

HOUSE FINANCE COMMITTEE  
August 4, 2008  
7:48 P.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [7:48:18 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Harry Crawford  
Representative Richard Foster  
Representative Les Gara  
Representative Mike Hawker  
Representative Mike Kelly  
Representative Mary Nelson  
Representative Bill Thomas Jr.

MEMBERS ABSENT

Representative Reggie Joule

ALSO PRESENT

Speaker John Harris; Representative Bob Roses;  
Representative Carl Gatto; Representative Anna Fairclough;  
Representative Paul Seaton; Representative Andrea Doll;  
Suzanne Armstrong, Staff, Representative Kevin Meyer; Jerry  
Burnett, Director, Division of Administrative Services,  
Department of Revenue; Pat Galvin, Commissioner, Department  
of Revenue; Tom Wright, Staff, Representative Mike Chenault;  
Frank Richards, Deputy Commissioner of Highways & Public  
Facilities, Department of Transportation and Public  
Facilities; Sarah Fisher-Goad, Deputy Director of  
Operations, Alaska Industrial Development and Export  
Authority and Alaska Energy Authority, Department of  
Commerce, Community and Economic Development; 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

SUMMARY

HB 4001 An Act making supplemental appropriations, capital  
appropriations, reappropriations, and other  
appropriations; making appropriations to  
capitalize a fund; and providing for an effective  
date.

HB 4001 was reported out of Committee with a "do pass" recommendation.

HB 4005 An Act amending the power cost equalization program, repealing the exclusion from eligibility for power cost equalization for certain power projects that take their power from hydroelectric facilities, and amending the definition of 'eligible electric utility' as it applies to the power cost equalization program and the grant program for small power projects for utility improvements; and providing for an effective date.

HB 4005 was HEARD & HELD in Committee for further consideration.

CSSB 4002(FIN)

An Act amending the bulk fuel bridge loan fund; amending the power cost equalization program, repealing the exclusion from eligibility for power cost equalization for certain power projects that take their power from hydroelectric facilities, and amending the definition of 'eligible electric utility' as it applies to the power cost equalization program and the grant program for small power projects for utility improvements; establishing the Alaska resource rebate program and relating to that program; and providing for an effective date.

CSSB 4002 (FIN) was SCHEDULED but not heard.

[7:51:37 PM](#)

#HB4005

HOUSE BILL NO. 4005

An Act amending the power cost equalization program, repealing the exclusion from eligibility for power cost equalization for certain power projects that take their power from hydroelectric facilities, and amending the definition of 'eligible electric utility' as it applies to the power cost equalization program and the grant program for small power projects for utility improvements; and providing for an effective date.

Vice-Chair Stoltze MOVED to ADOPT work draft 25-LS1757\L, Kane, 8/4/08, as the version of the bill before the Committee. Representative Nelson OBJECTED.

[7:53:11 PM](#)

Representative Nelson expressed more comfort with the previous version of the bill. She felt that the previous

version struck a better balance in terms of region and helping people than the current version does. She took pride in the work that had been done.

Representative Gara noted that the changes in the bill were all topics that the committee had favored. The heating provision and the electrical utility assistance were removed.

[7:54:40 PM](#)

SUZANNE ARMSTRONG, STAFF, REPRESENTATIVE KEVIN MEYER, explained the major changes to the work draft. The Power Cost Equalization (PCE) provisions were removed, as were the provisions pertaining to the Low Income Heating Assistance Program (LIHEAP) and the provision relating to the State Heating Assistance Program. Remaining were the changes made to the bulk fuel loan fund and the revolving loan fund with limits increasing the loan amounts from \$500,000 to \$750,000. The resource rebate section was left intact with only one change; the dollar amount was increased from \$1000 to \$1200 per person. The suspension of motor fuel tax was left intact.

Co-Chair Meyer reverted back to the Governor's original call of the \$1200 for the resource rebate and the eight cent fuel tax suspension.

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A roll call vote was taken on the motion.

