

HOUSE FINANCE COMMITTEE  
January 28, 2009  
1:36 p.m.

CALL TO ORDER

Co-Chair Hawker called the House Finance Committee meeting to order at [1:36:02 PM](#).

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair  
Representative Bill Stoltze, Co-Chair  
Representative Bill Thomas Jr., Vice-Chair  
Representative Allan Austerman  
Representative Harry Crawford  
Representative Anna Fairclough  
Representative Richard Foster  
Representative Les Gara  
Representative Reggie Joule  
Representative Mike Kelly  
Representative Woodie Salmon

MEMBERS ABSENT

None.

ALSO PRESENT

William Hogan, Commissioner, Department of Health and Social Services; Alison Elgee, Assistant Commissioner, Finance and Management Services, Department of Health and Social Services; John Boucher, Senior Economist, Office of Management and Budget, Office of the Governor; Craig Campbell, Adjutant General, Commissioner, Department of Military & Veterans Affairs.

PRESENT VIA TELECONFERENCE

William Streur, Deputy Commissioner, Medicaid & Health Care Policy, Department of Health and Social Services.

SUMMARY

Budget Overview:

Department of Health and Social Services  
Military and Veterans Affairs

^DEPARTMENT OF HEALTH AND SOCIAL SERVICES BUDGET OVERVIEW

[1:39:59 PM](#)

WILLIAM HOGAN, COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES (DHSS), reviewed his leadership team as laid out in the "Organizational Chart" Slide 1 (Copy on File).

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Commissioner Hogan introduced his staff and stressed the importance of the Office of Faith-Based and Community Initiatives in helping DHSS achieve its mission.

Commissioner Hogan referred to Slide 2: "Expenditures Category Comparisons of general fund Authorization". The four pie charts compare the general fund expenditure for the department in 2000 and 2010 and the total budget expenditures in 2000 and 2010.

Commissioner Hogan noted that the overall budget request increase of 0.2 percent from 2009 to 2010 is low. He stressed that the programs and services DHSS provides are very important. He felt this budget request was reasonable even in the current economic environment. Co-Chair Hawker agreed that the incremental budget increase noted in the 10-year plan for FY10 was small. He reminded the committee that this year there is potential for a multi-billion dollar deficit and that may make funding more difficult.

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Commissioner Hogan reviewed Slide 3. The department has 3,670 positions budgeted under Direct Field Work, Program Support Services, and Administrative Management Services. The table on the slide indicates the geographical location of programs and their coordinating position count. He admitted that 3,670 positions may seem excessive but asserted that the workforce is effective and efficient.

Co-Chair Hawker voiced that in the past three years the legislature and the Office of Children's Services (OCS) had been working together to ensure adequate staffing of OCS in order to serve at-risk children in the state.

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Co-Chair Hawker wondered if the governor's hiring freeze would affect the planned expansion of OCS positions. Commissioner Hogan revealed that the hiring freeze would not impact 24-hour facilities, the Alaska Psychiatric Institute (API), pioneer homes, or juvenile detention facilities. He reported that DHSS was prepared to ask the governor's office and the Office of Management and Budget (OMB) to look at frontline social workers, public health nurses, adult protective service workers, and eligibility specialists. A memo will be prepared to request those positions be exempt from the hiring freeze.

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Representative Gara asked about an OCS study regarding the staffing of frontline social workers. He wondered how many unfilled positions there presently were and if the department was short staffed. Commissioner Hogan answered that a workload study recommendation had called for an increase of 17 frontline social workers. Over the next three years the department plans to reach that number. There is a request in the FY10 budget for five social workers and one administrative support position. He could not answer as to the current vacancy rate and added he would get back to the committee with the numbers.

Representative Gara wondered if positions were vacant because of low wages. He asked if there had been a recent salary review for social workers. Commissioner Hogan replied that he did not know.

ALISON ELGEE, ASSISTANT COMMISSIONER, FINANCE AND MANAGEMENT SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, explained that the state was in the process of developing a Request for Proposal (RFP) that would identify specific job classes for salary review. She stated that frontline social worker salaries would be highlighted in the review. The study would compare Alaska with other states' public, private, and non-profit sector employment. The hope is that the review will be completed early next fall.

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Representative Gara wondered if support staff would also receive a pay increase. Commissioner Hogan answered that it was possible.

