

HOUSE FINANCE COMMITTEE  
January 16, 2002  
1:44 P.M.

TAPE HFC 02 - 3, Side A  
TAPE HFC 02 - 3, Side B  
TAPE HFC 02 - 4, Side A  
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CALL TO ORDER

Co-Chair Mulder called the House Finance Committee meeting to order at 1:44 P.M.

MEMBERS PRESENT

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

MEMBERS ABSENT

Representative Moses

ALSO PRESENT

Representative Lisa Murkowski; Shirley Holloway, Commissioner, Department of Education and Early Development; Dr. Ed McLain, Deputy Commissioner, Department of Education & Early Development; Mark Leal, Statewide Assessment Coordinator, Teaching & Learning Support Division, Department of Education & Early Development; Karen Rehfeld, Director, Division of Education Support Services, Department of Education and Early Development; Yvonne Chase, Deputy Commissioner, Early Education, Department of Education and Early Development; Deborah Sedwick, Commissioner, Department of Community and Economic Development; Michelle Brown, Commissioner, Department of Environmental Conservation; Jeff Bush, Deputy Commissioner, Department of Community and Economic Development; Tom Lawson, Administrative Director, Department of Community & Economic Development; Barbara Frank, Director, Division of Administrative Services, Department of Environmental Conservation; Barbara Belknap, Executive Director, Alaska Seafood Marketing Institute, Department of Community and Economic Development.

GENERAL SUBJECT(S):

Missions and Measures Reports:

Department of Education & Early Development  
 Department of Community & Economic Development  
 Department of Environmental Conservation

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
	<b>TAPE HFC 02 - 3 SIDE A</b>	
000	CO-CHAIR MULDER	Opened the House Finance Committee meeting at 1:44 P.M.
		<b>*malfunctioning tape*</b>
		<b>DEPARTMENT OF EDUCATION &amp; EARLY DEVELOPMENT</b>
008	SHIRLEY HOLLOWAY, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT	Introduced Dr. Ed McLain and Yvonne Chase, Deputy Commissioners for here Department and additional staff Mark Lean, Statewide Assessment Coordinator. Commissioner Holloway provided members with the Department's handout. [Copy on File].
106	Commissioner Holloway	Noted that the Department would provide an assessment workshop for legislators and staff indicating the details of the statewide assessment system and the impact of the additional assessment requirements included in reauthorization of the Elementary and Secondary Education Act (ESEA). Commissioner Holloway spoke to Governor Hickel's Alaska 2000 plan established to improve public schools. That was based on implementing standards so that as Alaskans, we could decide what our students should know and be able to do at each grade level. The Knowles/Ulmer administration continued and built on the plan through the Quality Schools Initiative. The Alaska standards are the basis for assessment system in the areas of reading, writing & mathematics.
286	COMMISSIONER HOLLOWAY	Pointed out that the Department has 61 measures within the current status. Both benchmark and background information for each of the measures that was developed jointly with the legislative last session

		would be addressed.
369	Commissioner Holloway	Noted that the Department would focus on four measures relating to student assessment. Commissioner Holloway referenced Page #3 of the handout. The measure provides the percentage of students who meet the proficiency level in the benchmark assessments in Grades 3, 6, & 8. The chart indicates the proficient in reading, writing, and math on the benchmark exam, Spring 2001. The data from the assessment helps parents understand where their child is academically, and helps teachers tailor instruction to specific needs of the students.
454	Commissioner Holloway	Referenced Page #4. These figures provide additional information to show how the 2001-benchmark results compared to the results from grades 3,6, & 8 <sup>th</sup> students tested in the spring 2000.
520	Commissioner Holloway	Noted that the Department is not seeing any significant change in the proficiency levels or the participation rates on the benchmark examinations. With only two administrations, there is not sufficient data yet to see trends emerging, however, the data does show that the overall participation rate was good.
596	Commissioner Holloway	Added that the department provided individual and aggregated results to school districts in late May, 2001 to help schools and districts evaluate programs and intervention efforts, to identify students needing additional assistance in the 2001/2002 school year and to develop direct student intervention programs to improve student achievement.
608	Co-Chair Mulder	Asked about the low score in the math component for the 8th grade level, the 39% percentile.
666	Commissioner Holloway	Explained that zero has been written regarding that concern.
687	DR. ED MCLAIN, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT	Added that concern had been noticed by the State. He thought that it could be in part resulted from the higher standard established at that grade level. He pointed out that would be determined next year when the new standard goes into effect. He noted that the proficient level has been raised, which could account for the drops.