IN FAVOR: Hawker, Kelly, Stoltze, Thomas, Meyer, Chenault  
OPPOSED: Foster, Gara, Nelson, Crawford

THE MOTION PASSED 6-4

[7:57:13 PM](#)

Co-Chair Meyer MOVED to ADOPT Amendment #1, Page 3, Line 7, deleting "\$1,000" and inserting "\$1,200". Vice-Chair Stoltze OBJECTED.

Co-Chair Meyer explained the drafting error on Page 3, Line 7 where the \$1000 should read "\$1200."

Representative Hawker WITHDREW the OBJECTION.

[7:57:41 PM](#)

Representative Kelly MOVED to ADOPT Amendment #2, #25-LS1757\M.4, Bullard\Kane, 8/4/08. Representative Thomas OBJECTED.

[7:57:55 PM](#)

Representative Kelly explained that the amendment would be withdrawn. He asked to speak to the amendment. The amendment would allow a rebate or a low interest loan if an individual wanted to use a different heating method than oil, such as wood, wood chips, or pellets. These alternative fuel sources allow people to help themselves and reduce their dependence on oil.

Amendment #2 was WITHDRAWN.

[7:59:52 PM](#)

Representative Crawford stated that the amendment was good and should not be withdrawn and he encouraged Representative Kelly to offer it.

[8:01:02 PM](#)

Representative Hawker MOVED to ADOPT conceptual Amendment #3, Line 29, Page 3. He explained that it was a provision repealing the suspension of the motor fuel tax on June 30, 2011 as written. It repeals section 5A only. The conceptual amendment was to change 5A to section 5 in its entirety. Representative Crawford OBJECTED for discussion purposes. Co-Chair Meyer explained the drafting error that was noticed by Representative Hawker.

[8:03:06 PM](#)

Representative Crawford WITHDREW the OBJECTION. There being NO further OBJECTION, it was adopted. Representative Hawker pointed out that the credit should go to the Department of Law for the error's discovery.

Representative Kelly mentioned the included penalty provision. He did not agree with the notion. He regretted the hassle of unhappy phone calls in the event of public upset.

[8:05:19 PM](#)

Co-Chair Meyer reviewed the fiscal notes. He pointed out the resource rebate of \$1,200 dollars for Alaska residents. The rebate could be used for heating and fuel assistance this winter. He recalled that the PFD comes out in early October, which is important to Alaskans preparing for winter heating costs. He wondered if there was potential that the PFD might be administered earlier than October.

JERRY BURNETT, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF REVENUE, explained that the bill was initially introduced in August. The Governor had reviewed it

and hoped to move it back, but there are a number of concerns to be addressed. There are scheduling items to guarantee that the appropriate warrant stock is in place. The Department of Revenue will attempt to get the checks out as soon as possible.

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Representative Hawker requested the difference between an energy rebate and a resource rebate. Mr. Burnett explained that the rebate consists of a distribution of excess tax revenue that the state had received and will distribute to dividend eligible persons. It is not aimed at a specific use.

Representative Hawker pointed out that there was not language in the bill requiring that the resource rebate was spent on energy related issues. Mr. Burnett affirmed that there was not language specifying a requirement regarding how the rebate is spent. He supposed that people would use the rebate money to pay heating bills, given the cost of energy this year.

[8:10:55 PM](#)

Representative Gara did not accept the terminology concerning the equitability of the proposed distribution. The prior version of the bill recognized the inequity, and attempted to address it by helping those with the greatest need. He did not accept the line of reasoning that there is equity based on a change of the terminology. The bill is not equitable.

Representative Gara asked if all of the individuals eligible for the hold harmless provision would have the money count as income and possibly have it garnished. Mr. Burnett replied that the rebate would not be garnished in the mentioned situation.

Representative Gara could not find the hold harmless provision in the bill before the Committee. Mr. Burnett advised that the hold harmless clause is in the PFD statute and it applies to subsidized housing because it is a one-time payment. It would not be treated as part of the PFD. The clause is identified as a separate part of the PFD. The hold harmless that applies to PFD will apply to the hold harmless provision. There is a specific hold harmless section in the bill for veterans.

