

MINUTES
SENATE FINANCE COMMITTEE
March 05, 2003
9:02 AM

TAPES

SFC-03 # 15, Side A
SFC 03 # 15, Side B

CALL TO ORDER

Co-Chair Gary Wilken convened the meeting at approximately 9:02 AM.

PRESENT

Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senator Con Bunde, Vice-Chair
Senator Ben Stevens
Senator Lyman Hoffman
Senator Donny Olson
Senator Robin Taylor

Also Attending: REPRESENTATIVE NANCY DALHSTROM; KIMBERLY HANGER, Staff to Representative Nancy Dahlstrom; DAVID ANTHONY MURROW, Guest Page; COL. CRAIG CAMPBELL, Adjutant General/Commissioner, Department of Military and Veterans Affairs; JOHN CRAMER, Director, Division of Administrative Services, Department of Military and Veterans Affairs; TOM LAWSON, Director, Division of Administrative Services, Department of Community and Economic Development; EDDY JEANS, Manager, School Finance and Facilities Section, Division of Education Support Services, Department of Education and Early Development; NICO BUS, Administrative Services Manager, Division of Support Services, Department of Natural Resources; MARY SIROKY, Legislative Liaison, Department of Environmental Conservation; TOM WRIGHT, Staff to Representative John Harris; KIM DUKE, Executive Director, Arctic Power

Attending via Teleconference: From an Offnet Site: AL ADAMS, Volunteer and Co-chair of Arctic Power

SUMMARY INFORMATION

SB 20-BOARD OF MARINE PILOTS

A committee substitute was adopted, and the bill reported from Committee.

HB 74-EXTEND BOARD OF NURSING

The Committee heard testimony from the sponsor and reported the bill from Committee.

SB 75-SUPPLEMENTAL APPROPRIATIONS: FAST TRACK

SB 76-SUPPLEMENTAL APPROPRIATIONS

The Committee heard testimony from the Department of Military and Veterans Affairs, the Department of Community and Economic Development, the Department of Natural Resources, and the Department of Education and Early Development. The bills were held in Committee.

HB 101-APPROP: GRANT TO ARCTIC POWER FOR ANWR

The Committee heard testimony from the sponsor and Arctic Power. The bill was held in Committee.

[NOTE: The recording quality of this tape is poor.]

#sb20

SENATE BILL NO. 20

"An Act extending the termination date of the Board of Marine Pilots; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken informed the Committee that this legislation would: extend the sunset date for the Board of Marine Pilots; maintain the use of marine pilots on inland and coastal waterways; regulate licensing and training of marine pilots; and regulate fees. He conveyed that the Division of Legislative Audit recommends that the Board be extended to June 30, 2007.

Co-chair Wilken informed that the proposed committee substitute requires drug testing of marine pilots, extension of the Board to June 30, 2007, and exempts Canadian Navy and Coast Guard vessels from the marine pilot requirement.

Co-Chair Green moved to adopt CS SB 20, 23-LS0274\I as a working draft.

There being no objections, the Committee Substitute was ADOPTED as a working draft.

Senator Olson asked whether language relating to vessel length, specifically yachts, is included in the committee substitute.

Co-Chair Wilken clarified that, subsequent to the first Committee hearing on this bill, it was determined that yacht owners should meet with the US Coast Guard to address concerns regarding such issues as the requirement for marine pilots to be onboard yachts exceeding a specified length. He stated that the issue would be addressed in separate legislation provided that yacht owners and the US Coast Guard effectively address the issue.

Senator Olson remarked that this issue must be resolved.

Co-chair Wilken asserted that melding the Coast Guard's concerns with the potential for economic growth resulting from increased yacht traffic in the State is a "compelling" situation. However, he reemphasized that yacht owners must address the issue with the Coast Guard.

Co-Chair Green moved to report the bill from Committee with individual recommendations and accompanying fiscal note.

