

MINUTES
SENATE FINANCE COMMITTEE
March 07, 2001
9:07 AM

TAPES

SFC-01 # 32, Side A
SFC 01 # 32, Side B
SFC 01 # 33, Side A

CALL TO ORDER

Co-Chair Pete Kelly convened the meeting at approximately 9:07 AM

PRESENT

Senator Pete Kelly, Co-Chair
Senator Lyda Green
Senator Gary Wilken
Senator Alan Austerman
Senator Lyman Hoffman
Senator Loren Leman

Also Attending: KEVIN BROOKS, Director, Division of Administrative Services, Department of Fish and Game; MICHAEL NIZICH, Administrative Director, Division of Administrative Services, Office of the Governor; GAIL FENUMIAI, Election Program Specialist, Division of Election, Office of the Lieutenant Governor; REMOND HENDERSON, Director, Division of Administrative Services, Department of Labor and Workforce Development; JANET CLARKE, Director, Division of Administrative Services, Department of Health & Social Services; MATT ANDERSON, Emergency Medical Services Unit Manager, Community Health Program, Department of Health and Social Services

SUMMARY INFORMATION

SB 29 - APPROP: GOVERNOR'S CAPITAL BUDGET

The Committee heard presentations from the Department of Fish and Game, the Office of the Governor, the Department of Labor and Workforce Development, and the Department of Health and Social Services on specific budget requests.

#sb29

SENATE BILL NO. 29

"An Act making capital appropriations and capitalizing funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Department of Fish and Game

KEVIN BROOKS, Director, Division of Administrative Services, Department of Fish and Game, informed the Committee that the dozen capital budget projects he is presenting total approximately \$15.5 million. He said that of this total amount, \$13.2 million, or 85 percent, are federal funds and approximately \$1.575 million, or 10 percent, are general funds.

Statewide Facilities Repair, Maintenance, and Replacement

\$500,000 General Fund

Reference No.: 30128

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

This project will provide for repair, maintenance and renovation of department facilities statewide.

On-going project

Mr. Brooks informed the Committee this capital budget project is an annual request to fund maintenance and repairs on facilities ranging from bunkhouses to warehouses to laboratories, in over forty locations throughout the state. He commented that the Department of Fish and Game has identified approximately \$3 million of deferred maintenance needs and these projects are the portion of those projects identified for this fiscal year.

Vessel and Aircraft Repair, Maintenance and Replacement

\$600,000 General Fund

Reference No.: 30129

AP/AL: Appropriation

Project Type: Renovation and Remodeling

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2000 - 06/30/2005

This project will provide funding to maintain the department's research vessels and aircraft, which are used to support

fishery monitoring efforts and stock assessment programs. Maintenance work to be done includes replacing the gensets, sandblast and paint, overhaul engines, general yard work and inspection, and replacing fishing gear and aircraft manuals. Additional funding in FY2002 will be used to replace the R/V Sundance, along with revenues generated from the sale of the vessel.

On-going project

Mr. Brooks stated the Department has five large vessels and a number of aircraft involved primarily in the Division of Commercial Fisheries. He stressed the importance of keeping these crafts in good, safe working order for the protection of the Department's employees.

Mr. Brooks informed that \$300,000 of this \$600,000 request is to purchase a used vessel to replace an existing vessel, the Sundance. He noted these specified general funds would be combined with the proceeds generated from the sale of the Sundance for this purchase. He shared that the Department has completed survey work on making the necessary repairs to the Sundance and has determined that the cost of repairs exceeds the benefits.

Senator Hoffman inquired as to the anticipated total cost of replacement.

Mr. Brooks responded that the Department anticipates combining \$300,000 general funds with approximately \$250,000 expected from the sale of the Sundance to purchase a replacement vessel in the price range of between \$500,000 and \$600,000. He informed that the costs to make repairs on the Sundance would exceed \$600,000.

Senator Green asked where the Sundance is deployed.

Mr. Brooks replied the Sundance is stationed in Southeast Alaska.

Dock Repair, Maintenance & Replacement Phase 2

\$300,000 General Fund

Reference No.: 6916

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: King Salmon

Election District: Aleutians

Estimated Project Dates: 07/01/2001 - 06/30/2006

The FY2001 CIP Budget provided \$250.0 of a requested \$375.0 for repair, maintenance and replacement of waterfront facilities at the Department's King Salmon facility. Phase II

funding will complete the King Salmon project and begin work on the Cordova dock.

Phased project

Mr. Brooks reported that Phase One of this project began in FY 01. He informed that the Department has identified docks in Cordova, King Salmon and Petersburg as needing significant repair.

Black River Sonar - Chignik area, Upper Aleutian Peninsula

\$175,000 General Fund

Reference No.: 34004

AP/AL: Appropriation

Project Type: Planning

Category: Natural Resources

Location: Kodiak

Election District: Kodiak

Estimated Project Dates: 07/01/2001 - 06/30/2006

This CIP will purchase modern split-beam, side-scanning sonar (SSS) equipment and provide for technical assistance with final site selection and training. Direct enumeration of salmon migrating up the Black River, in addition to the existing counting weir in the Chignik River, is the only way to accurately distinguish the relative escapement of the two runs of sockeye to the Chignik system. Sonar provides a technically feasible and advanced method for such enumeration, and avoids many of the staffing, logistic and maintenance difficulties of constructing and operating a separate weir in this remote location.

One time project

Mr. Brooks said the Chignik River is "referred to as an indicator stream." He stated there is currently a weir on the river and the addition of sonar equipment would enable the Department to better manage the river's significant sockeye salmon runs.

Co-Chair Kelly inquired if the current system being used is deficient.

Mr. Brooks replied that the weir system is not deficient and actually does a good job, but because there are two separate salmon runs on the river, the addition of sonar equipment in a location downstream from the weir, would allow the Department to monitor the stocks at two different locations. He informed this would enable biologists to do a better job of distinguishing between the two runs and monitoring the fish stocks.

Co-Chair Kelly asked for verification that the Chignik River is a "huge fishery."

Mr. Brooks replied that it is. He told the Committee the Department had installed a similar system on the Copper River the prior year, and the weir/sonar system has been helpful in determining the harvests taken on the river between the two points and how quickly the fish move up the river.

Senator Austerman noted this project is in the election district of Kodiak and asked if the Chignik project is managed from Kodiak.

Mr. Brooks replied that it is.

Senator Austerman commented that Chignik is not part of the Kodiak election district.

Mr. Brooks replied that is correct, but it is a practical matter to manage Chignik out of Kodiak.

Mr. Brooks stated that of the twelve projects being presented, only four projects require general funds.

Sport Fishing and Recreational Boating Public Access and Facility Development

\$1,600,000

\$1,200,000 Federal Receipts

\$400,000 Fish/Game

Reference No.: 30432

AP/AL: Appropriation

Project Type: Construction

Category: Development

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

This project provides authority to the Division of Sport Fish to receive federal funding for construction of boating and sport fishing access facilities throughout the state. The Federal Aid to Sport Fish Restoration Act requires that 15% of the federal funds available to Sport Fish be used for public boating access development. Federal funds are matched with a 25% contribution of Fish and Game funds to the total project cost.

