

SENATE FINANCE COMMITTEE
March 12, 2008
9:13 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:13:09 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

None

A LSO PRESENT

Karen Rehfeld, Director, Office of Management and Budget; Rachel Petro, Deputy Commissioner, Department of Administration; Arnold Liebelt, Facility Chief, Department of Health and Social Services; Steve McComb, Acting Director, Division of Juvenile Justice, Department of Health and Social Services; Leta Simons, Director, Division of Support Services, Department of Natural Resources; Jeff Hoover, Deputy Director, Administrative Services, Department of Fish and Game; John Hilsinger Director, Division of Commercial Fisheries, Department of Fish & Game; Doug Larson, Director, Division of Wildlife Conservation, Department of Fish & Game; Charles Swanson, Southeast Regional Supervisor, Division of Sport Fish, Department of Fish & Game

PRESENT VIA TELECONFERENCE

SUMMARY

SB 221 "An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

SB 221 was HEARD and HELD in Committee for further consideration.

[9:13:14 AM](#)

SENATE BILL NO. 221

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

9:14:51 AM

Co-Chair Stedman requested that all agencies prioritize their FY 09 requests. He noted that the committee would start with information regarding the request of \$42 million for information technology projects (IT) contained in the budget using FY 08 revenue. He indicated there was a good chance that the committee would alter that request to FY 09.

9:16:40 AM

Co-Chair Stedman asked the Administration to talk about how they planned to deal with IT challenges the state faces over the next several years and discuss the interrelationships between the various departments.

9:18:18 AM

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET presented the IT projects funding proposed with the FY 08 surplus. Ms. Rehfeld indicated that the budget was presented in December and included proposed expenditures for FY 08 and FY 09 with the supplemental items and the proposed special savings plan. The FY 08 use of surplus was for 32 projects with \$29 million in general funds (GF) and \$5 million GF proposed for the capitalization of the ISF fund. She explained that the proposal is to use \$34 million out of the FY 08 surplus in the appropriation bill introduced in a separate section with an effective date for June 30, 2008 so that it would be clear it would be a surplus not supplemental request. She indicated that there was \$2.7 million in federal money with \$5.2 million of other funds equaling the \$42 million on the spending plan.

Ms. Rehfeld also indicated there were IT projects included in the FY 09 request for 27 projects in the regular portion of the budget; \$24 million in total with \$2 million GF and \$7.7 million in federal funds and \$14.3 million of other funds. She emphasized that technology is a significant component of agency operations and their ability to deliver efficient services to Alaskans. Ms. Rehfeld noted areas of concern in updating the technology with some system replacement over the next several years. Ms. Rehfeld stressed that the Department of Administration had worked hard to get the statewide IT planning process in place and continued to make improvements in that area.

[9:22:18 AM](#)

RACHEL PETRO, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, indicated that all requests in the FY 08 and FY 09 budgets were reviewed as part of the FY 09 IT planning process. Ms. Petro provided a brief history of how improvements have been made, beginning in 2002, when the state commissioned the initial study to develop a statewide information technology plan, often referred to as the PTI plan, after the company that had been given the contract. In 2003, the Information Technology Group (ITG) within the Department of Administration was asked to develop an enterprise implementation strategy building on the 2002 plan. She reported that in August 2003, another contractor was hired to develop an actual enterprise or corporation wide IT integration plan. Ms. Petro indicated that this set in motion a departmental IT planning process, established the enterprise IT governance model, set up the IT budget planning process and also changed the name of the ITG to the Enterprise Technology Services Division (ETS).

Ms. Rehfeld pointed out that since 2003 the state used this basic governance model presented in the plan: SOA IT Governance Structure, Prepared by DOA ETS, March 11, 2008, (copy on file). Ms Petro explained that the process begins with each individual department submitting their IT plans for the year, which are reviewed by the Technology Management Council made up of a representation of all departments. She signified that there is a technical and enterprise mission review for efficiency, accessibility, and security.

[9:25:45 AM](#)

Ms. Petro stated that the Enterprise Review Team reviews the technology, policy and overall investment aspects before going to the Enterprise Investment Board. The board consists of the Office of the Governor, Office of Management and Budget, the Commissioner of the Department of Administration, the Director of the Enterprise Technology services, and a representative of the Administrative Services Director's team. Ms. Petro concluded that the final step in the process goes from the Enterprise Investment Board, with recommendations from the ERT, to the EIB who makes recommendations to approve or not approve projects. Finally it moves to OMB where there is a list of approved projects meeting state standards to create more efficiency within state government to deliver the best services for the least amount of money. Ms. Petro disclosed that these approved projects can then be inserted into different department budgets. Ms. Petro stressed that IT projects not approved by the EIB are not considered for the budget. Ms

Petro emphasized that the process is evolving to better align the planning process with the budget process.

[9:27:49 AM](#)

Ms. Petro responded to Co-chair Stedman's request on the relationship between Enterprise Technology Services and different agencies, IT divisions and groups. She noted that basically the relationship was that of customer and service deliverer. She explained that any centralized IT service, such as the Microsoft Outlook and email and calendaring, and are worked with in the departments. Ms. Petro stated that there are business needs driven by agency missions often not suited to the centralized model. The overall picture is to improve central services to reduce support costs.

