

MINUTES
SENATE FINANCE COMMITTEE
April 25, 2006
9:08 a.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately [9:08:17 AM](#).

PRESENT

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

Also Attending: GREG O'CLARAY, Commissioner, Department of Labor and Workforce Development; BILL NOY, Commissioner, Department of Commerce, Community and Economic Development; NICO BUS, Acting Director, Division of Support Services, Department of Natural Resources; PAM VARNEY, Executive Director, Legislative Affairs Agency, MIKE BARTON, Commissioner, Department of Transportation and Public Facilities

Attending via Teleconference: There were no teleconference participants.

SUMMARY INFORMATION

SB 231-BUDGET: CAPITAL & OTHER APPROPRIATIONS

The Committee introduced a new committee substitute and heard FY 2007 capital budget testimony from the Department of Labor and Workforce Development, the Department of Commerce, Community and Economic Development, the Department of Natural Resources, the Legislative Affairs Agency and the Department of Transportation and Public Facilities. The bill was held in Committee.

#sb231

SENATE BILL NO. 231

"An Act making appropriations, including capital appropriations and appropriations to capitalize funds; and providing for an effective date."

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

Co-Chair Green communicated that the purpose of today's hearing would be to allow departments to address their concerns regarding the proposed FY 2007 (FY 07) capital budget.

Department of Labor and Workforce Development

[9:09:06 AM](#)

GREG O'CLARAY, Commissioner, Department of Labor and Workforce Development stated that the three Department capital budget projects included in Finance committee substitute, Version 24-GS2034\F, are located on page 14 line 24 through page 15 line 4. Continuing, however, he pointed out that three "equally critical projects" pertaining to the main campus of the Alaska Vocational Technical Education Center (AVTEC) in Seward were "missing" from the bill. The projects had been included in the capital budget bill proposed by Governor Frank Murkowski.

Commissioner O'Claray identified AVTEC as a State operated vocational training center. The department refers to AVTEC as Alaska's "diamond in the rough with respect to vocational training". AVTEC's "small dedicated staff" trains approximately 1,500 Alaskans each year to be welders, able seamen, facility maintenance workers, diesel and heavy equipment operators, or licensed practical nurses. The Seward campus also "operates an allied health training program out of Anchorage". "Unfortunately", the Seward AVTEC campus is experiencing significant maintenance and replacement issues, particularly in regard to twelve facilities that range from 25 to 55 years of age.

Commissioner O'Claray clarified that the \$2,500,000 AVTEC facilities allocation depicted on page 14 line 26 of Version "F" would address deferred maintenance needs of several buildings, but would not address the entirety of the needs detailed on a

list [copy not provided] previously distributed by the Department.

Commissioner O'Claray noted that expanding the bill to include the three AVTEC projects "would enable AVTEC to complete one new distance training facility, completely retrofit AVTEC's 30-plus year old dormitory, replace a dilapidated maintenance building and begin the design of a new applied technology facility." These projects are critical "in maintaining and improving vocational training" for the citizens of the State.

Commissioner O'Claray detailed the three projects. A \$423,000 general fund match would be requested to complete the new distance training facility, also referred to as the video conferencing project. "The United States Department of Commerce Economic Development Administration awarded a two million dollar grant to AVTEC for the construction of a technology center building for statewide distance training in Seward." While this award required a match of \$623,000, AVTEC has "identified in-kind matches of \$200,000 from private corporations". A State allocation of \$423,000 would allow construction to begin in July 2006, with a completion date of January 2007.

Commissioner O'Claray recognized AVTEC as the State leader "for delivering vocational education through distance delivery". More than 240 Alaskans in both urban and rural areas would benefit from distance learning in FY 2006. Absent the distance delivery ability, transportation and other expenses would prohibit the training of these individuals. Students who complete such training would qualify for higher paying jobs and have more career opportunities. The number of students enrolled in this program could double with the completion of the facility.

[9:13:26 AM](#)

Commissioner O'Claray identified the second AVTEC project missing from the committee substitute as a \$2,500,000 general fund request to renovate the Seward campus' 100 student dormitory. He displayed photos [copies not provided] depicting the state of the dormitory, which was constructed in the 1970s with "cheap building materials". The dormitory rooms are not quiet or conducive to studying but are instead noisy and drafty with exposed pipes. The building is in need of such things as safety and security upgrades, insulation and ventilation

improvements, roof and window repairs, and energy efficiency upgrades.