There being no objection, CS for SB 20 (FIN) REPORTED from Committee with a previous \$111,500 fiscal note dated February 5, 2003 from the Department of Community and Economic Development.

#hb74

CS FOR HOUSE BILL NO. 74(FIN)(efd add)

"An Act extending the termination date of the Board of Nursing; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

Co-Chair Wilken explained that this legislation would extend the Board of Nursing for eight years, as recommended by the Division of Legislative Audit.

REPRESENTATIVE NANCY DALHSTROM affirmed that this legislation would extend the Board of Nursing until June 30, 2011. She mentioned that the representation on the Board is defined in Alaska statutes and that the Governor appoints Board members. She explained that such

things as conducting investigations regarding complaints against nurses and the establishment of minimum education and work requirements for nurses are duties of the Board. She stated that the "impeccable" record of the Board and the cost of conducting an audit warrant the length of the extension recommendation.

KIMBERLY HANGER, Staff to Representative Nancy Dahlstrom, informed the Committee that the Division of Legislative Audit report dated August 16, 2002 [copy on file] supports the extension of the Board. She detailed the findings of the report.

Senator Olson asked whether the field of nurse practitioners has representation on the Board.

Representative Dahlstrom responded in the negative.

Senator Bunde asked whether the Board has addressed the State's nursing shortage situation.

Representative Dahlstrom answered that the Board is working with other pertinent boards and organizations to address the situation.

Senator Hoffman inquired as to the status of Recommendation Number Two as presented in the Audit Report.

Recommendation 2: The Board of Nursing should develop and implement a self-evaluation monitoring checklist for organizations operating approved certified nurse aide training programs.

Ms. Hanger responded that in response to this recommendation, the Board is currently holding meetings with the various organizations that conduct training programs.

Co-Chair Green moved to report HB 74 from Committee with individual recommendations and accompanying fiscal note.

There being no objection, CS HB 74 (FIN)(efd add) REPORTED from Committee with a previous fiscal note, dated February 28, 2003, in the amount of \$712.7 from the Department of Community and Economic Development.

AT EASE 9:13 AM / 9:15 AM

Co-Chair Green chaired the remainder of the meeting.

Senator B. Stevens introduced fifteen-year-old DAVID ANTHONY MURROW as guest page. He informed the Committee that Master Murrow's

interests include travel, drama, and backpacking, and he continued Master Murrow aspires to be involved in international relations, politics and espionage. He additionally noted that Master Murrow would be journeying to Mexico to participate in a yearlong Rotary International Student Exchange Program.

#SB75
#sb76

SENATE BILL NO. 75

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

SENATE BILL NO. 76

"An Act making supplemental and other appropriations; amending appropriations; making appropriations to capitalize funds; and providing for an effective date."

This was the fifth hearing for these bills in the Senate Finance Committee.

Co-chair Green announced that the Department of Military and Veterans Affairs would continue their presentation begun, but not concluded, at the March 3, 2003 meeting.

Department of Military and Veterans Affairs

SB 76

Section 11(a) and (b)

Department of Military and Veterans Affairs

Commissioner's Office

Structure change to move Commissioner's Office and Unallocated Reduction components to National Guard BRU

JOHN CRAMER, Director, Division of Administrative Services, Department of Military and Veterans Affairs stated that this request would restructure the Department to provide the Commissioner with "the latitude to work within the Department to the extent" deemed necessary.

CRAIG CAMPBELL, Commissioner, Department of Military and Veterans Affairs and Adjutant General, Alaska National Guard stated that previous to his term as commissioner, the Commissioner's Office operated within the National Guard Budget Review Unit (BRU); however, he continued, the Legislature made the decision to remove the Office of the Commissioner from the National Guard BRU and

establish a separate "and small" Commissioner's Office BRU. He stated that re-establishing the Office of the Commissioner within the National Guard BRU would provide the Commissioner with "more latitude to manage the funds being entrusted" to him, specifically to better coordinate Homeland Security measures and "better manage the funding over the course of a year."