[9:29:26 AM](#)

Co-Chair Hoffman requested a summary sheet for all the projects. Ms. Rehfeld indicated that it is possible to obtain one consolidated list for FY 08 and FY 09.

Senator Huggins questioned if the Alaska Land Mobile Radio system (ALMR) went through this process. Ms. Rehfeld stated that it did not as it was a separate capital project. Senator Huggins wondered if there was a similar management technique. Ms. Rehfeld indicated that ALMR did not have this same structure.

[9:30:49 AM](#)

Co-Chair Stedman requested from Ms. Rehfeld an elaboration in the decision to use FY 08, not FY 09, money.

Ms. Rehfeld commented that there was a delay in the final review process with the EIB that had to do with releasing the budget requests early for the FY 09 budget process. It was hoped that the projects could be included for consideration as a request for the FY 08 surplus.

Co-Chair Stedman understood that there was a four percent target for FY 09 and asked for an elaboration since he was aware that four percent had its limitations.

[9:32:47 AM](#)

Ms. Rehfeld agreed that they were looking for a four to four and a half percent change from FY 08 to FY 09. She acknowledged that after putting out the December budget it was based on the anticipated additional expenditures in FY 08, including supplementals that are now before the committee. She stated that when looking at the overall operating and capitol budget in December there was a target

of \$4.4 billion in FY 09. She informed the committee that there will be another forecast that will look different from December.

Co-Chair Stedman applauded the goal to keep within the four percent target range. He considered that both the Administrative and Legislative branches need to work together to reach these goals. He emphasized that the concern of the committee is that there is now a twelve to fourteen percent range, but there is a need to move below the ten percent range to the possible four percent mentioned earlier.

Co-Chair Stedman explained that the committee believed it was a difficult goal to meet some of the governor's budget requests.

[9:35:18 AM](#)

Ms. Rehfeld signified that the Administration would work with the Legislature to meet this overall goal.

Co-Chair Stedman noted that the committee intended to use FY 09 revenue when the capital budget was put together so there will be some shifting of items.

Senator Elton contended that the chart indicated there were many people and large overhead involved in making recommendations on technology services. He wondered how many hours were involved with the high level policy makers. Senator Elton also noted many service providers were represented on the chart, but there were no represented recipients. He questioned how the service receiver's needs are incorporated.

[9:37:00 AM](#)

Ms. Petro commented that the Enterprise Investment Board invests about four to six hours a year and the Enterprise Review Team spends double or triple that time going through the detailed projects from a policy perspective to provide final recommendations for the EIB. Ms. Petro noted that the Technology Council meets regularly every other week and the Ad Hoc meets as needed. She emphasized that the departments focus on the issue full time. She could not answer how the customers are incorporated into the process, but believed the feedback from customers was supplied from various departments and divisions. Ms Petro reported that most of the time there is no direct feedback unless something fails.

[9:39:16 AM](#)

Co-Chair Hoffman inquired about the cost savings to the state once everything has been implemented. He wondered that

with a more stream-lined process if this would translate into personnel savings.

Ms. Petro remarked that one of the recognized challenges is how IT projects can save the state money, but unfortunately there was little data on this subject. She revealed that part of revising the plan and starting a project management office within the Enterprise Technology division was to bring more firm numbers on the saving investment. Ms. Petro hoped to have this data next year when meeting with the committee. She suggested that as the IT division grows there will be a greater need for more IT people, but less need for other types of individuals.

[9:41:54 AM](#)

Co-Chair Hoffman commented that the problem policy makers have in trying to keep costs under control is the difficulty in making decisions without having all the information. He emphasized that decisions are often made on faith and hope, but the committee needs some assurances that this is not expanding government, or if it is, what will be the benefits.

Ms. Petro replied that one example was proper software blocks pop-ups on inappropriate websites, which in turn keeps bandwidth costs down.

[9:43:58 AM](#)

Co-Chair Stedman wondered if employees would be looking at inappropriate websites if the software was not in place.

Ms. Petro noted that pop-up ads appear on all forms of websites, including news and information sites.

[9:44:52 AM](#)

Senator Elton asked if the structure to review the technology would also deal with the difficulty in attracting IT personnel needed to maintain and run the systems.

Ms. Petro acknowledged that it is not part of the formal process, but part of the larger recruitment retention issue the department is studying. She reported that although there is no formal process, there is a process in the Enterprise Technology Division to inventory existing staff to best utilize their talents and cross-train those already in place.

[9:46:21 AM](#)

Senator Elton questioned if the money was used to get this technology would there be people available to make it work, since he has heard it is difficult to recruit IT personnel.

[9:47:07 AM](#)

Ms. Petro responded that ETS and the Administration are very aware that to make the project successful requests are kept realistic. She pointed out that often contractors are utilized to carry out larger projects.

[9:48:31 AM](#)

Co-Chair Stedman asked about the \$2 million in network security and \$2.7 million in facility remediation. Ms. Petro noted that repairs were needed to the facilities remediation in the two major data centers in Anchorage and Juneau.