On-going project

Mr. Brooks informed the Committee this annual project request fulfills the federal aid program requirement that the Department set aside 15 percent of the allocated funds for public access projects.

Mr. Brooks supplied copies of the public access projects to the Committee.

Co-Chair Kelly asked if these funds would revert back to the federal government if not used.

Mr. Brooks responded that they would, but clarified that the state has three years to use the funds before that would occur. He continued that Alaska, California, and Texas receive the maximum federal funding allowed for these types of projects because of the states' large sizes.

Mr. Brooks commented that the federal funds for the following four salmon research projects have been appropriated to the state as the result of efforts of United States Senator Stevens to address specific fishery concerns. Mr. Brooks informed that each of these projects has operating components, but the Department has determined it is important to establish three to five year plans with these funds because of the importance of developing long-term fish stock research; therefore, these projects have been established in the capital budget. He continued that another reason the funding is in the capital budget is because the Department might not receive equal funding increments that would fit easily into the operating budget; therefore, the funds are reflected as a lump sum.

Norton Sound Salmon Research Initiatives

\$5,000,000 Federal Receipts

Reference No.: 33999

AP/AL: Appropriation

Project Type: Planning

Category: Natural Resources

Location: Nome

Election District: Nome, Lower Yukon

Estimated Project Dates: 07/01/2001 - 06/30/2006

The Federal Government will provide the department funding for research in the Norton Sound region to investigate management issues and declining salmon populations in this area.

One-time project

Mr. Brooks informed that Norton Sound has "very demonstrated failures in some fisheries." He informed that coho, pink, and chum salmon stocks have been depressed, and the Department needs a better understanding of what is causing this to occur. He stressed there has not been general funds available to devote to the study of this area, and these federal funds would enable the Department to do the necessary research.

Co-Chair Kelly asked if the operating portion of this request is also federal funds.

Mr. Brooks replied yes, it is federal. He stated that any staffing positions involved in this research would be reflected in the operating budget.

Senator Hoffman asked for clarification that this work is research, without any restoration efforts of any stocks.

Mr. Brooks detailed the nine components of the research work and cited these components include such things as out-migration and survival numbers. He stressed this information would assist the Department in its goal of "restoring those stocks to a strength where people can go back out and fish them."

Senator Hoffman asked Mr. Brooks for a timeline in getting the stocks strong enough to support a renewed fishery.

Mr. Brooks responded that this five-year \$5 million research project would provide the Department enough time to develop good information regarding the various fisheries in the region from "stream to out-migration to getting some returns back."

Senator Hoffman stated if there is no fishery restoration to the present stocks during this timeframe, "it is conceivable that the people up in Norton Sound region may not see chum salmon since the life is about three years, for eight to ten years from now."

Mr. Brooks replied that he could not really respond to that as the focus of this project is to give the Department the information needed to find out what it going on with the fishery. He continued that if the fishery reaches sustainable yields, it would be opened back up to commercial fisheries. He said that the Department shares the same concerns as those of Senator Hoffman.

Senator Wilken stressed that the results of this \$5 million project be pertinent and useful. He also noted the lack of involvement of any fish research component of the University of Alaska and asked how the University might be involved in the project.

Senator Wilken cited the need for the Department to provide the Committee a pro forma defining what the end product is going to be in each of the nine components detailed in this request as well as what the staffing, equipment needs, and structures would be before the project begins.

Senator Green inquired if any of the work detailed in the Norton

Sound Salmon Environmental Baseline Monitoring section of the summary is currently being done by another state or federal agency, and if that work might be "farmed out to somebody."

Mr. Brooks stated that normally the Department would use existing expertise; however, he reiterated, Norton Sound is an area that "has not been the recipient of a lot of the effort."

Mr. Brooks continued that an important part of juvenile salmon survival is water flow from snowmelt and runoff, and the Department has some of this information available in the its Habitat Division. He informed that other sources also have useful information, and he stressed that the Department is not looking to replicate other Departments' efforts.

Mr. Brooks, responding to previous comments about the involvement of the University of Alaska, stated the Department does collaborative projects with the University and uses the University's fisheries expertise often. He continued that the project in Norton Sound is in cooperation with the local Native groups, the Bering Sea Fisherman's Association, Norton Sound Economic Development Council and other people in the area.

Mr. Brooks informed that the Department has negotiated an overhead rate of approximately 10 percent with the federal government and as a rule, charges 6 percent on federal contracts even though the rate could be higher. He stressed that the Department strives to keep overhead rates to a minimal in order to have most of the funding go to the research project.

Mr. Brooks said the equipment replacements referred to in the summary include "such things as wear and tear on a weir or on a skiff or on an engine." He said the Department would provide a list of equipment items to the Committee.

Senator Wilken commented that Mr. Brooks acknowledged the University has "a repository of knowledge" but it does not appear that the University is involved in this project.

Mr. Brooks responded that he does not know the specifics of the University's involvement, and he would look into this.

Senator Wilken responded that it would be "perfectly appropriate" to have the University's research abilities used to the "maximum extent."

Senator Austerman voiced that all research projects conducted by the Department of Fish and Game and the University of Alaska should

be analyzed to see what projects could be coordinated.

Mr. Brooks stated there has been "a lot of focus on research this session," and he agreed it is a "real and important issue." He commented; however, that it would take a full-time person to track all the projects that are going on and the question is "are we going to spend our resources tracking projects or doing the work." He concurred that the Department does not want to "duplicate work and wants to "address the gaps that occur," but the process needs to be "done in a manner that would not take away from the research efforts." He said the Department would put together a list of the projects it is conducting, and he detailed the variety of projects that have received research grants.

Senator Green noted that the fourth paragraph on page 15 of the project summary states "this research initiative be funded for a minimum of five years and consideration then be given to continuation in order to acquire a meaningful information baseline." She asked if this means this project would be continuing after the initial five years outlined in this request, and if so what funding based would be implemented.

Mr. Brooks responded that the Department does not do any of these projects with the expectation of using general funds, but rather the Department uses a "project-based budget with start, end and complete dates." He continued that at the end of five years, if the Department found more information was needed, the Department would submit a proposal to the federal government or to "this Committee if the project were pressing enough."

Mr. Brooks insisted the Department "does not want to give anyone the impression this is as ongoing project," and affirmed there are no plans for additional funding in five years. He stated this wording was an "attempt to fully disclose possibilities that could result from this effort and not a prerequisite that there would be plans for additional funding in five years."

Senator Hoffman commented he believes that part of the purpose of this federal grant is to provide local hire, and, at the same time, use the research to help get the commercial fishery stocks "sufficiently reestablished" to provide for long-term jobs for the people in Norton Sound. He stated this is the reasoning behind his earlier questions about the restoration of stocks in the region.

Nearshore Fisheries Research and Assessment
\$1,798,100 Federal Receipts
Reference No.: 34003
AP/AL: Appropriation

Project Type: Planning
Category: Natural Resources
Location: Southeast Alaska
Election District: Districts 1-6
Estimated Project Dates: 07/01/2001 - 06/30/2006

These funds will enable the Department of Fish and Game to conduct stock assessments and biological research needed to develop fishery management plans that provide for sustainable fisheries on previously unexploited or lightly-exploited stocks. Funds cover reconnaissance surveys on relatively unexploited nearshore resources such as geoduck clams, black rockfish, sea cucumbers, and sea urchins. Funding also investigates key productivity parameters needed to sustain on-going fisheries such as shrimp, Dungeness crab, scallop, and other nearshore resources.
One-time project

Mr. Brooks voiced this is the second year the Department has received federal funds, again with the assistance of Senator Stevens, to develop fisheries in the one to three mile zone nearshore fisheries areas. These fisheries usually "involve small boats and target species that haven't been exploited in the past such as shrimp and scallops."

