

HOUSE FINANCE COMMITTEE
March 17, 2008
6:10 P.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [6:10:27 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Bill Thomas Jr.

MEMBERS ABSENT

Representative John Harris
Representative Mary Nelson

ALSO PRESENT

Representative Bob Buch; Chris Christensen, Staff Counsel, Alaska Court System; Linda Perez, Administrative Director, Office of the Governor; Gail Fenumiai, Director, Division of Elections, Office of the Lieutenant Governor; Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development; Clark Bishop, Commissioner, Department of Labor and Workforce Development; Betty Martin, Director, Administrative Services, Department of Law; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Mark Lewis, Director, Division of Administrative Services, Department of Education and Early Development; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Pete Kelly, Director, State Relations, University of Alaska; Fred Esposito, Director, Alaska Vocational Technical Center (AVTEC), Division of Business Partnership, Department of Labor and Workforce Development; Michelle Rizk, Budget Director, University of Alaska, Fairbanks; Keith Gerken, Director of Facilities Services, University of Alaska-Southeast

SUMMARY

#HB311

HB 311 An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date.

HB 311 was HEARD & HELD in Committee for further consideration.

Agencies Heard:

ALASKA COURT SYSTEM
OFFICE OF THE GOVERNOR
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF LAW
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
UNIVERSITY OF ALASKA

[6:11:08 PM](#)

HOUSE BILL NO. 311

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

[6:11:17 PM](#)

ALASKA COURT SYSTEM

CHRIS CHRISTENSEN, STAFF COUNSEL, ALASKA COURT SYSTEM, highlighted the proposed projects for the Alaska Court System.

[6:12:42 PM](#)

#43152

Anchorage Campus Project Phase 1
Renovation & Remodeling
\$4.55 million dollars

Mr. Christensen noted that the project is the Court System's first priority and would provide a major remodel to all floors of the Boney Courthouse and a minor remodel in the Nesbett Courthouse to accommodate additional judges, provide safe prisoner transport to additional courtrooms in the Boney Courthouse, provide spaces that are more conducive to efficient customer service for the public and to address seismic and safety concerns.

[6:14:45 PM](#)

#43155
Court Security Projects
Equipment
\$150 thousand dollars

Mr. Christensen said it would be a multi year project & that recent national & State incidents highlight the need to protect the public and court staff in both rural and urban facilities. The first year funding would be used to complete an integrated security system for superior court sites and security upgrades to the Judicial Service areas in Palmer and Kenai. Future year's funding would include a secured exit from the Anchorage Jail courtroom and improved lighting for exterior security.

[6:16:49 PM](#)

#43156
Building Equipment & System Replacement to Extend Life of Facilities
Deferred Maintenance
\$300 thousand dollars

Mr. Christensen stated the request would address statewide replacement of equipment and system components that have exceeded useful life expectancy.

[6:17:27 PM](#)

#45580
Court System Deferred Maintenance Projects
Deferred Maintenance
\$3.276 million dollars

Including:

- AMD45581/Ketchikan Court & Office Building
- AMD45582/Anchorage Boney Courthouse
- AMD45586//Delta Courthouse
- AMD45597/Ft. Yukon Court & Office Building
- AMD45584/Dimond Court & Office Building

[6:18:39 PM](#)

Technology Project:

#43153
Critical Courtroom & Case Management Technology
Information Systems
\$1.5 million dollars

Mr. Christensen explained that the requested funding would address modifications to CourtView, the trial court case management system and for the replacement of outdated computer equipment, software and telephone systems in court locations statewide. The enhancement would capture bail and other conditions of release in the court room so the information is accessible on line for enforcement agencies and providing enforcement agencies custom views.

[6:21:13 PM](#)

Co-Chair Meyer said he had no information on that project. Mr. Christensen referenced the handout contained in member files addressing requests included in the Governor's proposed budget, detailing information submitted by the Court System.