Senator Hoffman asked the importance of approving this request in the supplemental request process rather than through a FY 04 budget request.

Commissioner Campbell reiterated that approval of this request would provide the opportunity to better manage current funding allocations, specifically the funding necessary to sufficiently develop and implement Homeland Security measures.

Senator Hoffman asked whether this request would transfer additional Department funds to Homeland Security in FY 03.

Commissioner Campbell responded that approval of the request would allow the Commissioner to utilize National Guard funds to develop an overall operational plan to coordinate the National Guard's existing Homeland Security responsibilities.

Co-chair Green asked whether the Department would continue this restructuring alignment in FY 04.

Commissioner Campbell concurred that the FY 04 budget is being developed in this manner.

SB 76
Section 11(c)
Military Youth Academy
Technical correction for Ch 130 SLA2002 (SB 345) fiscal note -
correct fund source amounts.

Co-Chair Green stated that this request regards a technical fund source correction.

AT EASE 9:22 AM / 9:23 AM

Mr. Campbell noted that the backup material provides further information regarding this request.

Co-Chair Green understood that this request is to correct an inaccuracy that occurred during a conference committee meeting.

Mr. Campbell concurred and stated that the request would not

require additional funds.

Section 16(8)
Miscellaneous Claims and Stale-dated Warrants \$580.88
\$0.6 general funds

Mr. Cramer stated that this request entails two stale-dated items totaling \$580.88.

Department of Community and Economic Development

SB 76
Section 2(a)
Admin Services
Retroactive section to ratify the transfer of \$51,000 from the disaster relief fund back to the commercial fishing revolving loan fund in response to recommendation 20 in the FY01 Statewide Single Audit prepared by Legislative Audit.

TOM LAWSON, Director, Division of Administrative Services, Department of Community and Economic Development informed the Committee that a 2001 Statewide fiscal audit [copy not provided] conducted by the Division of Legislative Audit recommended that the Department submit this request to authorization the return of the unspent portion of monies to the Commercial Fish Fund from whence it originated.

Co-Chair Green asked whether this request would be more appropriate as a ratification.

Mr. Lawson voiced support for addressing the request as a ratification rather than as a supplemental request.

Co-Chair Green announced that this request would be reclassified as a ratification in the upcoming committee substitute.

SB 76
Section 2(b)
Capital
Section to change RPL 08-3-0104 for Rural Internet Access from operating to capital

Mr. Lawson informed that this request would formalize the transfer of a \$7.5 million grant appropriation from the operating budget to the capital budget to activate a Regulatory Commission of Alaska (RCA) program authorized in FY 03.

Co-Chair Green clarified that this is a fund transfer.

Senator Taylor asked for further information about the RCA program.

Mr. Lawson replied that this program would provide for grants and partnerships between internet carriers and public entities to provide high speed Internet service to rural areas of the State.

Senator Hoffman asked the projected timeframe of the program.

Mr. Lawson responded that the program is proceeding slower than anticipated; however, he stated, the federal grant application process would be finalized this spring.

Co-Chair Green asked what occurs once the federal grant is finalized.

Mr. Lawson explained that once the State/federal grant application is finalized, the next step would be to distribute the grant applications to eligible entities. He estimated that the applications would be distributed in the spring; however, he asserted that the program would not be completed by June 30, 2003.

Co-Chair Green stated therefore that the program funding would continue into FY 04.

Mr. Lawson concurred.

SB 76

Section 2(C)

Insurance

Authority to receive and expend fees paid by licensees for background checks. The Division of Insurance will then enter into a contract (RSA) with Department of Public Safety who performs the background checks.