[8:15:29 PM](#)

Representative Gara asked if hold harmless language was in the appropriations bill. Mr. Burnett responded that there is an appropriation for an additional hold harmless for Health

and Social Services and the Veterans in the appropriation bill.

Representative Hawker asked to clarify that in the appropriations bill there is specifically a paragraph earmarking funding to address those purposes.

Representative Gara asked for a letter from the department addressing the hold harmless provision for low income housing and the Pioneer's Home issue. Mr. Burnett affirmed.

[8:16:36 PM](#)

Co-Chair Meyer noted that the bill would be HELD until the Senate version arrives to Committee.

[8:18:15 PM](#)

Representative Thomas stated that he originally believed that sufficient legislation would include a resource rebate of \$1,500 and include the repealing of the fuel tax. He remembered speaking about an energy rebate since last session. He hoped the resource rebate would be increased to \$1,400 dollars, because of the other aspects of the bill that were left out. He proposed that it occur on the House Floor.

Representative Nelson pointed out that there are six different regions in the State of Alaska. Each region was initially represented with one piece of legislation; however, an individual living alone does not have their needs adequately addressed. She listed the items that were in the original version that helped ease the disparity. She suggested that the Committee had taken a step backward. She expressed hope that a "middle ground" could still be reached.

[8:21:26 PM](#)

Representative Crawford wondered how many people would use the funding as a moving allowance to move from the Bush into the cities. He thought it was too little too late to help the rural areas.

Co-Chair Meyer noted that HB 4005 would be HELD.  
#HB4001

[8:22:37 PM](#)

HOUSE BILL NO. 4001

An Act making supplemental appropriations, capital appropriations, reappropriations, and other

appropriations; making appropriations to capitalize a fund; and providing for an effective date.

Vice-Chair Stoltze MOVED to ADOPT work draft #25-GH3056\L, Kurtz & Kane, 8/4/08, as the version of the bill before the Committee. Representative Gara OBJECTED.

[8:23:07 PM](#)

Representative Gara asked what the Administration needed for the appropriation for the gas line contract that was approved. The original amount was \$500 million. The CS shows a sum of \$50 million appropriated from the general fund to the Alaska Gasoline Inducement Act (AGIA) reimbursement fund.

[8:23:43 PM](#)

PAT GALVIN, COMMISSIONER, DEPARTMENT OF REVENUE, estimated that TransCanada would expect to spend \$14 million dollars to get to an open season. This would include a 50/50 match from the state, expected to be \$14 million.

Representative Gara requested the timeframe that the \$14 million would encompass. Commissioner Galvin replied that the timeframe would span until the middle of 2010. He stated that the department believed that it was most appropriate to put the entire \$500 million into the reimbursement account. He recognized the interest of the legislature to retain the ability to have the department come back and ask for additional amounts as needed. The \$14 million dollars allows for open season, which is one benchmark.

[8:25:55 PM](#)

Representative Gara did not want to jeopardize the state's contract. Commissioner Galvin replied that it would not jeopardize the contract, but when additional funds are needed, it could cause a delay.

Representative Gara WITHDREW the OBJECTION.

[8:27:09 PM](#)

TOM WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, provided a sectional analysis:

- Section 1 included the \$50 million appropriation for AGIA, the \$25 million appropriation for the Alaska Natural Gas Development Authority (ANGDA) for the instate gas pipeline segment, and the sum necessary to

pay each qualified resident a \$1200 resource rebate including administrative costs.