775	MARK LEAL, STATEWIDE ASSESSMENT COORDINATOR, TEACHING AND LEARNING SUPPORT DIVISION, DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT	Pointed out that the graph is a clear listing of what the State's mathematical proficiency is. What is being attempted to determine is the level of students that are capable in making that proficiency. He suggested that next year's scores could mirror those results.
848	Co-Chair Mulder	Requested further clarification regarding that concern.
863	Mr. Leal	Thought that there could be an incremental increase in that number but noted that there was not yet enough data to make that determination.
888	Co-Chair Mulder	Asked if that was a minimum proficiency level.
899	Commissioner Holloway	Explained that those numbers were not yet established. There is room for some change.
916	Mr. Leal	Added that the benchmark consists of four categories. What is listed is the top level.
949	Vice-Chair Bunde	Questioned if there was a correlation between dropping levels and raised hormone levels. He inquired about refining and improving the assessment and reducing the time line. Vice-Chair Bunde referenced the value, which has been added to the assessment.
1070	Commissioner Holloway	Interjected that the improvements would change in the high school assessment. She noted that the Department does not want to discuss the possibility of lowering the standard; the refining and refocusing should be discussed. Commissioner Holloway stated that timing was an issue. There are issues regarding how quickly the results are getting into the correct hands. The value is in achieving the data.
1158	Commissioner Holloway	Addressed the "value added" concept. She added that the designator system should also be addressed.
1179	Dr. McLain	Indicated that the value added with the unique identifier discussion would be made which would allow modification of the student's performance.
1222	Vice-Chair Bunde	Commented on value added-a testing when the child enters in and then tested again at the end of the year. That result would determine the value that student has achieved.

1249	Mr. Leal	Pointed out that the turn around time currently is 9 weeks. He added that some of the problem is getting the test booklets in the spring. Mr. Leal recommended that the test window could be moved a little. Mr. Leal added that the Department is looking at ways to make the test more accessible to the teachers.
1300	Representative Davies	Asked if there was a difference between the junior high and high school level test.
1342	Commissioner Holloway	Replied that there was a difference between the benchmark assessments and the refined criteria. She questioned if the direction of the Department is where the State wants to go. Commissioner Holloway spoke to review of the essential skills.
1389	Dr. McLain	Stated that benchmarks provide information regarding how the kids do in each of the four groups. He pointed out that the high school qualifying exams do look similar. That test was designed to determine the essential skills. The refining group addresses the essential skill ideas. He added that the standards are above and outside of the essential competencies. Dr. McLain stated that concern would be addressed later in the Department's report.
1464	REPRESENTATIVE LISA MURKOWSKI	Questioned what would happen to the mass students when they hit 8th grade. She referenced the "CAT" testing and asked if it would be possible to determine if those scores would detract.
1507	Commissioner Holloway	Explained that the next measure would address that concern-Page 5. A test items will be addressed at each test level and the Department would be working at the comparability level between grades 3 and 8. She pointed out that the CAT/5 was finished in 1990 and that the current standards are higher than those done in 1990.
1571	Mr. Leal	Interjected that the importance of the norming period could not be stressed enough. The Department continues to administer a norm-referenced assessment, linked to Alaska performance standards, at grades 4, 5, 7, and 9. The norming period would provide comparisons from 1990 to last year. He stressed that a lot has happened in education in those years. He acknowledged that the

