

**ALASKA STATE LEGISLATURE
HOUSE STATE AFFAIRS STANDING COMMITTEE**

May 2, 2002
8:05 a.m.

MEMBERS PRESENT

Representative John Coghill, Chair
Representative Jeannette James
Representative Hugh Fate
Representative Gary Stevens
Representative Peggy Wilson
Representative Harry Crawford
Representative Joe Hayes

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 327

"An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 324

"An Act making supplemental and other appropriations for homeland security; and providing for an effective date."

- HEARD AND HELD

CS FOR SENATE BILL NO. 340(FIN)(efd fld)

"An Act relating to public notice of information relating to permanent fund dividends, and to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits."

- SCHEDULED BUT NOT HEARD

PREVIOUS ACTION

BILL: HB 327

SHORT TITLE: STATE EMPLOYEES CALLED TO MILITARY DUTY

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
01/16/02	1977	(H)	READ THE FIRST TIME - REFERRALS
01/16/02	1977	(H)	MLV, STA
01/16/02	1977	(H)	FN1: ZERO(ADM/ALL DEPTS)
01/16/02	1977	(H)	GOVERNOR'S TRANSMITTAL LETTER
04/04/02		(H)	MLV AT 3:00 PM CAPITOL 124
04/04/02		(H)	Moved Out of Committee
04/04/02		(H)	MINUTE(MLV)
04/05/02	2814	(H)	MLV RPT 4DP 1AM
04/05/02	2814	(H)	DP: KOTT, GREEN, HAYES, CHENAULT;
04/05/02	2814	(H)	AM: MURKOWSKI
04/05/02	2815	(H)	FN1: ZERO(ADM/ALL DEPTS)
04/25/02		(H)	STA AT 8:00 AM CAPITOL 102
04/25/02		(H)	Heard & Held
04/25/02		(H)	MINUTE(STA)
04/27/02		(H)	STA AT 10:00 AM CAPITOL 102
04/27/02		(H)	Scheduled But Not Heard
04/30/02		(H)	STA AT 8:00 AM CAPITOL 102
04/30/02		(H)	Heard & Held
04/30/02		(H)	MINUTE(STA)
05/02/02		(H)	STA AT 8:00 AM CAPITOL 102

BILL: HB 324

SHORT TITLE:HOMELAND SECURITY APPROPRIATIONS

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
01/16/02	1972	(H)	READ THE FIRST TIME - REFERRALS
01/16/02	1972	(H)	MLV, STA, FIN
01/16/02	1972	(H)	GOVERNOR'S TRANSMITTAL LETTER
01/16/02	1972	(H)	SPREADSHEET BY DEPT. COST
02/12/02		(H)	MLV AT 3:00 PM CAPITOL 124
02/12/02		(H)	Heard & Held
02/12/02		(H)	MINUTE(MLV)
02/19/02		(H)	MLV AT 3:00 PM CAPITOL 124
02/19/02		(H)	Heard & Held
02/19/02		(H)	MINUTE(MLV)
02/21/02		(H)	MLV AT 3:00 PM CAPITOL 124
02/21/02		(H)	Heard & Held
02/21/02		(H)	MINUTE(MLV)
02/26/02		(H)	MLV AT 3:00 PM CAPITOL 124
02/26/02		(H)	Heard & Held
02/26/02		(H)	MINUTE(MLV)

02/28/02		(H)	MLV AT 3:00 PM CAPITOL 124
02/28/02		(H)	-- Meeting Canceled --
03/05/02		(H)	MLV AT 3:00 PM CAPITOL 124
03/05/02		(H)	Heard & Held
03/05/02		(H)	MINUTE(MLV)
03/14/02		(H)	MLV AT 3:00 PM CAPITOL 124
03/14/02		(H)	Heard & Held
03/14/02		(H)	MINUTE(MLV)
03/21/02		(H)	MLV AT 3:00 PM CAPITOL 124
03/21/02		(H)	-- Meeting Canceled --
03/26/02		(H)	MLV AT 3:00 PM CAPITOL 124
03/26/02		(H)	Heard & Held
03/26/02		(H)	MINUTE(MLV)
04/18/02		(H)	MLV AT 3:00 PM CAPITOL 124
04/18/02		(H)	Moved CSHB 324(MLV) Out of Committee
04/18/02		(H)	MINUTE(MLV)
04/19/02	3028	(H)	MLV RPT CS(MLV) 2DP 2NR
04/19/02	3028	(H)	DP: GREEN, CHENAULT; NR: MURKOWSKI,
04/19/02	3028	(H)	KOTT
04/19/02	3028	(H)	LETTER OF INTENT WITH MLV REPORT
05/02/02		(H)	STA AT 8:00 AM CAPITOL 102

WITNESS REGISTER

DAVE STEWART, Personnel Manager
 Central Office
 Division of Personnel
 Department of Administration
 PO Box 110201
 Juneau, Alaska 99811-0201

POSITION STATEMENT: Explained the changes on the proposed
 committee substitute for HB 327.