\$200.0 Receipt Supported Services

Mr. Lawson stated that this request results from a change in the methodology of collecting fees for insurance industry applications and background checks. He stated that the Department of Public Safety requested this change because of the increase in background checks being conducted as a result of the terrorist attacks on the United States on September 11, 2001. He explained that, previously, insurance applicants were required to submit two payments for services: one to the Department of Public Safety for the background check and one to the Department of Community and Economic Development for the license; this change, he continued allows applicants to remit a single payment for the entire fee to the Department of Community and Economic Development. Therefore, he

concluded, the Department of Community and Economic Development must receive authorization to transfer the \$200,000 collected for the Department of Public Safety's background checks.

Co-Chair Green announced that there would be a "correcting entry" in the final committee substitute that would reduce the Department of Public Safety budget by \$100,000 to reflect the portion of the fee the Department must pay to a third party for administering background checks.

Senator Olson voiced concern that, as a result of the September 11, 2001 terrorist attacks and "other obstacles" presented to the insurance industry, insurance companies might be deterred from providing insurance coverage in Alaska. He asked whether the Department has heard any such indications from the industry.

Mr. Lawson clarified that this request is not generated by an increase in insurance fees, but rather reflects a change in the fee process.

Co-Chair Green commented that were there any opposition to this change, it has not been "publicly" voiced. She informed that State regulations specify that anyone seeking to sell insurance in Alaska must submit to a background check.

Senator Taylor asked for confirmation that every insurance agent in the State is required to undergo a background check.

Co-Chair Green confirmed and stated that background checks have been a requirement for many years.

Senator Taylor asserted that, while he accepts that attorneys are required to undergo background checks, he is "incredulous" that this requirement applies to the insurance industry.

Senator Bunde voiced that writing one check, rather than two, is "slightly more user friendly" for the industry.

SB 76

Section 2(d)

International Trade

Authority to receive and expend registration receipts from the Korea USA economic conference. The 2002 conference was held in Korea; 2003 will be in Anchorage. Subsequent years' conferences will be held in other western states.

\$115.0 Statutory Designated Program Receipts

Mr. Lawson asked that this request be withdrawn from consideration

because the 2003 conference has been postponed.

SB 76

Section 2(e) and (f)

Alaska Science and Technology Foundation

Income is insufficient to fund appropriation due to stock market declines. Fund source switch from income to endowment and a reduction of \$6,418.6 in the appropriation, leaving authorization of \$4.1m.

(\$6,418.6) Sci/Tech Endowment

Mr. Lawson informed the Committee that the Alaska Science and Technology Foundation (ASTF) endowment revenues have declined due to financial market conditions. He stated that, as a result, this request seeks to reduce the authorization funding level and change the funding source. He continued that this is an interim step as the program is currently under review.

Senator Taylor verified that existing program obligations and operating expenses amount to \$4.1 million.

Mr. Lawson concurred.

Senator Taylor concluded that authorization of this request would allow the program to operate through June 30, 2003.

Mr. Lawson agreed.

SB 76

Ratifications

Section 17(a)(1)(A)

AR 56381-02 (Delta Junction Economic Recovery)

\$562.95 general funds

SB 76

Ratifications

Section 17(a)(1)(B)

AR 56385-02 (Rural Utility Mgt.)

\$0.83 general funds

Mr. Lawson stated that this request involves federal grant program expenses originating in 1987.

Department of Education and Early Development

SB 76

Section 5(a)

Schools for the Handicapped

Out of State Placement educational cost increase due to increased number of clients and increased length of stay.
\$366.8 general funds

EDDY JEANS, Manager, School Finance and Facilities Section, Division of Education Support Services, Department of Education and Early Development informed the Committee that this request is generated by the additional cost of placing handicapped children in out-of-State educational programs.

Co-Chair Green asked whether the program includes psychiatric and disability treatment.

Mr. Jeans replied that these two categories are included in the program.

Mr. Jeans stated that the Division of Family and Youth Services (DFYS) administers this program that provides treatment for children who are wards of the State. He explained that because the State does not have the ability to teach these students, they are provided treatment in out-of-State facilities. He continued that the increased cost results from an increase in the number of students in the program and an increase in the total number of days at the facility.

Co-Chair Green asked whether these children qualify for Medicaid coverage.