Commissioner O'Claray stated a "through and comprehensive review of AVTEC facilities" was conducted in 2001, and independent engineers concluded that three AVTEC facilities should be replaced due to foundation and structural issues. Thus, the Governor's bill had also included a \$2,000,000 general fund request to replace AVTEC's uninsulated metal maintenance building, which was the first facility identified for replacement. A picture of the facility was displayed. The new "basic" maintenance facility would be energy efficient, would provide more usable space, would meet current maintenance shop safety standards, and would reduce AVTEC's liability exposure. Any funds remaining after the completion of that project would be applied to design and site preparation for the Applied Technology Shop, the second facility identified for replacement.

Commissioner O'Claray informed the Committee that "a technical correction" would also be required to address the \$166,700 general fund "cost of negotiated salary and benefit increases negotiated with AVTEC's teachers", which was "effective July 1, 2005, subject to this appropriation".

[9:17:10 AM](#)

Co-Chair Green interrupted in order to allow for a motion to adopt the committee substitute.

Co-Chair Wilken moved to adopt committee substitute Version 24-GS2034\F as the working document.

Co-Chair Green objected for explanation.

[9:17:42 AM](#)

Commissioner O'Claray informed the Committee that the Department of Commerce, Community and Economic Development (DCED) had included in its FY 07 capital budget a three million dollar general fund request "to begin construction of a pipeline training facility located in Fairbanks". The schematic of the proposed \$6,200,000 facility was displayed [copy not provided]. In 2005, the federal Department of Labor authorized up to three million dollars toward this facility as part of program to train workers for the construction of the gas pipeline project. The

federal funds "would not be released to the State" until the Governor notified the Secretary of Energy that the project would commence in two years time. It is "critical to our success" that workers be trained and available when the gas pipeline construction begins.

Commissioner O'Claray noted that, during the past two years, 170 Alaskans, including women and rural residents, have received such training at a leased facility. All have received high paying North Slope jobs. The Department of Labor and Workforce Development has committed \$100,000 toward the facility design. The three million dollar DCED request would allow the first phase of the two-phase project to get underway. This phase would include the construction of a 20,000 square foot training facility in Fairbanks. The second phase would include the construction of a 30 student coed dormitory. Maintenance expenses of the completed facility would be funded by "industry donations, fees assessed of trade apprenticeship programs, employers, users fees, and training contracts".

[9:21:01 AM](#)

Commissioner O'Claray announced that the training facility "would create approximately 200 full time jobs and up to 400 jobs" when operating at peak pipeline training. The facility would also train approximately 1,100 new workers to replace "retiring journeymen in the various trades" on the North Slope. This facility would assist the Department's goal "to capture more of those jobs" for residents of Alaska.

[9:21:45 AM](#)

Co-Chair Green asked whether the employees of the training center would be State, contract, or independent employees.

[9:22:02 AM](#)

Commissioner O'Claray responded contract employees funded by training grants and joint industry and contractor apprenticeship programs would staff the facility. State funds would be limited to supporting the training programs.

[9:22:25 AM](#)

Department of Commerce, Community and Economic Development

[9:22:55 AM](#)

BILL NOLL, Commissioner, Department of Commerce, Community and Economic Development thanked the Committee for including the entirety of the Department's FY 07 capital budget requests in the committee substitute. The majority of capital funds provided to the Department are from sources other than the general fund. The few projects being funded by the general fund include \$70,000 for community block grants and approximately \$1,200,000 for energy programs. The energy program general fund money would be leveraged to receive an additional \$13 million in federal funds.

Commissioner Noll noted the Kodiak Launch Complex funding would consist entirely of federal funds. Other projects would be receipt supported.

Commissioner Noll stated that he and other Department staff would be available to answer any questions that might arise during the budgeting process.

Commissioner Noll pointed out that numerous other State department capital projects are funded through the Department of Labor and Workforce Development budget. He could provide a complete list of those projects, however, he could not comment on behalf of the affected department. Many of the projects on the list are extremely important to the local community and are very worthy. The Office of Management and Budget or the project's sponsoring department should address projects that were either partially funded or zeroed out.

