

HOUSE FINANCE COMMITTEE
March 24, 2009
1:33 p.m.

1:33:46 PM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 1:33 p.m.

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

Joanna Wassillie, White Mountain; John MacKinnon, Executive Director, Associated General Contractors of Alaska; Tom Bryce, Alaska District Council of Labors;

PRESENT VIA TELECONFERENCE

Rick Gifford, Manager of Kodiak Island Borough; Marv Smith, Manager, Bristol Bay Borough; Gary Hennigh, City Administrator, King Cove; Amy Titus, City Clerk, White Mountain; Dan Harrilson, Mayor, White Mountain; Aves Thompson, Executive Director of Alaska Trucking Association; Governor Bill Sheffield, Anchorage; Tony Johansen, Great Northwest Contractor, Fairbanks; Bruce Carr, Director of Strategic Planning, Alaska Railroad;

^GENERAL SUBJECT(S): Public Testimony - HB 154

The following overview was taken in log note format. Handouts will be on file with the House Finance Committee through the 26th Legislative Session, contact 465-6814. After the 26th Legislative Session they will be available through the Legislative Library at 465-3808.

TIME	SPEAKER	DISCUSSION
1:33:51 PM	Co-Chair Stoltze	Indicated that the public testimony would only concern the DOT Surface Transportation portion of the stimulus bill.
1:35:09 PM	JOANNA WASSILLIE, WHITE MOUNTAIN,	Spoke in support of the White Mountain Public Safety Building. She acknowledged the need for the facility for the White Mountain Volunteer Fire Department, Village Public Safety Officer and equipment. The community has received \$800,000 in Community Development Block Grants funds that is contingent on legislative support.
1:37:30 PM	Representative Austerman	Asked who gave the \$800,000 in funds to the community.
1:37:46 PM	Representative Joule	Asked what the amount of the request to the legislature.
1:38:06 PM	Joanna Wassille	Indicated she was not sure but will get that to the committee. She remarked the amount could be emailed to the committee. She related the importance of the facility within the community.
1:40:38 PM	JOHN MACKINNON, EXECUTIVE DIRECTOR, ASSOCIATED GENERAL CONTRACTORS OF ALASKA,	Spoke in support of HB 154. The association represents 650 members across the state. He urged rapid passing of this bill to start awaiting projects. He noted that delays keep projects from moving forward in Alaska's short construction season. He related several projects that are ready for bid.
1:43:32 PM	Vice-Chair Thomas	Revealed concern that his community will not see any stimulus projects. He noted four projects for his community and wanted to be assured that local hire policies would be followed. He wanted to know what to do to make sure contractors hire locally.
1:44:39 PM	John MacKinnon	Noted that earlier higher budgets had been good for construction and outside bidders expressed interest. He reported that the national stimulus money would probably keep out-of-state contractors working in their own states. He said that there are those in the state monitoring resident hire.
1:45:56 PM	Vice-Chair Thomas	Reported that often employment is from out of town when locals are capable of doing this work.

