

**ALASKA STATE LEGISLATURE
JOINT COMMITTEE ON LEGISLATIVE BUDGET AND AUDIT**

July 8, 2004
11:05 a.m.

MEMBERS PRESENT

Representative Ralph Samuels, Chair
Representative Mike Chenault
Representative Mike Hawker
Representative Vic Kohring (via teleconference)
Representative Beth Kerttula (via teleconference)

Senator Gene Therriault, Vice Chair (via teleconference)
Senator Ben Stevens
Senator Con Bunde
Senator Gary Wilken (via teleconference)

MEMBERS ABSENT

Senator Lyman Hoffman

COMMITTEE CALENDAR

APPROVAL OF MINUTES
RPL FOR THE ALASKA AVIATION SAFETY PROJECT
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

CHERYL FRASCA, Director
Office of Management & Budget (OMB)
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Presented the RPL 09-5-001 regarding the Alaska Aviation Safety Project to the Joint Committee on Legislative Budget and Audit.

JOHN CRAMER, Director
Administrative Services Division
Department of Military & Veterans' Affairs
Juneau, Alaska

POSITION STATEMENT: During discussion of the RPL 09-5-001 regarding the Alaska Aviation Safety Project, answered questions.

DAVID TEAL

Legislative Fiscal Analyst
Legislative Finance Division
Juneau, Alaska

POSITION STATEMENT: Provided information to the Joint Committee on Legislative Budget and Audit regarding RPL 09-5-001.

ACTION NARRATIVE

TAPE 04-12, SIDE A

Number 0001

CHAIR RALPH SAMUELS called the Joint Committee on Legislative Budget and Audit meeting to order at 11:05 a.m. Representatives Samuels, Chenault, Hawker, Kohring (via teleconference), and Kerttula (via teleconference) and Senators Therriault (via teleconference), Ben Stevens, Bunde, and Wilken (via teleconference) were present at the call to order.

APPROVAL OF MINUTES

REPRESENTATIVE HAWKER made a motion to approve the minutes of April 27, 2004, and the May 18, 2004. There being no objection, the minutes from the meetings of April 27, 2004, and the May 18, 2004 were approved.

RPL FOR THE ALASKA AVIATION SAFETY PROJECT

REPRESENTATIVE HAWKER moved that the committee approve RPL 09-5-0001, the Alaska Aviation Safety Project.

CHAIR SAMUELS objected.

CHERYL FRASCA, Director, Office of Management & Budget (OMB), Office of the Governor, explained that the RPL is a request to receive \$2.8 million in federal funds from NASA in order to continue a project that collects safety information to map airline mountain passes. Recently, confirmation was received that NASA has actually approved the grant funds. She indicated that the confirmation had been provided to the Legislative Finance Division. Timing, in regard to the longer daylight hours and good weather, is important, and therefore the committee's quick response is appreciated, she related.

CHAIR SAMUELS related that he has received many calls from the private pilot community, which was concerned that any delay would result in the loss of time to map some of the passes that the private pilots use. This is a safety factor. He related his appreciation and that of the private pilots for the work that OMB has done.

REPRESENTATIVE KERTTULA recalled that OMB had questions on this matter during special session [when this matter was originally scheduled before the committee]. She inquired as to OMB's concerns during special session.

MS. FRASCA explained that things happened so quickly that OMB wanted to be sure that it had all the information. At the time of the special session, the confirmation from NASA regarding whether the funds would be awarded hadn't been received. That confirmation has been received and thus the project can proceed.

Number 030

SENATOR THERRIAULT recalled that there was a question regarding whether there will be the need for a fiscal year (FY) 06 capital appropriation. Therefore, he asked if OMB anticipates additional money coming forward. If so, will that be included in the '06 capital submittal, he asked.