Senator Austerman reaffirmed that this was the second year of this program.

Mr. Brooks responded yes.

Senator Austerman asked if a report was available detailing how the first year funding had been used and the project results.

Mr. Brooks responded the Department could provide year to date reports regarding the first year funding efforts.

Senator Austerman declared that the Legislature has been addressing the nearshore fishery situation for six years, and he felt there is a need, especially going into the second year of these studies, to see what the overall picture is.

Co-Chair Kelly remarked this has been a concern of Senator Austerman's for quite some time.

Mr. Brooks acknowledged what Senator Austerman was saying and stated that if the Department does not know what the stocks are, it "could not responsibly open up a fishery." He said the "Department has not, until recently, been able to get funds to conduct the necessary projects," but these federal funds would enable them to

proceed. He said the project is a "response to some of those pleas to get more information on this type of fishery so that people can get out and harvest some of these fisheries." He stressed this project is "part and parcel of the bigger picture" the Department is trying to accomplish.

Snow Crab Fishery Disaster Research

\$1,000,000 Federal Receipts

Reference No.: 34000

AP/AL: Appropriation

Project Type: Planning

Category: Natural Resources

Location: Kodiak

Election District: Kodiak

Estimated Project Dates: 07/01/2001 - 06/30/2006

These funds will assist the Department of Fish and Game to collect much-needed biological information on the Bering Sea snow crab stock that declined sharply in the past few years. Results will be integrating both into modeling studies to understand stock fluctuations and into new management plans to foster stock rebuilding and reduced chances of future collapses.

One-time project

Mr. Brooks informed that the Bering Sea snow crab fishery has declined dramatically in the past few years. He noted that the "crab fishery is technically managed by the federal government," but the state works collaboratively with the federal government in the nearshore areas. He stated the Department receives these federal funds to complement the federal troll surveys in order to better determine how the crab stocks are doing. He continued that the Department uses these funds to address some of the research and information gaps with the goal of managing a sustainable yield.

Senator Austerman stated that fisheries have cycles and that the habitual labeling of declining stocks as "disasters" does not seem appropriate.

Co-Chair Kelly agreed that the use of the term "disasters" is becoming popular, and he detailed several examples of situations being referred to as disasters.

Senator Green asked if the wording on page 20 of the summary information is to establish how the Department would be working with the different entities to gather pertinent information or if it is to develop a spending plan with those groups.

Mr. Brooks responded that the Department is "looking at a three-

year project working with these groups to accomplish the project."

Senator Green acknowledged that the summary specified the Department would be working with the various groups "to accomplish the projects."

Mr. Brooks addressed Senator Austerman's comment on fishery "cycles" and stressed the Department is aware of the different cycles for different fisheries, but expressed that snow crabs are experiencing some serious problems beyond a cyclical event.

Senator Austerman asked how many snow crab biologists the state of Alaska has.

Mr. Brooks replied that he would supply that information to Senator Austerman.

Senator Austerman noted that most of the snow crab fishery is conducted outside of the three-mile limit in federal waters, although the state of Alaska has accepted responsibility for those fisheries. He reiterated that it would be interesting to know how many biologists have been working on snow crab projects, and commented that by labeling the decline a 'disaster', the state is able to get federal funds.

Senator Wilken asked for confirmation that this million dollar three-year project would not "roll into a general fund project."

Mr. Brooks confirmed this is a three-year project. He disclosed that the Department is currently experiencing a shortage of biologists.

Co-Chair Kelly expressed support for the Department of Fish and Game's project-based budget approach.

Senator Hoffman asked if there is a plan for how to rebuild the snow crab stocks.

Mr. Brooks responded that the "intent of this project is to come up with a plan" to offset the "boom and bust" cycles that is experienced in these fisheries.

Senator Austerman remarked that the Department of Fish and Game received a lot of state funding for research before and during the days of oil revenues, but as oil revenues declined, general funds for the Department of Fish and Game budget were cut. He opined this is "reflected in the inability of the Department to manage its fisheries." He continued that now that the Department of Fish and

Game is starting to get federal dollars for research, these funds would enable the Department to begin conducting some of the necessary research the fisheries need.

Log Transfer Facility Research and Remediation

\$700,000 Federal Receipts

Reference No.: 34113

AP/AL: Appropriation

Project Type: Planning

Category: Natural Resources

Location: Southeast Alaska

Election District: Districts 1-6

Estimated Project Dates: 07/01/2001 - 06/30/2006

This project will identify the feasibility of restoring priority Log Transfer Facility sites. This project will assess estuarine and nearshore marine habitats where bark has accumulated at log transfer and probable restoration techniques.

One-time project

Mr. Brooks informed that these federal funds would enable the Department to conduct research in estuaries and nearshore habitats where bark is deposited. He said the research is to provide information on ways to remediate those sites by such methods as dredging or capping the deposits in order to foster development of resident species.

Wildlife Habitat Management in Interior Alaska

\$100,000 Fish/Game

Reference No.: 33994

AP/AL: Appropriation

Project Type: Renewal and Replacement

Category: Natural Resources

Location: Fairbanks Areawide

Election District: Fairbanks Areawide

Estimated Project Dates: 07/01/2001 - 06/30/2006

Improve habitat quality for wildlife through the use of prescribed fires, felling of mature aspen and birch groves, and thinning of trees in mature forest to promote re-vegetation. Past wildland fire suppression efforts, current fire protection needs near valuable properties, and relatively modest timber harvests have resulted in reduced amounts and distribution of early to mid-growth forest which are essential components of diverse productive wildlife habitats. Projects using these habitat enhancement activities have been conducted and/or planned for Thomas Bay (north of Petersburg), Trapper Creek (Palmer Area), Tanana Flats (Fairbanks area), and Nenana Ridge (ruffed grouse project).

On-going project

Mr. Brooks stated this project involves Department of Fish and Game funds to promote moose habitat with the primary tool being prescribed burns.

Equipment Replacement for Wildlife Conservation Programs

\$100,000 Fish/Game

Reference No.: 33995

AP/AL: Appropriation

Project Type: Equipment

Category: Natural Resources

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

Wildlife Conservation has deferred needed equipment replacement and maintenance for several years in order to more fully fund management and research programs necessary for responsible resource management. Division staff are now utilizing outdated and inadequate equipment. In some cases this outdated equipment is no longer safe or reliable under normal field use. Equipment to be purchased includes two boat/motor combinations (Petersburg and the statewide waterfowl management program), three snowmachines (Bethel, Barrow and McGrath), and one replacement 4x4 pickup truck for the Soldotna office.

On-going project

Mr. Brooks relayed this project is a scheduled equipment replacement for some "antiquated equipment" such as snow machines, boat and motor combinations, and other standard equipment the Department uses.

