

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**February 9, 2006**  
**9:06 a.m.**

**CALL TO ORDER**

Co-Chair Lyda Green convened the meeting at approximately [9:06:56 AM](#).

**PRESENT**

Senator Lyda Green, Co-Chair  
Senator Gary Wilken, Co-Chair  
Senator Con Bunde, Vice Chair  
Senator Fred Dyson  
Senator Bert Stedman  
Senator Donny Olson  
Senator Lyman Hoffman

**Also Attending:** GUY BELL, Assistant Commissioner, Department of Labor and Workforce Development; JUNO CHANCE, Administrative Services Manager, Administrative Services Division, Department of Military and Veterans Affairs; NICO BUS, Administrative Services Manager and Acting Director, Division of Support Services, Department of Natural Resources; DAN SPENCER, Director, Division of Administrative Services, Department of Public Safety; NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation and Public Facilities; FRANK RICHARDS, State Maintenance Engineer, Transportation Management and Security, Office of the Commissioner, Department of Transportation and Public Facilities; PAT PITNEY, Director of Budget Development and Institutional Planning, University of Alaska; DOUG WOOLIVER, Administrative Attorney, Office of the Administrative Director, Alaska Court System; PORTIA PARKER, Deputy Commissioner, Department of Corrections; SUSAN PARKS, Deputy Attorney General, Criminal Division, Department of Law; DAVE CARLSON, Chief Executive Officer, Four Dam Pool Power Agency

**Attending via Teleconference:** From an offnet location: JAMES HELGOE, Lieutenant, Alaska State Troopers, Department of Public Safety; From Sitka: GALEN PAINE, Defense Attorney; From Anchorage: STACY WALKER, Attorney; RON MILLER, Executive Director, Alaska Energy Association; BRIAN BJORKQUIST, Senior Assistant Attorney General, Labor and State Affairs Section, Civil Division, Department of Law; SARA FISHER GOAD, Alaska Energy Association

**SUMMARY INFORMATION**

SB 233-APPROPRIATIONS FOR CAPITAL PROJECTS

The Committee heard overviews on the FY 06 supplemental budget requests from the Department of Labor and Workforce Development, the Department of Military and Veterans Affairs, the Department of Natural Resources, the Department of Public Safety, the Department of Transportation and Public Facilities, the University of Alaska, and the Alaska Court System. The bill was held in Committee.

SB 218-CRIMINAL SENTENCING AND POLYGRAPHS

The Committee heard from the sponsor, the Department of Public Safety, the Department of Corrections, the Department of Law and private attorneys. A committee substitute was adopted and amended once. The bill was reported from Committee.

HB 243-SWAN LAKE-TYEE LAKE INTERTIE

The Committee heard from the Four Dam Pool Power Agency and the Alaska Energy Authority. The bill was held in Committee.

SB 188-BULK FUEL REVOLVING LOAN FUND CAP

This bill was scheduled but not heard.

#SB 233  
[9:07:20 AM](#)

SENATE BILL NO. 233  
"An Act making appropriations for capital projects; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee. The Committee continued hearing overviews on the funding requests.

[9:07:42 AM](#)

Department of Labor and Workforce Development

AVTEC Facilities Deferred Maintenance  
\$2,500,000 general funds  
Reference No.: 41462

Category: Education  
Location: Seward  
Election District: Homer/Seward  
Estimated Project Dates: 03/15/2006 - 06/30/2011  
On-Going Project

AVTEC has 12 buildings in Seward that are 25-55 years old. The First Lake Facility and the Applied Technology Diesel and Welding Building both need extensive window and windowsill repairs and replacements. Other maintenance on the three Seward campuses includes: replace asbestos coated corrugated exterior panels, paint exteriors, repair mechanical and electrical code violations, repair failed ventilation system, rezone and replace control valves and thermostats, repair/replace deteriorating parking lot asphalt and pot holes, and replace moisture compromised T111 siding on apartment buildings.

GUY BELL, Assistant Commissioner, Department of Labor and Workforce Development, overviewed the summary and statement of need. Projects would be located at the dormitories, cafeteria and student apartments of the Alaska Vocational Technical Center (AVTEC).

[9:09:14 AM](#)

Senator Bunde appreciated that the project requests were prioritized.

Senator Bunde reiterated opinions expressed at previous meetings that supplemental appropriations are intended to address unexpected events that occurred after the original appropriation was made. He asked the reason this deferred maintenance project was submitted as a supplemental request.

[9:09:49 AM](#)

Mr. Bell replied that although the appropriation could be made at a later time, the intent is to begin the project as early in the summer construction season as possible. Because many of the repairs and replacements are energy-related, the State would benefit from reduced fuel costs.

[9:10:26 AM](#)

Senator Olson asked the number of students attending AVTEC.

[9:10:45 AM](#)

Mr. Bell responded that 474 students attend each year.

[9:10:53 AM](#)

Co-Chair Green understood that some programs are short term.

[9:10:59 AM](#)

Mr. Bell confirmed that the Center offers both long and short-term programs. The longest program lasts nine months.

[9:11:12 AM](#)

Department of Military and Veterans Affairs

Army Guard Facilities Projects

\$1,750,000 Total

\$900,000 Federal Receipts

\$850,000 G/F Match

Reference No.: 38963

Category: Public Protection

Location: Statewide

Election District: Statewide

Estimated Project Dates: 03/15/2006 - 06/30/2011

On-Going Project

With 237 Alaska Army National Guard buildings at 96 various locations, with an average age of approximately 30 years, deferred maintenance and renewal and replacement are a high priority. Alaska National Guard preventative maintenance is performed on a schedule, yet building components have a limited life requiring eventual renewal and replacement. This project requests \$900,000 federal and \$850,000 state funds to be applied to over \$13 million backlogged deferred maintenance projects statewide. Life safety enhancement end results, ability to protect our citizens and infrastructure, will continue to improve within our performance management framework.