[6:22:16 PM](#)

OFFICE OF THE GOVERNOR

LINDA PEREZ, ADMINISTRATIVE DIRECTOR, OFFICE OF THE GOVERNOR, addressed the only item submitted by the Governor's office.

#38524

Polling Place Accessibility Improvements under the Federal Help America Vote Act (HAVA)
Transitional funding project
\$100 thousand dollars

Ms. Perez explained that the dollars would be used to expand and improve access to polling places and voter participation by individuals with disabilities.

[6:22:56 PM](#)

Co-Chair Chenault inquired if the item had been removed from the operating budget. Ms. Perez explained it was a federal grant and only the language was pulled, placing the same money into the Election Fund.

Vice-Chair Stoltze commented on public school polling places in his district and asked about the parking related issues. He hoped to see improved access.

GAIL FENUMIAI, DIRECTOR, DIVISION OF ELECTIONS, OFFICE OF THE LIEUTENANT GOVERNOR, responded that the Division is attempting to address that matter.

[6:25:21 PM](#)

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, introduced the Commissioner.

CLARK BISHOP, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, referenced the documents on file.

Mr. Bell explained that there were two documents, the Governor's Capital projects and another, which highlights the capital project priorities and proposed revisions.

[6:26:39 PM](#)

#43045

Alaska Vocational Technical Center (AVTEC) Culinary Building Replacement & Instructional Equipment
Renewal and Replacement
\$5 million dollars

Mr. Bell explained that the request would provide for the construct and equipment of a teaching facility, which would include a training kitchen, classrooms and café. The project supports the Department's mission to advance opportunities for employment as measured by employment of the Alaskan workforce.

[6:27:32 PM](#)

#45285

AVTEC Maritime Safety Training Facility
Construction
\$2 million dollars

Mr. Bell pointed out that AVTEC has been awarded a \$2 million dollar federal Economic Development Administration grant with a \$1.35 million non-federal match requirement to construct a Maritime Safety Training Facility in Seward. A 4,800 square foot facility would expand capabilities and allow training of 114 more mariners per year to meet a critical high demand for high growth jobs in the transportation industry. The project supports the Department's mission to advance opportunities for employment as measured by employment of the Alaskan workforce.

[6:28:22 PM](#)

#45493

AVTEC Deferred Maintenance
\$3.9 million dollars

Mr. Bell pointed out that so far in FY08, AVTEC's cafeteria is serving approximately 231 meals per day, which is a 23% increase from last year. Upgrading the cafeteria's equipment and ventilation hood is needed to meet the current

volume and sanitation requirements. The upgrades would include replacing walk-in refrigerators/freezers, the ventilation hood, ceiling tiles and enlarge/renovate the dishwashing room.

[6:29:32 PM](#)

#45410

Alaska Construction Academy Training Opportunities
Construction
\$3.5 million dollars

Mr. Bell said the project would provide an opportunity for Alaskans to attend a construction academy focused on high demand, high wage occupations in the construction industry. The request promotes the Department's mission to advance opportunities for employment.

[6:29:52 PM](#)

#41944

AK Works Partnership-Fairbanks Pipeline Training Center
\$3.5 million dollars

Mr. Bell noted that the funding would be a combination of federal funding in the amount of \$3 million dollars & General Funds in the amount of \$3 million dollars. That amount would be combined with prior appropriations totaling \$5.6 million dollars, which would enable the completion of the facility.

Co-Chair Meyer questioned if the request should continue to be placed in the capital budget. Mr. Bell clarified it is a construction project.

[6:31:24 PM](#)

Mr. Bell referenced the Information Technology (IT) projects.

#45246

Alaska Labor Exchange System Enhancement & Gas Pipeline Skills Inventory
Information Services
\$600 thousand dollars

Mr. Bell pointed out that the project would complete a multi year, statewide inventory of skills by community to allow for a quick hiring of locals during the construction of a gas pipeline. The project supports the Department's mission to advance opportunities for employment and positively affect measures associated with full employment of the Alaskan workforce.