1:46:38 PM	Representative Gara	Acknowledged that the state can not mandate local hire, but a contractor or union can themselves select local hire to compete for these jobs.
1:47:50 PM	John MacKinnon	Agreed with Representative Gara that many contractors have a good record for local hire and some do not.
1:48:32 PM	Representative Gara	Stressed that a substantial amount of government money is received by contractors and the government should look more favorably on those who do resident hire.
1:49:36 PM	John MacKinnon	Reported that his contractors do work toward local hire.
1:50:00 PM	TOM BRYCE, ALASKA DISTRICT COUNCIL OF LABORS,	Asked for support for Mr. MacKinnon and urged support for HB 154.
1:51:45 PM	RICK GIFFORD, MANAGER OF KODIAK ISLAND BOROUGH testified via teleconference ,	Spoke in support of HB 154 and the Kodiak resurfacing project outlined by DOT as shovel ready.
1:53:15 PM	Representative Fairclough	Asked if the resurfacing project was a higher priority than the chemical storage building.
1:53:44 PM	Rick Gifford	Noted that that the DOT airport project was also important but the community would like to see the resurfacing done.
1:54:10 PM	Representative Fairclough	Asked for priority list of projects from Kodiak.
1:54:28 PM	Rick Gifford	Declared that road resurfacing was more important.
1:54:40 PM	Representative Gara	Thought that the airport stimulus funds were separate from road money and it was not an either or situation.
	Co-Chair Stoltze	Agreed that Representative Gara was correct.
1:55:27 PM	AT EASE	
1:59:35 PM	RECONVENED	
1:59:51 PM	MARV SMITH, MANAGER, BRISTOL BAY BOROUGH testified via teleconference ,	Spoke in support of funding for expansion of the port of Bristol Bay. He indicated the borough has submitted a request of \$3.1 million for this project. He thanked the legislature of earlier funding. The local community has contributed \$1 million. The community has also received funding

		from the Denali Commission and BBDC through local company. The community has total commitment for this project. The project is shovel ready and \$2.8 million needed to finalize second part of project.
2:03:45 PM	GARY HENNIGH, CITY ADMINISTRATOR, KING COVE testified via teleconference ,	Spoke of a program need to be added to the stimulus package. He requested \$1.5 million to finish a 5-year, \$9 million local project. He noted this final phase of asphalt paving is ready to be completed. Urged support for DOT to add this project to the stimulus funds.
2:06:42 PM	Representative Austerman	Asked for clarification on the King Cove project.
2:06:55 PM	Gary Hennigh	Replied this is a major overall and upgrade of 4.5 miles of city street system in downtown King Cove.
2:07:53 PM	AMY TITUS, CITY CLERK, WHITE MOUNTAIN testified via teleconference ,	Spoke in support of the White Mountain Public Safety funding. She turned over testimony to the mayor of White Mountain.
2:08:21 PM	DAN HARRILSON, MAYOR, WHITE MOUNTAIN testified via teleconference ,	Spoke for support in finishing the White Mountain Public Safety Building project. He indicated that the design phase is completed and ready to go out for bids. He noted that fires in the community could be dealt with faster with this building and equipment.
2:10:10 PM	Co-Chair Stoltze	Asked that information on this project be sent to the committee.
2:10:24 PM	AVES THOMPSON, EXECUTIVE DIRECTOR OF ALASKA TRUCKING ASSOCIATION testified via teleconference	Spoke in support of funding in HB 154. He emphasized that funding for these projects meets urgent transportation needs throughout the state. He believed this would provide meaningful, well paying jobs for Alaskans.
2:11:51 PM	GOVERNOR BILL SHEFFIELD, ANCHORAGE testified via teleconference ,	Urged the support for funding the Port of Anchorage to be added to the stimulus bill in the amount of \$20 million. He reported this would add about 400 jobs to the state.
2:13:52 PM	Representative Fairclough	Asked about the \$20 million for the port and wondered about the readiness for the project to go forward this summer.