Mr. Jeans replied that, while Medicaid would provide for medical expenses, these expenses result from educational needs.

Co-Chair Green asked whether the Department could identify the reason for the increase in the number of youth being served in the program.

Mr. Jeans stated that the reason is unknown.

Co-Chair Green suggested that the ability of private physicians to enroll youth in the program through the auspice of the Denali KidCare program might be a cause. She stated that this issue would be addressed. She asked for verification that the increase in the program is the result of an increase in the number of students and their length of stay in the program.

Mr. Jeans concurred.

SB 76
Section 5(b)

Foundation

General fund reduction due to preliminary actuals for foundation program that reconciles initial October student count to the electronic data.

(\$6,728.8) general funds

Mr. Jeans stated that this surplus of funds in the School Foundation Formula Fund account is the result of a lower than expected final count of students in the public school system.

Co-Chair Green asked whether these funds would lapse at the end of the fiscal year if they remained in the supplemental budget.

Mr. Jeans stated they would.

SB 76

Section 15(b) and (c)

Debt

Reduce debt retirement fund appropriation for school debt reimbursement by amount of FY2002 cigarette tax carry forward and increased tax collections.

(\$2,593.9) Debt RF

Increase School Fund appropriation for school debt reimbursement by amount of FY2002 cigarette tax carry forward and increased collections.

\$2,593.9 School Fund

School construction reimbursement estimate has decreased from 56,378.4 to 52,536.0, a reduction of 3,842.4 needed to capitalize the debt retirement fund. That amount plus the 2,593.9 debt retirement fund reduction above is the amount the debt retirement fund is overcapitalized in FY03.

(\$10,278.7) Total Funds

(\$6,436.3) general funds

(\$3,842.4) Debt RF

Mr. Jeans stated that this request reflects a reduction in the debt retirement fund as the result of a funding allocation overage as well as the receipt of cigarette tax revenue allocated to the Department in excess of projections.

Co-Chair Green clarified that these items offset each other.

Mr. Jeans clarified that the first entry reflects the overall reduction in the debt retirement program and that the second entry specifies the reduction in general funds needed to support the debt retirement fund as the result of the transfer of excess cigarette

tax revenue received by the Department.

AT EASE 9:45 AM / 9:46 AM

SB 76
Section 16(3)
Admin Services
Miscellaneous Claims and Stale-dated Warrants \$5,107.28
\$5.1 general funds

Mr. Jeans stated that this request is the result of a late copier billing.

Senator Hoffman asked whether the action specified in Section 15 (b) and (c) would increase the funding required in FY 04.

Mr. Jeans stated that this request would not impact FY 04 needs as it adjusts the FY 03 authorizations based on current year entitlements.

Senator Taylor asked the total savings amount resulting from the reduction of debt reimbursement expenses and the lowered school student enrollment figures.

Mr. Jeans responded that the actual reduction in the debt reimbursement program is \$3.8 million, and that a fund source change of "up to another \$5 million" further reduces the amount of general funds required for the debt reimbursement program. He continued that there is a savings of \$6.7 million in the school foundation funding program allocation.

Senator Taylor specified, therefore, that the general fund could receive a credit of approximately \$12 million.

Mr. Jeans agreed.

Co-chair Green restated that the FY 04 budget for the debt reimbursement program would be independent from this request.

Mr. Jeans verified that the Department's FY 04 debt reimbursement program budget is viewed "as separate transaction." He continued that this request applies to the FY 03 budget appropriation and the FY 03 Department resources.

Department of Natural Resources

SB 76
Section 12(a)

Recorder's Office

Increased costs to process heavy volume of mortgage refinance activity and increased postage and supplies costs.