DOUG WOOLIVER, Administrative Attorney
 Administrative Staff
 Office of the Administrative Director
 Alaska Court System
 820 West Fourth Avenue
 Anchorage, Alaska 99501-2005
 POSITION STATEMENT: Testified on HB 327.

WENDY LINDSKOOG, Director
 External Affairs
 Alaska Railroad Corporation

PO Box 107500
Anchorage, Alaska 99510
POSITION STATEMENT: Testified on HB 327.

PAM BARBEAU, Manager
Benefits & Records
Alaska Railroad Corporation
PO Box 107500
Anchorage, Alaska 99510
POSITION STATEMENT: Testified on HB 327.

KATHLEEN STRASBAUGH, Assistant Attorney General
Governmental Affairs Section
Civil Division (Juneau)
Department of Law
PO Box 110300
Juneau, Alaska 99811-0300
POSITION STATEMENT: Testified on HB 327.

ANN COURTNEY, Senior Attorney
Labor and Employment
Alaska Railroad Corporation
327 West Ship Creek
Anchorage, Alaska 99501
POSITION STATEMENT: Answered questions on HB 327.

CAROL CARROLL, Director
Central Office
Administrative Services Division
Department of Military & Veterans Affairs
400 Willoughby Avenue, Suite 500
Juneau, Alaska 99811
POSITION STATEMENT: Answered questions on HB 327.

DEL SMITH, Deputy Commissioner
Department of Public Safety
PO Box 111200
Juneau, Alaska 99811-1200
POSITION STATEMENT: Explained the department's requests on
HB 324.

NANCY SLAGLE, Director
Division of Administrative Services
Department of Transportation & Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Explained the department's requests on HB 324.

FRANK RICHARDS, State Maintenance Engineer
Statewide Maintenance
Office of the Commissioner
Department of Transportation & Public Facilities
3132 Channel Drive
Juneau, Alaska 99801-7898

POSITION STATEMENT: Answered questions on HB 324.

ACTION NARRATIVE

TAPE 02-51, SIDE A
Number 0001

CHAIR JOHN COGHILL called the House State Affairs Standing Committee meeting to order at 8:05 a.m. Representatives James, Fate, Stevens, Wilson, Crawford, and Coghill were present at the call to order. Representative Hayes arrived as the meeting was in progress.

HB 327 - STATE EMPLOYEES CALLED TO MILITARY DUTY

CHAIR COGHILL announced that the first order of business would be HOUSE BILL NO. 327, "An Act relating to state employees who are called to active duty as reserve or auxiliary members of the armed forces of the United States; and providing for an effective date."

Number 0138

DAVE STEWART, Personnel Manager, Central Office, Division of Personnel, Department of Administration, walked the committee through the changes that the amendment adopted at the April 30, 2002, meeting in the proposed committee substitute.

Number 0557

CHAIR COGHILL asked if there was any objection to adopting the proposed committee substitute (CS) for HB 327, version 22-GH2092\C, Craver, 5/1/02, as a work draft. There being no objection, Version C was before the committee.

Number 0600

REPRESENTATIVE CRAWFORD asked if people get health benefits for themselves and their family when they're on active duty.

Number 0726

MR. STEWART replied that employees called to active service for 30 days or longer are covered by the military's health insurance, but if the period of activation is not for 180 days or longer, the dependents are not covered for medical insurance. The state plan that would continue under the administrative order covers the employee and dependents.

Number 0779

REPRESENTATIVE FATE referred to AS 39.20.452 which says, "... the University of Alaska ... shall adopt procedures" and wondered how the university would be forced to do that, inasmuch that it is constitutionally authorized to be governed by the board of regents.

MR. STEWART said it is a legislative direction for the university to adopt whatever administrative procedure to accomplish the same thing as the executive branch.

REPRESENTATIVE FATE commented that the university was sued on a similar thing about 1980, which was settled out of court because the legislature couldn't win that round. He wondered if that would be applicable to this. He said he wanted some determination from the university.