Department of Natural Resources

[9:25:41 AM](#)

NICO BUS, Acting Director, Division of Support Services, Department of Natural Resources directed attention to the Department's \$150,000 Interior Alaska Timber general fund appropriation specified on page 17 line 25 of Version "F". The Department's original \$500,000 request was pared down and included at \$250,000 in the Governor's capital budget bill. That would be the minimum amount necessary to complete a public land timber inventory study to support hardwood milling and manufacturing facilities in the Interior which must provide

proof of adequate material supplies when seeking financial institution funding. The most recent study was conducted prior to the early 1990s. Recent forest fires and land acquisitions in the area force the need for a more recent inventory study. Thus, the Department would urge the Committee to increase the allocation to \$250,000.

[9:28:01 AM](#)

Mr. Bus also requested the Committee to include \$625,300 to address the Juneau Subport Building asbestos abatement project. The Governor's Office requested the inclusion of this project via an amendment submitted on April 20, 2006. As a result of a 1994 State settlement with the Alaska Mental Health Trust Authority, the land on which the Subport and the National Guard Armory sit were transferred from the Department of Natural Resources to the Trust. The State's Subport lease with the Trust would expire in June 2006. The leases required an asbestos and lead survey to be conducted. The report was completed this winter, and the "remedy" would cost approximately \$523,000. Associated management expense would cost an additional \$100,000. The Department's goal would be to begin the abatement effort once the facility is vacated in June. This would allow the Trust to coordinate with the City and Borough of Juneau's long-range waterfront plan rather than delaying that effort for a year.

In response to a question from Co-Chair Green, Mr. Bus verified the amount required for the abatement to be \$625,300.

AT EASE [9:29:49 AM](#) / [9:29:59 AM](#)

Co-Chair Green acknowledged the receipt of the abatement project amendment. It had been received after the Version "F" committee substitute had been developed.

Mr. Bus apologized for the late submittal of the request. There had been some confusion as to which department would be responsible for the effort.

Senator Hoffman asked regarding the \$200,000 appropriation for snowmachine trails, as specified on page 19 line 6.

[9:30:33 AM](#)

Mr. Bus identified the snowmachine trail program as an application-based grant program. Applications are reviewed by a statewide board and scored on such things as the contributions from the organization and its volunteer work. The awards are funded from snowmachine registration fees.

Co-Chair Green affirmed this to be an established program.

Senator Olson asked whether the program would fund such things as the marking of trails.

Mr. Bus affirmed it would. Other projects could include trail expansions and safety improvements.

[9:31:39 AM](#)

Legislative Affairs Agency

Co-Chair Green described her staff as being "enlightened" by a recent tour of the Capitol Building projects requested by the Legislative Affairs Agency (LAA).

PAM VARNEY, Executive Director, Legislative Affairs Agency, noted that LAA capital improvement requests have been infrequent. However, in January, both elevators in the Capitol experienced mechanical failures. An elevator consultant was hired and a request for bids has been let for the repair work estimated to cost \$600,000. The work would entail such things as new motors, AC drives, and new lifting equipment. Work on the elevators, which were installed in 1960, has been limited to upgrading the fire service controls and the interiors of the cabs.

[9:33:18 AM](#)

Ms. Varni noted LAA's second request would be to re-roof the Capitol Complex, which includes the Capitol Building and the Terry Miller Building. Ten years has passed since any major work has been done to the Capitol's roof. Only a portion of the Terry Miller Building's roof was upgraded when the building was remodeled in 1999.

Co-Chair Green informed the Committee that the elevator and re-roofing projects are specified on page 46, lines 28 through 33 of the Version "F" committee substitute.

[9:33:46 AM](#)

Ms. Varni displayed a binder [copy not provided] depicting water catch buckets in the attic space of the Capitol. Numerous roof leaks are located above Co-Chair Green, Co-Chair Wilken, and Representative Mike Chenault's offices on the top floor of the building. Similar roof leaks are occurring in the Terry Miller Building.

Ms. Varni identified LAA's third request as upgrades to the Capitol's exterior walls. Significant exterior maintenance work last occurred in 1993. Such things as resealing mortar joints, cleaning and sealing exterior walls, recaulking, and repair of broken and deteriorated sandstone would be addressed.

Co-Chair Green affirmed the roof leak damage. She likened some of the maintenance needs of the Capitol Complex to those of the Department of Labor and Workforce Development's AVTEC facility, which was previously discussed.

Department of Transportation and Public Facilities

[9:35:55 AM](#)

MIKE BARTON, Commissioner, Department of Transportation and Public Facilities expressed appreciation for the "investments" the Committee has made to the State's transportation system. However, support of "a few more" projects is sought for the transportation system which contributes to economic growth, assists in lowering the cost of goods, improves quality of life, and reduces operating costs of the State as well as the costs to the traveler.