Co-chair Stedman requested an email with a flow chart that could be posted on the Finance Committee website. Ms. Petro agreed and said it would also be posted on the ETS website.

AT EASE: [9:49:36 AM](#)

RECONVENED: [9:50:42 AM](#)

Co-Chair Stedman reconvened stating that they were going to take a breather on IT to get the report and have the department return at a later time.

[9:51:46 AM](#)

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

ARNOLD LIEBELT, FACILITY CHIEF, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, provided a PowerPoint presentation entitled the Department of Health and Social Services (DHSS) FY 09 Capital Budget Request (copy on file). Mr. Liebelt reviewed the mission of DHSS to promote and protect the health and well being of Alaskans. He emphasized that great effort to support this mission is used in putting together the budget for capital projects.

Mr. Liebelt started with the McLaughlin Youth Center Renovation to Meet Safety and Security Needs, reference number 41336 at \$19,503,700, (General Funds) (P. 2). He informed that committee that an Anchorage design consultant was hired to investigate and analyze the safety and security deficiencies in the four oldest youth facilities throughout the state; the Bethel Youth Facility, the Fairbanks Youth Facility, the Johnston Youth Center and the McLaughlin Youth Center. The Department plan spans a six-year period to find the most responsible and financial way to address the severe deficiencies existing in these facilities. The number one priority out of that study is Phase 1 for the McLaughlin

Youth Center. He laid out the four phases (p.3) to address the safety and security issues. He pointed out that number three (orange) is a new twenty-five bed detention unit replacing the oldest detention unit in the state. He noted that to construct the new detention facility on that site, it will have to take over the existing outdoor recreation site which will then be relocated on area marked number one. The area marked number four would be screened for visual blockage of the street because a forced evacuation does not allow for any security and the young residents would have access to Providence Drive, shown at the top of the photo. Mr. Liebelt revealed that new parking would take place in the area marked number two. He explained that changing areas during renovations results in a domino effect moving the young people to various buildings. The overall summary for the next six years is to be found on page four.

[9:57:15 AM](#)

Co-Chair Hoffman questioned if it was better to centralize youth facilities or expand regional facilities. Co-chair Hoffman believed it was better at the regional rather than state level but requested advice from the experts on the best method.

STEVE MCCOMB, ACTING DIRECTOR, DIVISION OF JUVENILE JUSTICE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, indicated that the goal and long range plans would be for expanded renovated facilities at the regional level but the immediate need was to provide safety and security for the residents. He stressed that to meet the department mission, updated facilities and good security supervision is of the highest concern.

[10:01:51 AM](#)

Senator Thomas inquired if statistics are kept in the facilities on recidivism. Mr. McComb commented that statistics are kept. He indicated that recidivism is at thirty five percent, par for the national average. He reported that the residents are kept busy throughout the day; if they are on the treatment side, they are allowed to work at sites within the community.

[10:04:01 AM](#)

Senator Elton noted that the \$20 million for the McLaughlin projects seemed primarily for construction of the Juvenile Justice Center (p. 4). Senator Elton noted that the center would be occupied by programs in conjunction with non-profit agencies, such as the Boys and Girls Club, the Anchorage School District and others. He wondered if a fee would be charged to these groups for use of the facilities.

Mr. McComb replied that if the center is able to supervise the young people in the community and provide a facility for school and other treatment, then they could live at home creating a cost savings to the state.

[10:06:15 AM](#)

Senator Elton asked why it is the state's responsibility to build a new home at McLaughlin for the ancillary programs when other communities have such programs but there are no plans to build a facility for them.

[10:07:36 AM](#)

Mr. McComb replied that Anchorage is only one that has this type of community retention program. He acknowledged that other statewide facilities work with clubs and organizations outside the facility but with the volume of young people in Anchorage it is beneficial to bring these programs inside the facility, otherwise the necessity to provide transportation to these programs would be difficult and costly.

Senator Elton remarked that the Boys and Girls Club in Juneau provides the transportation need so he is not entirely convinced that a new home at \$20 million is required in Anchorage for these programs.

Co-Chair Stedman declared that the department should work on getting support for their program.

AT EASE: [10:08:54 AM](#)

RECONVENED: [10:09:29 AM](#)

[10:10:15 AM](#)

Mr. Liebelt continued his presentation with the Sitka Pioneer Home Roof Replacement, project number 45177, \$1,900,000 (General Fund) (p. 5). Mr. Liebelt commented that the Sitka Pioneer Home, constructed in 1933, is the oldest facility cared for by the DHSS. Most of the roof system is original and needs to be replaced. Mr. Liebelt remarked that an issue affecting the roof is that it is unique historical building with a Terra Cotta tile roof. At present there are about forty-one leaks and dangerous working conditions.

Co-Chair Stedman commented that the building is old but well built.

Senator Thomas questioned if the continued use of Terra Cotta tiles was because of the building's historic designation. He remarked that there are metal or other materials that look like tiles which might be a better long run solution. Mr. Liebelt stressed that as a historic

facility it was necessary to be conscious of the long process to change this type of roof system but he believed that the Terra Cotta tiles were a prudent system in the long run.