Kachemak Bay Research Reserve Facilities Design and Construction

\$3,500,000 Federal Receipts

Reference No.: 6388

AP/AL: Appropriation

Project Type: Construction

Category: Development

Location: Homer

Election District: Homer

Estimated Project Dates: 07/01/2001 - 06/30/2006

Final phase of construction of research and education facilities for the Kachemak Bay National Estuarine Research Reserve.

Phased project

Mr. Brooks informed this is the third and final phase of this federally funded "good" project.

Senator Austerman asked about the extent of the freshwater research the facility would be conducting.

Mr. Brooks replied that this facility would be located in an estuarine coastal environment where you would have some freshwater/saltwater mixture.

Senator Austerman inquired if beluga whale research would be conducted at this facility.

Mr. Brooks responded that beluga whale research would not be conducted at this facility; however, other Department of Fish and Game projects do address that research.

Office of the Governor

Pacific Salmon Treaty
\$18,000,000 Federal Receipts
Reference No.: AMD33647
AP/AL: Appropriation
Project Type: Planning
Category: Development
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
The federal fiscal year 2000 (FY00) appropriations legislation established a Pacific Coastal Salmon Recovery Fund and appropriated a total of \$58 million for the states of Alaska (Southeast Sustainable Salmon Fund), Washington, Oregon and California, as well as the treaty fishing tribes in the Pacific Northwest. Coordination of the fund is through the respective Governor's offices. The Alaska portion of the federal FY00 appropriation was \$14 million and is expected to be \$18 million in federal FY01.
On-going project

Mr. Brooks stated this federal money has been designated for four Pacific states; Washington, Oregon, California and Alaska, as well as some Northwest treaty tribes to help establish programs to address endangered species concerns. He informed that prior funds of this nature assisted such projects as the Crystal Lake Hatchery. He continued that the money is geared toward "sustainable salmon stocks as they migrate throughout this range along the four states on the West Coast."

Co-Chair Kelly asked what the goal of this funding is.

Mr. Brooks responded that the purposes of the funds are for salmon habitat restoration, salmon stock enhancement, salmon research and implementation of the Pacific salmon treaty.

Co-Chair Kelly asked why this project is in the governor's budget and not in the Department of Fish and Game budget.

Mr. Brooks responded that it is in the governor's budget because at the federal level, it is being referred to as "the governors fund". He continued that the fund could have come through the Department of Fish and Game budget; however, because of the breadth of the focus and to be consistent with the federal directive, it is submitted in the governor's budget.

Senator Hoffman commented this project's detail information specifies the establishment of an Alaska marine science endowment. He asked if any of these dollars are going to this endowment or if it is just a concept.

Mr. Brooks replied he is not aware of any of these funds being designated for an endowment, but he would confirm that for the Committee.

Senator Austerman stated this project should be in the Department of Fish and Game budget. He read from the project's "Benchmarks for application of the salmon fund in State fiscal year 2002" section that includes seven items such as amending the state-federal Memorandum of Understanding on Salmon Research.

SFC 01 # 32, Side B 09:54 AM

Senator Austerman questioned what the project's request for \$18 million would be used for since "only two of these seven major issues" specifies any significant expenditure of funds. He stressed he would like to see more of these types of reports as they clearly specify how money's would be spent, in addition to detailing an overall plan.

Senator Austerman reiterated the need to manage all the research dollars that come into the state and coordinate the various programs between different state entities. He continued that it might take one full-time person to figure out how many millions of research dollars are being invested in the state. He voiced frustration that no one could tell the Legislators whether any of

these funds are being coordinated.

Mr. Brooks voiced agreement that this is a significant amount of money for research, and it should be coordinated between the University and other state and federal departments. He commented that the departments should be coordinating with each other and not duplicating efforts. He stressed that the Department strives to approach the expenditure of these kinds of funds in a thoughtful manner and address the most pressing needs. He noted the Department could do a presentation to the Committee to talk about setting in place a comprehensive approach designed to address projects so that "we know and you know what is going on, who's doing what in regards to research, how it all fits together" and other components that pertain to a project.

Senator Austerman reiterated the importance of having detailed plans before a project begins so that legislators know what is going on. He stated there should be a breakdown for future projects as well as a summary on the FY 01 \$14 million federal research money.

Mr. Brooks clarified that the \$14 million was actually for this year. He stated that the first requirement of the FY 01 funds was the establishment of a memorandum of understanding (MOU) between the state and federal entities. He stated this MOU did not require a lot of time and money, but was a necessary first step. He detailed several items in the project that were required by federal language pertaining to such things as habitat and restoration of fisheries stocks. He informed that these steps are just now coming together and the research would be starting with the upcoming season. He stated this phase of the project is setting the necessary benchmark for how the \$18 million FY 02 funds will be used.

Co-Chair Kelly commented that Senator Austerman has asked some important questions, and even though these are federal funds, the project should be looked at closely in order to understand the overall picture. He stated that any information the Department could supply the Committee would be appreciated.

Senator Austerman asked Mr. Brooks to provide a financial report detailing receipts and expenditures of the FY 01 budget in order for the Committee to have a "better feel for what is really going on." He stated he would prefer a financial report rather than a verbalization.

Mr. Brooks responded that he would provide a to-date financial report to each member.

Senator Green noted it is important to look at the items that are in Department of Fish and Game's budget, but it is also important "to notice what is not in it." She detailed that there are vast areas of the state not getting any money for research or sonar equipment. She acknowledged that federal funds come with clearly defined areas of use, but she feels there is a "great omission" of items in the overall balance of the budget.

Co-Chair Kelly commented this might be because of a small \$100 million general fund capital budget as well as the federal fund directives.

Mr. Brooks commented that most of the federal funds go toward projects around Coastal communities; however the Department of Fish and Game has designated \$45 to \$50 million operating budget funds on sport fishing and wildlife programs in other areas.

Senator Austerman commented the funds for this project are specifically given to Southeast Alaska because of the Canadian treaty. He stated that the Department of Fish and Game needs to focus on the loss of habitat in the Mat-Su valley caused by the population growth in that area. He stressed that the Legislature and the Department of Fish and Game need to address the Mat-Su situation as the loss of habitat is getting to a critical point.

Senator Lemman supported Senator Austerman's comments, and that the purpose of these funds is to address the salmon returns in the Pacific Northwest.

Co-Chair Kelly stressed that Senator Green was not implying that the state use these federal funds differently, but that her comments were to address the need to direct state funds to other areas of the state. He commented that when the state approves a "capital budget that is too small, we are not, as a state, directing the dollars the way we want to, we're relying on the federal government and other programs to direct our money where they want to."

AccuVote System - Payment 4 of 6
\$387,789 General Fund
Reference No.: 6712
AP/AL: Appropriation
Project Type: Information Systems
Category: Public Support Technology/Service
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2004

The Division of Elections purchased the new statewide vote tabulation system, AccuVote, with a six-year lease purchase plan. The payments began in FY1999 and continue through FY2004. This request is for the system's fourth annual payment.

Phased project

Expansion of AccuVote Elections System

\$298,600 General Fund

Reference No.: AMD34852

AP/AL: Appropriation

Project Type: Equipment

Category: Public Support Technology/Service

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001-06/30/2006

Purchase 44 AccuVote units and essential components to provide early voting units where needed, additional units for split precincts, and automate an additional 23 hand-count precincts, for a total 302 electronic AccuVote tabulation precincts.