- Section 2 included \$600,000 appropriated to the Power Cost Equalization (PCE) fund and the Rural Electric Capitalization Fund as well as \$9 million to cover the proposed shortage for FY09.
- Section 3 included the hold harmless clause and is appropriated \$1,900,000, as an approximation.
- Section 4 included the \$60 million appropriated for the Alaska Energy Efficient Home Grant Fund.
- Section 5 included \$5.5 million for the Bulk Fuel Revolving Loan Fund and \$5.3 million for the Bulk Fuel Bridge Loan Fund, and \$110,000 was appropriated for administrative costs.
- Section 6 included \$29.6 million to the Department of Transportation and Public Facilities (DOT) for reconstruction of the Dalton Highway from milepost 175 to milepost 209 and \$23.3 million to DOT for repair of the Dalton Highway from milepost 260 to milepost 321. Also included is \$18 million appropriated to the DOT for surveys and design starts for gas line infrastructure.
- Section 7 included the shared taxes, estimated to be \$100,000 to pay the municipalities the amount of aviation fuel tax proceeds to which they would have been entitled under AS43.40.010 (e).
- Section 8 included \$5.5 million from the general fund to the Department of Natural Resources for gas pipeline implementation.
- Section 9 included appropriations for the capitalization of funds that do not lapse in sections 1 (a), 4, 5(a), and 5(b). The appropriations made in sections 1(b), 6, and 8 of this Act are for capital projects and lapse under AS 37.25.020.
- Section 10 was retroactive for Sections 2 (a) to June 30, 2008.
- Section 11 included the contingency language for section 7 regarding the passage by the Twenty-Fifth Alaska State Legislature and enactment into law of a bill that suspends the motor fuel tax imposed under AS 43.40.010.
- Section 12 includes the immediate effective date under AS01.10.070(c).

[8:31:13 PM](#)

Representative Hawker referenced Section 1 and the \$25 million dollar appropriation to the Department of Revenue, Alaska Natural Gas Development Authority, for the instate gas pipeline segment. He asked for clarification that the money would go to the Department of Revenue who will exercise oversight of expenditure of those funds. He had not seen any documentation regarding the intended use of the appropriation.

Commissioner Galvin restated the question for better understanding. Representative Hawker explained that he had no question that the appropriation would be utilized by the Alaska Natural Gas Pipeline Authority (ANGDA). Burnett added that the ANGDA appropriations would not be transferred from the state accounting system to ANGDA as an independent entity and the procurement process is overseen by staff and the Commissioner of the Department of Revenue.

[8:34:15 PM](#)

Representative Hawker requested more information regarding Page 2, Line 6, and the relationship of the funds to the funds that are coming before the public in a general obligation bond this fall.

[8:34:42 PM](#)

FRANK RICHARDS, DEPUTY COMMISSIONER OF HIGHWAYS & PUBLIC FACILITIES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, explained the difference between the projects. The general obligation bond addresses heavy maintenance, addressing specific challenges of the Dalton Highway.

Representative Hawker explained that in the interest of accountability, efficiency and avoiding waste, he wanted to know that the two projects were not in conflict. Mr. Richards replied that was the intention.

[8:36:26 PM](#)

Representative Gara MOVED to ADOPT conceptual Amendment #1, #25-GH4059\C.4, Kane, 8/1/08. Vice-Chair Stoltze OBJECTED.

[8:37:08 PM](#)

Representative Gara advised that the Legislature should attempt to reduce energy costs by helping to fund the renewable energy fund. With the \$150 million, AEA would be able to consider more projects and would be reviewed by the Legislature. The state needs to move toward alternative energy quickly to stabilize and reduce the cost of energy for the future.

[8:38:52 PM](#)

Co-Chair Meyer noted support for renewable energy funding, however, \$50 million has already been appropriated to that fund for the next five years. None of the money had been used. The projects will be prioritized first. The proposed amendment would go into effect in 2009. He recommended that it be addressed during regular session.

Representative Crawford commented 'if not now, when?' Do not delay renewable energy projects when moving ahead on fossil fuel projects. He thought that the time was now. It does not make sense to postpone good projects that would improve the fossil fuel dilemma.

Representative Thomas commented on the amount of money that had been spent. He thought that the Committee should wait and listen to the task force and advisory board before placing new funds into the account. He opposed Amendment #1.

[8:42:51 PM](#)

Representative Gara made closing comments. There are some very significant projects including wind power and the distribution of wind generated energy.

Representative Nelson noted support for the amendment but pointed out that she would vote no. She thought it would not be good to assume that the next Alaska Legislature would not be supportive. This special session was to address immediate crisis not long term relief.

[8:46:55 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Gara, Crawford,

OPPOSED: Hawker, Kelly, Nelson, Stoltze, Thomas, Foster, Chenault, Meyer

Representative Joule was not present for the vote.