[10:13:23 AM](#)

Mr. Liebelt continued with the Alaska DHSS Deferred Maintenance Renovation, Repair and Equipment, project number 45641, for \$7,191,600. He recounted a change in the fund source from the Alaska Student Loan Corporation to the Alaska Capital Investment Fund, with a small amount of federal funding. Mr. Liebelt referred to the list of twenty-one facilities maintained by the department in need of immediate and critical renewal, repair, replacement and the acquisition of new equipment (p.6).

Co-Chair Stedman wondered if the list was prioritized and the department's plan to deal with potential overrun. Mr. Liebelt remarked that the list reflects the highest prioritized listing.

Co-chair Stedman speculated that if a lesser amount of money was allocated would there be a prioritized list on what would be the top projects. Mr. Liebelt remarked that if a lesser amount was allocated then the department would prioritize those projects along the highest needs. Co-Chair Stedman requested that a complete prioritized list be presented to the committee

[10:16:24 AM](#)

Senator Dyson inquired about the criteria used in making decisions on what projects to do when there is not enough money to do everything on the list. Senator Dyson suggested that the Finance Committee draft amendments requiring prioritized lists from departments to be presented with budget requests. He stressed that this would make it easier for the committee to make evaluations when it is necessary to pick and choose from projects.

[10:18:09 AM](#)

Co-Chair Stedman agreed that the committee would like to work with the prioritized list but reiterated that the committee has the discretion to make decisions outside the list.

Mr. Leibelt indicated that there are prioritized lists within the budget requests for each one of the buildings. This allows the department to use the money for the highest need of the building or facility.

[10:19:49 AM](#)

Mr. Liebelt referred to the Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment, reference number 31862, for \$757,600 (p.7). This request would fund additional high priority projects.

Co-Chair Stedman asked if this list was also prioritized. Mr. Liebelt declared that they were but would be at a lower priority than those listed on page 6.

Co-Chair Stedman requested that a dollar value be attached to the six facility requests on page 6.

[10:22:00 AM](#)

Mr. Liebelt continued with the Federally Mandated Child and Family Services Review, project number 45404, for \$200,000 (\$151.7 General Fund; \$48.3 in matching Federal Receipts).

LAURA BAKER, ACTING DIRECTOR, FINANCE AND ACCOUNTABILITY, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, noted that this federally mandated child and family services review project was put in the capital bill. She indicated that this is a one-time project to address the outcomes of the federal review and implement the program improvement plan for the Office of Children's Services. She signified the importance of having these funds available for the implementation process that may go beyond the end of the June 30th fiscal year.

[10:23:56 AM](#)

Mr. Liebelt continued with the the Safety and Support Equipment for Probation Officers, Social Workers and Pioneer Home Residents and Staff, project number 32446, for \$837,800 (\$399.7 General Fund Match, \$350.3 General Fund, \$87.8 Federal) (p.9). He explained that this is a consolidated one-time equipment request. He pointed out that the most significant request of \$94,000 for the Alaska Pioneer Homes is to reduce liabilities and injuries to staff and residents. Mr. Liebelt reported that this is a pilot project at the Palmer Alaska Veterans and Pioneers Home.

[10:26:13 AM](#)

Senator Huggins questioned if the pioneer home or state is receiving money from the veteran's administration, and if so, he wondered where the money was going. Mr. Liebelt was not sure.

Co-Chair Stedman requested that the federal money information regarding veterans be brought to the committee.

[10:27:29 AM](#)

Mr. Liebelt continued with a detailed list of the equipment needs for Juvenile Justice and the Office of Children Services, (p. 9). Mr. Liebelt then moved to the Information Services Security Enhancements, project number 35721 for \$1,000,000(Federal Receipts) (p. 10) followed by the Craig Public Health Center Replacement, project number 45182, for \$797,900 (General Fund/Match) (p.11). He remarked that this request would provide matching funds for the construction of a new health center in the City of Craig. This is a \$6.5 million project and the amount requested would be the department contribution. He remarked that this project would bring the health center up to more modern medical standards. Mr. Liebelt continued with the Emergency Medical Services Ambulances and Equipment Statewide - Match for Code Blue Project, project number 42837, for \$425,00 (General Fund Match) (p. 12).

[10:31:04 AM](#)

Mr. Liebelt reviewed the Mental Health Capital Projects Essential Program Equipment, project number 33672, for \$250,000 (General Fund/Mental Health Trust) (p. 13). He indicated that this is a previous request to award funds to non-profit providers for services to trust beneficiaries throughout the state. He indicated that this was a popular program awarded on a statewide competitive basis. Mr. Liebelt moved on to the next project, Mental Health Home Modification and Upgrades to Retain Housing, project number 33671 for \$500,000 (\$250,000 General Fund, \$250,000 MHTAAR) (p. 14). This is a grant program providing funding for improvement in private homes to maintain a more independent lifestyle. Mr. Liebelt asserted that these awards are limited to individual homes at about \$12,000. Mr. Liebelt moved to the next project, Mental Health Treatments and Recovery Based Special Needs Housing, project number 37901, for \$750,000 (\$250,000 General Fund, (\$250,000 AHFC Receipts and \$250,000 MHTAAR) (p. 15). He acknowledged that this is also a competitive statewide program providing funds for agencies to develop transitional housing units supporting recovery sustainability for a high risk, severely impaired or the chronically alcoholic to remain in the client's community of origin or nearby hub which he believed was critical to the recovery process.