One-Time project

Amendment

MICHAEL NIZICH, Administrative Director, Division of Administrative Services, Office of the Governor, informed the Committee that in 1998, the Division of Elections purchased the automated vote tabulation system called AccuVote on a six-year lease purchase plan. He said this request reflects the fourth annual payment for that system.

Senator Green asked if there is any federal assistance to help recoup any of these costs.

GAIL FENUMIAI, Election Program Specialist, Division of Elections, Office of the Lieutenant Governor, replied that several plans deal with election reform, and some involve federal matching grant programs. She stated that she is not sure if any of the plans are retroactive. She continued that the Division would watch for any federal funding opportunity to further the disbursement of the AccuVote system throughout the state.

Senator Hoffman asked how many areas of the state would have the AccuVote system by the end of FY 04.

Ms. Fenumiai responded that if the additional units included in this funding request were approved, approximately 304 precincts out of 451 would have the AccuVote system.

Co-Chair Kelly asked if this coverage is the Department's goal or would additional funding be requested.

Ms. Fenumiai stated this request phases in another 23 precincts; however, it would be good to have more.

Co-Chair Kelly stated he did not think "the state would ever have AccuVote in every region." He inquired what the "cut off point" is.

Ms. Fenumiai replied that the Division does not have a definite plan as to where it would stop. She stated that the Division would like to increase the number of systems in the communities where there is cooperation from the city clerks' offices because the Division relies on the city clerks to store, maintain and test the units when not in use. She summarized that the AccuVote systems would be under annual review to monitor population statistics and voter turnout.

Co-Chair Kelly suggested the Division work on projecting what the distribution goal might be, as it would be a good thing to know. He added this information might be "good justification" for this sort of request.

Ms. Fenumiai responded that the Division would work on a plan.

Senator Hoffman asked for a by-year summary of which precincts would be getting the AccuVote system.

Mr. Nizich responded that information would be supplied to the Committee.

Senator Austerman asked if the Division could provide further details regarding the total number of precincts having the AccuVote system.

Ms. Fenumiai explained that currently 281 precincts out of 481 use this automated system and the remaining 170 precincts do hand counts. This project will allow an additional 23 precincts to convert from hand counting to the automated system, bringing the total number to 304.

Americans with Disabilities Act Compliance Projects
\$500,000 General Fund
Reference No.: 6391
AP/AL: Appropriation
Project Type: Renovation and Remodeling
Category: Health/Safety
Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

This project continues the removal of physical barriers to persons with disabilities within state-owned facilities as required by Title II of the Americans with Disabilities Act, Public Law 101-336. Funding covers the cost of design, project administration, and construction. Aside from the legal requirements, removal of physical barriers will negate the need for temporary program modifications which are currently required of the facilities' occupants. Office of Management and Budget allocates available funding to the Department of Transportation for state facility ADA compliance projects based upon DOT's prioritized project list. The requested FY2002 funds will continue work on the Wood Center in Fairbanks.

On-going project

Mr. Nizich stated that continuing efforts are being made to renovate and remodel state facilities, based on a Department of Transportation and Public Facilities priority list. He stated FY 01 funds went toward the University of Alaska Fairbanks Wood Center, and FY 02 funds would complete the Center's work including the installation of an elevator. He stated that additionally, FY 02 funds would be used to upgrade the physical education facility at University of Alaska Anchorage.

Co-Chair Kelly questioned how the elevator being installed at the Wood Center could also serve Constitutional Hall at the Campus complex, as they are not connected.

Mr. Nizich stated that the elevator placement information supplied to him must be incorrect.

Co-Chair Kelly acknowledged that the Department is working toward fulfilling a federal mandate, and inquired as to when these appropriation requests might end. He asked if the projects specified on the backup information had been completed.

Mr. Nizich replied that some of the projects had been completed.

Co-Chair Kelly stated that between \$250,000 and \$500,000 has been spent on compliance upgrades for approximately seven years. He asked if there is a plan with the status of these projects.

Mr. Nizich commented that the only plan is the Department of Transportation and Public Facilities priority list that is included with this request.

Co-Chair Kelly clarified that the list contains projects yet to be done.

Mr. Nizich responded that is correct.

Co-Chair Kelly replied that he thought this was a list of completed projects.

Mr. Nizich explained that the years in the left hand column indicate the project was done in that particular year; if there is no year in the left hand column, that project is yet to be done. He informed that projects are prioritized by a point system.

Mr. Nizich stated the list could be presented a different way if the Committee refers.

Co-Chair Kelly responded that the list is fine as presented.

Senator Hoffman noted if projects are assigned priority using a point system, then the higher the points the higher the priority. He stated that some high priority projects appeared to have been "skipped over" and asked why that occurs.

Mr. Nizich responded the Department follows the priority rating system to a degree; however, if the Department is working on a particular project and there is money left over when that project is done, the "Department will look at the list and pick another project they can accomplish with those leftover funds."

Senator Green inquired if the state is held to the same standards as private business in that it cannot do significant interior remodeling without addressing the Americans With Disabilities Act (ADA).

Mr. Nizich responded that if a remodel project is done, the state is obligated to make sure that ADA requirements are covered in that project.

Senator Green clarified that the ADA applies to state facilities.

Mr. Nizich responded that it does.

Senator Green expressed that ADA requirements become a critical part of the decision making when addressing these projects.

Senator Austerman asked what Mr. Nizich about moving this project out of the governor's budget and into the Department of Fish and Game budget.

Mr. Nizich responded that the reason the funding is in the governor's budget is because federal legislation dictates that is where it should be received by the states of Alaska, California and Texas. He continued that the governor's office would have to administer a Reimbursable Services Agreement (RSA) to move this funding from the governor's office to the Department of Fish and Game.

Co-Chair Kelly commented that once these funds are received, they could be moved every year.

Department of Labor

Home Modification for Individuals with Disabilities
\$150,000 Alaska Housing Finance Corporation (AHFC) Dividend
Reference No.: 33945
AP/AL: Appropriation
Project Type: Health and Safety
Category: Housing/Social Services
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
This funding will be used for individuals who need home modifications as part of their Individual Plan for Employment (IPE). The services included on the IPE are needed to assist the individual to get a job.
On-going project

REMOND HENDERSON, Director, Division of Administrative Services, Department of Labor and Workforce Development, informed the Committee these funds are used for individuals classified as most severely disabled with "serious chronic limitations in two or more functional capacity areas and need at least two core vocational rehabilitation services over a period of at least 6 months." He detailed the funding history and expenditures.

Senator Green asked if these projects "tie into the mini grants" that come through the Department of Health and Social Services developmentally disabled funds.

Mr. Henderson responded these are stand-alone requests.

Senator Lemman inquired if there is a proposed switch in funding for this project.

Mr. Henderson replied that the funding would switch to a general fund request in FY 03, FY 04, FY 05 and FY 06 and the request would

increase to \$250,000.

Senator Leman asked why these funding requests would switch from AHFG to general funds.

Mr. Henderson said that the Office of Management and Budget made this decision because they were looking at the amount of dividends that might be available to the Alaska Housing Finance Corporation.

Senator Leman requested the Department to take another look at future funding.