Commissioner Hogan discussed Slide 4 containing two pie charts that illustrate Medicaid direct services in both FY08 and FY10. There was a \$46 million dollar reduction in expenditures entering FY09 which allowed the current fiscal year to begin with savings. A greater capacity to project current and future Medicaid expenditures should give a better understanding of when and how much excess spending authority is available for FY09. He felt great strides have been made in cost containment. He also thought extensive technical assistance to the provider community has led to more accurate Medicaid billing. The department has been very serious about performing Medicaid audits which has made providers take the provision of services and billing responsibilities more seriously. He was not suggesting there was Medicaid fraud. Providers are being more careful to ensure they are compliant with Medicaid. The net request in the Medicaid budget is \$14 million.

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Representative Fairclough referenced page 101 of "The Fiscal Year 2010 Budget: Legislative Fiscal Analyst's Overview of the Governor's Request," specifically the legislative fiscal analyst comment:

According to the check write information available on-line, the FY09 authorization may exceed Medicaid projections by as much as \$40 million.

Representative Fairclough wondered if Commissioner Hogan was familiar with the comment. He affirmed he and he thought it pertained to the federal stimulus package.

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Ms. Elgee agreed that the comment was related to the potential for additional federal funding through the economic stimulus package. She pointed out that the numbers in the note reflect what is being debated in the House on the federal level.

Representative Gara asked for clarification on Medicaid reimbursement and the federal contribution rate. He wondered if the rate was rising or falling. Commissioner Hogan replied that it had come up slightly and accounted for \$7.7 million in the FY10 budget. He understood that the economic stimulus package could raise the federal matching percentage to 4.9 percent. This means federal government would match 55 percent and the state 45 percent. He anticipated a substantial boost in the Medicaid budget in FY10.

Co-Chair Hawker explained that there are a lot of unknowns concerning the economic stimulus package. He stated that the general fund could not be supplanted by stimulus funds and that there could be maintenance of effort requirements and other restrictions related to the stimulus funds.

Ms. Elgee understood that the proposal currently being debated in the House could provide funding across the board. She explained that the restrictions Co-Chair Hawker mentioned were under consideration in the Senate. Discrepancies between the two bodies have made it difficult to know what the stimulus will mean to the state budget.

Representative Gara asked about federal and state match funds for DHSS programs such as Denali Kid Care. He wanted to know what the reimbursement rates are for Medicaid. Commissioner Hogan replied that there are varying rates for different programs. He proposed educating Representative Gara and his staff on Medicaid at another time as it is complicated. Representative Gara asked if there is a general base federal match for Medicare. Commissioner Hogan answered

that there is the one federal base match of approximately 50/50. The match is subject to change depending on population size and which program the recipient is enrolled in.

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Co-Chair Hawker asked about a reference to the check write analysis. Commissioner Hogan explained that the check write analysis gives DHSS information regarding claims paid in a variety of provider categories. It tells DHSS what they are paying out and future payouts or surplus funds for projects.

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Co-Chair Hawker emphasized that the check write analysis is one of several used by the department for the projection of program expenditures.

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Commissioner Hogan talked of possible improvements because of the economic stimulus package. Co-Chair Hawker expressed concerns regarding future state funding of programs expanded by the stimulus package.

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Commissioner Hogan assured the committee that DHSS will work with the committee before accepting funds available from the stimulus package.

Co-Chair Hawker trusted that the dialogue would continue as the stimulus package is developed.

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Commissioner Hogan discussed the Bring the Kids Home program, which brings Alaskan children residing in out-of-state psychiatric treatment centers home for care. At one time over 500 children were residing in out-of-state centers. That number is currently down to 168. He felt that the substantial reduction would not have occurred without help from the Mental Health Trust Authority and the University of Alaska. The department's goal is to have enough facilities to house all of Alaska's juvenile psychiatric patients by 2013. The hope is that this will lead to a more comprehensive children's behavioral health service system in the state.

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Representative Kelly asked about the construction workforce used to build the Bring the Kids Home facility in Fairbanks.

He wondered if the hiring was handled by the private sector. Commissioner Hogan replied that the facility in Fairbanks was funded through bonds. He informed the committee that the services are paid for with Medicaid but a state match helps to operate the facility. He maintained that no public dollars were used to build the facility in Fairbanks. Representative Kelly asked if that was the case in other communities. Commissioner Hogan answered that some other communities have received federal public dollars through the Denali Commission. He elaborated that those are smaller residential facilities and group homes with only 5 or 6 beds.