[10:33:06 AM](#)

Mr. Liebelt listed the five IT projects starting with the Electronic Vital Record Registration System, reference number 42853, for \$3,724,500 (General Fund) (p. 16). He explained that the twenty year old system runs on the DOS format. Mr. Liebelt listed some of the benefits derived from a new system.

Senator Elton questioned if this went through the process. Mr. Liebelt replied that it did.

Senator Elton questioned why IT is developing software at the cost of \$2,530,000 when there must be available software already written.

PHILLIP MITCHELL, SECTION CHIEF, VITAL STATISTICS, DIVISION OF PUBLIC HEALTH, remarked that each state has its own requirements and laws for vital record systems. He pointed out that any existing software purchased would have to be revised and modified to reflect current state laws which can be a time consuming process.

Co-Chair Stedman questioned if these requests were the lowest priority for the department since they were listed on the bottom.

Mr. Liebelt indicated that the department would like to reexamine the priority list.

[10:36:12 AM](#)

Mr. Liebelt continued with the Evaluate Eligibility Information System Alternative - Phase Two, project number 42854, for \$864,300 (\$84,900 General Fund, \$389,700 General Fund Match, \$389,700 Federal) (p. 17). He remarked that this system needs to investigate alternatives for replacing the existing EIS system since total replacement is very costly. He reviewed the three alternatives; adding functionality to an existing system, looking at another state's system with the possibility of transferring and modifying that system, or developing a custom replacement system from scratch. Mr. Liebelt indicated that over \$172 million in PA payments are issued using this system to determine eligibility serving over 67,000 individuals monthly. Mr. Liebelt moved to Eligibility Information System Maintenance, project number 42856 for \$427,800 (\$159,100 General Fund Match, \$105,300 General Fund, \$163,400 Federal) (p. 18). He explained that this is tied to the previous request as this existing system needs to remain operational until a new system is online, which could be anywhere from eight to ten years. Mr. Liebelt described the Fraud Case Management System Replacement, project number 42858, for \$298,200 (\$110,900 General Fund Match, \$73,400 General Fund, \$113,900 Federal) (p.19). He declared the existing system outdated, unstable and impossible for multiple users. He emphasized that the existing system contained over twenty years of fraud case history. He reported that it would also be a web based system, which does not exist now.

[10:40:30 AM](#)

Mr. Liebelt concluded with the Emergency Medical Services - Emergency Communications, reference number 33443 for \$265,000 (General Fund) (p. 20). He signified that this project will protect the health and safety of Alaskans by maintaining and updating the legacy Emergency Communication Systems. He noted that these systems are used in rural Alaska by emergency medical responders where the Alaska Land Mobile Radio (ALMR) is not available. Mr. Liebelt explained this request will update the Statewide EMS Communications plan, fund the completion of the highest priority repair and completion projects, and assess the repair/replacement needs of existing VHF/HB base station/repeater network that support two way communications with hospitals, health care providers, and law enforcement agencies.

[10:41:28 AM](#)

Co-Chair Hoffman requested the process that will be used to in re-prioritize these items.

Mr. Liebelt responded that there would be several criteria including alternate funding sources, delaying certain projects, and a thorough look at which components are most vital.

[10:42:43 AM](#)

Co-Chair Stedman requested the re-prioritized list be sent to the committee.

Senator Elton wondered in reference to the Emergency Medical Services, (p. 20) if this was an indication that the department had given up on the exiting system.

Mr. Liebelt replied that the ALMR system does not work statewide.

Senator Elton questioned if there will then be two systems, the legacy system and the ALMR system.

Mr. Liebelt acknowledged there would be two systems.

[10:45:11 AM](#)

LETA SIMONS, DIRECTOR, DIVISION OF SUPPORT SERVICES, DEPARTMENT OF NATURAL RESOURCES, listed the four items of IT FY 09 capital projects to utilize FY 08 funding.

Project # 41410
Alaska Land Mobile Radio, Phase Two
\$450,000

Ms. Simons reported that this project funds the Division of Forestry's migration to FCC mandated narrow banding by

January 1, 2013 and Alaska Land Mobile Radio (ALMR) standards. Ms. Simons noted that over a three-year period this would cost over \$1,000,000.

Project # 38872
Unified Permit Project, Completion of Phase 4
\$800,000

Ms. Simons explained that the project provides applicants and state employees with an automated system to process documents in state land and water resources, including leases, water rights, burn permits, land title transfers, etc.

Project # 45269
DNR Document Management System
\$1,200,000 (General Fund)

Ms. Simons remarked that this project automates DNR paper case files by converting them to digital format via scanning based upon state standards. The DNR has over 100,000 active cases related to land use authorizations and property rights.

Project # 45270
DNR Information Technology Infrastructure Upgrades
\$276,000 (General Fund)

Ms. Simons asserted that it is vital to upgrade the IT infrastructure to effectively and efficiently administer its charter under the Alaska Constitution and the state's natural resource management.