#45287
Student Database System
Information Systems
\$400 thousand dollars

Mr. Bell stated that AVTEC will purchase a student database system that will effectively support the needs of student records and student accounts. The system will be interactive with AVTEC's website to provide for online student registration for admissions. Accurate documentation of student records and accounts is required as part of AVTEC's accreditation, which is vital to the Department's mission to promote employment.

#45289
Student Database System
Information Systems
\$3.7 million dollars

Mr. Bell noted that the project's purpose is to replace Business Services Management Information System, required for monitoring the Workforce Investment Act job training funds with a more stable system that will reduce maintenance and operational costs. The current system is contracted out-of-State, sole source that owns the enhancement capacity and code and is written in an extinct technical language. The end results will reduce costs associated with fiscal and outcome based reporting and provides a more effective data.

Mr. Bell pointed out that Page 8 identifies an anticipated savings to the system in the amount of \$150 thousand dollars.

#45221
Labor Standards Certified Payroll System Enhancements
Information Systems
\$160,700 dollars

Mr. Bell advised that Chapter 111, SLA 2003 required the Department to have a secure on-line system available for filing certified payrolls by 7/1/04. Initial funding for the project was provided in FY07. As the project evolved, additional programming needs developed to improve the system. The enhancement will improve user satisfaction by allowing for electronic fee payment and filing of Notices of Work and Completion.

[6:36:07 PM](#)

#45284
Vocational Rehabilitation Accounting Interface with AKSAS
Information Systems
\$250 thousand dollars

Mr. Bell explained that the project would provide the software programming to electronically transfer financial data between the Division of Vocational Rehabilitation Management Information System and the State's accounting system. The system would expedite payment to vendors and reduce the workload of staff.

[6:36:51 PM](#)

#45288
AVTEC Student Records Archival System
Information Systems
\$100 thousand dollars

Mr. Bell noted that the request would allow AVTEC to place 20-years of paper records and put them into image format by acquiring the imaging software. These are important records to maintain.

Representative Hawker questioned the small size of the request.

FRED ESPOSITO, DIRECTOR, ALASKA VOCATIONAL TECHNICAL CENTER (AVTEC), DIVISION OF BUSINESS PARTNERSHIP, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, responded that the estimate had been provided by the State Archive's system to acquire the soft and hardware systems; staff time is another issue.

Representative Hawker asked if an increment was needed for the ongoing operations. Mr. Esposito responded that could be handled in-house. Representative Hawker did not believe that the Department could address it with that efficiency.

[6:40:00 PM](#)

Mr. Bell referenced the handout - "Capital Projects Priorities and Revisions, March 17, 2008". (Copy on File). The handout lists in order the ten priority projects and combines the IT and non-IT items. He pointed out the two priority revisions.

- #43045, AVTEC Culinary Building/Instructional Equipment Replacement and Cafeteria Remodel in the amount of \$8.659 million General Fund dollars; and
- #43493, AVTEC Deferred Maintenance in the amount of \$241 thousand General Fund dollars and \$1.486 million Alaska Capital Inc. dollars.

[6:41:29 PM](#)

Representative Gara questioned the requested amount for the remodel of the culinary building. He pointed out that the

new building would not result in a facility large enough for additional students. He asked the difference in the quality of education between having a new building or not.

Mr. Esposito explained that the difference is between having and not having a program. The current facility basically has no foundation, which has cracked windows that need to be replaced. The State offers a high quality culinary art program, training approximately 30 chefs per year. He emphasized that it is an important & high quality program.

Representative Gara asked assurance regarding efficiencies for the 30 students in a \$5 million dollar building. Mr. Esposito replied that the facility is designed to accommodate two groups of students moving through the Culinary Academy at the same time. The design is efficiently planned and energy efficient. It was designed to be compact and to meet the needs of the program.

Representative Gara thought that the size of the building was big to accommodate only 30 students.