Commissioner Hogan reported that in FY09 incremental increases for providers had been made that allowed a 2 to 6 percent increase in reimbursement rates. The department has been working to establish a methodology to determine the actual cost incurred by providers for the services they offer. The department has discovered that there are varying degrees of sophistication among the providers concerning cost per unit of service. Commissioner Hogan maintained that the methodology must be examined in order to offer greater technical assistance to providers.

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Commissioner Hogan thought there was solidarity among providers to commit to incremental rate increases. The issue is complicated and not moving as quickly as he had anticipated. Some rates have been frozen for the last four years, particularly with home and community based providers, preventing reimbursement rates from being cost based.

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Commissioner Hogan shared that rates are now being looked at on a regular basis. Some providers have not had rate increases since the early 1990s which could affect the availability of services to economically vulnerable Alaskans.

Representative Gara asked about the foster family reimbursement rate. Between 1992 and 2008 the rates had not been raised. He recognized that the rates were finally raised in FY09 but wanted to know if they would be regularly reviewed. Commissioner Hogan answered that he anticipated a review every two or three years. Co-Chair Hawker reminded the committee that an annual review does not automatically translate into increased appropriations. Representative Gara pointed out that there is a shortage of foster families in the state. He wondered if there were other programs with regular automatic reimbursement rate increases. Commissioner Hogan relayed that statute calls for regular adjustments for hospitals and nursing homes only. All providers would like

to be included in regular adjustments for a reimbursement rate increase.

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Commissioner Hogan felt DHSS had a positive relationship with the provider community. He reaffirmed that help from the legislature was necessary to ensure a positive outcome concerning rate increases.

Vice-Chair Thomas asked if Commissioner Hogan had seen the foster parent application. Commissioner Hogan replied no. He hoped that the application was not keeping good people from applying. The extensive application process is an attempt to ensure that children are placed in safe and secure homes. Vice-Chair Thomas shared he had tried to apply in the past and the forms were too overwhelming without help from a field representative. He has not seen the application since that time and wondered if it had been reviewed. Commissioner Hogan replied that he would look into the application process and provide an update.

Representative Crawford remarked the he had gone through the foster parent application process and felt it could be improved. Commissioner Hogan agreed the process could be streamlined.

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Commissioner Hogan drew attention to the handout titled "ADHSS 2009 Priorities" (Copy on File). The handout outlines major strategies for issues facing Alaskans: substance abuse, health and wellness, health care reform, long-term care, and vulnerable Alaskans.

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Commissioner Hogan continued with the "DHSS Overview of 10-Year Plan" (Copy on File). Co-Chair Hawker clarified that Commissioner Hogan was reading from the DHSS 10-year plan packet issued by OMB.

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Co-Chair Hawker asked about the 10-year prospects for the department. He pointed out that requesting a 10-year plan for department budget overviews is essential to spark conversation among the legislature, the departments, OMB, and the public. He mentioned the graphic representation of technical numbers on pages 12 and 13 of the OMB packet.

Commissioner Hogan related that the department had discussed the Bring the Kids Home project and questions had arisen

concerning how much money the project needed and how long it would continue. The discussion prompted the department to change its view as to how budgets are put together. He explained that Medicaid is a big driver in cost for provision of services and operating expenses. The federal matching percentage fluctuates. He maintained that the department had worked diligently to craft a 10-year plan.

Commissioner Hogan shared that the department has anticipated implementing "Health and Social Service Impact Assessments" in expectation of social issues that will be compounded by the Alaska Gasline Inducement Act.

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Commissioner Hogan added that the department had yet to determine what model to use and include in the numbers.

Ms. Elgee expressed that long-term Medicaid modeling software has allowed the department to project the 10-year numbers comfortably but other areas were more subjective. She related that creating the 10-year projections had been a difficult but valuable exercise and had enabled the department to do some hypothetical modeling that had not been part of past policy discussions.

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Co-Chair Hawker asked about the "Health & Social Services-All Funds" (Slide 12). Commissioner Hogan clarified that the red line on the chart indicating the baseline plus initiatives was based on the anticipation of implementing the initiatives. Ms. Elgee added that the need for state expenditures will double within the next 10 years if the department continues with its current operations.