		assessment was more comprehensive than the CAT/5. The battery is complete and this is a richer assessment. He reiterated that the new norming periods are very important.
1644	Representative Murkowski	Asked if it was anticipated that this would tie in better with the current system being used.
1656	Vice-Chair Bunde	Recommended using a different standard to increase the class.
1685	Commissioner Holloway	Stated that the value was that the test results would not be taken as a percentile ranking. The test items will be testing the kids on the standards that the State decides that they want our kids to be able to accomplish. If there are big discrepancies between how well students are doing on the benchmark and norm records, then the Department will need to determine the level of difficulty of those.
1711	Mr. Leal	Added that there are safe guards. This is a national test and there are practices, which the test contractor must adhere to. There are studies, which will compare the test results with the national assessment of educational progress.
		<b>*tape working*</b>
1737	Commissioner Holloway	Referenced Page 5- the percentage of students performing above the national average on State adopted norm-referenced tests.
1755	Commissioner Holloway	The chart in the middle of the page shows how our students performed on the California Achievement Test/Version 5, in grades 4 & 7 in the spring of 2001.
1798	Commissioner Holloway	The benchmark comparisons near the bottom of the page provides a view of student achievement over time. The number of students scoring in the top quartile is very good. During this school year, the Department has upgraded the norm-referenced test to the TerraNova-California Achievement Test, version #6. The Department is recommending legislation that will change the implementation date for the school designator to mirror the 2004 effective date for passage of the high school graduation-qualifying exam in order to receive a diploma. The additional time will allow the Department to align with

		the new requirements of the Elementary and Secondary Education Act to avoid duplication, to collect the data necessary to measure growth and to build the capacity to effectively collect, analyze and use the data.
1858	Representative Croft	Referenced Page 5, the CAT scores, and noticed that from math from grade 4 through grade 7, the continuum is on 5. He asked the standard compared to the rest of the nation noting that the State does poorly on its own benchmarks.
1892	Commissioner Holloway	Responded that the State does not know the comparability quality. Standards are not being tested. Some math is being tested but the State does not know what the relationship is to the benchmark items. She suggested that it was consistent between norm reference and criterion reference.
1931	Representative Croft	He stated that the State knows that our 7th & 8th graders are in the 65% in math in the nation yet only one-third of them are performing, as the State would like. He commented that there is a disconnect somewhere.
1956	Co-Chair Mulder	Stated that we do not know if there is a correlation between the two. He agreed that Representative Croft's assessment was correct but the answer is not known.
1971	Representative Davies	Asked why there is so much uncertainty in comparison with the nationally norm test and if they are mirroring the State's norm requirements. Either they match the State's requirements or they don't.
1995	Commissioner Holloway	Suggested that there is another issue and that is what is being taught.
2006	Representative Davies	Restated the same question. Once the alignment is done, the scores should go higher.
2019	Mr. Leal	Observed that two different things were being addressed. The standards and whether the test measures the standards. From that point, when looking at the benchmark tests, the standards for that were set by what Alaskans felt a proficient student should be able to know. The scores from the norm-referenced test compare our student's level of performance against the rest of the students in the nation. One would assume that what the standards cover would be inline, however, they do not

		line up. The State is attempting to increase the standard for the students and how our students perform compared to students across the nation.
2093	Co-Chair Mulder	Summarized the comments made by Mr. Leal.
2102	Dr. McLain	Pointed out that this brings up the highlights between criterion and records. It indicates that the proficiency and the records could be independent from one another. The norm reference and the criterion reference is a major consideration.
2156	Vice-Chair Bunde	Asked if the CAT test had been given over a three-day period.
2168	Mr. Leal	Replied that the new CAT test consists with about five hours worth of testing. It could be given all in the same three-day period or it could be spread out over a longer period of time, as long as it is within the time for each portion.
2201	Vice-Chair Bunde	Spoke to fatigue of a student with a three-day testing period.
2208	Commissioner Holloway	Referenced Page #6 - the measure of the percentage of students who took and passed the State high school graduation-qualifying exam in the current school year.
2246	Commissioner Holloway	The data does show that the participation range is good. The State is requiring that all students take the exam for the first time in the spring of their sophomore year. After that, the test is offered each fall and spring to provide additional opportunities for students to take the portions they have not yet passed. The data shows that fewer students scored as proficient in math than in reading or writing. The legislature was clear in passing SB 133 that the competency exam is to measure the minimum competency essential skills for all high school graduates. This spring, the Department will administer a new, refocused version of the HSGQE. That version will contain questions measuring the minimum competencies of essential skills. It is important to remember that the performance standards are still the same. The refinement is crucial to measuring what to expect all high school graduates to know and be able to do.
2311	Commissioner	Because of the changes in emphasis on the