Representative Joule asked if the funds would be used for the cafeteria also. Mr. Esposito stated that the cafeteria is now serving between 50-60,000 meals per year and is an important part of the school. The funding sets the cafeteria up for other 30-years of service.

Representative Gara pointed out that the total project is over \$8 million dollars. Mr. Bell referenced Page 3 of the summary, acknowledging the large amount at \$8.6 million dollars for the project. The cost estimate for the culinary building is \$7.1 million dollars & the cafeteria cost will be \$1.5 million dollars. Mr. Esposito advised that the project will be builds a commercial kitchen, which allows training for the students and that is what commercial kitchens cost to construct.

[6:48:48 PM](#)

Mr. Bell noted that the Department has requested funding for the culinary remodel funds be moved. He mentioned the dormitory remodel proposed. Page 4 highlights the location of the dormitory. That building is a 35 year old facility. Unfortunately, a recent cost estimate indicates that it will cost over twice as much to replace and even more to renovate. The Department is dropping the project from the request and instead, requesting the reallocation of those funds for deferred maintenance projects.

#45493

AVTEC Deferred Maintenance

\$241.0 General Fund/\$1.486.0 AK Cap. Inc

Co-Chair Meyer asked if the students were tracked after graduation from the program. Mr. Esposito explained that the cooks are positioned everywhere in the State and the country. It is a very diverse program, which feeds all levels of the cooking industry.

Co-Chair Chenault indicated his appreciation for the organizational work provided by the Commissioner and the Department.

[6:52:59 PM](#)

DEPARTMENT OF LAW

BETTY MARTIN, DIRECTOR, ADMINISTRATIVE SERVICES, DEPARTMENT OF LAW, identified the one request submitted by the Department.

#45361
CRIMES Database Upgrade
Information Systems
\$200 thousand dollars

Ms. Martin noted that the Criminal Records Management and Exchange System (CRIMES) provide comprehensive case management, including schedule management, generation of case documents and tracking of defendant, victim and witness information.

Representative Hawker did not believe it would be possible to accomplish for the amount requested. Ms. Martin responded that her experience with conversions had surprised her and that the support services had been included in the operating budget.

[6:58:17 PM](#)

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

MARK LEWIS, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, stated that aside from the school construction item #1 and major maintenance items #2-21, the Department has submitted three projects for consideration.

#45623
Mt. Edgecumbe High School Deferred Maintenance
\$1.914 million dollars

Mr. Lewis stated that the request would change the Alaska Student Loan Corporation (ASLC) Bonds fund source to the Alaska Capital Income Fund since the credit market concerns, precluding it from returning capital to the State in FY09.

Through a facility audit, major components were identified that need to be replaced.

Co-Chair Chenault pointed out the building had been built in 1988, twenty years ago. Mr. Lewis said correct. Co-Chair Chenault asked if it would basically need to be rebuilt. Mr. Lewis replied, the request was for deferred maintenance items. Co-Chair Chenault asked how big it is. Mr. Lewis replied 24,000 square feet.

Representative Gara inquired if the projects had run through the major maintenance list order. Mr. Lewis said the three items would be separate from the major maintenance & construction list. They are internal Department of Education and Early Development items.

Representative Gara noted that urban schools tend to use bonding to be built. He asked if schools and bondable areas end up with major maintenance lists.

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, explained that the grant program was open to all districts. Those districts that do submit applications and go before the Department's prioritization process. He mentioned that municipalities have debt reimbursement available to them.

Mr. Jeans added that there is a Bond Reimbursement Grant Committee, which helps establish the State's standards, which the Department attempts to establish the school building standards.

Representative Thomas commented that construction bids usually go to the lowest bid and so the State "Gets what they pay for".

[7:03:59 PM](#)

#45468

Alaska State Library, Archives and Museum: Planning and Design of New Facility
Planning
\$4.5 million dollars

Mr. Lewis pointed out that all three components are housed within the same Division of the Alaska State Library. He stated the need for a new building is acute. The plan would consolidate the collections in one building by expanding the existing museum located in Juneau.

