works with infants and toddlers. The children with the most challenge are taken first. The problem is that children with slight disabilities that could be helped are not addressed.
1620	Commissioner Perdue	Reviewed page 26 - tuberculosis. The state has the highest rate of tuberculosis in a decade. There has been an outbreak in Anchorage. She gave a brief history of tuberculosis procedures.
1716	Commissioner Perdue	Discussed page 27 - rate of child hospitalizations and fatalities. This number is declining. Accident injury is the leading cause of deaths in children over lyrs.
1807	Representative Croft	Noted that suicide rates have increased. She discussed measures to prevent suicides. There is a relationship to drug and alcohol use.
2000	Commissioner Perdue	Discussed the need for helmet and life jacket uses.
2020	Commissioner Perdue	Reviewed page 29 - acute or binge drinking. In response to a question by Vice-Chair Bunde, Commissioner Perdue noted that the data comes from surveys. Risk information is difficult to gather.
2105	Representative Croft	Clarified that acute equals binge.
2117	Commissioner Perdue	Noted that the numbers for acute or binge drinking is greater than for chronic drinking.
2137	Commissioner Perdue	Discussed page 31 - new and repeat convictions for driving while intoxicated. There were 317 felony convictions for DWI's in FY99. This is down from 326 in FY98. Felony convictions result from multiple arrests. Arrests are

		going up.
2248	Co-Chair Mulder	Concluded that not much has changed in the last 3 years. He observed that efforts to tighten enforcement are the result of a few instances.
2273	Representative John Davies	Observed that over 50 percent of driving related fatalities had alcohol or drugs as a contributing factor.
2307	Commissioner Perdue	Noted that ASAP offices have been closed.
2326	Commissioner Perdue	Discussed page 32 - infant fetal alcohol syndrome (FAS). The state of Alaska has the highest rate in the nation; 134 children in 1998 were born with prenatal exposure to alcohol.
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30	Commissioner Perdue	Noted that most FAS children have been adopted and do not reside with their parents.
57	Commissioner Perdue	Discussed page 33 - new admissions for alcohol and drug treatment.
150	Representative Croft	Asked about client admissions.
166	Commissioner Perdue	Admitted that she did not know.
219	Co-Chair Mulder	Noted that it was an important issue to have a handle on.
238	Commissioner Perdue	Discussed page 34 - the average time the division takes from receiving a claim to paying it. She noted that this is important to providers.
292	Commissioner Perdue	Discussed page 35 - the number of errors per claim processed categorized by the type of provider. The measure of the providers' ability to file error-free claims.
348	Commissioner Perdue	Discussed page 36 - the percentage of total funds that are used to pay claims compared to the percentage used for administration of the Division.
400	Commissioner Perdue	Discussed page 37 - the percentage of providers who are participating in the Medical Assistance Program.
485	Vice-Chair Bunde	Understood that people do not want to be involved in the program.
507	Commissioner Perdue	Stated that there has been no change in nursing homes. There has been a change in dentistry.
544	Commissioner Perdue	Discussed page 38 - the number of children substantiated as abused or neglected; 49% cases are substantiated.
588	Representative Croft	Measure of how many of the claims end up being accurate.
630	Commissioner Perdue	Noted that there are fewer repeat phone

		calls. More on target on being active. Intervening as a whole at a correct time.
664	Representative Whitaker	Asked if the criteria were changing.
677	Commissioner Perdue	Replied to that they are changing to some degree due to new laws passed a couple years ago by the Legislature.
725	Representative Whitaker	Asked what had affected the similarity from year to year.
741	Commissioner Perdue	Pointed out that the actual number has decreased.
754	Commissioner Perdue	Discussed page 39 - the number of children harmed while in state custody. Children do die in foster care, some of natural causes. She noted that 6 of the 2000 children in custody died in 2000.
816	Co-Chair Mulder	Asked the break down of the six children that died.
829	Commissioner Perdue	Some died from suicide, some were ill or medically fragile, and one from abuse in the foster home.
853	Commissioner Perdue	Discussed page 40 - the number of children in state custody longer than 18 months and 36 months. The graph indicates 632 kids that have been in the state system for an extended time; 82% of those kids have been addressed.
916	Commissioner Perdue	Discussed page 41 - the average time a child spends in state custody, considered by category. The figures represent children in custody and out of home care only.
1040	Commissioner Perdue	Pointed out that 25 months is the average. There are a lot more children in some categories than the others. These are kids in foster care. For the first time, the number of children in the adoptive care is more than foster care.
1117	Commissioner Perdue	In response to a question by Representative Lancaster, She explained that children in custody and are not home less.
1130	Commissioner Perdue	Discussed page 42 - the number of closed cases in which there is a reoccurrence of abuse or neglect.
1187	Representative Croft	Asked if it was classified by parent.
1200	Commissioner Perdue	Stated yes. Some cases are closed.
1212	Commissioner Perdue	Discussed page 43 - the number of foster homes operating at greater than licensed capacity; this reflects the shortage of foster parents.
1272	Commissioner Perdue	Discussed page 44 - the number of

		legitimate reports of harm that are investigated. Noted appreciation for the legislative support.
1329	Commissioner Perdue	Reviewed page 45 - the turnover rate of the Division of Family and Youth Services staff by region. Turnover rate is declining. Turnover means someone is promoted or quitting. Anchorage has the most turnover.
1367	Commissioner Perdue	Discussed page 47 - the percentage of juvenile offenders in long-term treatment who improve their grade point average during their time at the facility. The teachers are challenged to find a means to address the scholastic need of all the kids.
1443	Commissioner Perdue	Reviewed page 48 - the percentage of juvenile offender court-ordered restitution and community service that is paid or performed.
1486	Commissioner Perdue	Discussed page 49 - the number of escapes from juvenile justice institutions.
1505	Commissioner Perdue	Reviewed page 50 - the percentage of those consumers who seek services for developmental disabilities who receive services from the division. There was a 26% increase in the past year.
1556	Commissioner Perdue	Discussed page 51 - the length of time that developmentally disabled consumers are on a waitlist before receiving services.
1581	Commissioner Perdue	Discussed page 52 - the percentage of mental health consumers receiving services who show improved functioning as a result of their services.
1612	Commissioner Perdue	Discussed page 53 - the percentage programs designated by the department that are reviewed for consumer satisfaction; 86 percent were reviewed for consumer satisfaction in FY00.
1638	Commissioner Perdue	Reviewed page 54 - the total number of publicly funded psychiatric hospital days per hospitalized person.
1672	Co-Chair Mulder	Complimented the Commissioner for the informative overview.
1693	Co-Chair Mulder	Adjourned the meeting at 3:40 pm