JUNO CHANCE, Administrative Services Manager, Administrative Services Division, Department of Military and Veterans Affairs, overviewed the summary statement. Runways, parking lots and storage facilities would also be addressed.

Ms. Chance directed attention to a prioritized listing of the proposed projects and their estimated costs as well as a collection of photographs showing previous improvements and areas needing maintenance [copies on file].

[9:13:27 AM](#)

Senator Dyson suggested that if the Senate Finance Committee were to establish a policy to only provide FY 06 supplemental appropriations to address emergency health and safety needs, those projects requiring "early intervention", and projects that must be completed the summer of 2006, the Department could identify and prioritize those proposed projects.

[9:14:46 AM](#)

Ms. Chance responded that the item before the members represents the entire annual appropriation request for deferred maintenance projects. No request would be submitted for the FY 07 regular capital budget. The proposed projects could be prioritized to identify those that should receive funding prior to the start of FY 07.

[9:15:25 AM](#)

Senator Dyson asked why this funding is requested as an FY 06 supplemental appropriation rather than included in the proposed FY 07 regular appropriation.

[9:15:40 AM](#)

Ms. Chance replied that the Office of the Governor made this decision. However, the Department has some immediate needs that require funding prior to July 1, 2006.

[9:16:06 AM](#)

Senator Stedman recalled a comment made at the previous meeting in which a departmental representative indicated that the claim that no deferred maintenance requests would be included in the proposed FY 07 budget could be in error.

[9:16:32 AM](#)

Senator Bunde, qualifying that his statement would not be directed to the current witness, ascertained the issue as a policy difference. His position was to examine the needs compared to the Governor's proposed supplemental budgets, which appear to consider the amount of funds available.

[9:17:11 AM](#)

Co-Chair Green surmised that the Office of the Governor has chosen this approach. The Committee must decide how to proceed.

[9:17:23 AM](#)

Senator Dyson asked if the projects proposed in this item require matching funds to secure federal receipts.

[9:17:31 AM](#)

Ms. Chance answered that State matching funds are required.

[9:17:54 AM](#)

Co-Chair Green asked about a time limit to receive the federal funds.

[9:18:05 AM](#)

Ms. Chance replied that no time limit exists. This item represents the Department's annual request.

[9:18:42 AM](#)

Co-Chair Green announced that handouts should be submitted on the day prior to the meeting.

[9:19:21 AM](#)

Senator Bunde agreed, noting the need to review materials beforehand.

[9:19:31 AM](#)

Department of Natural Resources

NICO BUS, Administrative Services Manager and Acting Director, Division of Support Services, Department of Natural Resources, testified the Department has submitted requests for eight deferred maintenance projects. These are prioritized from the \$50 million in identified needs and the intent is to complete the projects before the upcoming summer tourism season.

[9:20:31 AM](#)

41405

Plant Material Center Facility Repair  
\$200,000 General Funds  
Reference No.: 41405  
Category: Natural Resources  
Location: Palmer (Greater Palmer)

Election District: Greater Palmer  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
One-Time Project

The Plant Material Center has maintenance issues that have plagued the facility for a number of years. To bring the facilities up to present standards will require sums of money beyond the normal abilities of the PMC operating budget. There are safety issues that were part of an OSHA inspection of the PMC. Other maintenance is necessary to prevent damage to delicate and expensive equipment and inventories. The roof and furnace repairs are critical items.

Mr. Bus told of the roof damage that is causing leakage and furnace maintenance needs. The intent is to acquire funding to take advantage of the summer construction season.

[9:21:21 AM](#)

Senator Bunde asked if the proposed projects would be presented in the order of priority.

[9:21:30 AM](#)

Mr. Bus answered they would.

State Parks Deferred Maintenance  
\$360,000 General Funds  
Reference No.: 38878  
Category: Natural Resources  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
On-Going Project

State Parks has identified over \$42 million in deferred maintenance needs. This project will promote the department's mission of providing outdoor recreational opportunities by funding deferred maintenance repairs to park units to protect visitor health and safety by providing safe, clean, and well maintained units. Projects will upgrade or replace basic facilities at parks including outhouses, drinking water systems, trails, fee stations, and camping to keep them from becoming an urgent health and safety hazard.

Mr. Bus noted that the supporting documentation for this request lists each proposed project.

[9:22:14 AM](#)

Forestry Buildings Repairs to Correct Fire and Life Safety  
Deficiencies Phase 3  
\$100,000 General Fund  
Reference No.: 38879  
Category: Natural Resources  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
On-Going Project

This project protects State assets by correcting high priority Building Fire and Life Safety deficiencies identified in the 2002-03 Forestry Building Conditions Survey, and replaces the dilapidated office trailer in Soldotna. The project ensures cost-effective management of state structures with a replacement value exceeding \$14 million.

Electrical problems such as properly grounding and bonding electrical circuits will be corrected. Seismic bracing for buildings and components will be installed to keep potential earthquake damage to a minimum. The dilapidated trailer in Soldotna, used by Forest Technicians will be replaced in order for staff to meet our mission to develop, enhance, and conserve natural resources.

Mr. Bus informed that the request is for the third year of this project.

[9:23:02 AM](#)

Johnson Lake State Recreation Site Campground Rehabilitation  
\$290,000 General Funds  
Reference No.: 41421  
Category: Natural Resources  
Location: Soldotna  
Election District: Kenai/Soldotna  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
One-Time Project

Johnson Lake State Recreation Area's campground is located within a 332 acre recreation area near mile 111 of the Sterling Highway and near Kasilof, on the Kenai Peninsula. This campground is heavily used by families and others engaged in sport fishing on the nearby Kasilof River or clam digging at Clam Gulch, several miles away. The oldest section of the campground was constructed in the 1960's, with the most recent major rehabilitation done in the early 1980's. It is a much loved site in dire need of rehabilitation to make it safe, usable for park visitors using the large motor homes and trailers of today, and accessible to persons with physical disabilities.