\$149.1 Receipt Supported Services

NICO BUS, Administrative Services Manager, Division of Support Services, Department of Natural Resources stated that this request would provide for increased workload and operating costs in the Recorder's Office due to an increase in mortgage refinancing cases. He stated that, historically, the average number of mortgages recorded each year is 400,000; however, he noted, the number this year has exceeded 1,000,000. He referred to a handout titled "Recorder's Office increase in Document Size (Image Count)" [copy on file] that depicts the increase. He stated that the Department hired non-permanent staff to address the backlog.

SB 76

Section 12(b)

Parks Management

Increased fees for City of Kodiak park maintenance contract

\$4.0 Statutory Designated Program Receipts

Mr. Bus informed that this request would address the increased cost of maintaining a State Park.

SB 76

Section 12(c)

Capital

National Coastal Wetlands Conservation grant pass thru to Juneau for purchase of wetlands near Herbert River.

\$553.0 federal funds

Mr. Bus stated that these funds are a pass-through federal Department of the Interior grant to the City and Borough of Juneau (CBJ) to purchase a parcel of land.

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Mr. Bus stated that the Department oversees the transaction, and he noted that the CBJ Mayor urges the Committee to support this request.

Co-Chair Green asked why the Division of Legislative Budget and Audit (LB&A) initially disapproved this request.

Mr. Bus noted that the initial LB&A response requested the CBJ to

approve an ordinance endorsing this land transaction. He noted that the ordinance would be finalized at an upcoming CBJ Assembly meeting.

Mr. Bus responded to a question posed by Senator Bunde by specifying that this one-time pass through grant transaction would not result in any administration revenue to the Department.

SB 76
Ratifications
Section 17(b) and (c)
Fire Suppression
FY2002 Fire Suppression costs
AR37313-02 Fire General Fund and AR37311-02 Fire Federal
Receipts
\$13,340,900.00 general funds
\$ 3,000,000.00 federal funds

Mr. Bus stated that this ratification request provides for May and June 2002 fire suppression expenses.

Department of Environmental Conservation

SB 75
NEW Section
Air Quality
Feb 26 Amd: Legal services for Red Dog Mines air permit
dispute
\$100.0 general funds

MARY SIROKY, Legislative Liaison, Department of Environmental Conservation explained that in 1998 the Department issued air quality permits for an existing and a new diesel generator at the Red Dog Mine. She informed that these permits were subsequently objected to and blocked by the federal Environmental Agency (EPA). She furthered that this request results from legal proceedings whereby the Department challenged that EPA determination. She stated that a favorable ruling is expected in the near future.

Co-Chair Green clarified, therefore, that this request is for legal fees.

Senator B. Stevens asked whether the Department would be entitled to legal fee reimbursement if the State prevailed.

Ms. Siroky responded that the State would not be entitled to legal fees.

Senator Bunde asked how much money the State might receive if it wins the lawsuit.

Ms. Siroky responded that rather than receive monetary compensation, the State would be granted the authority to issue the permits.

SB 76
Misc. claims
Section 16(4)
Admin Services
Miscellaneous Claims and Stale-dated Warrants \$568.03
\$0.6 general funds

Ms. Siroky stated that this is a miscellaneous claim request.

AT EASE: 10:03 AM / 10:03 AM

Co-Chair Green stated that this concludes the department presentations for the supplemental bills.

Co-chair Green ordered the bills HELD in Committee.

#hb101

CS FOR HOUSE BILL NO. 101(FIN) am
"An Act making special appropriations to promote the opening of the Arctic National Wildlife Refuge for oil and gas exploration and development; and providing for an effective date."

This was the first hearing for this bill in the Senate Finance Committee.

TOM WRIGHT, Staff to Representative John Harris, presented the bill to the Committee. He explained that this legislation would appropriate funds to Arctic Power to further their educational efforts regarding the opening of the Arctic National Wildlife Refuge (ANWR) on the Congressional level. He stated that the bill would additionally provide funds to the village of Anaktuvuk to continue their efforts in promoting ANWR; provide funds to the Office of the Governor; and provide funds to Arctic Power to develop monthly expenditure reports for the Legislature.