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Co-Chair Hawker asked if the state is looking at a \$4 billion budget for DHSS in FY19. Commissioner Hogan replied yes. Co-Chair Hawker explained that the low numbers of the projected 10-year overview were a positive sign.

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Representative Salmon asked about departmental funding and programming concerning suicide prevention. Commissioner Hogan responded that the department is actively working with the Suicide Prevention Council. He did not have exact dollar amounts available. The focus in FY09 is on Northwestern Alaska because the suicide rates in that area are the highest in the state. He pointed out that the department could provide resources and hoped communities would be proactive in seeking out solutions. The issue of suicide is

complicated by substance abuse and economic hardship. He stated that he would provide the dollar amounts for suicide programs as quickly as possible.

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Co-Chair Hawker asked what DHSS's approach had been to initiatives for the programs it supports. Commissioner Hogan replied that the department had looked at historical trends.

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Commissioner Hogan stressed that defaulting to historical trends had been the best option given the shortage of time.

Co-Chair Hawker queried the department's contribution to deficit reduction strategies over time. Commissioner Hogan stated that the department would examine all of its programs to determine where budget reductions could be made.

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Vice-Chair Thomas wondered if people could be dropped from social service programs if they fail to quit smoking. He felt that people who smoke cigarettes will become a financial burden to the state through eventual medical costs. He elaborated on the ills of smoking and wanted to know what was being done about prevention. Commissioner Hogan stated that it was a matter of personal responsibility and a system should be created to help people make good choices. He agreed that the bad choices made by some people using the social service programs add significant cost to the healthcare system.

Representative Fairclough asked if there were vacancies on the board of the Alaska Suicide Prevention Council. Commissioner Hogan thought that all appointments to the board had been made. He hoped in the future there would be more collaboration between the department and the council. Representative Fairclough asked him to double check that the board was fully functioning.

Co-Chair Stoltze wondered if applicants with a history of drug abuse could be required to be drug tested when applying for social service programs. Commissioner Hogan responded that applicants who have gone through the court system are required to submit to drug screening. He added that the majority of individuals that are involved in the department's substance abuse system are subject to regular urinalysis. Co-Chair Stoltze emphasized that he did not want to brand possible recipients but he felt if money was going to be spent it should not be on people who use drugs. Co-Chair Hawker asked if the department was able to make drug screening a requirement for Medicaid eligibility in

particular. Commissioner Hogan replied it would take an increase of capacity and capability to test every Medicaid applicant. Co-Chair Hawker added that the practice would be unconstitutional.

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Representative Joule interjected that revisiting efforts to tighten airport security on the local level, particularly in rural communities, could alleviate some of the social ills throughout the state.

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Representative Kelly asked if the numbers in the department's 10-year plan reflected inflation.

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JOHN BOUCHER, SENIOR ECONOMIST, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, explained that there was no overall built-in constant inflation adjustment.

Representative Kelly asked for more clarification. Mr. Boucher informed the committee that some programs had built in an inflation factor of 2.75 percent and some did not. The dollars in the presentation are a combination of the two. Ms. Elgee added that the 2.75 percent inflation factor was employed in the case of Medicaid.

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^MILITARY AND VETERANS AFFAIRS BUDGET OVERVIEW

CRAIG CAMPBELL, ADJUTANT GENERAL, COMMISSIONER, DEPARTMENT OF MILITARY & VETERANS AFFAIRS, began his presentation.

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Commissioner Campbell explained that the department is composed of a variety of divisions.

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Commissioner Campbell began with the issue of the Alaska Territorial Guard. A decade ago Senator Ted Stevens passed federal legislation that allowed territorial guard members to receive official recognition as retired military personnel. The guard members had been denied military retirement benefits for 60 years. In 2004 the first certificate was issued allowing the recipient to draw military retirement benefits. There are currently 27 members who receive full military retirement benefits because of

their service in the ATG. Over 1000 applications have been processed.

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Commissioner Campbell continued that presently those benefits are under scrutiny and are being challenged by the U.S. Army. He had been informed on January 27, 2009 that benefits would be discontinued in two months. He is confident that with Alaska's two senators working the issue through the congressional process, the law will be changed and there will be no interruption of benefits to Alaska Territorial Guard members.