Mr. Bus stated the funding would be utilized primarily to replace toilets and picnic tables and resurfacing the access road.

[9:23:34 AM](#)

Quartz Lake (and Lost Lake) State Recreation Area Improvements  
\$203,600 General Funds  
Reference No.: 41422  
Category: Natural Resources  
Location: Delta Junction (Richardson/Glenn Highways)  
Election District: Richardson/Glenn Highways  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
One-Time Project

Quartz Lake State Recreation Area is a 600 acre park ten miles north of Delta Junction which attracts large crowds due to the variety of recreational opportunities. At Quartz Lake there are 16 campsites in the loop and 87 parking and camping sites in the parking lot. Facilities include two boat launches, handicap accessible fishing dock, picnic sites, picnic shelter, swimming area, beach volleyball court, water and toilets. The project would refurbish the campgrounds by upgrading roads, parking areas, boat launches, volunteer housing, and the ranger station as well as improving drainage to eliminate erosion.

Mr. Bus noted this request is similar to the previous request.

[9:23:59 AM](#)

Fort Abercrombie State Historic Park Rehabilitation  
\$288,000 General Funds  
Reference No.: 41423  
Category: Natural Resources  
Location: Kodiak  
Election District: Kodiak  
Estimated Project Dates: 03/15/2006 - 06/30/2008  
Phased-New Project

Perched on a forested headland on northeastern Kodiak Island, visitors can explore the remains of an artillery fort which commemorates the history of World War II in Alaska. There is a campground, picnic area, freshwater lake, and spectacular ocean views. Located 3.5 miles from Kodiak, this State Historic Park is a remnant of a WWII military installation. Kodiak State Parks Headquarters and Visitor Center are located here along with 13 campsites in the loop and 23 parking sites. The project would refurbish the campsites, upgrade the campground roads, parking areas, boat launches, volunteer

housing, and the ranger station as well as replace kiosks and improve drainage to eliminate further erosion.

Mr. Bus listed toilets, drinking water and electrical projects, as being addressed with this funding.

[9:24:27 AM](#)

South Eagle Fork Eagle River Trailhead Improvements

\$316,000 General Funds

Reference No.: 41496

Category: Natural Resources

Location: Eagle River (Chugach State Park)

Election District: Chugach State Park

Estimated Project Dates: 03/15/2006 - 06/30/2008

One-Time Project

South Fork Trailhead: The existing trailhead is unpaved and can accommodate ten autos at most. Trailhead counts have shown as many as 43 cars parked in and near the trailhead on busy weekends. A series of phone and e-mail complaints from nearby residents have indicated that neighbors are concerned about the following issues:

- 1) Uncontrolled parking on the roadway may prevent easy egress by construction vehicles, fire trucks, ambulances, and residents.
- 2) Driveways may be blocked or used as turnarounds by park visitors, causing erosion and potholes.
- 3) Roadside parking takes place on a steeply banked roadside.
- 4) Winter roadside parking is limited by snowbanks, and a consequent narrowing of the open roadway.

Mr. Bus characterized this need as an access issue.

[9:25:00 AM](#)

House of Wickersham Building Restoration Phase 1

\$200,000 General Funds

Reference No.: 41497

Category: Natural Resources

Location: Juneau Areawide

Election District: Juneau Areawide

Estimated Project Dates: 03/15/2006 - 06/30/2008

Phased-New Project

The House of Wickersham project consists of building restoration which will allow this significant state historic park to be, once again, open to public. The requested general funds will provide required match for a FY 03 National Park Service "Save America's Treasures" grant earmarked to the

Wickersham House by Congress. The first and second floors will exhibit the Wickersham collection and be used by the public for meetings and receptions. Site development will improve storm water drainage and accessibility. The project will develop and converse a historic park property.

Mr. Bus told of the electrical and plumbing repairs. The foundation must be replaced. The federal grant is contingent upon an equal amount of matching funds. Upon completion, the facility would be open for self-guided tours and the on-going expense of staffing would be eliminated.

[9:26:03 AM](#)

Co-Chair Green asked if fees would be collected.

[9:26:07 AM](#)

Mr. Bus affirmed that admission fees would be assessed to pay the utilities and maintenance costs.

[9:26:17 AM](#)

Senator Bunde asked which of the Department's requests were "time sensitive". He also asked if additional funding requests would be included in the Governor's proposed FY 07 capital budget.

[9:26:41 AM](#)

Mr. Bus responded that the regular FY 07 capital budget would include no other deferred maintenance funding requests.

[9:26:56 AM](#)

Department of Public Safety

Facilities Deferred Maintenance

\$800,000 General Funds

Reference No.: 41788

Category: Public Protection

Location: Statewide

Election District: Statewide

Estimated Project Dates: 03/15/2006 - 12/31/2007

On-Going Project

This funding is for facilities maintenance for Department of Public Safety occupied state-owned buildings throughout Alaska. Without adequate funding to store evidence, protect department-owned equipment, and provide employees with good

working conditions, the department cannot meet its mission or accomplish stated results.

DAN SPENCER, Director, Division of Administrative Services, Department of Public Safety, testified he would provide an updated prioritized list of deferred maintenance projects. He deferred to the Office of the Governor to speak to the inclusion of this item as a FY 06 supplemental request rather than the regular FY 07 capital budget request. If this entire request were granted, the Department would submit no future requests for FY 07 because it would be unable to undertake additional projects during that time.