MR. STEWART replied that the direction of the law would require the university to adopt whatever procedures necessary to follow the regulations adopted under the administrative order, because it participates in the PERS [Public Employees' Retirement System] and because of the placement of the university as "some order of state agency." The intent of the legislation is to affect all state employees regardless of their employment affiliation, so there is a uniform approach. There was some concern that if everyone didn't at least consider their own administrative process for enacting the same kind of treatment for employees that the state as a whole might be liable for allegations for disparate treatment.

Number 0994

REPRESENTATIVE HAYES said he thought the university representative [Ms. Redman] who testified at the previous

meeting said the university was going to enact regulations at the June board meeting to reflect the wishes of this legislation.

Number 1020

REPRESENTATIVE STEVENS said he thought Ms. Redman said that the university's rules were different and that she would give the committee members a copy of them. He said he doesn't think the university agreed to comply with this. He asked how this bill would affect the collective bargaining agreements and is this something normally negotiated.

Number 1085

MR. STEWART agreed that it is a subject that would be bargained. The collective bargaining language proposed in this legislation says this language won't or can't be imposed on existing contracts. It doesn't preclude it from being bargained from future contracts, and it doesn't preclude it from being included through a letter of agreement or letters of understanding.

Number 1139

MR. STEWART responded to a question from Representative Wilson and said that the 8 employees were employees who have been called to active duty whose state salary exceeded the military salary. The list in the packet shows all 185 employees who could be activated. There are 50 employees whose state salaries would be higher than their military salaries, but they have not been activated.

Number 1208

REPRESENTATIVE JAMES commented that she supports this issue; however, she is concerned about who pays. If these other agencies are asked to do this, she assumes that the legislature would have to fund it, and that might be problematic. She assumed that if the court and the legislature do this, there would be a supplemental [budget] if there wasn't a sufficient amount of money. The railroad and university don't get a supplemental, and she wonders how those costs would be associated.

MR. STEWART said the intent of the legislation is to allow an enactment of these benefits for state employees in extreme situations for specified groups of people. The list of 185

people includes employees in the executive branch, the court system, and the legislature. Even if they were replaced for the full 90 days, the dollars are reasonable. In the executive branch, it is possible to replace an employee for 90 days with a short-term, non-permanent position, which is a wage-only position. Since only the wage is supplemented and not the full state salary for the people who are activated, there is only a moderate cost involved in that. If the employee is gone longer than 90 days, there are benefit costs for replacement employees, hence the limitation on the time. He can't speak for the university or the railroad on replacement costs.

Number 1424

DOUG WOOLIVER, Administrative Attorney, Administrative Staff, Office of the Administrative Director, Alaska Court System, said he came prepared to say that if this bill were passed, the court system would almost certainly follow suit with a similar policy for the court employees. He noted that there is a difference between choosing to adopt a policy and being compelled to adopt a policy. He hasn't researched the issue completely to see whether the legislature can compel the court system or the university to do something exactly like HB 327. He noted that the court system is subject to the statewide leave policy. There is a provision in statute for military leave for those who go to active training and instructional duty. That statute has been on the books prior to statehood, and it provides 16.5 days of paid leave, which does not come out of annual leave.

MR. WOOLIVER acknowledged that the extent of applying something outside the executive branch has never been challenged in the court system as far as he knew. He has not spoken with the court but was confident that the court would almost certainly adopt a policy very similar to this.

Number 1536

MR. WOOLIVER agreed that there are only a handful of employees who would be affected by this. So far none of them have been called to active duty. This issue is not tracked separately, but it looks like there are three or four people who could potentially be called up. It is likely that the court employees would also make more money from their military wage than the state wage. He wouldn't anticipate a significant cost; however, this wouldn't be free. It provides benefits for people who are not working for the court, and it would be compelled to hire a replacement. He said if the court adopted policies to reflect

these changes, he would hope that the legislature would adopt a policy to pay for the costs incurred by the court or anybody else who adopted policies.

CHAIR COGHILL commented that he would rather have the permissive language in the bill instead of the compelling language.

Number 1680

REPRESENTATIVE FATE mentioned that the court system wouldn't be impacted with its 4 employees as much as the university would be with over 500 employees.

Number 1694

WENDY LINDSKOOG, Director, External Affairs, Alaska Railroad Corporation, testified via teleconference. She told the committee that currently there are 17 employees who are in the National Guard. An estimate of the cost to the railroad to extend these benefits for all 17 employees for one year would be approximately \$80,000 per month, which is close to \$1 million for the year.