Commissioner Barton noted that the photo [copy not provided] depicting a [unspecified] building in the Matanuska-Susitna Valley (Mat-Su) is an example of some of the capital project needs on the Department's priority list.

[9:37:28 AM](#)

Commissioner Barton referred the Committee to the Department's Juneau Access project depicted on page 45, line 15 of Version "F". The Governor included \$45 million for this project in his capital budget; however, the Version "F" committee substitute

appropriation only specified \$25 million. He urged the Committee to restore the funding level to \$45 million, as \$25 million would restrict the project to a point "halfway across Berners' Bay". This would not be "a logical completion point".

Commissioner Barton explained that the Juneau Access Project would provide Alaskans road access to the capital city and improve the State's connectivity with the continental road system. Currently one must use Alaska Marine Highway System (AMHS) ferries to travel to Juneau; however, the System "does not have the capacity to meet" future demand projections of approximately 500 vehicles per day. The Juneau Access Project would reduce the State's current transportation expenses on this route by two-thirds. Traveler costs would be one-fifth current costs and travel on the route would be more convenient.

[9:38:44 AM](#)

Co-Chair Green asked for further details about the \$45 million request; specifically the benefits it would generate in terms of federal funds.

Commissioner Barton clarified that the \$45 million would not generate any federal match funds. However, \$15 million in federal money was earmarked for this project in the federal Highway Reauthorization bill. The State match for that \$15 million is "contained" in this request. The completion of this road would result in cost savings, as it would "eliminate 26,000 hours a year from ferry service". The first phase of this project would allow ferry service to commence from Slate Cove to Haines and Skagway. The right of way would transit federal land. This project, which is "ready to go", would be the State's "first major highway system expansion" in 30 years.

[9:40:05 AM](#)

Senator Stedman understood that, in addition to the request for \$45 million in general funds, federal SHAKWAK money might be available. Thus, he inquired to the reason for such a "heavy" demand for general funds.

[9:40:35 AM](#)

Commissioner Barton responded that approximately \$27 million in SHAKWAK funds would be available in a few years. The State's

original effort was to have this project included as a \$60 million earmark in the federal Highway Reauthorization bill; however that effort failed. The recourse was to request general funds.

Senator Stedman asked whether that was the "normal" procedure to follow when building roads.

[9:41:18 AM](#)

Commissioner Barton replied that the State would endeavor to build a road "however we can build them"; this could include the use of State funds, federal funds, private funds, or donations.

Senator Stedman, noting that the \$20 million federal fund earmark for the Gravina Island Bridge project in Ketchikan had been removed, asked whether a general fund request for that project would be addressed in this discussion.

Commissioner Barton stated he had not "intended to" address bridge projects since "they're on the federal side" and the committee substitute had not made any changes in that regard. He was unsure "where the \$20 million went".

Senator Hoffman noted that, even though the Juneau Access project was not located in his district, his constituents have lobbied against using these funds to support the road. They argue the "funds would be better spent on improving" the AMHS. Thus, he asked the support of the road project verses the support for improved ferry service to Juneau.

[9:42:40 AM](#)

Commissioner Barton responded, "There is a mix of opinions out there on this project". Some support it and some oppose it. The road link up Lynn Canal would be "a better investment of the State's money". The long-term goal of the AMHS would be to develop short roads connecting to shuttle ferries. This would improve service and "significantly reduce" AMHS general fund demands, as less of the larger mainline vessels and crew hours would be required.

[9:43:30 AM](#)

Senator Hoffman understood therefore that by supporting the \$45 million road, "we're also supporting the shuttle system" for the AMHS.

Commissioner Barton identified the road as being "the first phase" toward the goal of implementing a shuttle system.

[9:43:56 AM](#)

Senator Stedman asked the extent of the work the \$25 million would support. Continuing, he asked the total amount required to conclude the project.

[9:44:20 AM](#)

Commissioner Barton specified \$45 million as the minimum amount required to award the contract for phase one, which would "push the road north" of the Kensington Mine site.

[9:44:38 AM](#)

Senator Stedman understood therefore that a \$25 million general fund appropriation would result in delaying the project a year while the Department sought the additional \$20 million.

Commissioner Barton affirmed \$45 million would be required to complete the first phase of the project. At that point, the expectation is that federal funds would become available. Those funds would be used to complete the road to the Katzehin River. The forthcoming federal funds would require a State match.