[9:29:04 AM](#)

Department of Transportation and Public Facilities

Co-Chair Green announced she had directed the Department to only address deferred maintenance project requests.

Airport Deferred Maintenance  
\$750,000 General Funds  
Reference No.: 30633  
Category: Transportation  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 09/30/2007  
On-Going Project

To repair the backlog of maintenance items that cannot be done through the operating budget funding levels. Typical items are pavement repairs, lighting repairs, fencing repairs, and bird and animal controls. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

NANCY SLAGLE, Director, Division of Administrative Services, Department of Transportation and Public Facilities, explained this funding would mostly be utilized for brush cutting, some surface repairs, and seaplane gate replacements. The Department has identified approximately \$12 million in deferred maintenance needs for rural airports. She listed proposed projects and locations.

[9:32:33 AM](#)

Senator Hoffman asked if the Department was aware of the situation at the Napakiak Airport, which was eroding between 25 and 70 feet each year and would be lost to the Kuskokwim River in approximately five years if no action were taken. He asked the Department's plan

to address this.

[9:32:50 AM](#)

FRANK RICHARDS, State Maintenance Engineer, Transportation Management and Security, Office of the Commissioner, Department of Transportation and Public Facilities testified that erosion along the Kuskokwim River is a problem. When the Department learns of situations, it takes action to mitigate the damage.

[9:33:55 AM](#)

Senator Hoffman asked how the Department becomes aware of these occurrences. He requested that the Napakiak situation be investigated.

[9:34:30 AM](#)

Mr. Richards responded that he would review the matter and report on a plan of action.

[9:34:38 AM](#)

Senator Bunde asked if the proposed projects were listed in priority order.

[9:34:44 AM](#)

Ms. Slagle affirmed.

[9:34:47 AM](#)

Senator Bunde asked which items were time sensitive.

[9:35:13 AM](#)

Ms. Slagle replied that the State's liability for items that do not function properly to protect the safety of travelers is the concern.

[9:35:35 AM](#)

Highway Deferred Maintenance  
\$3,000,000 General Funds  
Reference No.: 30631  
Category: Transportation  
Location: Statewide  
Election District: Statewide

Estimated Project Dates: 03/15/2006 - 09/30/2007

On-Going Project

The current backlog of deferred maintenance is over \$200 million. The program will address some of the needs that cannot be funded in the operating budget maintenance funds (M&O--Maintenance & Operations). Typical items are surface and embankment repairs, drainage culverts and ditch repairs, guardrail repairs, marking and sign repairs, and brushing. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Ms. Slagle informed that the prioritized list of deferred maintenance items is approximately \$74 million. Projects undergoing during this fiscal year include road repairs at Tokotna, the Steese Highway, Nome, Juneau and Skagway. The requested funds would be utilized for projects at Soldotna, Taslina, Hatcher Pass, Tok, and the Thane Road in Juneau.

[9:37:35 AM](#)

Facilities Deferred Maintenance and Critical Repairs

\$2,000,000 General Funds

Reference No.: 30632

Category: Transportation

Location: Statewide

Election District: Statewide

Estimated Project Dates: 03/15/2006 - 09/30/2007

On-Going Project

To address the most critical deferred maintenance needs at the Department of Transportation maintained facilities. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Ms. Slagle reported the Department is responsible for maintaining approximately 640 buildings. Deferred maintenance needs have been prioritized, with the replacement of some maintenance stations, replacing siding and the boiler at the Nome State office building, replacement of the roof and insulation at the Soldotna maintenance system listed as highest priorities.

[9:39:57 AM](#)

Co-Chair Green understood that funds would not be requested for FY 07 for deferred maintenance projects.

[9:40:03 AM](#)

Ms. Slagle replied that no request would be submitted for these deferred maintenance items.

[9:40:14 AM](#)

Co-Chair Wilken noted that the Department of Administration requested approximately \$9 million for deferred maintenance projects to the facilities it oversees while the Department of Transportation and Public Facilities requested \$2 million. He asked the calculated total roof sizes of the facilities overseen by each department for comparison purposes and to possibly justify the higher funding requested by the Department of Administration.

[9:41:11 AM](#)

Ms. Slagle would provide this information, noting the Department of Transportation and Public Facilities is responsible for over 4 million square feet of building space.

[9:41:48 AM](#)

Co-Chair Wilken offered assistance in securing additional funding if requested.

[9:41:58 AM](#)

Ms. Slagle responded that the Department has identified \$24 million of high priority deferred maintenance needs.

[9:42:10 AM](#)

Co-Chair Green requested additional explanation on specific proposed projects.

[9:42:30 AM](#)

Ms. Slagle stated that she would provide this.

[9:42:35 AM](#)

Harbor Deferred Maintenance  
\$500,000 General Funds  
Reference No.: 7090  
Category: Transportation  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 09/30/2007

On-Going Project

To address backlogged deferred maintenance for state-owned harbors. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Ms. Slagle stated that a regular maintenance component has not been included in the operating budget. Ownership of the harbors identified for these repairs are unlikely to be transferred to a local government because no such governments exist in the areas where the facilities are located. The top priority is the harbor at Papus Landing near Petersburg. This facility was constructed in 1961 and supporting logs are waterlogged. The logs would be replaced and the facility would be made accessible under the Americans With Disabilities Act (ADA) requirements.

[9:44:25 AM](#)

Senator Olson noticed the condition of harbors transferred to local governments has deteriorated. He asked if the Department planned to assist the local governments to repair and maintain the harbors, given their importance to the communities.

[9:44:52 AM](#)

Ms. Slagle was not aware of a plan of the Departments, although "potential" legislation was under consideration.

[9:45:07 AM](#)

Senator Stedman informed that such legislation was pending. Efforts were underway with the Department to address the issue of "sinking funds" established by larger governments. Problems with smaller governments were different.