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Commissioner Campbell relayed that over the last few years the Army National Guard (ANG) has been transforming from a scout group into a battlefield surveillance brigade. They now have the equipment and training to support active-duty army soldiers deployed worldwide. The training also provides the guard with a skill set beneficial to Alaska in emergency response situations. The guard will maintain 2000 members and the main readiness centers in Nome, Bethel, and Juneau will remain intact. The headquarters will be in Anchorage. He expected that the transformation will be completed in 24 months.

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Commissioner Campbell reported that the Defense Base Closure and Realignment Commission (BRAC) has recommended the closing of the Kulis ANG base. The guard would be relocated to Elmendorf United States Air Force (USAF) Base. The land at the Anchorage International Airport, where Kulis is currently located, is valuable land for the airport. The land can be used for other opportunities which will generate more civilian jobs.

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Commissioner Campbell communicated that the project will be entirely federally funded. The project will cost \$150 million and is currently on schedule.

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Commissioner Campbell explained that the relocation of Kulis to Elmendorf will save the state money because Elmendorf is a federally funded USAF base. The department is still in negotiations with the USAF to determine what the overall operational costs will be. The Alaska National Guard will maintain two air force units and 2000 guardsmen in the state.

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Commissioner Campbell declared that across the country the United States National Guard is attempting to reduce the number of air force units per state to one. The department has an air force unit at Eielson and at Kulis, soon to be at Elmendorf. If the pressure from the federal National Guard is successful one of Alaska's air force units will be at risk. By establishing the USAF as the department's strongest proponent for maintaining two air force units, Alaska gains leverage against the federal National Guard. The state's current relationship with the USAF is good and is strengthened by a mutual understanding that the relocation of the Kulis base is necessary for the future of the state.

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Commissioner Campbell talked about the Alaska Military Youth Academy. The academy is the fourth strongest in the nation. Several years ago the legislature converted academy funding from the general fund over to the educational foundation formula. This change was critical as the program does not qualify for federal public education funds because of its military style training.

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Commissioner Campbell furthered that securing funding through the educational foundation formula has allowed the academy to build a highly successful program with a 95 percent graduation rate.

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Commissioner Campbell continued that the method of funding for the academy works well and should remain the same.

Commissioner Campbell addressed the Emergency Management and Homeland Security Division. The division had been split in two in the past and in 2001 there were only three people working in the Division of Homeland Security.

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Commissioner Campbell stated that three years ago the divisions were combined for efficiency. At that time both programs employed a grant program and a response program that worked countercyclical to each other. The division, as it is now structured, is thriving and cognizant of the needs of communities throughout the state.

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Representative Kelly asked if the population of the youth academy had increased recently and if there is a waiting list.

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Commissioner Campbell reported that this year's graduating class is the largest in academy history. Over 400 applications are processed per year. Out of the 300 students accepted each year, 250 students graduate. The academy has one full female and three male platoons. He felt the facility would not be run as effectively if expanded. He mentioned the possibility of another academy to accommodate student overflow. There is no waiting list for the academy. There are always more applications than open positions. He felt the true demand for the academy lies at around 400 students.

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Commissioner Campbell added that the facility could be expanded to accommodate more students.

Vice-Chair Thomas stated that he had received complaints from vets who were denied a permanent fund dividend (PFD) because they had been deployed to Kuwait, a non-combat zone, and wondered if Commissioner Campbell was aware of the problem. He spoke of soldiers deployed to Iraq with post traumatic stress disorder (PTSD) who could not find employment and soldiers with substance abuse and other health problems. He worried that soldiers were ashamed to seek help from the military and queried the department's involvement with PTSD cases in Alaska.

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Commissioner Campbell replied that he was aware of the PFD issue. He asked for time to research the issue and get back to the committee. The Alaska Army National Guard has not had many soldiers serve multiple tours of duty. The average tour of duty can last one to four years. He stressed that there are many programs available to help soldiers with PTSD but that the programs may be hard to access. The Yellow Ribbon Program requires that soldiers be evaluated at 30, 60, and, 90 days after returning from deployment in order to catch health issues. A full-time chaplain has been hired to travel throughout the state to visit with soldiers and their families as needed.

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Commissioner Campbell parlayed that the department has developed the Warrior Transition Program to accommodate soldiers still under Army authority with PTSD issues. He

pointed out that this program was not available several years ago. He explained that the majority of National Guard members are working for the guard mainly on the weekend. He stressed that the department encourages soldiers to talk about possible destructive issues. He felt comfortable that the problems among soldiers who had been deployed with the guard have not been major abuse problems. He impressed upon the committee that he personally would assist soldiers experiencing difficulty receiving help.