Number 1815

PAM BARBEAU, Manager, Benefits & Records, Alaska Railroad Corporation, testified via teleconference. She explained that currently, paid military leave is provided for the National Guard training up to 15 days a year. Beyond that if people need time off, they would either take leave without pay or use their own paid leave.

REPRESENTATIVE JAMES expressed more concern for the benefits than for the pay.

MS. BARBEAU said there wasn't anything in place currently to continue the benefits. The employees are eligible to purchase continued coverage through the COBRA [Comprehensive Omnibus Budget Reform Act] provision that is required under USERRA [Uniformed Services Employment and Reemployment Rights Act].

Number 1925

REPRESENTATIVE STEVENS asked if there were any railroad employees who would earn less if they were called up for military duty.

MS. LINDSKOOG replied that most railroad employees earn less on military duty than on their railroad jobs.

Number 2075

KATHLEEN STRASBAUGH, Assistant Attorney General, Governmental Affairs Section, Civil Division (Juneau), Department of Law, stated that the Disaster Policy Cabinet strongly wished that the policy be uniform throughout the state rather than permissive. It is within legislative power to set employment standards of this type. She stated that it is fairly well settled that organizations can be required to follow certain kinds of standards, although there might be different procedures.

MS. STRASBAUGH indicated that in Alaska, the Public Employee Relations Act (PERA) covers the court system, even though it doesn't have a collective bargaining agreement. The legislators and judges are not included in this, but it is well within the legislature's power to adopt employee standards. The Alaska railroad and university have certain laws that separate them and their own personnel procedures which the structure of the law now honors. In fact, they aren't a separate branch of government such as the court and legislature. The bill is not a great departure from other standardization that the legislature has already adopted.

Number 2215

MS. STRASBAUGH referred to a question on collective bargaining and said that it is off the table for the current contracts. In a new agreement, the parties must come to the table with whatever laws are in force at the time of bargaining. If that clause wasn't in it, it would trigger an obligation to meet and confer with the union, but she doubted that in any collective bargaining relationship a benefit of this type would be seen as controversial between the parties. When the parties go to the table again, they will have to consider that, along with the occupational safety laws and certain other laws that employers and employees both have to follow. She commented that she doesn't see that as a great matter of concern.

Number 2275

MS. STRASBAUGH said there is a similar situation in the procurement code where all the branches, the railroad, and stand-alone corporations have to meet the standards of the procurement code. They can do it with their own procedures,

which is what this bill does, but they do have to meet certain standards. The purpose of this legislation is to set a standard for all state agencies, regardless of branch, to make sure that the sacrifices of the people called to duty are reduced to the extent possible. She explained that is why it was recommended to make it mandatory.

MS. STRASBAUGH replied to a comment from Representative James saying that the proposed CS doesn't import all the details of the executive branch's personnel policies, which was a source of concern in the first draft of the bill.

REPRESENTATIVE JAMES indicated that she wouldn't want to make this a bargaining issue. It seems to her that this should be a state policy for state employees, whether they're in a bargaining unit or not.

Number 2449

MS. STRASBAUGH explained that in order to take something off the table it would have to be added to the list of exceptions for "bargainable" topics in the Public Employees' Relations Act. The reason is it is a wage issue, so it would ordinarily be bargainable. An additional step would have to be taken to do that. If the additional step wasn't taken, she didn't think there would be any enforcement problems.

REPRESENTATIVE JAMES said she didn't have any problem with bargaining units bargaining on wages and benefits and treatment, but this is a substantial issue that is being mandated as a state policy, and she would not want that to get in the bargaining agreement so that some people would have a better deal than others. It has to be across the board.

Number 2543

MS. STRASBAUGH said she doesn't think that taking this off the table is absolutely essential to the enforcement of this policy. In drafting the bill, it was assumed that it would set the policy; it would be a statutory entitlement that there would be substantial questions about whether a collective bargaining agreement could take those rights away.

REPRESENTATIVE JAMES expressed concern that the bargaining units may make their employees better and then things would be unequal.

Number 2595

REPRESENTATIVE FATE asked if this constitutes policy.

MS. STRASBAUGH explained that certainly the branches have different employment policies, but they also can be required by the legislature to meet certain minimum standards. The university is simply not entitled to the same deference as the legislative, executive, and judicial branches. The way the law is presently structured; the university would adopt it in its own way and through its own procedures. But it doesn't stand alone from any laws which the legislature may care to make about its operations or anyone else's.