Co-Chair Stedman requested an integration of the last four items in the overall list.

AT EASE: [10:48:09 AM](#)
RECONVENED: [1:41:41 PM](#)

DEPARTMENT OF FISH AND GAME

JEFF HOOVER, DEPUTY DIRECTOR, ADMINISTRATIVE SERVICES, DEPARTMENT OF FISH AND GAME presented an overview of the twenty three projects.

Co-Chair Stedman asked that the request be ranked in priority order.

Mr. Hoover replied that the requests are listed in priority order in the governor's bill. There are no IT projects funded with the FY 08 money.

Project # 43322
Statewide Maintenance Repair

\$1,000,000 General Fund

Mr. Hoover reported that this request provides for the repair, maintenance and renovation of department statewide facilities, vessel/aircraft repair, and the purchase of field equipment. This is a four-part ongoing annual request for statewide deferred maintenance facilities in over forty locations statewide, vessel maintenance for the department's five vessels, aircraft maintenance for eleven aircraft and field equipment and maintenance for regional wildlife biologists.

Project # 45363
Power Backup for Genetics Laboratory
\$100,000 General Fund

Mr. Hoover noted this one-time project covers the purchase and installation of an appropriately-sized generator to power all ultra-cold freezers in case of an electrical power outage at the Alaska Department of Fish and Game offices in Anchorage. These freezers contain over 450,000 specimens at an investment of over \$3,000,000.

Project # 45368
Assessment of Pacific Salmon Resources in AYK, Northern Region
\$150,000 General Fund

Mr. Hoover noted this study evaluates the distribution and abundance of Pacific salmon in Arctic freshwaters north and east of Point Hope, Alaska. Prior studies, completed in the mid-80s, need to be updated.

Project # 42948
Fairbanks Regional Office Enclosed Secure Storage Compound Design/Construction
\$2,000,000 General Fund

Mr. Hoover explained that this project was for the design and construction of a new storage facility and a secure outside storage area. He noted several thefts over the years have pushed risk management not to insure the contents in and around that location. The proposal is for a new secure facility of 10,000 sq. ft. of internal storage and 25,000 sq. ft. of secure outside storage for departmental equipment.

Project # 45381
Subsistence Technical and Scientific Reporting Integration into Department Database
\$127,400 General Fund

Mr. Hoover indicated that this would provide subsistence information in text-searchable databases for easy access by the public. The current database is not easy to access.

Senator Elton asked if a record is maintained on how many hits the website receives.

Mr. Hoover did not have that information but would direct it to the committee.

Project # 45369
Kodiak Aircraft Hangar Upgrade
\$225,000

Mr. Hoover declared this a one time project to construct a hanger to house the four department owned aircraft; the present facility can only house one aircraft.

Project # 42981
Kodiak Near Island Facility
\$2,000,000 General Fund

Mr. Hoover noted that they are working with the Kodiak Island borough to build and construct a research facility on Near Island. The current building is a state owned crowded building located in downtown Kodiak. He explained that the department would like to add an adjacent research office next to the existing building occupied by NOAA and the University of Alaska.

Project # 44823
Lower Kasilof Boat Launch
\$2,000,000 (General Fund \$1,250,000; Federal \$750,000)

Mr. Hoover explained that this project would be phased in over two years with first the purchase of the land from a private landowner then the design and construction of the boat launch.

[1:54:52 PM](#)

Co-Chair Stedman asked if there had been a commercial appraisal of land. Mr. Hoover said he would report back to the committee on that issue.

Project # 44833
Kanalku Lake - Angoon Fish ladder
\$200,000 General Fund

Mr. Hoover explained this request was for the planning, construction, and evaluation of a sockeye salmon fish pass consisting of eleven jump pools and a flow diverter near the outlets of Kanalku Lake and the community of Angoon.

Co-Chair Stedman asked if there had been an impact on fishing as a result of the recent escapements.

Mr. Hoover replied that efforts have been made to improve the situation.

JOHN HILLSINGER, DIRECTOR OF COMMERCIAL FISHERIES, remarked that the sockeye run had been down in recent years compared to its historic output. He explained that over the last couple of years less than thirty percent of the fish had been able make it above the falls. The ladder would allow fish to more easily make it up the falls to the lake where they would be protected.

Co-Chair Stedman asked if there is additional funding in the supplemental bill to address this same issue. Mr. Hoover replied that he was not aware of any additional funding.

Senator Huggins interjected that he has been supportive of additional construction of fish ladders but wanted more information about beaver dam removal.

[1:59:31 PM](#)

Senator Elton questioned if the falls were on forest service land and, if so, he wondered if they were participating financially.

Mr. Hilsinger said that the forest service is supportive and will participate in the design phase.

Senator Elton asked if the construction costs would be handled by the state.

Mr. Hilsinger replied that the state would pay for the construction.

[2:00:22 PM](#)

Project # 33647
Pacific Coastal Salmon Recovery Fund
\$22,000,000 Federal

Mr. Hoover cited that this was the ninth year for receiving these federal funds. In prior years the money came to the governor's office then was sent to Fish and Game but in FY 09 the department is asking for the federal funds directly.