The MOTION FAILED (8-2).

[8:47:57 PM](#)

Representative Crawford MOVED to ADOPT Amendment #2. Vice-Chair Stoltze OBJECTED.

[8:48:09 PM](#)

Representative Crawford voiced disappointment with the process. He urged passage of the amendment. Two million dollars would keep the project moving forward. The state is

spending \$1 billion dollars for some people who do not need it.

[8:51:52 PM](#)

Co-Chair Meyer was offended by the statement of not moving into the future. There are many renewable energy projects in the capital budget. The state is moving forward and the projects need to be addressed during regular session.

Vice-Chair Stoltze requested an explanation about the Tanadgusix Corporation (TDX).

SARAH FISHER-GOAD, DEPUTY DIRECTOR OF OPERATIONS, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AND ALASKA ENERGY AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, pointed out that TDX power is an investment owned utility. It was funded through the Denali Commission Request for Proposal (RFP) process for evaluating the project. In addition, the money appropriated to the Alaska Energy Authority (AEA) includes a Railbelt appropriation.

[8:54:42 PM](#)

Representative Hawker noted that one of the missions is to avoid government waste. No one from TDX has requested funding from his office. The project could be a viable energy project for the state.

Representative Gara explained that voting for or against a budget does not mean that the legislator supports or opposes any of the particular projects in the budget. He pointed out that Representative Crawford had fought hard and long for the Fire Island wind project. There were a number of projects because the capital budget was too big. It was not a fair representation of Representative Crawford's work on the Fire Island wind project.

Representative Crawford noted that he did not mean to offend anyone at the table. He explained his position on the capital budget. The \$2 million dollars was the due diligence portion. The entire project would cost \$1.7 billion and put many people to work.

Vice-Chair Stoltze maintained the objection.

[9:01:10 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Nelson, Crawford, Gara  
OPPOSED: Hawker, Kelly, Stoltze, Thomas, Foster, Meyer, Chenault

Representative Joule was not present for the vote.

The MOTION FAILED (3-7).

[9:01:53 PM](#)

Representative Crawford MOVED to ADOPT Amendment #3. Vice-Chair Stoltze OBJECTED.

Representative Crawford explained the Trash to Gas project to turn municipal garbage into methane; the gas is currently collected and flared off, wasting 3.5 to 4 MW of potential electric power daily. Municipal Light and Power (MP&L) in Anchorage is a partner in this project. Anchorage could get 3.5 to 4 MW of power by next summer. A generator set would be installed with the potential to add another as the project expands.

[9:04:31 PM](#)

Representative Hawker said the Municipality of Anchorage is good at letting the legislature know what its needs are, but they haven't contacted him about this being a priority. The project sounds as though it has a great deal of merit, but he doesn't have enough information to do due diligence and vote for it at this time.

Representative Gara noted that Representative Crawford took the initiative to find and research this project and should not be criticized for taking this approach. Co-Chair Chenault noted that the comments were not intended as a criticism of Representative Crawford. Representative Gara felt that Representative Crawford should be commended. There are far too many projects for the \$50 million in the fund now.

[9:07:51 PM](#)

Vice-Chair Stoltze said that it would be appropriate to bring some homework backing up the project to the committee. These sale agreements are much more complicated and it is important to have all of the details.

[9:09:35 PM](#)

Vice-Chair Stoltze would like to ask many questions regarding this proposal and would like to have the Regulatory Commission of Alaska available to answer them. The vetting process should be applied to all.

Representative Chenault noted that AEA is going out to bid on a number of these projects this month. Ms. Fisher-Goad explained that an RFQ has just been completed with 5 million

dollars of projects. Remaining funds from the \$50 million dollar appropriation are going out soon. Included will be a solicitation for the additional \$50 million worth of projects for FY 2010 coming soon.

Representative Gara asked why it took four months to get the RFP out. Ms. Fisher-Goad answered that she didn't think it was particularly slow.

[9:13:20 PM](#)

Representative Thomas asked if the RFP's were for other projects. Ms. Fisher-Goad responded that the initial RFP was prior to HB152 passing. Representative Thomas clarified that the RFP requested now will be for the \$50 million from HB152 in September. Ms. Fisher-Goad affirmed.