MS. STRASBAUGH referred Representative Fate to the procurement code. It is set up so that each branch and the university and the railroad and certain other public corporations have their own rules and procedures through procurement of contracts, but they have to meet the standards that are in there. Likewise, this bill says the university could have its own procedures to make sure this standard is met, but it must meet the standard. It isn't really an invasion of any kind, except to the extent that any law restrains government officials' powers. Everyone is supposed to act in accordance with any laws that are adopted. In this case, each agency gets to carry out the policy in its own way.

Number 2821

REPRESENTATIVE WILSON commented that she wouldn't like for the people called on their military duty to lose insurance benefits, but wondered where the policy should be because they do go into the National Guard, for example, with their eyes open knowing that they could get called up at any time.

Number 2977

REPRESENTATIVE STEVENS asked if it is state policy to direct people that they have the opportunity of buying into their retirement benefits if they are on active duty.

TAPE 02-51, SIDE B

Number 2989

MS. STRASBAUGH said purchase military service can sort of be purchased. Under the new federal act [USERRA], there are certain standards set so people won't lose their vesting. This

would allow in special circumstances - not for every call up - the governor to order pay and credited service. But there are already abilities to purchase active service. There is federal law regarding not losing vesting rights and so on.

Number 2932

ANN COURTNEY, Senior Attorney, Labor and Employment, Alaska Railroad Corporation, testified via teleconference. She clarified a statement made earlier that all agencies have to comply with PERA. She stated that the Alaska Railroad is not under PERA. It was specifically exempted from PERA by the Alaska Railroad Corporation Act, AS 42.47.20, and it does not participate in state benefit plans at all.

Number 2893

REPRESENTATIVE JAMES said that she understood that the railroad is independent on some things. In this case, there will be a bottom line for all people who work for the state. Although the railroad employees are not state employees, the railroad is owned by the state. She is struggling with trying to mandate that they do something because it is in state law. She expressed concern about having this part of the collective bargaining process because it could get out of kilter over time.

MS. COURTNEY agreed there was that possibility depending upon the strength of the union and the state of negotiations as bargaining is entered into. There is always a possibility that if it's left up to the discretion of the negotiators, there will be different provisions of collective bargaining agreements for different unions and different employees. If it is mandatory for the collective bargaining agreements, there would be an obligation to confer or engage in impact bargaining regarding the wage provisions.

Number 2783

MR. STEWART referred to the issue of collective bargaining and said that this legislation doesn't specify a wage rate or particular benefit payment; it only makes permissive the choice on the part of the issuance the administrative order. It would be his intention in formulating a bargaining strategy that what was bargained was acceptance or rejection of participation in whatever terms were dictated by the terms of the administrative order, so the proliferation of different terms among the bargaining units wouldn't be an issue. He explained that the

Division of Personnel bargains for the state. The issue of going to the table with a wage article in this case would be if a wage were specified. There is no wage specified; only supplementation is being argued.

Number 2731

REPRESENTATIVE JAMES said this may be a bad example, but she referred to the stress over the years with the geographical pay differential when the unions bargained a different one than what was in the statutes, and noted that's been problematic over the years. She doesn't have any problem with the bargaining units bargaining the areas in their best interests, but she has a problem when they deviate from what has been considered to be the state issue. She doesn't know if this bill will be that sort of an issue, but she doesn't want to walk into that trap. She just wants to be sure that this will be applied fairly and equally and to be guaranteed that that will happen.

MR. STEWART agreed to wanting the same thing.

Number 2662

REPRESENTATIVE WILSON referred to the two weeks that people take for their military duty in the summer and wondered if state employees get paid for those two weeks or if they take two weeks' vacation.

MR. STEWART explained that state law and the collective bargaining policy requires the state to allow up to 16.5 days of paid military leave for training purposes.

REPRESENTATIVE WILSON asked if they get paid from their state jobs and the National Guard.

Number 2529

CAROL CARROLL, Director, Central Office, Administrative Services Division, Department of Military & Veterans Affairs, indicated that they do get paid while they are on National Guard duty.

REPRESENTATIVE WILSON noted that they are treated pretty well.

Number 2460

MS. BARBEAU reiterated that the Alaska Railroad Corporation provides up to 15 days per year of paid military leave and it does not decrement an employee's annual leave account.

MS. STRASBAUGH said the statute for leave of absences for military leave is AS 39.20.340 and AS 39.20.350.