Co-Chair Stedman asked why.

Mr. Hoover believed it would relieve unnecessary administrative steps.

Co-Chair Hoffman considered this not the only administrative change on how dollars were spent, particularly in western Alaska, so he intended to check with the commissioner to keep the traditional funding in western Alaska.

Co-Chair Stedman requested a report on the changes.

Mr. Hoover replied that there was a report that could be given to the committee in response to the senator's request. In prior years there were lots of earmarks attached but in FY 08 and FY 09 the program is now a competitive proposal. Mr. Hoover added that there is now information on the Fish and Game website on how to apply for the funding.

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Co-Chair Hoffman felt the specific earmarks should follow the original intent of the appropriation.

Mr. Hoover responded that he would follow up and provide additional information.

Project # 45358
Licensing Point of Sale System
\$200,000 Fish and Game funds

Mr. Hoover related that this would be a one time project to purchase equipment for approximately forty sale terminals. He noted there are sixteen hundred terminals statewide with thirty-five selling about one-half of the licenses. Co-Chair Stedman requested a list of the vendors.

Senator Elton said he would like to know what impact this would have on vendors. He wondered if this would require additional training for the vendors and retire maintenance of electronic machines.

Mr. Hoover explained that the plan was to eliminate some of the paperwork burden on vendors. He agreed there would be new equipment and training over the next few years.

Co-Chair Stedman asked if this cost covers the entire program.

Mr. Hoover replied that this funding just provided for equipment purchase in forty locations.

Project # 45374
Crew Member Fishing Participation Database
\$150,000 Fish and Game funds

Mr. Hoover explained that funds would be used for the development of an electronic system for collecting, maintaining, and reporting on the commercial fishing

activities of 27,000 crew members participating in Alaska's commercial fisheries.

Project # 31317
Juneau Hunter Education Indoor Shooting Range
\$338,000 (\$150,000 Fish and Game; \$188,000)

Mr. Hoover noted this will allow the completion of the Juneau Hunter Education Public Shooting Range that was constructed in 2004.

Co-Chair Stedman asked if this item was vetoed last year.

Senator Elton replied that it was vetoed last year but he did not remember the money amount. He added that if the building is completed a fish and game staff member would no longer need to be present.

DOUG LARSON, DIRECTOR OF DIVISION OF WILDLIFE CONSERVATION, responded it would not mitigate the need to have fish and game staff on site but the rationale is to get more users into the facility. He emphasized that the archery side would become completely separate from the gun range therefore a range safety officer would be required on the rifle side but volunteers could man the archery side.

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Co-Chair Hoffman remarked that there is no funding on the senate side in the operating budget for added fish and game positions.

Senator Huggins announced that there were no facilities in his district and requested the fish and game philosophy on where they are located.

Mr. Larson responded that facilities are very expensive which precludes building in other areas and that available funds have not been present. He recounted the present locations were in Juneau, Fairbanks and Anchorage. He pointed out that the philosophy behind the ranges is for proper training and hunter information.

[2:12:39 PM](#)

Co-Chair Hoffman noted that people in western Alaska rely heavily on rifles for subsistence and that all the ranges there are self-sufficient.

Co-Chair Stedman added that some ranges in Southeast are private or run by a municipality. He further commented on the previous veto and wondered what assurances there were that the governor will not veto this again.

Mr. Hoover remarked that the original request was for General Funds but now the funding source is Fish and Game and Statutory Receipts. He signified that this is the governor's project so did not believe there was any intent to veto it.

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Senator Elton confirmed that last year the project was for General Fund money but now the funding source is different.

Co-Chair Stedman agreed the facilities are beneficial to communities but the issue is what is being done with the items.

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Senator Thomas informed the committee that several ranges have closed due to lead contamination. He asked if federal funds are used to support ranges and that facility closes, would the state have to pay back the funds. He also wondered what it might take to make the ranges self-sufficient.

Mr. Larsen reported that when federal funds were appropriated to the state and the facility closes or changes to private hands then the funds would be paid back to the federal government.

Co-Chair Stedman believed there was a time frame on the aforementioned limitations.

[2:18:32 PM](#)

Co-Chair Hoffman questioned whether the state can afford to maintain and operate the facilities. He noted last year a letter of intent stated that the department needs to find alternate revenues to operate these facilities and the committee is still waiting for that report.

Mr. Larson clarified that the requested amount is the same as last year. He added that there are a number of volunteer and private organizations willing to make up the difference to maintain the facilities. He added that more users would bring in more revenue.

Co-Chair Stedman wondered why Juneau is considered core state service and not Ketchikan or Sitka.

[2:21:43 PM](#)

Mr. Larson explained that the definition of a core state service needs to be identified.

Senator Elton commented that historically this project came on line years ago when there was a pool of money to build a facility. This facility was not just paid for by the state but the city of Juneau contributed significantly on access, water, and utilities.

Co-Chair Stedman said there is a lot of support for shooting ranges but it is a matter of equity in distributing funds. He suggested the Commissioner come to the committee for a discussion of these issues.