Co-Chair Kelly stated that perhaps the funding switched at this point in time because the AHFC dividend is not "guaranteed to always be available."

Assistive Technology Loan Fund
\$100,000 General Fund
Reference No.: 33944
AP/AL: Appropriation
Project Type: Health and Safety
Category: Health/Safety
Location: Statewide
Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2002

State funds are requested to supplement the federal funds in the Assistive Technology Loan Fund (ATLF). This will allow the ATLF to continue its collaboration with the banking partner(s) providing assistance to individuals with disabilities in need of loans for assistive technology devices. The ATFC was created to allow individuals with disabilities greater access to assistive technology devices. The equipment or device purchased enables the individuals to maintain employment or to live more independently.

One-time project

Mr. Henderson stated this program was established with federal funds and the program is set up to allow qualifying individuals to apply for commercial loans from banks that are subsidized or the money is used to guarantee up to 9 percent of the loan. He detailed the criteria used for determining eligibility for the loan. He noted that the criteria would not allow for coverage of technology that is covered by Medicaid or Medicare.

Co-Chair Kelly asked if this project serves the same population as the prior project, reference # 33945.

Mr. Henderson responded that it does not, as the Home Modifications

for Individuals with Disabilities covered people who are most severely disabled while this request covers both disabled and severely disabled.

Co-Chair Kelly asked what the loan average is per year.

Mr. Henderson stated that the average loan amount is approximately \$21,000. He continued that during the program's existence, the total amount that has been guaranteed is \$222,000 with an average interest rate of 5.56 percent.

Co-Chair Kelly asked when the program was started.

Mr. Henderson said the program began in 1997.

Department of Health and Social Services

Deferred Maintenance, Renewal, Replacement, and Equipment
\$1,352,000

 \$352,000 Federal Receipts

 \$1,000,000 General Fund

Reference No.: 31862

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

Funds deferred maintenance at 35 state-owned buildings with a replacement value of \$224.3 million, along with selected leased facilities, including urgent immediate repair, renovation and equipment needs. Delay in funding will cause additional deterioration of the Department's facilities. Urgent repairs and deferred maintenance cannot be delayed continually without adversely affecting the State's investment in its facilities.

On-going project

JANET CLARKE, Director, Division of Administrative Services, Department of Health and Social Services informed the Committee this is an annual deferred maintenance/replacement request. She detailed the projects that have been identified and referred the Committee members to the list of specific projects included in the request, and noted the inclusion of photographs of various projects. She informed the Committee the projects have been prioritized by life/health safety, building integrity, code compliance or mission deficiencies.

Ms. Clarke explained a few of the photographs.

Senator Austerman asked how the funding for the projects was prioritized.

Ms. Clarke responded that the projects are presented in the order the Department would like them repaired, and noted there is not a picture of every project. She remarked that this funding request would not cover every project on the list.

Co-Chair Kelly asked which projects would be funded.

Ms. Clarke specified the cutoff point on the list of projects.

Co-Chair Kelly noted these projects met the established criteria and asked about the projects that were not going to be funded.

Ms. Clarke responded that the Department had significant deferred maintenance needs in its facilities and "they just can't get to them all."

Ms. Clarke stated that the photographs reflect the true state of the facilities and informed that all facilities are reviewed in order to determine the most pressing needs. She expressed the Department has not received enough money to deal with all the deferred maintenance issues so the "backlog keeps building." She commented the "Department would like to do more, but can only do what the legislature approves."

Co-Chair Kelly asked how the pictures correspond to the projects.

Ms. Clarke informed, for instance, that photograph 19 depicted the carpet at the McLaughlin Youth Center, the last of the projects these funds would cover. She commented that although carpet replacement does not appear to be a life/health issue it is when there are "a lot of juveniles in a 24-hour facility" and liability issues enter the situation.

Senator Lemman observed this list of items contains things that could be considered to be routine maintenance. He cited that boiler replacement and roof repairs "should be done on an ongoing basis." He questioned why these types of projects appear on this list.

Ms. Clarke replied that this is the result of the Department having "very little discretionary money;" a situation that does not permit the Department to perform routine ongoing maintenance.

Alaska Psychiatric Institute Replacement

\$36,550,000 Lease Bond
Reference No.: AMD34884
AP/AL: Appropriation
Project Type: Construction
Category: Health/Safety
Location: Anchorage Areawide
Election District: Anchorage Areawide
Estimated Project Dates: 07/01/2001 - 06/30/2006
The Alaska Psychiatric Institute has reached the end of its useful life, is filled with hazardous asbestos, and must be replaced. This appropriation will provide the remaining funds of \$36,550,000 necessary to complete construction of the new Alaska Psychiatric Institute facility.

Ms. Clarke noted this is an amendment and is for information only regarding a project the governor's office has put forward to replace the Alaska Psychiatric Institute (API). She informed this request is related to SB 96.

Co-Chair Kelly commented that further discussion regarding API would take place when the Committee receives SB 96.

Senator Austerman asked if there is legislation that reflects this amount of money.

Co-Chair Kelly commented that there is a bond authorization.

Public Health Nurse, Probation Officer, Social Worker Safety
and Support Equipment
\$2,831,000
 \$2,331,000 Federal Receipts
 \$500,000 General Fund
Reference No.: 32446
AP/AL: Appropriation
Project Type: Equipment
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
Project would provide funds for critical equipment needed by Department to enhance security, improve program efficiency and replace aging or dysfunctional equipment for the Department's statewide operations. There is an urgent need for this equipment so that Family and Youth Service social workers, Juvenile Justice detention and probation officers and Public Health nurses can perform their duties safely and effectively. Failure to fund some equipment purchases will mean that they may not be able to do their job or may be placed in danger.

In any case, delays in procurement of needed equipment will mean that workers will not be able to do their job as well as they should and could.

On-going project

Ms. Clarke informed that Senator Stevens secured \$2.2 million in federal funds to provide additional equipment for the health laboratory that recently opened in Anchorage. She continued that many of the equipment budgets within the Department have not been adequately funded to deal with safety issues, ongoing transportation needs, and clinical equipment. She noted that much of the back up information in this request deals with vehicles and a shortage of vehicles for field staff. She informed the Committee that the Department has done a vehicle analysis to see what the staff-vehicle ratio is in a number of areas. She said the results indicated the area of need is in the "direct field staff."

SFC 01 # 33, Side A 10:41 AM

Ms. Clarke noted there is a 12.6 staff person to one vehicle ratio in the Anchorage area, and that this information is summarized on page 14 of the hand out. She stressed this is a serious problem when staff needs to conduct home visits or go to court or other situations as they occur. She stated liability issues occur when staff uses their own vehicle on state business. She said this request would add three vehicles in the Anchorage area, and noted similar problems in other areas of the state.

Ms. Clarke stated that the Juvenile Justice Division portion of the request relates to safety-security improvements. She informed that in many of the Department's "small non-urban" area offices, there are security concerns. She informed that the Department plans to build access control security barriers in those offices. She referred to the back up information on page 14.

Ms. Clarke continued that page 15 states the need again for additional vehicles for public health nurses. She noted, while the staff to vehicle ratio was lower in this field, the vehicles were old and in need of replacement.