Representative Hawker voiced support for the advancement of the project and asked about the procurement process. Mr. Lewis replied there would be a new procurement process.

[7:06:15 PM](#)

Co-Chair Chenault inquired if currently, the project has \$1.2 million dollars in an account. Mr. Lewis said yes the money has been held in reserve. Co-Chair Chenault asked if the proposal was to add the \$4 million to the \$1.2 million. Mr. Lewis confirmed. He thought that \$7.5 million would be needed for design of the facility because of the environmental controls required. Co-Chair Chenault pointed out the \$80 million dollars needed to build the facility and was concerned with that cost, using 10% for the bid design alone. He warned the costs will be higher than estimated.

Co-Chair Meyer asked if the design amount was provided, would the Legislature see the construction costs included next year. Mr. Lewis responded that if the appropriation was granted, the Department would come back immediately for the full request; otherwise, the plans could be out-of-date.

[7:09:46 PM](#)

#45356

Outreach and Compliance Access Database Project
Information Systems
\$40 thousand dollars

Mr. Lewis discussed the outreach and compliance access database project, which would allow for the analysis, design, programming and implementation of a Microsoft Access database for the Alaska Commission on Postsecondary Education's outreach and compliance units.

[7:12:25 PM](#)

Co-Chair Chenault asked if any work had been work done on the building since 1984. Mr. Jeans said that was the last time there were any additions to the building. There were minor renovations done approximately four years ago.

Co-Chair Meyer recalled a gym floor in Dillingham that needed repair. Mr. Jeans said yes, resulting from a leaking roof. He understood that the community had passed a bond for the project to be funded through debt reimbursement.

Co-Chair Meyer suggested that a number of the projects could be addressed through that program. Mr. Jeans explained that any municipal government projects could be considered under the bond program.

[7:15:12 PM](#)

Representative Gara asked if the \$8.9 million dollars was part of the 70%. Co-Chair Meyer said it was 70% of the total. Mr. Jeans noted that some of the districts had moved

to 35% and did not know if Anchorage was one of them. Co-Chair Meyer asked if \$8.9 million dollars was the total cost of which the State would assume 70% of. Mr. Jeans stated that the amount approved by Department of Education and Early Development was \$13.8 million dollars.

[7:16:16 PM](#)

Representative Gara asked if the Department was recommending the percentage the school district would otherwise receive from the State, for the district projects that could be bonded. Mr. Jeans clarified that the participating share is set-out in statute and based upon the assessed value per child.

Representative Gara asked if for some of the projects on the major maintenance list, the Department was proposing an amount 70% of the actual cost of the project. Mr. Jeans responded that the State share would be the 70% and would then approve the project based on eligibility.

Representative Gara inquired if the community would be responsible for coming up with the remaining need to cover costs. Mr. Jeans explained the local share for the project could be covered by bonds. Co-Chair Meyer did not believe they all would be eligible for bonding.

Representative Thomas pointed out that the largest percentage of requests was for roof repairs. Mr. Jeans acknowledged that roofs do not last forever and if they are not replaced, other issues result. School districts can sue their contractors from faulty installation.

Vice-Chair Stoltze asked if insurance proceeds would suffice to meet the local match. Mr. Jeans responded that the insurance proceeds reduce the total project costs.

[7:23:09 PM](#)

UNIVERSITY OF ALASKA

PETE KELLY, DIRECTOR, STATE RELATIONS, UNIVERSITY OF ALASKA, noted that the majority of the requests from the University are for deferred maintenance, totaling over \$50 million dollars per year. The University funds about \$27 million dollars for maintenance projects from the operating budget. The average that the Legislature has placed into maintenance over the past eight years has been \$13 million per year. It is a high priority for the University.

[7:27:07 PM](#)

MICHELLE RIZK, SYSTEMS BUDGET DIRECTOR, UNIVERSITY OF ALASKA, FAIRBANKS, highlighted the University requests.