Number 2389

REPRESENTATIVE JAMES commented that this bill is a good step; it just needs to be equitable. She said that she has no problem with the people on military leave getting paid twice. She has no problem with maintaining their pay for the short period of time up to whatever it would be so they don't lose anything.

CHAIR COGHILL announced that HB 327 will be held over.

HB 324 - HOMELAND SECURITY APPROPRIATIONS

Number 2188

CHAIR COGHILL announced that the next order of business would be HOUSE BILL NO. 324, "An Act making supplemental and other appropriations for homeland security; and providing for an effective date."

Number 1995

DEL SMITH, Deputy Commissioner, Department of Public Safety (DPS), reported that since September 11, 2001, there has been a lot of activity particularly in the Disaster Policy Cabinet (DPC) which is trying to determine what the State of Alaska needs to do to ensure security and protect the infrastructures. Its recommendations ultimately became a bill before this legislature. The Department of Public Safety made some recommendations based upon requests from other agencies and departments about what was needed in the way of state trooper and department support. When the bill was introduced, the governor requested some hearings in December which did not occur. This bill was introduced in January, and there are a number of things that cannot be accomplished this year, so those have been moved into the out years.

MR. SMITH referred the members to the spreadsheet in their packets to category 1, item 11, which requests \$288,200 for the temporary checkpoint at the Yukon River Bridge. Subsequent to September 11, that was one of the highest recommendations of the

DPC and intervening events based upon recommendations from the national level about a terrorist perhaps coming about, led to that checkpoint being established, and it ran through April 5, 2002. It was staffed by personnel from the Department of Military & Veterans' Affairs (DMVA) and Alaska Defense Force (ADF), but it was manned by two Alaska State Troopers on a 24-hour day basis for that period of time. So, there are substantial costs to establishing the checkpoint.

Number 1955

CHAIR COGHILL asked if any of this was taken up in the supplemental [budget].

MR. SMITH said it was not asked for in the fast-track supplemental, but the \$288,200 is being asked for however it can be gotten because it has been expended. He clarified that the DMVA portion for the ADF was funded in a recent fast track supplemental.

Number 1908

MR. SMITH referred to category 2, item 18, which requests \$432,000 in federal funding for HazMat suits for 480 state and local law enforcement officers. He explained that category 1 funds have already been spent. Category 2 requests will result in a loss of federal funding if they're not appropriated. Category 3 requests are considered essential to homeland security and are in order of priority. Item 67 requests \$64,900 for the Trans-Alaska Pipeline defense drill. This was originally scheduled for August 2002, but due to the events of September 11, it has been moved up to June 2002. It will involve the FBI [Federal Bureau of Investigation], local law enforcement, and Alaska State Troopers over a five-day period. He said it is critical that the DPS participate in this.

Number 1688

MR. SMITH referred to item 68 which provides four border crossings with access to criminal information. It is critical for the border stations to have the ability to check on somebody 24 hours a day, 7 days a week. Currently, that is not available. He explained that federal agencies operate the border stations, but they do access the Alaska Public Safety Information Network (APSIN) and the National Crime Information Center (NCIC).

CHAIR COGHILL asked if there was federal money for a border check.

MR. SMITH replied not at this point. He replied to another question and said that the federal authorities now in some of the remote border stations use a "dial-up" as opposed to a dedicated line to access APSIN.

REPRESENTATIVE WILSON asked about border checkpoints being open 24 hours a day.

MR. SMITH said he wasn't sure but didn't believe that they are 24-hour stations. He informed the members that the four border crossings are Skagway, Poker Creek, Dalton Cache, and Northway.

Number 1520

MR. SMITH referred to item 69 which requests \$200,000 for computer hardware and software for an expanded intelligence system. He noted that a substantial amount of information about suspicious people flowed in after September 11 and continues to, and it is critical to be able to sort out this information and send it back to the appropriate agency to check out.

Number 1439

MR. SMITH referred to item 70 which requests two state troopers and two civilians for analysis and surveillance of the information that has come in. Currently, there is a state trooper assigned who works out of the FBI office, but this would be in addition to that.

Number 1373

MR. SMITH referred to item 71 which requests \$1,556,900 for four state troopers, five village public safety officers, two regional public safety officers, and support costs for homeland security. This is a smaller amount than what was originally asked for additional personnel. He explained that village public safety officers have to do with homeland security in that if they are the only law enforcement presence in a location, they are the people to provide information to and know what is going on in the community.

Number 1270

MR. SMITH explained that category 4 has additional requests considered important to homeland security but are too late to implement in 2002. He said the items are additional requests for Alaska State Troopers in various areas around the state and various activities.