Ms. Clarke stressed the need for state vehicle reliability as it affects liability concerns.

Senator Leman commented the average cost for each of these vehicles appears to be \$29,000, and they are probably 4-wheel drive.

Ms. Clarke that is correct.

Senator Leman asked if the Department has looked at other options such as previously owned vehicles to lower this cost.

Ms. Clarke responded that a used vehicle would be cheaper, however, if one looks at the state equipment fleet fund, \$29,000 "is what vehicles cost." She commented that purchases of this type are usually handled through the state equipment fleet. She continued it is possible to go out and lease a vehicle, but it would then have to be included as an ongoing cost in the operating budget. She noted the Department "has not been successful in getting operating funds for ongoing lease costs."

AT EASE 10:44 AM / 10:45 AM

Juneau Public Health Center Heating and Ventilation Upgrades
\$585,400

\$105,400 Federal Receipts

\$480,000 General Fund

Reference No.: 32451

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: Southeast Alaska

Election District: Districts 1-6

Purchase and installation of new heating and ventilation (HVAC) system at the Juneau Public Health Center (JPHC) to bring the system up to code, and to increase energy efficiency and patient and staff safety. For the State to continue to ignore the HVAC problems risks an interruption of services to the public.

One-time project

Ms. Clarke commented this request had been submitted the prior fiscal year, but had not been funded; therefore, it is being submitted again this year with more detailed information about the problems the building is experiencing. Ms. Clarke informed the Committee this building was built in 1984 as a doctor's office, and was in foreclosure when the state purchased it in 1992, enabling the state to obtain it at a good price. She noted that the state remodeled it after the purchase; however, the heating and ventilation system were never upgraded to meet the demands of the facility. She commented that this request would also bring the building up to ADA code. She referred to several photographs of the equipment currently in the building that needs to be replaced.

Residential Child Care Facility Capital Needs Assessment and

Grant Program

\$500,000

\$349,800 AHFC Dividend

\$150,200 General Fund

Reference No.: 33815

AP/AL: Appropriation

Project Type: Renewal and Replacement

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2007

Provides for a small needs assessment in FY02 and award of capital grants in FY02 and beyond for new facilities, deferred maintenance, ADA upgrades, remodeling and equipment needs for in-state residential youth care facilities.

On-going project

Ms. Clarke said this is a new request, and informed that residential childcare grantees serve over 200 Division of Family and Youth Services (DFYS) children, throughout the state, who are "in state custody and need a higher level of structure and a more secure placement" than is available in the foster home system. She stated these facilities have not had access to capital funds for a number of years and the Department needs to be assured that these children are in safe and secure facilities. She referred to the summary of main issues requests from the residential group homes that is included in the backup material (page 21 through page 24). She noted that \$55,000 of this request is earmarked for a capital needs assessment. She noted the total of the summary of needs is double the total of the request, so not all of the projects would be able to be done.

Senator Austerman inquired how the AHFC dividend is identified in this request.

Ms. Clarke responded that in this particular capital budget request, the governor's office identified this funding.

Senator Austerman clarified these AHFC dividends are receipts that go into the general fund.

Co-Chair Kelly confirmed that AHFC dividend receipts are general funds. He opined that the governor is attaching these dividends to this project because it is a housing project and that is an appropriate use of these receipts.

Senator Hoffman commented on the significant increase in general fund amounts after FY 02 and asked what the Department would be

doing differently.

Ms. Clarke responded the increased amounts are the anticipated result of the capital needs assessment.

Emergency Medical Services Equipment Grants - Match for Code Blue Project
\$533,400 General Fund match
Reference No.: 33797
AP/AL: Appropriation
Project Type: Equipment
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
EMS ambulance and first responder personnel need adequate, reliable emergency medical equipment and ambulances to provide effective life-saving services. Many ambulances and EMS equipment were purchased with federal grants in the late 1970's and early 1980's. These vehicles and equipment must be replaced. Under a grant program administered by the U.S. Department of Agriculture (USDA), up to 75% of the cost of ambulances and medical equipment can be provided to communities who meet certain financial eligibility criteria. This request would furnish the remaining amounts needed as "matching funds."
Phased project

MATT ANDERSON, Emergency Medical Services Unit Manager, Community Health Program, Department of Health and Social Services, informed the Committee that this project started several years ago, and its purpose is to quantify and identify the unmet needs for essential emergency medical services (EMS) equipment in rural Alaska. He stated this information has been put in a database to prioritize and seek funding for those needs. He noted that several different potential funding sources have been identified and this request specifically would provide matching funds for a United States Department of Agriculture (USDA) federal grant. He detailed the process of applying for this application and that the Department has worked with local EMS offices to identify and prioritize the needs. He specified that the equipment needs were broken into various categories and the total package of needs is approximately \$7 million with \$3 million of this eligible for the USDA grant project. He specified that the state match required is \$1.6 million dollars.

Senator Austerman asked why the USDG grant-funding portion was not included in the total funds for this request.

Ms. Clarke responded that in this particular case the federal funds would not be coming through the state but would be going directly to the EMS; therefore they are not reflected in the request.

Senator Leman asked if some of the existing equipment scheduled for replacement could be reallocated to "smaller, lower volume communities."

Mr. Anderson stated that the EMS council is "very resourceful in doing this;" however it should be noted that 41 of 125 ambulances are more than 15 years old, and sometimes these older vehicles end up in communities "that don't have the necessary infrastructure to take care of the vehicle." He stressed that the council strives to get only "very reliable equipment" reallocated to smaller communities because of the maintenance situation.

Senator Leman congratulated the EMS council on their reallocation methodology, and suggested that state departments could consider "shifting vehicles around."

Mr. Anderson stressed how important it is to "match the equipment to the community" and exemplified that it would be inappropriate to send an elaborate \$150,000 ambulance to a small volume community.

Ms. Clarke stated the Department has reallocated old trooper vehicles.

AT EASE 11:01 AM / 11:03 AM

[Audio difficulty. The remainder of the meeting was not recorded]

Alaska Psychiatric Institute Stop-Gas Repairs

\$379,500 General Fund/Mental Health (GF/MH)

Reference No.: 33682

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: Anchorage Areawide

Election District: Anchorage Areawide

Estimated Project Dates: 07/01/2001 - 06/30/2006

This is the Alaska Psychiatric Institute's (API's) annual "stop gap" facility maintenance and repair request, as well as a request for the funds to continue to make the fire/life safety upgrades at API necessary to meet minimal occupancy standards. As long as the Department's plan to vacate the current facility is delayed, stop gap funds will be necessary.
On-going project

Ms. Clarke noted this project has been funded for the last ten years, and the Department wished to maintain operations as long as possible.

Housing Modifications for Trust Beneficiaries and People with Disabilities

\$250,000

\$100,000 AHFC Dividend

\$150,000 Mental Health Trust Settlement Income (MHTAAR)

Reference No.: 33671

AP/AL: Appropriation

Project Type: Renovation and Remodeling

Category: Housing/Social Services

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2004

Provides housing modifications to persons experiencing a disability, allowing them to remain in their homes and reducing the potential cost of providing supported housing.

Ms. Clarke pointed out that this project differs from the Department of Labor and Workforce Development request due to the different clients served.