Senator Hoffman asked the purpose of the appropriation to the Office of the Governor.

Mr. Wright responded that he was unaware of the reason for the appropriation.

Senator Hoffman asked whether a written request from the Office of the Governor is available.

Mr. Wright replied that a letter from the Governor was not included in the packet.

Co-Chair Wilken suggested that a title change be considered by the State House of Representatives to clarify that the area being considered for exploration and development is a relatively small portion of ANWR referred to as Area 1002. He voiced that identification of the area in this manner might more accurately convey that a small portion of ANWR, rather than all of ANWR would be opened to exploration.

Mr. Wright voiced that the House of Representatives would not be opposed to this suggestion.

Senator Hoffman asked whether the number of supporting votes in Congress has changed.

Mr. Wright responded that ANWR is addressed in two pieces of Congressional legislation: one is the inclusion of Area 1002 in the Budget Reconciliation Act which is up for a reconsideration vote; and the other is ANWR's inclusion in the Energy Bill. He specified that a majority vote and 60 votes, respectively, are required.

Senator Hoffman asked the latest tally of the support in Congress.

Mr. Wright responded that the supporting vote tally ranges from 46 to 52 votes; however, he could not verify the actual count.

KIM DUKE, Executive Director, Arctic Power stated that the private non-profit entity has been coordinating the effort to open ANWR for approximately ten years. She stated that the State has allocated funds to help Arctic Power in this endeavor, and she expressed optimism that the circumstances have improved. She stated that State funding has provided for such things as Congressional member visitations to ANWR as well as allowing ANWR advocates to travel to other states to explain the project. She stressed that this on-going effort has benefited the State, and she voiced optimism that the effort would be rewarded this year.

Senator Hoffman, noting that this request is \$2 million less than the original request, asked what items were omitted.

Ms. Duke voiced that this "conservative" request would allow for the continuance of a short-term aggressive campaign; however, she asserted, were the effort to be lengthy, additional appropriations would be sought. She summarized that, while it is difficult to predict the proceedings in Congress, the hope is that the campaign would be effective.

Ms. Duke continued that in order to be effective, there are no plans to curtail or eliminate any of the programs that Arctic Power conducts. She stated that the campaign would continue to include such things as the North Slope tours and the outreach program. She stressed that the funding would be sufficient for a shortened but aggressive campaign effort; however, she continued that were this funding spread over a nine-month or yearlong timeframe, it would be insufficient.

Senator Olson questioned whether this "conservative amount" of funding, as compared to historically higher levels of funding, might jeopardize the effectiveness of the campaign.

Ms. Duke responded that Arctic Power would pursue the campaign with the assumption that additional funding would be forthcoming. She reiterated that the decision was made to conduct an aggressive campaign.

Senator Bunde asked whether Congressional visits to ANWR have historically occurred in July.

Ms. Duke responded that tours have been conducted as early as March. She communicated that the Office of the Governor extends invitations to Congressional members, and that Arctic Power then coordinates the tour.

Senator Bunde voiced support of the program.

Senator Hoffman inquired as to the type of documentation that would be supplied to the Legislature.

Ms. Dukes explained that Arctic Power would continue to submit the monthly reports to the Legislature, the Governor and to Alaska's Congressional delegation as required in the grant. She mentioned that, as required, expense reports are submitted for reimbursement and audits of the program are conducted. She stated these records are public.

Senator Hoffman voiced that this documentation is important as there is a "misconception" that documentation has not been provided.

AL ADAMS, Volunteer and Co-Chair of Arctic Power and former State Senator, testified via teleconference from an offnet site in Washington, DC. He stated that the campaign to open ANWR is a coordinated effort in conjunction with such entities as the Office of the Governor, associated industry and labor unions, and Alaska's Congressional delegation. He opined that while this lower level of funding might hamper the process, the Arctic Power campaign would aggressively pursue the additional votes required to open Area 1002.

The bill was HELD in Committee.

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ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at 10:17 AM.