

HOUSE FINANCE COMMITTEE
January 17, 2001
3:42 PM

TAPE HFC 01 - 13, Side A
TAPE HFC 01 - 13, Side B

CALL TO ORDER

Senator Donley called the House Finance Committee meeting to order at 3:42 PM.

HOUSE FINANCE COMMITTEE 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

HOUSE FINANCE COMMITTEE MEMBERS ABSENT

None

SENATE FINANCE COMMITTEE MEMBERS PRESENT

Senator Donley, Co-Chair
Senator Kelly, Co-Chair
Senator Ward, Vice-Chair
Senator Leman
Senator Wilken
Senator Austerman
Senator Hoffman
Senator Olson

SENATE FINANCE COMMITTEE MEMBERS ABSENT

Senator Green

ALSO PRESENT

Representative Gretchen Guess; Representative Mary Kaspner;
Representative Reggie Joule; Jeff Staser, Federal Co-Chair,
Denali Commission; Krag Johnsen, Staff Designee to the
Denali Commission, Legislative Budget and Audit Committee;
Henry Springer, Commissioner, Denali Commission;

GENERAL SUBJECT(S):

Joint with Senate Finance Committee in HFC room
 Presentation: Denali Commission: current and future expenditures

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 - 13 SIDE A	
000	Krag Johnsen, Staff Designee to the Denali Commission, Legislative Budget and Audit Committee	Introduced federal and state staff working with the Commission.
148	JEFF STASER, FEDERAL CO-CHAIR, DENALI COMMISSION	Noted that the Denali Commission is a federal agency established by federal law. Created in March 1999. Reviewed membership of the Commission.
260	Mr. Staser	The goal is to promote rural infrastructure & utility Development and provide training and economic development in rural communities.
360	Mr. Staser	Noted that there are many problems in federal laws that need to be addressed.
388	Mr. Staser	The commissioners created themes to focus the efforts. They are energy, health delivery, telecommunications, economic development, training (10 percent) and life cycle operations and maintenance. He reviewed some of the work in these areas.
485	Mr. Staser	The commission uses established priority systems when possible and seeks gaps and consensuses. Work is submitted to Congress.
550	Mr. Staser	Stressed the importance of accountability.
613	Mr. Johnsen	Provided an overview of appropriations and expenditures. There received \$20 million dollars in FY 99; \$15 million of this was dedicated to the bulk fuel and rural power system upgrades.
667	Mr. Johnsen	Continued details of expenditures.
680	Mr. Johnsen	Reviewed FY00 appropriations and expenditures: \$14 million Alaska Energy Authority, \$2 million Department of Labor and Workforce Development for training, \$5 million southeast electrical intertie,

		\$824 thousand to the Alaska Growth Capital, and \$1 million health clinic construction.
781	Mr. Staser	Discussed the First Alaskans Foundation. The Denali Commission does not set the fund it only manages the Fund. It was one time appropriation.
894	Mr. Johnsen	Discussed Denali Commission partners: Alaska Industrial Development and Export Authority (AIDEA), ANTHC, Department of Community and Economic Development, Department of Labor and Workforce Development, USDA, Federal Executive Association and MOU.
978	Mr. Johnsen	Gave further information on the Alaska Growth Capital group. It works as a state chartered bank that can help small businesses. They help with project viability.
1062	Representative Hudson	Asked if funds are purely federal. Mr. Staser responded that funds are commingled. Mr. Johnsen noted that project funding is delineated in the handout.
1115	Mr. Staser	Discussed the Federal Executive Association. He reviewed projects around the state.
1186	Mr. Staser	Noted that the Denali Commission has an appropriation of \$65 million for FY01. He clarified that they Commission is not involved in cleanup.
1309	Senator Olson	Asked how priorities are set.
1320	Mr. Staser	Discussed prioritizing. The Denali Commission tries not to get into policy debate. They funded feasibility projects for fuel tanks. The preference is for local governments to take the lead.
1468	Mr. Staser	Stressed that projects must be feasible. He emphasized the need for economies of scale. There should be a community based plan that can be locally supported.
1545	Mr. Staser	Discussed management initiatives. Looking at a uniform database supported by the state. A new form to standardize applications has been implemented. Funding forums are taken to communities. There have been approximately 7 around the state. Trying to avoid hunting the grant.
1673	Senator Hoffman	Referred to bulk fuel efforts. He questioned how communities could participate if they did not know of the

		Denali Commission.
1709	Mr. Staser	All but 5 communities have been visited by the state. There will be an up to date database for all communities. There is no deadline. The size of community is not a criterion. Level of unemployment is a criterion. He stress accountability and sustainability.
1897	Representative John Davies	Asked if there is a strategy for telecommunications.
1911	Mr. Staser	Stated that they are trying not to get ahead of the telecommunication commission.
2000	Mr. Staser	Showed a video by the Environmental Protection Agency that lasted approximately 6 minutes.
2219	Mr. Staser	He noted that 90 percent of the money goes to rail belt communities. Better paying jobs go outside of the community. This is why the emphasis on training was added. Increased local payroll is a goal.
2289	Mr. Staser	Noted that the backlog of \$200 million dollars is growing as assessments are completed. Interest of \$10 million dollars a year is coming for oil spill prevention. The funding stream on the interest is indefinite.
	TAPE HFC 01 - 13, Side B	
022	Co-Chair Mulder	Noted that there is \$18 million dollars for the Alaska Village Electric Cooperative.
117	Senator Hoffman	Noted that communities that do not have internet connections are falling further behind in job skills.
180	Mr. Staser	Observed that the Denali Commission is trying to ascertain that power is available to allow access to the internet.
328	Senator Ward	Referred to the number of communities surveyed. He questioned if total fuel consumption has been reviewed and the possibility of buying as a unit.
384	Mr. Staser	Responded that the Denali Commission cannot make that decision. In the state of Alaska, AIDEA can look at what works for bulk fuel management. The intent is to help the existing structure. The Denali Commission is not involved in making policy.
621	Representative Lancaster	Does the Backlog overlap the state deferred maintenance costs? Mr. Johnsen

		clarified that the backlog identified by the Denali Commission is the bulk fuel work, which would be owned by local communities or private entities.
751		<u>ADJOURNMENT</u> The meeting was adjourned at 4:45 p.m.