Substance Abuse Treatment for Rural Women with Children

\$500,000

\$250,000 GF/MH

\$250,000 MHTAAR

Reference No.: 33832

AP/AL: Appropriation

Project Type: Health and Safety

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2004

This capital request facilitates the development of substance abuse treatment for rural women with children. These facilities often have specialized building requirements to accommodate children as part of the treatment component. Women with children often do not enter treatment if they believe their children are not safe or that they will lose custody of their children. The ability to bring their children with them allows these women to commit to treatment without the disruption of worries about their children's health and safety, or by the pain of separation from them.

One-time project

Ms. Clarke explained this project is to build treatment facilities for women with children from rural Alaska. She shared that these women need to be treated with discretion, and that these women respond better when their children are with them.

Deferred Maintenance, Americans with Disabilities Improvements to Service Providers for Beneficiaries, People with Disabilities

\$800,000

\$400,000 GF/MH

\$400,000 MHTAAR

Reference No.: AMD33670

AP/AL: Appropriation

Project Type: Deferred Maintenance

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2007

This program will provide capital grants for deferred maintenance, renovation, and Americans with Disabilities Act compliance of existing structures for agencies providing programs, services, and activities for Mental Health Trust beneficiaries and people with disabilities. Approximately \$450.0 of the available funds will be restricted to agencies providing chemical dependency treatment services for individuals and families. The program scope as determined by the Alaska Mental Health Trust Authority limits projects to rural Alaska only.

On-going project

Amendment

Mental Health Bill

Ms. Clarke described the clients served by this project and the maintenance and access improvements.

Suicide Prevention and Galena Mental Health Center

\$925,000 GF/MH

Reference No.: AMD34882

AP/AL: Appropriation

Project Type: Construction

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

The suicide rate in Alaska is alarming - more than twice the national average. We need to act immediately to support the regions in most distress and begin a process leading to a comprehensive suicide prevention plan for all Alaska.

One-time project
Amendment
Mental Health Bill

Ms. Clarke cited concerns with the number of suicides in the state. She said these funds would address this issue in communities by providing technical support and training. She added that a portion of the funds would be used to replace the current mental health facility in Galena. She detailed the multitude of problems with this trailer-type facility.

Senator Austerman asked why Galena was selected.

Ms. Clarke replied that the mental health board selected the site as part of its efforts to identify the small communities in most need.

Senator Lemman asked if the new building's location would be above flood stage.

Ms. Clarke replied that is the understanding.

Senator Lemman asked if the air force facilities in Galena would be closed.

Ms. Clarke replied she would check with the city of Galena.

Developmental Disabilities Systems Reform Initiative

\$750,000 GF/MH

Reference No.: AMD34885

AP/AL: Appropriation

Project Type: Health and Safety

Category: Housing/Social Services

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2006

Alaska's rank in community services fiscal effort (spending for services per \$1,000 of total state personal income) has declined steadily from 14th in 1977 to 31st in 1998. Many of the most common initiatives for reducing state wait lists are either underway or are no longer available in Alaska. This situation cannot continue.

One-time project

Ms. Clarke indicated that the Department has done a great job in getting people off of Medicaid; however, insufficient funding may not provide enough cash flow to assist people still on the waitlist for community services. She informed that procedures have been

established to lower billing errors in Medicaid and eliminate duplication. She stated that non-profit entities that have relied on grants now rely on third party billing by Medicaid; however they have not been given the tools to use this new system effectively. She stated this project would provide the tools to assist the grantees so they can be solvent.

Program Equipment Grants to Service Providers for Trust Beneficiaries and People with Disabilities

\$250,000 MHTAAR

Reference No.: 33672

AP/AL: Appropriation

Project Type: Equipment

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2007

This capital project will support competitive capital grant funding to allow providers to meet program facility equipment needs for beneficiary service providers and providers for people with physical disabilities. Proposals will be solicited from service providers to improve operations through improved efficiency.

On-going project

Mental Health bill

Ms. Clarke informed the Committee this project is funded by the Mental Health Trust Authority.

Recovery Camp

\$100,000 MHTAAR

Reference No.: 33677

AP/AL: Appropriation

Project Type: Construction

Category: Health/Safety

Location: Statewide

Election District: Statewide

Estimated Project Dates: 07/01/2001 - 06/30/2004

This project funds the capital portion of the Family Recovery Camp Development Project. It is designed to replicate the success of culturally based family treatment that has been provided at Old Minto Spirit Camp for a number of years. These replications will occur in other regions of the state. FY2001 is year one of a three-year project.

On-going project

Mental Health Bill

Ms. Clarke noted that this project would be helpful in rural

Alaska.

Hearing Screening Assistive Technology
\$100,000 MHTAAR
Reference No.: 34044
AP/AL: Appropriation
Project Type: Equipment
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
Provides funds to purchase a limited number of high-end (cost-wise) hearing devices for loan to families of infants and toddlers diagnosed as hard of hearing.
One-time project
Mental Health Bill

Ms. Clarke informed the Committee that this project is specifically for costly digital hearing devices and stressed that, "typically, insurance does not cover these costs." She noted it is important for infants and young children to have their hearing issues addressed early. She stated this program allows for hearing devices to be loaned for a six-month period to allow for families and young children to have an early adjustment period during which they would work with audiologist to assess the child's situation.

Consumer Designed and Managed Projects
\$175,000 MHTAAR
Reference No.: 34042
AP/AL: Appropriation
Project Type: Construction
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
As consumers' involvement and control over service delivery strengthens, the opportunity for consumers to do the same in the area of capital projects is appropriate. Several consumer groups made such proposals.
One-time project
Mental Health Bill

Ms. Clarke stated this project would assist those with mental illness.

Micro Enterprise Funds
\$150,000 MHTAAR
Reference No.: 34043

AP/AL: Appropriation
Project Type: Equipment
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
Provides funds to purchase start-up equipment and working capital for beneficiaries who want to be self-employed; for service providers to establish small businesses to employ beneficiaries and for private enterprises interested in expanding their businesses in exchange for hiring beneficiaries.
One-time project
Mental Health Bill

Provider Resource Sharing and Coordination
\$150,000 MHTAAR
Reference No.: 34039
AP/AL: Appropriation
Project Type: Planning
Category: Health/Safety
Location: Statewide
Election District: Statewide
Estimated Project Dates: 07/01/2001 - 06/30/2006
Provides funds for a five-year capital initiative to reengineer the way the State awards funds to providers and the way providers conduct business, including coordination and resource sharing, allowing them to focus on providing services for individuals and families.
On-going project
Mental Health Bill

Ms. Clarke said these two projects look "at all the ways" individuals with disabilities could conduct a business. She stated that the program would help streamline the ways that grant dollars become available.

MH Urban Transition Housing Facility
\$200,000 MHTAAR
Reference No.: AMD34041
AP/AL: Appropriation
Project Type: Transitional
Category: Health/Safety
Location: Anchorage Areawide
Election District: Anchorage Areawide
Estimated Project Dates: 07/01/2001 - 06/30/2006
This project would leverage renovation and purchase costs for a transitional housing facility for the clients of urban

nonprofit organizations.
One-time project

Ms. Clarke stated this project would provide housing for people with mental disabilities.

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ADJOURNMENT

Co-Chair Pete Kelly adjourned the meeting at 11:22 AM