Senator Stedman asked whether the federal match requirement would be a 90 percent federal and 10 percent State (90/10) match.

Commissioner Barton clarified that some of the federal money would be matchless; some would require either a 90/10 or 80/20 match. Bridge funding is a 80/20 match obligation.

[9:45:35 AM](#)

Senator Stedman noted that with the exception of some financing issues, the Gravina Island Bridge project "is ready to construct". To that point, he asked the level of general funds that would be required to provide for the approaches to the

bridge, as the approaches must be provided for prior to any actual bridge construction begins.

[9:46:36 AM](#)

Commissioner Barton responded the information would be provided.

Senator Stedman concluded his remarks by speaking in support of building the Gravina Island Bridge.

Commissioner Barton stated that the next area of concern would be the funding request for the second phase of the Alaska Railroad extension study. The first phase, which is underway, involved a feasibility study regarding extending the Railroad to connect with the continental rail system. Phase two would involve pre-construction activities and an Environmental Impact Study (EIS). While the Governor included \$50 million for phase two in his capital budget, it was not included in Version "F". Due to the fact that this project is a joint effort between Alaska and Canada, the State has requested both Canada and United States Congress to match the State's \$50 million appropriation. The feasibility study, which was addressed in phase one of the project, would be completed in July. Were it to conclude that the project was not feasible, the \$50 million would not be utilized. However, at this point, the money is being requested to continue the project's "momentum".

Commissioner Barton credited the effort behind the joint project to Governor Frank Murkowski and Premier Dennis Fentie of Yukon, Canada, who signed a memorandum furthering the endeavor.

[9:48:40 AM](#)

Commissioner Barton stated the plan would be to extend the railroad to either Fort Nelson or Dease Lake in the Yukon. This extension would benefit the proposed gas pipeline construction and would "bolster Alaska's case for the gas liquids and petrochemical facilities" in the State. It could also lessen pressure on west coast ports "in terms of containerized freight" to the State.

In response to a question from Senator Stedman, Commissioner Barton affirmed the committee substitute did not include the funding.

[9:49:48 AM](#)

Commissioner Barton spoke to the Parks Highway project specified on page 45, line 29 of the bill. This six-year program would eliminate weight restrictions on the Parks Highway. While the Governor had allocated \$10,500,000, only half that amount was included in Version "F".

Co-Chair Green voiced the understanding that the \$10,500,000 amount would be allocated over a two-year period.

[9:50:26 AM](#)

Commissioner Barton stated no, \$10,500,000 must be allocated in this budget to maintain the six-year project timeline.

Co-Chair Green understood therefore that the full amount would be required to keep the project on schedule.

Commissioner Barton affirmed.

Co-Chair Green disclosed that during the development of the capital budget, partial funding of several multi-year projects had been deemed acceptable.

Commissioner Barton did not support that funding approach for Department projects.

[9:51:05 AM](#)

Commissioner Barton noted that truckers who transit the Parks Highway are very enthusiastic about this project. The improvements would provide many benefits including reduced costs of goods.

[9:51:24 AM](#)

Commissioner Barton brought to the Committee's attention the omission of funding for Stampede Road in Version "F". The Governor included nine million dollars in his budget proposal for this project. The Committee approved funds in FY 06 to extend the road five miles; this funding would allow the Department to extend it another 14 miles. This extension would enhance access to State land on the north side of Denali State Park, would provide additional tourism opportunities, and "could

be the precursor to a road up the Upper Kuskokwim and to McGrath".

9:52:26 AM

Commissioner Barton also noted that a Juneau channel-dredging project was omitted from the Senate budget. The Governor had included seven million dollars in his bill. This project would benefit the area's commercial fishing fleet.

9:52:37 AM

Senator Hoffman referred to the Commissioner's remarks about the Stampede Road extension; specifically as to who might be requesting road access to the Kuskokwim area of the State. He was unaware of any discussion in that regard.

Commissioner Barton clarified his remarks to be forward thinking. A road project in that area might be considered in the future.

Senator Hoffman communicated that, at this time, he knew of no local support for road access to the Kuskokwim area.

9:53:32 AM

Commissioner Barton continued his remarks about the dredging project proposed for the Gastineau Channel in Juneau. Dredging is also being considered for Dry Straits near Wrangell and Petersburg. The endeavor would shorten transit time for commercial fishing vessels and reduce fuel consumption. The routes would also be safer to travel. Dredging of the Gastineau Channel most recently occurred in the late 1960s.