[9:45:57 AM](#)

Senator Olson asked the appropriation of revenues generated from marine fuel taxes levied in some locations.

[9:46:24 AM](#)

Ms. Slagle replied that the revenues were deposited to the general fund.

[9:46:30 AM](#)

Senator Stedman furthered his comments, emphasizing the need to

reach a consensus with the Murkowski Administration about funding sources appropriate for use to repair and maintain harbors transferred from State to local ownership. This issue has yet to be resolved.

[9:47:02 AM](#)

Alaska Marine Highways: Vessel Deferred Maintenance  
\$1,250,000 General Funds  
Reference No.: 42001  
Category: Transportation  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 09/30/2007  
On-Going Project

To repair the backlog of vessel maintenance items that can not be done through the operating and overhaul budget funding levels. Vessels have been added, new safety related systems have been installed, and costs in general have increased. Typical items that need attention are replacement of fire, bilge and sprinkling pump systems on our seven oldest vessels. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Ms. Slagle stated this is a new item. She listed specific projects that would be undertaken with this funding as replacement of the fire control system on the M/V LeConte, replacement of the car deck fire sprinkling system piping on the M/V Tustemena and M/V Malaspina, refurbishment or replacement of the ventilation fans and motors on the car deck and through out the vessel passenger areas on the M/V Tustemena and M/V Matanuska.

[9:48:18 AM](#)

Senator Dyson asked if asbestos issues must be addressed.

[9:48:24 AM](#)

Ms. Slagle was unsure.

[9:48:32 AM](#)

Alaska Marine Highways: Facilities Deferred Maintenance  
\$1,250,000 General Funds  
Reference No.: 42002  
Category: Transportation  
Location: Statewide

Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 09/30/2007  
On-Going Project

To repair the backlog of shore facilities maintenance items that can not be done through the operating and overhaul budget funding levels. The 18 state-owned shore facilities, from Homer to Ketchikan, consist of the terminal buildings, transfer bridges, hydraulic ramps, mooring structures, and staging areas. Typical items are sand blast and recoat catwalks, gangways, bridges and pontoons at various terminals. This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Ms. Slagle stated that the original FY 06 capital appropriation for this item was insufficient to address all the needs.

[9:49:40 AM](#)

Co-Chair Green noted a substantial increment appropriated in the regular FY 06 capital budget and asked if this request was intended to supplement the funding already received.

[9:50:14 AM](#)

Ms. Slagle clarified the initial appropriation was directed to new or expanded facilities. The deferred maintenance needs included in this supplemental request are not included.

[9:50:30 AM](#)

University of Alaska

Required Renewal and Renovation for Program Delivery  
\$10,000,000 General Funds  
Reference No.: 41500  
Category: University  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 06/30/2011  
Phased-New Project

This request will provide the necessary funding to renew and renovate the facilities needed to deliver programs at the University's main and community campuses. These projects will support the university in its goal to increase the number of graduates in Alaska high demand degree programs.

PAT PITNEY, Director of Budget Development and Institutional

Planning, University of Alaska, testified to the importance of putting the request included in this bill in perspective with the Board of Regent's request because it represents only a portion of the total. She noted information distributed to members [copy on file.]

[9:51:29 AM](#)

Ms. Pitney made a statement as follows.

The Board of Regents clearly stated their highest priority for capital funding for this year to be maintaining existing facilities. That request that the Board of Regents made to the Governor totaled \$98 million. That's \$98 million of a total deferred maintenance renewal and replacement need of \$440 million at the University.

Ms. Pitney directed attention to a page in the distributed information titled, "University of Alaska - Facilities Fact Sheet". The University has 379 facilities, of which almost 60 percent are more than 30 years old. The gross square footage of these facilities is almost 6 million and the value of the facilities is \$1.4 billion. The annual renewal and replacement for these facilities is approximately \$45 million a year. However, over the past seven years an average of \$7 million has been appropriated. As a result an accumulated backlog in deferred maintenance needs has occurred. Of the identified deferred maintenance needs, \$400 million is necessary to address this backlog. This realization prompted the Board of Regent's decision to give deferred maintenance the highest priority.

Ms. Pitney stated that the total Board of Regents' request is included in SB 231, the Governor's FY 07 proposed capital budget. She referenced the page titled, "University of Alaska, FY 07 Capital Budget Request Introduction", which lists \$8.6 million for "Addressing Critical Building Deficiencies", \$8.6 million for code compliance at the main campuses, \$2.2 million for code compliance at community campuses, and funding for required renewal and renovation for program delivery as some of the funding requests. In addition, the proposed FY 06 supplemental capital appropriation legislation requests \$10.2 million for the required renewal and program delivery.

Ms. Pitney highlighted the proposed remodel of the Dental Clinic, which is outdated. The Clinic has an almost 100 percent graduation and employment rate.

Ms. Pitney also spoke to the proposed UAA Community Campus Science

Lab Renewal, a project that is vital for those students to meet core requirements.

Ms. Pitney described other proposed projects, noting that although they don't qualify as "leaky pipe" priorities, their importance is of no lesser significance.

[9:57:56 AM](#)

Senator Bunde noted the intent that the University would determine which projects it undertakes after funding was appropriated. The projects should be determined beforehand.

[9:58:28 AM](#)

Ms. Pitney stated she would provide information indicating which projects would be addressed, although the intent is to undertake all the proposed projects.

[9:58:39 AM](#)

Senator Bunde asked why some requests are included in the FY 06 supplemental appropriation legislation and others in the FY 07 regular capital appropriation legislation.

Ms. Pitney responded that this was the Governor's decision.

[9:59:22 AM](#)

Senator Hoffman asked when the requests were last submitted.