	Holloway	test, the Department will need to set new passing scores in the summer of 2002.
		<b>TAPE HFC 02 - 3, Side B</b>
001	Co-Chair Mulder	Asked about the percentage of students allowed to take the exam and that it was both sophomores and juniors. He thought that rates should improve by allowing them to take it twice.
053	Commissioner Holloway	Suggested that Measure #4 indicates that with each administration of the test, more students become proficient.
068	Vice-Chair Bunde	Asked about the degree programs and the participation rates in the tests. He suggested an attachment to the foundation formula regarding coming to school and following school rules.
319	Commissioner Holloway	Agreed that the participation rates are not as high as they need to be to make sure that every student is taking the exam. The fourth measure addresses the percentage of students in high school grade level who pass the state high school graduation-qualifying exam on a cumulative basis.
458	Commissioner Holloway	One of the largest challenges that the State has is the ability to follow the individual students that make up each graduating class through the assessment system as they move in and out of the State and between districts, schools and programs.
563	Commissioner Holloway	This year, the State will begin to assign a student identifier to all students in the State. Implementation of the unique student identifier will be the key to monitoring and reporting achievement data more effectively. Referenced page 9 of the handout. The Class of 2004 will be the first to meet the new standards.
626	Commissioner Holloway	Referenced Page 12, 13, 14, & 15 includes pages of State assessment results for the year 2001.
685	Commissioner Holloway	Pointed out that there are a number of districts that do not have any results reported. That is because of the federal confidentiality requirement and the family rights and privacy act that prohibits the release of any personally identifiable student information without the consent of parents. If there are fewer than 10 students, that law is in effect. The practice is consistent with the federal guidelines. Approximately

		145 schools have less than 1- students at the 3 <sup>rd</sup> grade level.
721	Vice-Chair Bunde	Asked what the intent of that.
750	Commissioner Holloway	Responded that it has taken a lot of work across the State to determine the student identifier number. There have been good results from doing that program.
789	Dr. McLain	The identifier will be a piece of data with the smaller districts that will be attached to the kid's folders. That information will be protected in the same way as will all other information regarding that student. The gross numbers will not be used such as the social security numbers. Only the numbers generated by the State office will be used. That information will be used to monitor student's enrollment for fiscal reasons.
847	Commissioner Holloway	Another positive provided with that information is that with more students & families selecting education in a menu fashion, so that the appropriate amount of funds goes to the appropriate place.
879	Vice-Chair Bunde	Commented on the foundation formula verifiability.
898	Representative Croft	Referenced page 8 and the reductions in the figures for each of those years.
936	Commissioner Holloway	Thanked the Committee for their time and attention. She encouraged the subcommittee members to work with Yvonne Chase, Deputy Commissioner, in the Early Development aspects.
965	Co-Chair Mulder	Commented that the full Committee will go over those measurements. He inquired about the new federal law requirements.
994	Commissioner Holloway	Replied that there will be additional requirements. The Department will need to work with the Committee to "shore" up those commitments. The "devil" will be in the implementation of those criteria into the small schools. You stated that there will needs to be one system to hold the schools accountable for. She noted that she hoped the Alaska children would benefit from those changes.
1066	Representative Davies	Observed that it is important to improve reading in the State. He asked if it would be fruit-full to have a briefing on the designator concerns.
1095	Commissioner Holloway	Responded that the Department would appreciate that opportunity because there

		are a group of Alaskans who have worked hard on the issue. A lot has been learned from other states. In all states involved in school reform, there has been some backtracking.
		<b>DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT</b>
1502	DEBORAH B. SEDWICK, COMMISSIONER, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT	Provided Committee members with a handout. [Copy on File]. Commissioner Sedwick referenced the handout and asked to provide an overview of the Department's measurements only.
1587	Commissioner Sedwick	Listed the four major goals of the Department. She pointed out that there are 7 divisions and 6 agencies within the Department to accomplish the 58 measures. The first measure highlighted is on Page 7.
1646	Commissioner Sedwick	That measure will address the change in the number of the CDQ-related jobs in the Western Alaska. There were 1834 CDQ related jobs created in 2000, an increase from 1339 in 1999. The employment includes positions on offshore factory trawlers, onshore processing plants, CDQ halibut and salmon plants, local halibut fisheries and various management and administrative jobs within the six CDQ groups. More jobs will be created and the program will be on target for FY03 due to the increase in CDQ ownership.
1694	Commissioner Sedwick	Pointed out that the CDQ program no longer relies on general fund monies. Last year, the Legislature created a CDQ fee and authorization program to pay for running the program.
1713	Commissioner Sedwick	Work on the regulatory process and relax some of the original process. That group needs more independence.
1737	Co-Chair Mulder	Recommended that the total and net income indicated and how it would relate to the number of jobs.
1760	JEFF BUSH, DEPUTY COMMISSIONER, DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT	Spoke to the net assets of the program and how to measure those. The program net worth assets are \$150 million dollars. The value of the jobs is difficult to determine. The groups can report what the average factory troller makes. It is more difficult to explain how the CDQ group has created a halibut-fishing mecca. What those earnings are cannot necessarily be reported.
1816	Co-Chair Mulder	Suggested reporting the total salaries