Number 1109

REPRESENTATIVE JAMES asked if there are people out there to hire for these positions if the money is there.

MR. SMITH answered that he has been told that the current recruitment for the fall academy has had more responses than anytime in the past, so people are at least asking for the applications. He said there has been an aggressive advertising program, but there has been some difficulty around the state recruiting qualified people. Right now there is a good supply of people expressing an interest in being an Alaska State Trooper. He said he doesn't think there was sufficient law enforcement in this state prior to September 11, and he is sure there isn't now. Under one proposed budget there would be less [law enforcement] than there is currently.

Number 0982

REPRESENTATIVE JAMES asked how many applicants actually make it through.

MR. SMITH replied that in ballpark figures, there have been about 2,000 requests for an application packet. There were about 150 who qualified for background checks, and 30 or 40 of those were interviewed. Ideally, he would like to interview 10 people for one position. It is substantially lower than that at the moment, which is only 2 or 3 applicants being interview for one position. He also told the committee that recently one of the applicants didn't even get to complete the academy because he was called to active duty.

CHAIR COGHILL said he thought that the whole economy is feeling a workforce depression.

Number 0640

MR. SMITH reiterated that there has been money expended, and it is critical that the department get that back to make it through the year. He stated that the exercise in June is also critical.

Number 0418

NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation & Public Facilities, explained that most of the items in the categories on the spreadsheet are requirements by the federal government. After September 11, there was a great impact upon the airports, and Alaska was the first state to have its airports back in operation. The whole issue of security goes beyond the airports to the roads, the marine highway system, and bridges. Everything is looked at totally different now, she commented.

MS. SLAGLE informed the members that the Federal Aviation Administration came down with directions for the department on how to deal with what is required. Those were changing almost on a daily basis after September 11, and they are still changing. Now that the new Transportation Security Administration (TSA) has been developed, the directions still seem to be changing. For example, the National Guard has pulled out of the airports, and the Transportation Security Administration is supposed to be taking those functions over, but it is not yet able to do that, so, it is up to the state to fill in the hole between the National Guard and the TSA's taking over. It is the department's understanding that the TSA will cover most of the costs to provide the law enforcement presence at the screening point, but maybe not all of it. The department is trying to get law enforcement for the airports, but it can't just contract a security agency, it must be a certified, gun-carrying, law enforcement presence. The issues are continuing on a daily basis for the department.

Number 0230

REPRESENTATIVE WILSON asked how many airports have a bridge to them.

Number 0165

FRANK RICHARDS, State Maintenance Engineer, Statewide Maintenance, Office of the Commissioner, Department of Transportation & Public Facilities, answered that both Ketchikan and Sitka have bridge access. He noted that there are bridges in Kodiak but not in direct access leading to the airport.

Number 0143

MS. SLAGLE said the department has been able to get some federal dollars to take care of the security presence at the certificated airports. She explained that certificated airports allow flights that accommodate 60 passengers in and out. Valdez is not certificated because it doesn't accommodate the large jets. The federal dollars are not available to take care of some of the security issues there, and that's why there is a general fund request to deal with those similar types of security issues. She reviewed the items in category 1. She indicated that because of the proximity to the pipeline, there is a heightened degree of security needed at that airport now. The department spent money based on the direction from the Disaster Policy Cabinet to improve the security requirements there.

TAPE 02-52, SIDE A
Number 0001

MS. SLAGLE referred to the next item which deals with the pipeline security issues and the work that public safety did on the Yukon Bridge. It opened the Fox weigh station 24 hours a day, 7 days a week to look at the commercial vehicles going through, specifically those transporting hazardous materials.

Number 0072

MS. SLAGLE referred to category 2, which covers items that could jeopardize federal dollars if not funded. Item 19 is the law enforcement presence at the Fairbanks and Anchorage international airports. There is a requirement for visibility of the law enforcement presence at those airports and some federal dollars are received for that; the remainder comes from international airport revenue.

CHAIR COGHILL asked what the grant is on that.

Number 0180

MR. RICHARDS replied that there was a special appropriation through the Department of Defense to reimburse airports.

MS. SLAGLE explained that the department had applied for grants under that appropriation and had received full funding from the request that was allowable under that grant for the rural airports and a portion of the Fairbanks International Airport. She indicated that item 20 is a capital project at the Ted Stevens Anchorage International Airport for control systems.

This is to provide more appropriate control systems for the airport in line with the security needs. That is mostly federal dollars through the entitlement program; it is not special federal dollars. It is federal funding, and the international airport revenue funds can match that.