[9:59:53 AM](#)

Ms. Pitney replied that the projects specified in this request represent a small portion of the total needs. The detailed budget proposal released by the Board of Regents, commonly referred to as the Red Book, contains the complete list.

[10:00:54 AM](#)

Senator Hoffman asked whether each rural campus would agree that they had been contacted to determine all their needs.

[10:01:06 AM](#)

Ms. Pitney affirmed and outlined the process in which the chancellor of each campus submits requests, which are then prioritized to identify the highest needs.

[10:02:03 AM](#)

Senator Hoffman commented to the few rural campuses addressed in this proposal. He questioned whether they were "out of sight, out of mind".

[10:02:21 AM](#)

Senator Olson asked the status of aviation programs and whether they were included in this funding request.

[10:02:27 AM](#)

Ms. Pitney replied that they were not.

[10:02:40 AM](#)

Senator Olson asked if the ERA Aviation facility was still owned by the University.

[10:02:44 AM](#)

Ms. Pitney affirmed the University has ownership of the facility.

[10:02:51 AM](#)

Alaska Court System

Court Security Projects  
\$750,00 General Funds  
Reference No.: 41588  
Category: Law and Justice  
Location: Statewide  
Election District: Statewide  
Estimated Project Dates: 03/15/2006 - 06/30/2010  
On-Going Project  
Address the most critical needs for security system replacement.

DOUG WOOLIVER, Administrative Attorney, Office of the Administrative Director, Alaska Court System, told of the immediate needs of the Anchorage courthouses. Several systems have failed completely. One system was repaired but is at risk of failing again. The original equipment is no longer manufactured or serviced. These needs must be addressed within the next couple of weeks.

[10:04:12 AM](#)

Building Equipment and Systems Replacement to Extend Life of Facilities

\$400,000 General Funds

Reference No.: 41589

Category: Law and Justice

Location: Statewide

Election District: Statewide

Estimated Project Dates: 03/15/2006 - 06/30/2011

Phased-New Project

Replace major components in court buildings where replacement of components cannot be covered with annual maintenance funds.

Mr. Wooliver informed that the fire system at the Palmer courthouse no longer complies with safety codes. Pipes at the Anchorage courthouse are exploding. An offsite storage facility requires heating systems maintenance.

Mr. Wooliver emphasized that each request represents the highest priority critical needs.

[10:05:26 AM](#)

Senator Bunde asked if the identified needs include the new building located in Anchorage.

[10:05:41 AM](#)

Mr. Wooliver affirmed, noting the facility is ten years old.

[10:05:51 AM](#)

Senator Bunde ascertained that the State often purchases equipment and products that fail before their anticipated lifespan and that the manufacturers are not held responsible for providing warranty coverage. He asked if this applies to these identified projects.

Mr. Wooliver thought such action was pursued but would research the matter.

AT EASE [10:06:24 AM](#)

#SB218

[10:08:20 AM](#)

CS FOR SENATE BILL NO. 218(JUD)

"An Act relating to sex offenders; relating to reporting of sex offenders and child kidnappers; relating to periodic polygraph examinations for sex offenders released on probation or parole; relating to sexual abuse of a minor; relating to sentencing for sex offenders and habitual criminals; and providing for an effective date."

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

Senator Bunde, sponsor of the bill, relayed a media report of an Internet sting operation in the state of California in which over 60 perpetrators were arrested after attempting to meet in person someone who they thought to be a 13 year-old boy or girl. The majority of those arrested were found to be repeat sexual assault offenders. Advances in technology have facilitated the perpetration of these crimes and the timing of this legislation is critical to address the situation.

Senator Bunde utilized the California example as proof of the willingness of sexual assault offenders to re-offend. This challenges the argument that the offenders are "misunderstood" individuals who must be given special consideration.

Senator Bunde moved for adoption of CS SB 218, 24-LS1307\P as a working document.

Co-Chair Green objected for an explanation.

[10:11:36 AM](#)

Senator Bunde cited language on page 3, lines 3 through 6 that would allow for attorney client privilege as a defense if an attorney had knowledge that his or her client has failed to register as a sex offender.

[10:12:13 AM](#)

Senator Bunde noted language inserted on page 7, line 30 and page 8, lines 10 and 11 would provide that all sex offenders must register. He told about a constituent investigating the registry and discovering that over 200 registered sex offenders resided in the same area as the constituent.

[10:13:28 AM](#)

Senator Bunde then directed attention to language inserted to page

10 lines 14 and 15 that would extend the provision requiring polygraph examinations of sex offenders on probation or parole to include "offenses committed before, on, or after the effective date of this Act."

[10:13:58 AM](#)

Co-Chair Green withdrew her objection to the adoption of the committee substitute.

Without further objection, CS SB 218, 24-LS1307\P, was ADOPTED as a working document.

[10:14:29 AM](#)

JAMES HELGOE, Lieutenant, Alaska State Troopers, Department of Public Safety, testified via teleconference from an offnet location that he was available to respond to questions.

[10:15:19 AM](#)

GALEN PAINE, Defense Attorney, testified via teleconference from Sitka, to urge the Committee to not rely on anecdotal evidence but rather to consider the effect of increased penalties and understand the core of the issue, which is the crimes of sexual offense. Efforts on preventing these crimes should be increased and punishment alone should not be relied upon to address the issue.

Ms. Paine pointed to historical data, noting that ten to 15 years ago, sentences for these offenses were considerably lighter and have been increasing steadily since. However, the number of sexual assault offenses has increased as well. She suggested the legislature allow time for the latest sentencing increases to be in effect before making additional statutory changes.

Ms. Paine informed that the number of incarcerated Alaska Natives would also increase. More people in total would be incarcerated at a significant expense to the State. Some of those funds should instead be utilized for prevention and alcohol abuse treatment programs.