		paid out. He acknowledged that could be difficult.
1831	Mr. Bush	Replied that salaries are something that the CDQ groups actually does but a number of the employees are not salary related. They are estimates by the group on how many jobs are created annually. The groups report differently and the numbers are not reliable. The same groups have been reporting the same statistics over a long period and for comparison purposes the numbers are accurate.
1883	Representative Hudson	Asked if the statistics reflect jobs just in that industry or all seafood related activities.
1899	Mr. Bush	Only the seafood reports related to the industry jobs and those relative to their CDQ communities. There are many other jobs created by that program.
1925	Representative Hudson	Are they Alaska residents in all cases or are there imported employees for some of the jobs.
1926	Mr. Bush	The recorded numbers are for Alaskan residents living in those communities.
1948	Commissioner Sedwick	Referenced Page 11 #2- International Trade and Marketing Development - the increase in the number of Alaska firms that export products and services. The number represents a 10% increase from 1998. The target proposal is to meet or exceed the national rate of growth of the number of exporting companies of 7.5%
1976	Commissioner Sedwick	Alaska exported about \$2.5 billion dollars worth of goods in 2000, about the same as 1999. Alaska's export in the first half of 2001 decreased about 15% largely due to the change in destination at North Slope oil now being sent to refineries in the lower '48.
2015	Commissioner Sedwick	Measure for the Division of Investments - Page 14. The measure will determine whether the division maintains the proportion of commercial fishing permits held by Alaskans at 75% or higher through the Commercial Fishing Revolving Loan Fund.
2060	Commissioner Sedwick	In FY99 & 00, the proportion of permits held by Alaskans was 78%. From FY96 to FY98, the proportion of permits held by Alaskans was 77%. The maximum loan amount is \$30,000 for each borrower with an anticipated loan amount of \$1.5 million dollars over the two-year period.

2073	Commissioner Sedwick	AIDEA - Page 18 - the number of permanent jobs created.
2098	Commissioner Sedwick	Background - the number of permanent jobs dropped from FY00 to FY01 primarily due to a drop in loans funded, from \$30.9 million in FY00 to \$9.9 million dollars in FY01. The drop in findings is due primarily to a large construction projects that AIDEA committed to but was not able to complete. There is often a lag time of 60 days to one year for finishing those jobs.
2144	Commissioner Sedwick	Provided examples to Committee members of the AIDEA work jobs. There was an 11,000-foot fitness club just finished in Homer that created 50 construction jobs and then 30 permanent jobs. There was a wholesale distribution restaurant and janitorial supplies that covered north of the Alaska Range that created 75 construction jobs and 5 permanent jobs.
2210	Representative Hudson	Could any of the mentioned projects receive funding from private sources.
2222	Commissioner Sedwick	Replied that all of the entities mentioned were bankable. It is often times less expensive from an interest point of view. The banks do come to the State in partnership with the private sector member.
2261	Representative Hudson	Asked if the State assumes risk.
2269	Commissioner Sedwick	Replied that the State is participating and sometimes has small risks. The State is not interested in taking on a great deal of risk but will take a little depending on the up side of the project.
2286	Co-Chair Mulder	Suggested that the banks would not be as aggressive without AIDEA.
2301	Commissioner Sedwick	Agreed. If a potential upside exists, the Department will take a serious look at the request.
2313	Co-Chair Mulder	Asked about the loan interest rate drop. He asked if there had been a decrease in requests or available resources.
2340	Commissioner Sedwick	Responded that it has a lot to do with what is brought forward at any given time. That can change substantially from year to year. The Department tries to take on projects that make sense and create diversity in the State's economy.
2369	Co-Chair Mulder	Pointed out that AIDEA makes money by loaning money.