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Representative Gara asked about a past intensive outreach effort to locate the Alaska Territorial Guardsmen who were entitled to retirement benefits. He asked how many people had been located to date and how many are receiving benefits.

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Commissioner Campbell replied that there are six people working on the project. He explained that he was not personally overseeing the program. He noted that the outreach program is exceptional and is endorsed by many groups around the state.

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Commissioner Campbell furthered that the program has located 6,600 people who have served in the past; of those, 1300 have been processed, 700 have been approved, 27 are currently receiving benefits, and 56 are qualified but waiting to receive benefits. Representative Gara wondered if the process was taking too long. He feared that some qualified guardsmen may have already passed away. Commissioner Campbell felt that the department was effectively engaging with every community involved in the program.

Co-Chair Hawker queried Commissioner Campbell's approach to reaching departmental goals within the next 10 years.

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Commissioner Campbell avowed that there will be no general fund supplemental for FY09; however, a supplemental may be necessary for fuel and utility expenses that come from the state. Co-Chair Hawker responded that the committee has anticipated the supplemental.

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Commissioner Campbell pointed out the highlights of the 2010 budget request. He explained that the budget is the same as

the FY09 budget, minus the cost of fuel ("Summary of DMVA 10-year Plan Assumptions" Copy on File). He maintained that the budget is transparent and invited the public to visit his website to view the department's strategic plan, annual report, and annual budget for the past six years.

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Commissioner Campbell revealed that \$50,000 would be added to veteran's services. This is possible through money left over from the FY08 budget. The extra funding will add two more veterans services officers.

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Commissioner Campbell spoke of the long-range view of the department. The construction of a Bethel Readiness Center (Armory) is a top priority. He explained that in 2004, 2005, and 2006 the state matched federal funds to build the center. The National Defense Appropriation Act Budget put \$16 million in for the Bethel armory, so the federal funding match is now available.

Commissioner Campbell elaborated that there were other obstacles. The land established for the building was full of refrigerators, cars, and other waste. The department worked with the city, cleaned up the trash, and put in fill. Because the fill has altered the landscape, run-off water from rain and snow is not draining sufficiently, which could put surrounding residencies at risk for flood. To solve the problem the fill must be raised, the project scaled back, or a new location must be established. He maintained that he was not asking the committee for more funding for the project. The request is for permission to have \$258,000 in operating costs included in the yearly budget starting in 2011. He added that the center is number two on a list of three readiness centers. The center in Juneau was completed three years ago and the hope is to build the third in Nome.

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Commissioner Campbell expected a \$138,000 to \$149,000 increase in personnel cost per year over the next decade. He believed operating costs could also rise. He asked that the committee pay attention to the effects of inflation on the needs of the department.

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Commissioner Campbell informed the committee that the department is working to begin a new program to build a state veteran's cemetery in the Interior. The veteran population in and around Fairbanks could qualify the Interior for a veterans cemetery; however, it would not be a

fully federally funded and operated veterans cemetery. The federal government would pay to build the cemetery if the state agrees to cover operating expenses. Many states have participated in this program. The project would require \$750,000 up front in architectural and engineering costs to the state. The federal government would pay \$5 million for construction costs; annual operations would cost \$250,000. The department's 10-year projection had initially requested four \$250,000 increments for the construction of the cemetery.

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Commissioner Campbell explained that on January 16, 2008 the Veterans Administration advised the department that costs had been overestimated. The actual cost would only be \$750,000, the caveat being that the department cannot apply for federal funding for the project until the state made a commitment to the full \$750,000 for operation costs. The department recommends that the state fund the \$750,000. Commissioner Campbell stated that the application is prepared and the cemetery would take two years to build.

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Commissioner Campbell mentioned a number of appropriation requests found in the 10-year plan that pertain to the authority to spend federal money. He concluded with two charts on Slide 5 comparing the federal government match with the state match. Commissioner Campbell stressed the significance of the federal funding the department receives. He discussed the capital funds charts located Slide 4 showing the value to the state of accepting federal dollars. He clarified that he did not believe in asking for state money simply because federal money was available. The department asks for federal money that is right for the state. He urged the committee to take that into consideration when examining the Department of Military and Veterans Affairs budget.

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ADJOURNMENT

The meeting was adjourned at 4:14 PM.