Ms. Paine examined the people this legislation is intended to address: sexual predators. However, other people are guilty of sexual offenses and this bill would "rush them to jail".

Ms. Paine told of a 19-year-old high school freshman student in a small village near Bethel who had dated a 15-year-old girl with the full knowledge of both sets of parents. The man, whom Ms. Paine

represented, was of limited intelligence and the girl was intellectually more mature than he. The relationship was reported to authorities, the man was convicted and he faced a ten to 15-year jail sentence. The sentence was never meted out because the man committed suicide before the sentencing hearing was held. He had not known he was doing anything wrong. Out of shame that he felt for himself and thought he had inflicted on his family and girlfriend, he ended his life.

[10:20:49 AM](#)

Senator Dyson indicated he likely had less experience in dealing with sexual abuse situations, although he had more than he would prefer. He agreed that all child molesters are not the same and understood the witness to assert that all offenders should not be considered in a "blanket way". He asked if the witness had data to suggest that a certain subset of child molesters are not likely to re-offend.

[10:21:40 AM](#)

Ms. Paine did not know of any particular study. Although she cautioned against anecdotal evidence, her experience has been that most high school students who are convicted because of sexual conduct with a girl they are dating who is three years younger than they, are likely to never re-offend. In addition some alcohol-related offenses are not likely to be repeated.

[10:22:43 AM](#)

Senator Dyson clarified that because no evidence exists to demonstrate whether some offenders would be less likely to commit sexual assault again, this bill should not be adopted into law.

[10:23:01 AM](#)

Ms. Paine corrected that she herself did not have this data. However, the Department of Law has access to evidence showing the probabilities. She also understood that a letter was submitted to the Committee from another source that detailed studies related to recidivism rates of sex offenders.

[10:23:21 AM](#)

STACY WALKER, Attorney, testified via teleconference from Anchorage and gave her varied background in the legal profession. She opposed the provision in the bill that would establish mandatory minimum sentences for first time offenders. She emphasized her concern did

not pertain to the sexual predators Senator Bunde referred to, but rather to the need for judicial officers to have discretion in cases with differing circumstances.

Ms. Walker described an instance in which she was sexually assaulted by a taxi driver and told about situations when she was a teenager with dates who made sexual advances. Although she did not give consent in any of these incidences, they were not "life defining" situations either. However, she learned to be more cautious in future encounters.

Ms. Walker recalled that as a public defender, most cases she handled involved parties who knew each other and "things got out of hand." She expressed concern with imposing mandatory minimum sentences in cases in which the man misunderstood the situation or the woman did not clarify her lack of consent.

Ms. Walker spoke about her service in the U.S. Air Force as a Judge Advocate General (JAG). Many cases of alleged sexual assault with insufficient evidence and significant probable cause were taken to trial as a result of media attention and public outcry. In most instances the jury performed as it should and passed fair judgment; however sometimes the jury did not.

Ms. Walker stressed that the judges should decide the appropriate sentences.

[10:29:37 AM](#)

Co-Chair Green announced the closure of public testimony on this legislation.

[10:29:47 AM](#)

Senator Bunde contended that when a person is arrested for sexual assault it is usually after a long period of this behavior, as many cases go unreported. Society has responsibility to set standards and one way to change behavior is with long prison sentences. A person would know to make the status of a relationship very clear because of the consequences of misinterpretation. Alcohol treatment programs and sex offender treatment programs in Alaska are ineffective. Personal responsibility must be taken.

Senator Bunde stated that juries usually do well in rendering verdicts, although he admitted that in some cases they do not. Gray areas would exist. However, the number of cases in which the guilty party was convicted would justify the risk of such mistakes.

[10:32:56 AM](#)

Senator Stedman contended that opposition to long sentences for second and third offences would be a difficult position to justify. However, more judicial discretion should be allowed for cases involving first offences of lesser charges. The results of increased sentences mandated by other recently enacted legislation should be monitored before additional increases are made. He was "uncomfortable with this direction" and suggested that the impacts should be considered.

[10:34:28 AM](#)

Co-Chair Green asked if Senator Stedman intended to offer an amendment to address this concern.

[10:34:32 AM](#)

Senator Stedman indicated he would not object to reporting this bill from Committee, although he would give it no recommendation. He supported changing the minimum sentencing for a Class C felony of sexual assault. He was not concerned with the proposed sentencing requirements for the greater offenses. Judges should be given flexibility to address some of the issues related to these charges.

[10:35:24 AM](#)

Senator Hoffman pointed out that as a co-sponsor of this legislation, he deemed sexual assault to be a serious matter. However, he agreed with Senator Stedman's argument that discretion should be provided in situations involving first time offenders.

[10:35:46 AM](#)

Senator Dyson did not share the prime sponsor's contention that treatment programs for sexual offenders are ineffective. He told of residents at the Highland Mountain correctional facility who participated in a treatment program and had success. The program was dismantled, wrongly in his opinion.

Senator Dyson was told that one type of sexual assault offender that likely could be rehabilitated was one who molested his own children. This crime is "particularly heinous." Other types of offenders would be more likely to re-offend and not respond to treatment.

Senator Dyson expressed his intent to vote for passage of this bill

from Committee and to prepare an amendment to be offered before the full Senate to address first time offenses.

[10:37:43 AM](#)

Co-Chair Green cited data she had regarding the treatment program formerly offered at the Highland facility concluded that only five percent of participants completed the entire program.

AT EASE [10:38:05 AM](#)

[10:38:19 AM](#)

Amendment #1: This amendment deletes "three" and inserts "one" to subparagraph (A) of AS 12.55.125(i)(4) amended in Section 4 on page 5, line 27. The amended language reads as follows.