		<b>TAPE HFC 02 - 4, Side A</b>
000	Commissioner Sedwick	Spoke to the State's benefit to the partnerships. AIDEA is not as aggressive as a private bank would be and that is not a part of the mission of the Department.
053	Representative Lancaster	Asked if the State has the same working relationship with Wells Fargo as it did with National Bank of Alaska.
086	Commissioner Sedwick	Replied that there is a very good relationship with Wells Fargo Bank. They have been helpful in terms of the international business.
108	Co-Chair Mulder	Asked why AIDEA was needed as much with the cheap interest rates.
139	Commissioner Sedwick	Explained that if AIDEA is part of the package, then they would be part of a refinancing package and one could not happen without the other.
159	Representative Davies	Thought if there was a lot of refinancing there would not a lot of new jobs being created.
193	Commissioner Sedwick	Agreed, however, jobs would be maintained and strengthened through those businesses. From a banking institutional stand point, it is important for the State to do.
243	Commissioner Sedwick	Referenced Page 22 - The Rural Energy Program. The measure indicates the number of bulk fuel storage upgrade projects on rural energy group priority lists compared to the number completed. There are 171 communities listed on the bulk fuel deficiency list. In FY01, the Denali Commission provided a financial assistance award to AVEC to address the deficiencies in the communities that they provide service. AVEC has completed one project. AVEC's progress to address the remaining communities is not tracked by AEA.
319	Commissioner Sedwick	AEA's bulk fuel storage database and priority list includes information on approximately 1100 tank farms in 171 rural communities. Most of the tanks have serious deficiencies. Consolidation of all tanks into one location is the primary strategy to address the bulk fuel needs of a community.
436	Commissioner Sedwick	There are some communities that are not in need of community-wide consolidations. There are six communities that fall into that category. The Department is requesting funds to address those

		projects. As much as possible, local people are asked to do the work. The work will need to be maintained.
476	Vice-Chair Bunde	Asked the definition of a tank farm.
501	Commissioner Sedwick	Replied that those are communities and tank farms within the communities. There may be the council; the school district- there could be a few entities that would have two or three facilities within a community. The size varies based on the size of the community. The Department is looking for the consolidation. As they are spread out, there is a risk of the environmental difficulties. Having different owners in different locations in a community can create difficulty.
600	Representative Lancaster	Stated that a tank farm was anything regulated by the Coast Guard and/or EPA.
620	Co-Chair Williams	Asked why the villages do not want to consolidate.
634	Commissioner Sedwick	Replied that is not a question of them not wanting to but rather how the villages have evolved in terms of recognizing what would make sense for the community in consolidation.
682	Commissioner Sedwick	Added that costs in the village areas are very high and anytime that that the State can work together to address those concerns is beneficial.
712	Representative Hudson	Spoke to major problems from the past ten years. He asked how the 1100 tank farm costs would be next year. How many fewer ones would be listed.
764	Commissioner Sedwick	Attempted to provide some light on that concern with information from AEA. She stressed that had been an important goal of the Denali Commission. The lists of the communities have been on a priority basis. When dealings with the federal government has been good in that they recognize the challenge. However, this is a serious challenge. AEA knows much of the data and what is supposed to be done next year.
839	Commissioner Sedwick	Alaska Science & Technology Foundation Mission, Page 26. The measure would determine the percentage of technology project grantees in business because of ASTF grants. Commissioner Sedwick stated that ASTF develops Alaska's capacity for science and engineering by funding competitive science, math and technology classroom projects for Alaska K-12