2:14:20 PM	Bill Sheffield	Reported that some work is in progress and there were other contracts that can move forward if the money is received. He stressed that the north end of the port must be completed by the end of 2010.
2:15:19 PM	Representative Fairclough	Asked if all the funding was in place for this years phasing to complete that task.
2:15:33 PM	Bill Sheffield	Replied they do not. He indicated that the \$20 million would give them \$40 million that would finish the projects and start on other projects in the north end.
2:16:26 PM	Representative Fairclough	Asked again if this project was short \$40 million to complete.
2:16:40 PM	Bill Sheffield	Replied yes.
2:17:03 PM	TONY JOHANSEN, GREAT NORTHWEST CONTRACTOR, FAIRBANKS testified via teleconference	Spoke in support of HB 154. He reported this money would mean work for Alaskan contractors this summer. He affirmed the short construction season in Alaska and delays reduce pay checks for workers.
2:20:03 PM	BRUCE CARR, DIRECTOR OF STRATEGIC PLANNING, ALASKA RAILROAD testified via teleconference	Reported the railroad is the only public transportation provider eligible to receive transportation funds in two programs. He noted funds received by the railroad do not diminish any funds received by any other transit agency in Alaska or any DOT road funds. He indicated that the stimulus package pushed additional funds in into regular formula programs at \$25.8 million. He reported that a list of eligible projects will be presented to the Board of Directors on April 1 for review and approval.
2:24:15 PM	Co-Chair Stoltze	Asked that the list of projects be sent to the co-chairs office for distribution.
2:24:25 PM	Representative Gara	Agreed that one part of money must go to the railroad. He also understood that railroad also gets a set portion of the federal transit money. He wanted to know if that was correct.
2:24:54 PM	Bruce Carr	Replied that was not correct. He indicated there were two different pots of money. He indicated there are two tiers, the bus tier and fixed guide way tier of money. He noted the railroad is the only one receiving the fixed guide

		way money.
2:26:01 PM	Representative Gara	Asked what statute requires a portion to go to the fixed guide way as opposed to the bus tier.
2:26:19 PM	Bruce Carr	Replied that the railroad is in the federal statute as a fixed guide way railroad operator and that is how they are funded.
2:26:35 PM	Representative Gara	Asked if the fixed guide way money is national money just dedicated to railroads, but is there any other money being received under the stimulus bill that is also available for other transit projects..
2:26:54 PM	Bruce Carr	Indicated that the railroad was only getting funds under the fixed guide way tiers.
2:27:13 PM	Representative Gara	Believed he understood that federal transit money was directed in a high proportion toward the railroad.
2:27:27 PM	Bruce Carr	Replied that the fixed guide way tier has two pieces to the formula; passenger rail miles and passenger revenue coach miles. He reported that original determination by federal transit administration included only Anchorage area for counting mileage and now entire system is eligible for the formula money.
2:28:36 PM	Representative Gara	Asked if this impacts other money available for other transit programs.
	Bruce Carr	Replied not in Alaska.
2:28:44 PM	Co-Chair Stoltze	Asked that the railroad funding received is its entitled formula not going to Washington DC to advocate for a separate allotment.
2:28:56 PM	Bruce Carr	Noted that the stimulus package is by formula only and distributed by FTA.
2:29:18 PM	Representative Gara	Reported that his take on stimulus package is to decrease dependence on fossil fuels. He wondered if there are any projects to enhance commuter rail.
2:29:54 PM	Bruce Carr	Replied that there is a project in Seward to idle down to electrical power and shut down engines. He noted that the project in Fairbanks will reduce time to get through the terminal which will reduce fuels and emissions. He indicated they are looking to DEC to apply for EPA funds to further reduce railroad emissions.

2:31:37 PM	Co-Chair Stoltze	Indicated that public testimony was closed.
2:31:49 PM	Co-Chair Hawker	Noted that city manager of Whittier provided testimony for eligible projects and he asked for a written report to be added to the committee record.
2:32:30 PM	Representative Fairclough	Noted three groups, Bristol Bay, King Cover, Anchorage, asked for additions to the package and wondered if they will qualify for consideration.
2:33:04 PM	Co-Chair Stoltze	Indicated these projects will be investigated.
2:33:20 PM	Representative Gara	Requested a Department of Transportation representative be available for the next meeting on this topic.
	Co-Chair Stoltze	Agreed that would be a good idea.
2:33:40 PM	Representative Austerman	Asked what was the next step for this bill.
2:33:52 PM	Co-Chair Stoltze	Replied that the House will continue to work with the Senate and the bill will then come back before the committee.

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ADJOURNMENT

The meeting was adjourned at 2:35 PM