[7:27:54 PM](#)

#45326

Maintaining Existing Facilities & Equipment Renewal & Renovation Annual Requirement
Renewal and Replacement
\$41 million dollars

Ms. Rizk explained that given the magnitude of facilities, the University requires an annual investment of over \$40 million dollars for facility renewal and renovation and code compliance. The amount requested is slightly below the annual level of funding necessary for the University to avoid adding to the deferred maintenance backlog.

[7:28:21 PM](#)

#45648

UA-Statewide Annual Capital Renewal & Renovation Requirement
Renewal & Replacement
1.5 million dollars

Ms. Rizk noted the request would be directed toward the Office of Information Technology upgrade Butrovich Data Center, phase 1 of 2 and other high priority needs as the funding allows.

[7:29:03 PM](#)

#45644

UA-Fairbanks & Tanana Valley Campus Annual Capital Renewal & Renovation Requirement
Renewal & Replacement
\$19.587 million dollars

Ms. Rizk pointed out the funding would be directed toward projects such as campus main sanitary waste line repairs and Arctic Health building deferred renewal.

[7:29:50 PM](#)

#45645

UAF-Community Campuses Annual Capital Renewal & Renovation Requirement
Renewal & Replacement
\$677,403 dollars

Ms. Rizk noted that the request would be directed toward critical deferred renewal at the Northwest Campus and other high priorities.

[7:30:12 PM](#)

#45646

UA-Juneau Annual Capital Renewal & Renovation Requirement
Renewal & Replacement
\$10.2 million dollars

Ms. Rizk explained that the request would be used for the UA-Southeast renewal and renovation funding directed toward the Anderson Building.

KEITH GERKEN, DIRECTOR OF FACILITIES SERVICES, UNIVERSITY OF ALASKA-SOUTHEAST, explained that the Anderson Building was an example of over ½ of the University inventory that is over 30-years old. There are systems within that building that need to be renovated. He added that the University is building a new fisheries building at Lena Point in Juneau for the Fairbanks graduate school. The Anderson building will be reconfigured to be the principle science teaching facility. The project is the highest priority for the University capital project.

[7:31:48 PM](#)

#45647

UAS-Community Campuses Annual Capital Renewal & Renovation Requirement
Renewal & Replacement
\$356,392 dollars

Ms. Rizk discussed the funding directed toward the Paul Building roof replacement.

[7:32:42 PM](#)

#45642

UA-Anchorage Capital Renewal & Renovation Requirement
Renewal & Renovation
\$7.255 million dollars

Ms. Rizk pointed out that the request would be directed toward projects such as roof replacement, fire alarm panel upgrades, gas extraction and some of the campus heating, ventilation, and air conditioning upgrades.

[7:33:20 PM](#)

#45643

UAA-Community Campuses Annual Capital Renewal & Renovation Requirement
Renewal & Renovation
\$1.423 million dollars

Ms. Rizk stated that the funding would be directed toward projects such as fire systems upgrade at Mat-Su College & Kodiak College and cable plant renewal at Kenai, Homer, Mat-Su, and Kodiak College and other high priorities.

[7:34:35 PM](#)

#43218

Planning, Design & Capital Projects Receipt Authority
\$20 million dollars

Ms. Rizk indicated that the request is an estimation of potential receipt authority needed for FY09-FY14 projects at the main and community campuses. Prior university receipt authority was used for UAA Student Health Center, Student Recreation Center floor replacement, the Intertie, Southeast Alaska Vocational Training Center, UAA Kachemak Bay Expansion, Office of Electronic Miniaturization Purchase, Patty Center Ice Locker Room, Elvey Cooling System and the Gitkov remodel.

[7:35:10 PM](#)

#45339

UAA Small Business Development Center
\$550 thousand dollars

Ms. Kizk pointed out that the Alaska Small Business Development Center (ASBDC) is a statewide business assistance program. Services are offered to small businesses and are not duplicated or provided by any other agency.