		students. The projects have been highly successful in developing students' interest and achievement in math, science and technology. Due to current fiscal restraints, a downsized K-12 program of twenty regular teacher grants and four specialized grants targeting critically understaffed career fields is planned for FY02.
996	Commissioner Sedwick	Referenced Page 29, Alaska Seafood Marketing Institute and the change in pounds of seafood sold. The mission of ASMI is to increase worldwide consumption of seafood, promote the quality and superiority of Alaska seafood products and accomplishes these marketing efforts while maximizing ASMI staff Alaska resident employment in Alaska. The measure intends to increase in the development of new markets worldwide.
1099	Co-Chair Williams	Asked the amount of sold in Alaska.
1111	Commissioner Sedwick	Spoke to the number of cases of canned salmon sold in the United States.
1127	Co-Chair Williams	Thought the amount was small compared to years ago.
1135	Mr. Bush	Explained that the number represent on that directly sold through ASMI promotion.
1174	BARBARA BELKNAP, EXECUTIVE DIRECTOR, ALASKA SEAFOOD MARKETING INSTITUTE, DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT	Stated that ASMI has performance agreements with their partners. Through those agreements, they must state how much they move through ASMI promotions. However, those figures are not reliable. She noted that they deal with large retailers that do not always provide the full counts for publication. It is difficult to get those numbers.
1246	Co-Chair Mulder	Asked what could be done to get more reliable information.
1261	Ms. Belknap	Advised that the Board does ask those questions. She assured members that pressure is being placed on some of those retail companies to provide the return on marketing investment.
1309	Co-Chair Mulder	Asked how it was achieved within the federal program and yet not in the State program.
1325	Ms. Belknap	Explained that there is more weight in the federal requirements.
1340	Ms. Belknap	She added that additional pressure is not what is needed. She pointed out that the retailers have not "pressed" for that

		information. Ms. Belknap noted that ASMI is now applying pressure to those retailers.
1374	Co-Chair Williams	Questioned if the problem was in moving the canned salmon product.
1386	Ms. Belknap	Replied that the problem is always a "sluggish" market. Canned salmon is a price sensitive product. There are some aggressive canned salmon promotions comparing the benefits of salmon to tuna coming this Lent.
1437	Representative Hudson	Interjected that the oversea sales are easier to account for because the State is dealing with a unilateral system. The U.S. market involves retail and competition, which creates a more difficult market.
1549	Commissioner Sedwick	Referenced Page 38, #2 - Regulatory Commission of Alaska. The mission of the Regulatory Commission of Alaska (RCA) is to regulate public utilities and pipelines in the State. The time required to issue public notice, provide an initial analysis and render the initial commission determination concerning utility and pipeline filings and competitive offerings.
1618	Commissioner Sedwick	When the Legislature created the RCA, it tasked the commission with developing and adhering to timeliness standards because of public complaints about the predecessor agency's processes. RCA has adopted standards and are incorporating processes to measure its progress as part of developing and implementing the management information system. Commissioner Sedwick briefly addressed the challenges of the Department, which will be dealt with more extensively at the subcommittee level.
		<b>DEPARTMENT OF ENVIRONMENTAL CONSERVATION</b>
1660	MICHELLE BROWN, COMMISSIONER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	Provided a handout to Committee members. [Copy on File]. Commissioner Brown stated that Department of Environmental Conservation's mission is important to sustain the resource-based economy and to provide assurance that the daily basics of water, air and food are safe. To measures has become a collaborative effort of understanding of how the State should be measuring. It is a work in progress.

1690	Commissioner Brown	Highlighted some of the measures, which the Department is working on. She referenced Page 1 of the handout. Office of the Commissioner and the percentage of permittees that are out of compliance with State law or regulations.
1735	Commissioner Brown	The division more than doubled the number of audits and inspections of facilities and vessels during the period and it more than tripled the number of facility and vessel drills. The result of the increase in the monitoring resulted in an increase in violations discovered.
1830	Commissioner Brown	Referenced Page 4 - Environmental Health. Commissioner Brown discussed the number of boiled water notices issued, the population affected, and the duration for the year. The number has risen. The average number of days in place has also increased. Good progress has been made in reducing the number of systems that have significant problems and violations; however, the Department is running into a core group of systems that cannot be properly upgraded.
1898	Commissioner Brown	Referenced Page 5 - Landfills. Commissioner Brown reviewed the percentage of landfills with a permit or an alternative to a permit. The percentage has gone down slightly since 2000 as the number of active sites has increased. That was due to a new landfill permitting applications as well as a few existing sites being captured in the database for the first time. She stressed there exists a need to look at other ways of resolving the solid waste problems. The permitted facilities are showing consistent results.
1950	Commissioner Brown	Referenced Page 6. The number of critical violations affecting food safety. Commissioner Brown pointed out that the number is slightly rising possibly because there are more inspections as legislated.
1982	Co-Chair Mulder	Asked about the number of violations affecting food safety.
1998	BARBARA FRANK, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ENVIRONMENTAL CONSERVATION	Explained that the violations refer to the raw numbers in comparison to the facility. She recommended referring back to Page 1, the Commissioner's office, which provides the data in "raw" numbers and the critical violations. The two are