[2:24:22 PM](#)

Project #45220
Birch Lake Weir Site Land Acquisition
\$200,000 (\$150,000 Federal Receipts, \$50,000 Fish and Game)

Mr. Hoover commented that this funding is a one time project to appraise and purchase land for the Birch Lake weir. He reported that the property is now owned by the Mental Health Trust and these funds would purchase the land from them.

Project # 45215
Whittier Harbor Transient Moorage - Boating Infrastructure.
\$1,500,000 (Federal Receipts)

Mr. Hoover commented that this project will provide transient moorage for large (over 26 feet) recreational boats. He indicated that the non-federal match (\$2,129,800) would be provided by the City of Whittier.

[2:25:53 PM](#)

Co-Chair Stedman mentioned the Harbor Capital request lists and wondered why the Whittier harbor was not on the capital request list.

CHARLES SWANSON, SOUTHEAST REGIONAL SUPERVISOR, DIVISION OF SPORT FISH, DEPARTMENT OF FISH & GAME, believed the federal appropriation is from the BIG federal appropriation which is a boating infrastructure grant which is separate from the boater access money.

Project # 30432
Sport fish Recreational Boating Access
\$3,100,000 (\$2,325,000 Federal; \$775,000 Fish and Game)

Mr. Hoover remarked that this is an annual request authorizing the Division of Sport Fish to continue to construct and upgrade boating and sport fish access facilities statewide from funds comprised of seventy-five percent federal assistance and twenty five percent Fish and Game Fund state match.

Co-Chair Stedman asked if the proposed projects were available.

[2:28:20 PM](#)

Mr. Swanson indicated there were fourteen projects across the state and he would submit the list to the committee.

Co-Chair Stedman declared the interest among committee members for boat ramp access and improvements but requested a priority list with an explanation on how they were prioritized. He also requested a list of those projects that did not make the priority list.

Senator Elton asked why the lower Kasiloff River boat launch was not a part of this request.

[2:30:16 PM](#)

Mr. Swanson reported that the first phase for lower Kasiloff is for land acquisition but after that, the money requested would be part of the normal process.

Senator Elton asked if federal dollars can be used to purchase land.

Mr. Swanson believed federal money could be used for land purchase but was not sure for a fact.

[2:31:44 PM](#)

Co-Chair Stedman asked if Stargaven in was on the list since he was disappointed it was vetoed last year. He supported developing boat ramps around Alaska, but was concerned about the equity issue.

Senator Huggins acknowledged he would like to see the timeline for projects and the variables in determining priorities.

Mr. Swanson remarked he had the information on hand.

Co-Chair Stedman said he would like the information for dissemination to the committee.

[2:34:18 PM](#)

Co-Chair Hoffman said he would like to see the last three years of expenditures to determine what projects have been funded.

Co-Chair Stedman noted the importance of ranking projects.

[2:35:23 PM](#)

Project # 45482
Statewide Facility Deferred Maintenance Bonding Projects
\$1,900,000

Mr. Hoover recounted the change by amendment in the funding source from the Alaska Student Loan Corporation Bond Receipts to Alaska Capital Income Fund Receipts. He listed the four projects in the appropriation; The Tok Compound Replacements, the Emmonak Bunkhouse Replacement, the Statewide Facility Roofing and Siding Replacement, and the Statewide Field Camp Housing Replacement Projects. He declared many Tok offices in need of upgrade or replacement since they fail to meet current building codes or energy efficiency standards. The Emmonak Bunkhouse, at the mouth of the Yukon, is a critical monitoring station for commercial fishing that is busiest during the May-September period. The department must secure rental prosperities from local vendors which are expensive and difficult to obtain. Mr. Hoover continued that with over forty facility locations throughout the state, roofing and siding replacement would be spread over several years, starting with the highest priority.

[2:38:42 PM](#)

Mr. Hoover continued with the last project for stateside field camp replacement projects in multiple locations throughout the state.

[2:39:17 PM](#)

Project # 42983
Language: Sport Fisheries Hatchery Construction Investment Earnings
\$6,000,000

Mr. Hoover remarked that this allows the Sports Fisheries Division to utilize the investment earnings in the Alaska Sports Fisheries construction account for hatcheries in Anchorage and Fairbanks. Investment earnings have been in the account since 2006.

Co-Chair Stedman asked if this request addresses the intent of the bond issuance within the original bill.

Mr. Swanson understood this to be correct.

Co-Chair Stedman suggested that this be researched and confirmed that it aligns with the original intent. He further requested information on where the funds would be appropriated, specifically to hatcheries.

[2:41:45 PM](#)

Mr. Swanson said he would research the language regarding the bond and interest earnings. He understood that the funds from the earnings would be used for construction.

Project #
Installation of Capstone Avionics for Wildlife Conservation Aircraft

Mr. Hoover reported this would be a one time project covering seven aircraft within wildlife conservation. The department would work with the FAA who is providing ground stations and equipment to make project functional.

[2:43:53 PM](#)

Co-Chair Stedman reiterated that what had been presented was the priority list and asked that further information be provided on the boat ramp, shooting ranges and fish hatcheries.

AT EASE: [2:44:58 PM](#)

RECONVENED: [2:45:07 PM](#)

ADJOURNMENT

The meeting was adjourned at 2:45 PM.