MS. FRASCA said that she would rely on John Cramer if there is an expectation of additional money. She opined that the issue was technical in nature. She reminded the committee that the committee's authority is limited to approving increased funds for projects for which the legislature as a whole has already approved. The aforementioned was considered when determining how the committee could receive the money and align it with a capital appropriation in order to avoid a lapse. However, she related her belief that now the money is associated with an operating budget appropriation. The OMB will work through the issues to determine whether it's necessary to address it next session as either a supplemental appropriation, a reappropriation, or an appropriation in FY 06.

REPRESENTATIVE KERTTULA related her assumption that there wasn't a capital project with which this could be aligned, and therefore the project has been placed in the operating side. She asked if that created any problems for next session.

JOHN CRAMER, Director, Administrative Services Division, Department of Military & Veterans' Affairs, confirmed that there wasn't an existing capital project that this project could be run through, and therefore it was placed in the operating budget.

MS. FRASCA said that she wasn't aware of any problem that the aforementioned placement might create.

REPRESENTATIVE KERTTULA related her understanding that this project is going to be in the operating budget and will be appropriated through the Joint Committee on Legislative Budget and Audit back to the division for use.

MS. FRASCA explained that the issue is regarding whether the funds would lapse at the end of the fiscal year. Capital appropriations don't lapse at the end of the fiscal year and thus some of the "logistical or paperwork" hurdles would have been removed had this been attached to a capital appropriation. However, no capital appropriation was found and due to the scope of authority of the Joint Committee on Legislative Budget and Audit it was necessary to find a related original appropriation to which these funds could be added. The suggestion has been made that next session the appropriation be re-categorized from an operating appropriation to a capital appropriation, if it's necessary. The Legislative Finance Division has indicated that it may not be necessary, especially if the money is expended by the end of the fiscal year.

REPRESENTATIVE CHENAULT noted that HB 375, which includes appropriation authorities, hasn't been signed. He asked if there will be any problems if this RPL is approved and the [appropriation to which it's attached] is eliminated from the budget.

MS. FRASCA said that she wasn't aware that the aforementioned would create a problem.

Number 071

REPRESENTATIVE HAWKER turned to the second bullet under the heading of Budgetary Issues on the RPL form. That second bullet says, "This project is not applicable to current departmental efficiency measures." He inquired as to the point of that statement.

MS. FRASCA noted that these forms are prepared by the departments and the instructions include a number of questions that the department is asked to answer. The second bullet is in response to the question regarding whether the project would advance one of the department's efficiency or performance measures.

DAVID TEAL, Legislative Fiscal Analyst, Legislative Finance Division, returned to Representative Chenault's note that HB 375 hasn't been signed. Mr. Teal related that without the [governor's] signature [on HB 375] there is no LB&A language and no authority to review and no appropriation can be made. Therefore, he suggested that the RPL be approved contingent upon the governor's signature of HB 375.

SENATOR BUNDE said that he hasn't seen a list of the mountain passes that would be mapped, and therefore he inquired as to the specific passes this would address.

MR. CRAMER offered to provide that information to the committee.

Number 100

REPRESENTATIVE HAWKER amended his earlier motion by moving that the committee approve RPL 09-5-001, with the effectiveness of the RPL being contingent upon the signing of HB 375 to include the provisions as referenced in the appropriation authority.

CHAIR SAMUELS removed his earlier objection and announced that the RPL was approved.

OTHER BUSINESS

SENATOR WILKEN inquired as to the status of the purchase of the Wood McKenzie study.

CHAIR SAMUELS answered that the Woods McKenzie study has been purchased and it's expected to be [available] mid October or mid November. He noted that there have been questions regarding price points versus a range. He also noted that he is continuing to look for other studies as other options. In further response to Senator Wilken, Chair Samuels said that he approved about roughly [\$45,000 U.S.]

SENATOR WILKEN also asked if the status report for [American Institutes for Research] study is available.

CHAIR SAMUELS said that the contract has been signed. He related that the goal is to complete [the status report] by mid December in order to be available in time for the next legislative session. That timeframe seems to be [on course].

ADJOURNMENT

There being no further business before the committee, the Joint Committee on Legislative Budget and Audit meeting was adjourned at 11:20 a.m.