		companion measures.
2018	Commissioner Brown	Referenced Page 7 - Statewide Public Services. Commissioner Brown addressed the measure of the facility savings resulting from the Statewide Public Services assistance. She noted that the savings has topped \$2 million dollars. Pollution prevention advise saves everyone money. The recycling is an accumulative number over approximately five-years.
2087	Co-Chair Mulder	Asked if the number was cumulative or annual number. He recommended the need to check savings versus cost.
2112	Commissioner Brown	Responded that the recycling number was an accumulative number. She added that that the costs are minimal.
2120	Commissioner Brown	Referenced Page 9 - Air & Water Quality. Commissioner Brown stated that whether the carbon monoxide standards in Anchorage and Fairbanks meet health standards. She noted that there is good news to report that both have met the standard for the past two years.
2189	Representative Hudson	Asked how Fairbanks compared with Seattle.
2200	Commissioner Brown	Stated that Alaska is one of the only states that have carbon monoxide problems.
2214	Representative Whitaker	Advised that there was an effort in Fairbanks to identify problems and that the monitoring station was responsible for some of that.
2240	Commissioner Brown	Referenced Page 10. The measure on the average time taken from receipt of a permit application to the approval. The measure is important as it allows the Department to determine their efficiency and effectiveness within existing resources. The Department has adopted regulations to cover common activities rather than having permit applications beginning from scratch. Commissioner Brown pointed out that there have been streamline efforts for permitting. Data management has been enhanced. They are looking at streamlining the process with multiple entities. The benchmark study was contracted out. The measure is taken in days. It takes 461 days to get an air-operating permit. There is a large backlog of permits.
2375	Commissioner Brown	The Department is looking at how they

		approach the permitting process. The Department is attempting to determine if the recruitment and training process is effective.
		<b>TAPE HFC 02 - 4, Side B</b>
018	Commissioner Brown	Referenced Page 11 - Spill Prevention & Response. She noted that the department is notified of all spills however, they do not respond to all spills. The number has increased significantly. The Division is spending a fair amount of time on guidance to the local responders but not a lot more time in the actual field.
111	Co-Chair Mulder	Voiced concern with the concept of response and containing the contamination of a spill. He asked what measurement was attempting to achieve.
164	Commissioner Brown	Interjected that all spills require a response. The degree of the response does vary. Not all responses require oversight or tracking of the clean-up process. The active response varies according to how serious the spill is.
242	Co-Chair Mulder	Suggested that the manner in which the Department was addressing the concern was not direct or consistent.
273	Representative Hudson	Asked if a one-gallon spill was an Alaska standard or federal requirement. He recommended that amount was too small to respond to.
320	Commissioner Brown	Replied that was in State statute. Commissioner Brown advised that many people do not report the smaller spills.
408	Commissioner Brown	The next measure addresses the number of hazardous substance spills compared to the number of hazardous substance spills requiring response. The Department is gearing up to concerns voiced by those communities. That response is based on the types of chemicals that are in the communities. The State is not geared up for biological threats.
479	Commissioner Brown	Referenced the last measure. The average environmental hazard per contaminated site. The average costs for 1996 through 2000 was \$6,726 per year. In 2001, the average costs were \$11,349. The goal is to see a decreasing number of high range sites.
583	Commissioner Brown	Advised that the Department just finished the Adak cleanup. Standards were established with the community to

		determine what was the priority, which was important to get the community active.
628	Representative Lancaster	Asked if the federal government had been involved.
642	Commissioner Brown	Replied that they do help. They also have other sites that are not included on the list.
665	Commissioner Brown	The numbers do include the federally owned sites that the State wants cleaned up.
704	Commissioner Brown	Page 13 - Facility Construction and Operations. The mission addresses the operating costs per sanitation project.
		<b>*malfunction in the tape*</b>
	Co-Chair Mulder	Voiced his appreciation to the Department.
	Co-Chair Mulder	Adjourned: 4:15 p.m.