Representative Thomas recounted an anecdote, and asked if ten years was the approximate time it took from the start to completion of this type of project. Ms. Fisher-Goad confirmed that especially wind power projects can take more time.

Co-Chair Chenault realized that the committee had been distracted from the amendment, but that it was important to know that the department is working forward. The money in the renewable energy fund should be spent cautiously. He believed that there were many worthy projects.

[9:16:06 PM](#)

Representative Crawford wrapped-up. He thought that his amendment was good, because it would stop the waste of useable energy.

[9:16:44 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Nelson, Crawford, Gara  
OPPOSED: Kelly, Stoltze, Thomas, Foster, Hawker, Chenault, Meyer

Representative Joule was not present for the vote.

The MOTION FAILED (3-7).

[9:17:32 PM](#)

Representative Nelson WITHDREW Amendment #4.

Representative Gara noted that all the job training projects had been taken out of the bill. He observed that the job training projects were similar to the road projects in that

initiating some projects soon would be advantageous. He asked for the position of the Department of Labor and Workforce Development regarding the training projects.

[9:19:27 PM](#)

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, commented on the job training legislation and stated that there are significant gaps that need to be addressed immediately. Non residents working in Alaska are taking home around \$1.5 billion dollars annually. Significant issues include the inability for technical schools to provide education programs without the requested funding along with aiding today's workforce shortages and preparing for jobs ahead.

[9:20:53 PM](#)

Representative Gara asked if any of the projects were intended for the construction or upgrade of facilities. Mr. Bell responded that there were two specific projects concerning acquisition of equipment. The first was for the University of Alaska to acquire training simulators for heavy equipment operation. This would have allowed the University to purchase mobile simulators. The second item was for the Alaska Works Partnership for the acquisition of training equipment for the pipeline training center. Representative Gara requested the costs for the projects. Mr. Bell stated that \$1,720,000 was requested for the first project entailing a 25 percent industry contribution. The cost of the second project was \$2,287,000, again requiring a 25 percent industry contribution.

[9:22:21 PM](#)

Representative Gara asked if the funding efforts for the job training operations were considered the most important. Mr. Bell answered that the highest priority project was for the career and technical education grant program.

There is a need in many school districts for basic vocational education. A competitive grant program would be the best way to achieve immediate return to the state in current technical education. The initial request was for \$5.3 million for both the administration and the competitive grant program for each year of the five year program.

[9:23:57 PM](#)

Representative Gara asked the number of kids that would benefit from the programs if funded. Mr. Bell did not have an estimate, but stated that the goal was to reach every school district in some fashion. Some of the construction

academies in Fairbanks, Anchorage, and Juneau already provide some necessary benefits. He hoped for more opportunities in rural Alaska and for school districts without current technical programs.

Representative Gara asked for the total request from the Department of Labor. Mr. Bell stated that the total request was \$42.7 million dollars for the five year program.

[9:25:23 PM](#)

Representative Nelson asked about the simulators for use at the University. Mr. Bell explained that the University has been working with the department for a few months exploring the different types of simulated training methods available. These would include training modules for a front end loader, dozer, excavator, and mining visualizer. He opined that the simulators were effective models that could deliver training to a large number of people at a low cost. With the opportunity to train and the technology to deliver on sight training, this program would be cost effective.

Representative Nelson understood that the simulated training method allowed a student to become skilled in many construction methods. These skills could help young Alaskans work on existing projects. Mr. Bell affirmed.

Representative Nelson asked if people had already participated in this simulator project. Mr. Bell stated that the simulator would be a new acquisition and is not currently available in Alaska. Representative Nelson asked if the simulator was mobile and could be transferred throughout campuses. Mr. Bell affirmed.

[9:27:58 PM](#)

CLARK BISHOP, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT commented that a simulator was transported to a local mining convention and he would like to see one brought to Juneau for the review of the legislators.