Senator Stedman noted that, due to a geological occurrence known as tectonic plate uplifting, the area of Gastineau Channel slated for dredging is dryer than the area being considered for dredging in Dry Straits. As a result, the Gastineau dredging project would be more expensive and "more challenging now" than the dredging that occurred in the 1960s. An [unspecified] Internet site he recently visited provided plate prediction lift information in addition to tide schedules for Southeast Alaska. Uplifting is more prevalent in the northern region of Southeast Alaska than in the southern region.

Senator Stedman noted that none of his constituents familiar with the Dry Strait area have communicated support for the dredging project. Those he has talked with disagree with the position that the project would shorten transit time, as shorter alternative routes exist. In addition, the cost of keeping the Stikine River silt flow at bay would be immense. His remarks were based on local knowledge of the area rather than scientific studies.

Commissioner Barton agreed that the Stikine River is a large influence on the area. The project "would be challenging".

9:55:53 AM

Commissioner Barton remarked that the Senate bill did not include any funding for Bradfield Canal projects. The Governor included two million dollars in his budget to support an EIS for a project that would construct a road up the Bradford Canal. The project would also include construction of an electrical intertie grid system following that road. This grid would connect with the Canadian electrical grid system. The goal would be to provide power southward into west coast states.

Commissioner Barton informed the Committee that a private developer was considering constructing a hydropower dam in Thomas Bay, north of Petersburg. This would allow for the exportation of hydropower. "There is a great deal of interest in the Lower 48 for this power." Canadian officials are supportive of the endeavor, which would require Canada to upgrade its electrical grid system. He urged the Committee to fund the project, which "would be the catalyst" for furthering other electric intertie projects being considered in Southeast Alaska.

9:58:06 AM

Senator Stedman noted that Bradfield Canal is located in a valley south of the Stikine River drainage. The construction of a road there would provide road access to Southeast Alaska. With the exception of road access at Haines and Skagway at the northern end of Lynn Canal, no other road access exists to Southeast Alaska. Therefore, in addition to providing a power grid route, the Bradford Canal Road would allow freight and people to move into Southeast Alaska.

Senator Stedman informed the Committee that the intertie would transit power from the yet to be developed Thomas Bay Hydro Authority. The Tye Lake Dam, which is currently only utilizing 30 percent of its power capacity, and a future dam at West Baranof, would eventually be included in the intertie project. More power loads would be required to further the intertie, as "you can't build a dam until you can sell virtually all the power". Therefore, the sale of power to the North American power grid would be required. This would further the effort to provide hydropower to Southeast Alaska.

Therefore, "in the spirit of compromise" he urged the Committee to reduce the Juneau Access project funding from \$25,000,000 to \$23,000,000 and provide that \$2,000,000 balance to the Bradfield EIS study. This action "would drive both projects at the same time". Since \$25,000,000 "can't build a road", reducing the amount to \$23,000,000 would not do any further harm.

[10:01:02 AM](#)

Commissioner Barton advised the Committee of the Department's concern regarding the \$4,000,000 Alaska Marine Highway System Vessel and Terminal Overhaul and Rehabilitation allocation as specified on page 23, line 28. The Governor included a request of \$6,000,000 in his budget bill. While this project has historically received \$5,000,000, the recent addition of three new vessels prompted the increase. This money is used to ready ferries for the coast guard certification, which allows them to carry passengers.

[10:01:48 AM](#)

Commissioner Barton identified the omission of funding for the McCarthy Road rehabilitation project as the Department's final request. The Governor's bill included a request of \$2,000,000 to address the most problematic needs of the road. "It is a terrible mess." This road is an access route to the Wrangell St. Elias area and "distributes the visitor load to Denali" State Park. Improvements to it would enhance the visitor experience. It would also reduce Department maintenance expenses. He urged the Committee to restore this funding.

Commissioner Barton concluded his remarks.

Co-Chair Green stated this would conclude the department capital budget presentations scheduled for today's hearing. Testimony from the University of Alaska, the Department of Law, the Department of Public Safety, the Department of Revenue, the Department of Administration, the Alaska Court System, the Department of Fish and Game, the Department of Health and Social Services and the Department of Military and Veterans Affairs would be heard during the April 26, 2006 Committee hearing.

[NOTE: No action was taken on the motion to adopt committee substitute, Version "F".]

#

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [10:03:40 AM](#).