(A) if the offense is a first felony conviction, one to 12 [ONE TO TWO] years;

New Text Underlined [DELETED TEXT BRACKETED]

Senator Stedman offered a motion to adopt the amendment to reduce the mandatory minimum sentence for first time offenses of sexual assault in the third degree, incest, indecent exposure in the first degree, possession of child pornography, or attempt, conspiracy, or solicitation to commit sexual assault in the second degree, sexual abuse of a minor in the second degree, unlawful exploitation of a minor, or distribution of child pornography.

[10:38:56 AM](#)

Co-Chair Green objected for discussion purposes.

[10:39:10 AM](#)

Senator Bunde remarked that as an individual, he should pay attention to his actions and the consequences of those actions. If he were to violate the law, he would know he was required to "pay the price".

Senator Bunde acknowledged the challenge in establishing minimum sentencing. The length of the sentences is a judgment call for the legislature to make. Regardless of the length of the mandated sentences, the danger would exist that some offenders should be incarcerated longer than provided and that other offenders would be incarcerated who should not be. Given the risks, he chose to error on the side of being more restrictive.

[10:41:45 AM](#)

PORTIA PARKER, Deputy Commissioner, Department of Corrections, testified that the Department has no position on the amendment. She noted that more sexual assaults are being reported than in previous years.

[10:45:02 AM](#)

SUSAN PARKS, Deputy Attorney General, Criminal Division, Department of Law, testified that the amendment requires a policy call for the legislature. The Department has supported a wider sentencing range of minimum sentencing to account for different circumstances. This could result in disparate sentencing because judges have differing opinions on right and wrong. She suggested extending the maximum sentence, currently in statute as two years and not changing the current minimum sentence of one year.

[10:46:51 AM](#)

Senator Hoffman pointed out that the sentencing ranges for the more serious offenses would be greater than for the lesser crimes and therefore this amendment would not be in contradiction to the intent of the bill. He spoke to Senator Bunde's comment, noting that potential offenders would still risk the possibility of 12 years in prison.

[10:48:31 AM](#)

Senator Bunde suggested prosecutorial discretion would be available. In many instances, prosecutors might chose to not file charges. He would not object to the adoption of the amendment if it would provide assurances and acceptance of the entire bill.

[10:49:17 AM](#)

Senator Dyson stated he would support a minimum sentence of two years, but could not support a one-year minimum.

Senator Dyson agreed with Co-Chair Green's assessment of the treatment program at the Highland facility. However, the success rate for those participants who completed the program was good. The program was rigorous and many dropped out before completion.

[10:49:54 AM](#)

Co-Chair Green withdrew her objection to the adoption of the

amendment.

[10:50:08 AM](#)

Senator Dyson objected.

[10:50:11 AM](#)

A roll call was taken on the motion.

IN FAVOR: Senator Stedman, Senator Bunde, Senator Hoffman, Senator Olson, Co-Chair Wilken and Co-Chair Green

OPPOSED: Senator Dyson

The motion PASSED (6-1)

The amendment was ADOPTED.

[10:50:44 AM](#)

Senator Bunde offered a motion to report CS SB 218, 24-LS1307\p, as amended from Committee with individual recommendations and new and accompanying fiscal notes.

There was no objection and CS SB 218 (FIN) MOVED from Committee with zero fiscal note #1 from the Department of Public Safety, indeterminate fiscal note #4 from the Department of Law, a indeterminate fiscal note dated 1/26/06 from the Alaska Court System, an indeterminate fiscal note dated 1/28/06 from the Department of Administration, a zero fiscal note dated 1/26/06 from the Department of Corrections, Institutional Facilities Results Delivery Unit (RDU), a zero fiscal note dated 1/30/06 from the Department of Corrections, Probation and Parole RDU, and a zero fiscal note dated 2/01/06 from the Department of Corrections, Administrative Services and Support RDU.

AT EASE [10:50:59 AM](#)

#HB 243

[10:51:34 AM](#)

CS FOR HOUSE BILL NO. 243(FIN)

"An Act relating to the financial plan for the intertie between the Swan Lake and Tye Lake hydroelectric projects; and providing for an effective date."

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

Co-Chair Green announced that testimony would be taken on this bill at this time to accommodate a witness' travel arrangements. However, full consideration of the legislation would be given at a future hearing.

[10:51:41 AM](#)

DAVE CARLSON, Chief Executive Officer, Four Dam Pool Power Agency, testified that the Agency supports this legislation that would extend the \$5 million "intertie credit" for the construction of the Swan and Tyee lakes intertie in Southeast Alaska.

[10:52:57 AM](#)

Senator Bunde asked the number of "groups that are supporting this and that are in the power business."

[10:53:13 AM](#)

Mr. Carlson replied that the Four Dam Pool includes the Kodiak Electric Association, Copper Valley Electric Association and the cities of Wrangell, Petersburg and Ketchikan. The Alaska Energy Association (AEA) supports this legislation. He had heard of no opposition.

[10:53:51 AM](#)

RON MILLER, Executive Director, Alaska Energy Association, testified via teleconference from Anchorage in support of the bill.

[10:54:08 AM](#)

Co-Chair Green asked if the AEA was aware of any opposition to this legislation.

[10:54:11 AM](#)

Mr. Miller was not.

[10:54:18 AM](#)

BRIAN BJORKQUIST, Senior Assistant Attorney General, Labor and State Affairs Section, Civil Division, Department of Law, testified via teleconference from Anchorage that he was available to answer

questions.

[10:54:29 AM](#)

SARA FISHER GOAD, Alaska Energy Association, testified via teleconference from Anchorage that she was also available to answer questions.

Co-Chair Green ordered the bill HELD in Committee.

#

**ADJOURNMENT**

Co-Chair Lyda Green adjourned the meeting at [10:55:14 AM](#)