MS. SLAGLE explained that the International Airport Revenue Fund is made up of the funds collected from landing fees, concession fees, and fuel flowage fees of the international airports in Anchorage and Fairbanks. The state manages that fund.

Number 0429

MS. SLAGLE referred to items 21, 22, 36 which are requests for all the communication equipment required to deal with the National Guard or TSA or whomever is going to be doing the security screening and the department's own security people. She indicated that most of that at the rural airports will be federal funds.

MS SLAGLE referred to item 23 and said it is the capital project for some reconfiguration at the Anchorage and Fairbanks airport terminals for security requirements.

MR. RICHARDS explained that since September 11, the Aviation and Transportation Security Act and the revisions to the airport security regulations have put provisions onto the airports to reconfigure some of the terminal space, such as the screening checkpoints.

Number 0626

MS. SLAGLE referred to items 24, 25, and 26 which are operating costs specifically related to the law enforcement presence at the rural airports. Some are federal dollars in the grant funds received from the Department of Defense but will only cover through September 2002. That presence will have to be continued, but the Department of Defense isn't going to cover it, so there are some general fund dollars in there also.

CHAIR COGHILL asked if there was consistency at all the airports and what the timing is on the waiver.

Number 0700

MR. RICHARDS answered that the airports in the security programs are categorized based on "enplanements." Anchorage is a

category 1 airport, Fairbanks and Juneau are category 2 airports, and the rural airports are category 3. The waiver being sought is essentially for the rural category 3 airports. If the waiver is granted, it would change the numbers for the remainder of 2003.

MS. SLAGLE indicated that if the waiver isn't received the actual dollars could go up.

MR. RICHARDS agreed that the numbers could go up considerably. Estimates range from \$600,000 to \$800,000 per month for deploying the National Guard, and the federal reimbursement for law enforcement officers at the security checkpoints is \$50,000 per year per officer. There are not sufficient funds coming from the federal government to cover those costs. He said when he and General Oates talked to the Undersecretary of Transportation, headway was gained to find the importance of the rural system of air commerce and the threat levels that may be out in some of the rural communities; therefore, the request for alternate procedures likely will be granted.

CHAIR COGHILL asked if there is an inability to secure some of the rural airports.

Number 0886

MR. RICHARDS agreed that it would be difficult in the case of large events.

MS. SLAGLE noted that there are only 17 category 3 certificated airports. The other 245 airports are not subject to these requirements.

MR. RICHARDS explained that the focus of TSA has been primarily on those airports that have security requirements based on the size of aircraft flying in, which is 60 passenger seats and greater. The TSA is looking at general aviation security and has yet to promulgate regulations. The department is very concerned about what federal requirements will come down on general aviation security. As was mentioned, "How will the 206 be secured on the far ramp at Iliamna?" He said it's very difficult.

Number 1044

MS. SLAGLE referred to item 27 which is a capital project at the international airport in Anchorage dealing with blast assessment

and explosive deflection devices. It will strengthen windows and construct some deflection devices in lieu of the 300-foot parking setback.

Number 1158

MS. SLAGLE referred to items 28 and 29 which deal with the additional costs associated with increased law enforcement presence at the Anchorage and Fairbanks international airports. Those items also include some federal dollars from grant funding that has been received.

MS. SLAGLE referred to item 30 which is actual modification of the existing and new terminals concerning new FAA explosive detection devices.

Number 1264

MR. RICHARDS explained that the TSA is the governing agency that determines which explosive detection systems will be placed at the nation's airports. The large explosive detection systems are slow compared to the portable machines. The CTX [a brand name] machines are very large, heavy, and cumbersome, and the TSA has yet to determine where the machine will be placed in the passenger flow - whether it's before or after a person gets to the terminal agent or down in the baggage screening area. The cost to the department to modify the terminal space depends on where that machine will go. It is a very expensive endeavor. All the airports around the country that have received these machines are looking at billions of dollars of terminal modifications.

MS. SLAGLE said this is a request for mostly federal dollars with International Airport Revenue Funds to match it to make those terminal modifications to accommodate those pieces of equipment.

Number 1413

REPRESENTATIVE WILSON asked Ms. Slagle to provide her with the number of new employees that will be needed to put all this in place.

CHAIR COGHILL announced that HB 324 would be held over.

ADJOURNMENT

Number 1555

There being no further business before the committee, the House State Affairs Standing Committee meeting was adjourned at 10:00 a.m.