Representative Thomas suggested that the academic environment of the University might not provide the best education. Commissioner Bishop responded that the University environment was adequate. He was not prepared to discuss the vision of the University and skill trades. He had been promoting the mining industry in an effort to increase Alaska hire. If there was a need for the simulator in any district it could be transported.

[9:31:06 PM](#)

Representative Thomas asked the costs for the simulators. He wondered if an individual could utilize the training in some smaller communities without traveling for training. Commissioner Bishop responded that the cost was \$1 million dollars for five packages. Mr. Bell corrected that two simulators cost \$275 thousand dollars and each module that offers the simulation for the machines varies from \$55 thousand to \$120 thousand.

Representative Hawker understood that there would potentially be a new statewide education program. He asked if the University intended to accommodate the maintenance of the program. Mr. Bell stated that they had worked closely with the University creating this program as an adjunct to the training that is offered today. The request was the Universities', and was sponsored by the department. Included in the funding request, was the cost of maintaining the software.

[9:34:14 PM](#)

Vice-Chair Stoltze criticized eligibility for training programs based on union affiliation. Mr. Bell discussed another program for which funding had been requested. This scholarship program was open to all institutions. The program was tuition based and non-biased with respect to affiliation of any kind. This program would help place students in a place of learning that was specific to their choice. The program is directed to all school districts and there is no inherent bias; it is a comprehensive program.

[9:36:39 PM](#)

Representative Gara stated that the Department of Labor and Workforce Development's priority training program included \$8.7 million dollars to fund the three discussed efforts. He MOVED a conceptual amendment for \$8.7 million to fund those efforts. These efforts included the two equipment related items and the first training program.

Co-Chair Chenault OBJECTED. He asked to know the funds spent last year for training. Mr. Bell explained that the Department received money from a number of funding sources. These included federal formula funding, the state training employment program, and the Denali training fund on behalf of the Denali Commission. In FY08, \$4.7 million was issued to various entities related to gas line grants. Co-Chair Chenault asked if the total was \$13 million dollars. Mr. Bell estimated that in FY09, \$13 million worth of funding was appropriated, including federal, General Fund and state training programs, and a designated federal grant.

Co-Chair Chenault was concerned that some of the projects were worthwhile and should be considered. There was some

delay in creating a plan to address pipeline training issues. Commissioner Bishop affirmed.

Co-Chair Chenault MAINTAINED the objection.

[9:41:22 PM](#)

Representative Gara wrapped up that without the appropriations there will be no vocational training money in the bill. If the \$5.3 million for the vocational technical grant fund was approved this special session, then the benefit to students would be available this school year.

A roll call vote was taken on the motion to adopt Conceptual Amendment #5.

IN FAVOR: Nelson, Foster, Gara

OPPOSED: Kelly, Thomas, Hawker, Chenault, Thomas

Vice-Chair Stoltze, Representative Joule, & Representative Crawford were not present for the vote.

The MOTION FAILED (3-5).

[9:43:39 PM](#)

Co-Chair Meyer directed comments to the projects that are and are not being funded. He encouraged pride in the progress that had been made. He agreed that renewable energy was the way of the future. Progress can now occur much more quickly. He encouraged thorough analysis of each and every project.

[9:46:01 PM](#)

Representative Gara agreed that the state should not move forward with projects that have not been vetted. His concern was that AEA would not be able to analyze projects that have not received funding.

[9:46:50 PM](#)

Vice-Chair Stoltze noted his appreciation for the \$25 million for ANGA and the pursuit of instate gas.

Representative Gara reiterated that there was no appropriation for job training funding, and he hoped that it would change. He asked if the bill would be on the floor, and if amendments should be prepared. Co-Chair Chenault stated that the bill would be on the floor tonight.

Representative Gara directed comments to the Department of Labor and Workforce Development for floor discussion this evening.

Co-Chair Meyer commented that SB 4002 would be before the Committee.

Vice-Chair Stoltze MOVED to REPORT CSHB 4001 (FIN) out of Committee with individual recommendations. There being NO OBJECTION, it was so moved.

CSHB 4001 (FIN) was reported out of Committee with a "do pass" recommendation.

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ADJOURNMENT

The meeting was adjourned at 9:49 PM