[7:35:35 PM](#)

#43209

UAA Student Housing - Phase 2
Construction
\$7.9 million dollars

Ms. Kizk discussed that the funding would be used for the receipt authority necessary to support of the construction of a new student residence hall north of Sharon Gagnon Lane. The new building will provide approximately 200 additional beds to be built in the same style and design as the three residence hall buildings, completed and occupied by UAA in 1988. Additional funding would be necessary to complete the project.

[7:36:08 PM](#)

#45331

UAF Alaska Regional Research Vessel Additional Receipt Authority

Construction
\$45 million dollars

Ms. Rizk pointed out that in FY05, UAF was appropriated receipt authority up to \$80 million dollars for National Science Foundation funding to purchase a new research vessel. The National Science Foundation funding became available in the fall of 2007 and has increased to accommodate inflation & changes in scope of work over the past few years. Additional receipt authority is needed to accept the National Science Foundation funding and the new research vessel.

[7:36:33 PM](#)

Co-Chair Meyer referenced revenue received from the business license plates. Ms. Rizk explained that is the revenue source for the small business development center and that the University does receive a small amount from that.

[7:37:27 PM](#)

Ms. Rizick referenced the two main construction projects:

- UAF Bio-Sciences Facility
- UAA Allied Health Sciences Facility

Mr. Kelly added that the Bio-Science Facility is a research and teaching facility at the Fairbanks campus. It would create a complete facility for the teaching mission of the project. There is a surge of research activity at the University. The research is not associated with the Washington D.C. delegation. The request is mostly for the teaching aspect.

[7:40:03 PM](#)

Co-Chair Meyer noted the Bio Science Center request of \$66 million dollars needed for the year. Mr. Kelly pointed out that there is a portion that addresses some of the research that has gone into construction already. The next portion is for teaching and continued research.

Co-Chair Meyer mentioned the amount of revenue coming into the State resulting from the research. He asked about using a revenue bond for the second phase. Mr. Kelly understood that was possible. Co-Chair Meyer noted concern that Phase 2 is estimated to be \$47 million dollars, totaling \$113 million General Fund dollars. Mr. Kelly interjected the request completes the mission. The next phase is for future plans.

Mr. Kelly continued, the Health Sciences building would house the allied health and nursing programs and the Washington, Alaska, Montana and Idaho Medical Education Program (WAMI) students at the Anchorage campus. He added that the Anderson building deferred maintenance needs were previously addressed by Ms. Kizk. Those are three big projects in the University system.

[7:42:59 PM](#)

Co-Chair Meyer commented on how well the UA basketball team was doing. He questioned if that project was a priority of the Board of Regents. Mr. Kelly noted that it was one of the requests but was not the top priority and that there are no safety issues at stake. Ms. Rizick added that the new construction priorities support preparing Alaskans for jobs in research and are included in the operating budget. She emphasized the need to address the deferred maintenance back-log. \$70 million dollars has been requested and there is a back log amount of \$700 million dollars.

[7:45:41 PM](#)

Vice-Chair Stoltze commented on the cost for building a multi-use facility and sports dome; he suggested that the project be closely scrutinized.

Co-Chair Meyer agreed major maintenance should be considered before new projects are built. He recommended that a program be in place to identify the maintenance concerns.

[7:49:08 PM](#)

Representative Crawford commented that he had never heard about the research vessel requested by the University for \$45 million dollars. Mr. Kelly countered that it is a federal project and that the University would be managing it through research grants. The requested dollars are federal receipt authority.

Representative Crawford worried about future payments and asked the type of research done by the vessel. Mr. Kelly explained that the vessel would be replacing the Alpha Helix. It has been a long-term project for the University for research done in the Bering Sea.

[7:51:43 PM](#)

HB 311 was HELD in Committee for further consideration.
#

ADJOURNMENT

The meeting was adjourned at 7:52 P.M.