

SENATE FINANCE COMMITTEE  
March 17, 2009  
2:49 p.m.

2:49:04 PM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 2:49 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None.

ALSO PRESENT

Leta Simons, Director, Division of Support Services, Department of Natural Resources; Tom Lawson, Director, Administrative Services, Department of Fish and Game; Charles Swanton, Director, Division of Sport Fish, Department of Fish and Game.

PRESENT VIA TELECONFERENCE

James King, Director, Division of Parks and Outdoor Recreation, Department of Natural Resources; John Hilsinger, Director, Division of Commercial Fisheries, Department of Fish and Game.

SUMMARY

#sb75  
SB 75 "An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

2:49:27 PM

SENATE BILL NO. 75

"An Act making and amending appropriations, including capital appropriations, supplemental

appropriations, and appropriations to capitalize funds; and providing for an effective date."

[2:50:21 PM](#)

DEPARTMENT OF NATURAL RESOURCES

Co-Chair Stedman pointed out the pink sheets (copy on file).

LETA SIMONS, DIRECTOR, DIVISION OF SUPPORT SERVICES, DEPARTMENT OF NATURAL RESOURCES, discussed project 1 or 41648, which would increase federal funding for the Coastal Impact Assistance Program (CIAP). She explained the details of the project and where the funding would be used.

[2:52:13 PM](#)

Ms. Simons continued to item 4 or 33955, "Wildland Fire Truck Replacement". She explained that the funds would be used for periodic replacement of critical firefighting equipment. She detailed the project and where the funding would be used.

[2:53:24 PM](#)

Co-Chair Stedman asked why project 6 or AMD47794, "State Parks Deferred Maintenance and Emergency Repairs had been moved to the supplemental.

Ms. Simons responded that the project had been moved to the supplemental to take advantage of the cruise ship gambling tax appropriation, which had been the department's the planned source of funding, leaving no reason to postpone until FY10. Moving the project to the FY09 supplemental would allow the funds to be accessed quickly and spent efficiently.

[2:54:02 PM](#)

Ms. Simons continued to 17 or 32552, "Land and Water Conservation Fund Federal Grant Program. She described the project and where the funds would be used. The next item was deleted by the governor; AMD45255 or 19, "Architecture and Engineering for a New Geologic Material Center in Eagle River-Phase 2 of 2".

Co- Chair Stedman asked for a brief description of the deleted item; AMD45255 or 19.

Ms. Simons explained that because of the recent drop in oil prices, the administration had urged the department to forego projects requiring general funds that could be postponed to a later date.

[2:55: PM](#)

Ms. Simons continued to items 22-25, which were deleted by the governor as she believed that they could be postponed to a later date.

[2:56:46 PM](#)

Ms. Simons continued to item 27 or 46947, "Fire Suppression Trunk Road Facility Relocation". She stated that the relocation would protect the state's investment and maintain the facility for use by fire engines and initial attack response.

Co-Chair Stedman thought that it was odd that the state would lease a facility from the university, and the university would then sell the land out from under the leased facility. He queried the structure of the lease and the actions of the university.

Ms. Simons responded that the land had been leased to the state by the university and then the building had been built. The recent sale of the land by the university created the need for the building to be relocated.

CHRIS MAISCH, DIRECTOR, DIVISION OF FORESTRY, DEPARTMENT OF NATURAL RESOURCES, replied that he did not know the details in regard to the sale of the property. He felt it may have to do with the addition to hospital property. He said that he would research the lease and bring more information before the committee.

[2:58:50 PM](#)

Ms. Simons continued to item 29 or 38886, "Land Sales-New Sub-Division Development". She detailed the project and where the funds would be spent. She continued to item 32 or AMD38480, "Remote Recreational Cabin Sites Surveys and Appraisals", which was moved to the operating budget. The next item 35 or 6855, "Abandoned Mine Lands Reclamation Federal Program". She explained that the line item provides federal funding for reclamation of areas mined before enactment of the Federal Surface Mining Control and Reclamation Act of 1977.

[3:00:04 PM](#)

Ms. Simons continued to item 38 or 40082, "Alaska Coastal Management Federal Pass Through Grants" and item 40 or 37769, "Fire and Local Government Funded Forestry and Fire Projects". She detailed the line items and discussed where the funds would be spent.

[3:00:36 PM](#)

Ms. Simons continued to item 43 or AMD46953, "Private and Public Forest Assessment", which is a request for funding necessary to continue federal funds. The item will be addressed in the operating budget. She continued to item 46 or 32553, "Alaska Boating Safety Program".

Co-Chair Stedman asked for details about the program.

[3:01:27 PM](#)

JAMES KING, DIRECTOR, DIVISION OF PARKS AND OUTDOOR RECREATION, DEPARTMENT OF NATURAL RESOURCES (testified via teleconference), discussed the Kids Don't Float program. He stressed that the department is working diligently to improve boating safety through the implementation of programs for adults as well as for children.

Co-Chair Stedman asked if the program was ongoing.

Mr. King responded that there is a sunset clause.

Co-Chair Stedman asked if there were any funding shortages or overlap with the Alaska Marine Safety Education Association.

Mr. King responded that the programs work closely together and that there is some sharing of funds.

[3:03:57 PM](#)

Co-Chair Hoffman referred to prior funding history. The program has funds left over from the last three appropriations.

Mr. King pointed out that the dates of the federal fiscal year vary from the state's fiscal year. This can cause challenges where grants with time limits are concerned. He added that money left over from federal funds and grants will be used for safety improvement.

[3:05:28 PM](#)

Ms. Simons continued to item 50 or 6865, "National Historic Preservation Fund Federal Grant Program", which includes \$200,000 in general fund match. Item 53 or 6854, "National Recreational Trail Grants Federal Program", would provide money to for grants for recreational trail development and maintenance. Recent grantees include; Ketchikan Gateway Borough, Mat-Su Borough, Wasilla, Fort Yukon, Homer, Galena, Barrow, Cordova, Aleknagik, and Circle. She continued to item 56 or AMD45270, "DNR Information Technology Infrastructure Upgrades-Phase 2 of 2", which was deleted.

[3:06:31 PM](#)

Ms. Simons continued to item 60 or 45272, "Matanuska Susitna Borough Hydrogeology Assessment-Phase 2 of 3. The goal of the study is to study ground water to effectively manage the ground water resources in the area. She continued to item 64 or 37762, "Cooperative Water Resource Program". This funding pays for the installation and operation of equipment used to obtain hydroelectric data. She detailed item 66 or 33690, "Snowmobile Trail Development and Program Grants". The funds are spent on direct grants to various organizations and agencies for trail and trailhead development, safety and education programs, and grant administration and support of the statewide Snowmobile Trails Advisory Committee.

[3:08:03 PM](#)

Ms. Simons continued to item 70 or AMD6853, "Mental Health Trust Land Development", which has been moved to the operating budget. Item 72 or AMD40474, "Mental Health Trust Facilities Maintenance", will fund ongoing property management, snow removal maintenance, and repair of mental health trust properties. Item 74 or AMD 47798, "Chilkoot River Bear Viewing Areas", has been moved to the operating budget. Item 76 or 46965, "Gas Pipeline Implementation", will fund the retention of outside experts and consultants, continued gasline analysis, analysis and advice on tariffs, royalty evaluation methodology, and enforcement and remedies related to license terms and conditions. Item 78 or AMD45278, "Reservoir Studies to Evaluate Oil and Gas Resources on the North Slope-Phase 2 of 3", is for reservoir studies to evaluate oil and gas resources on the north slope.

[3:09:48 PM](#)

Ms. Simons continued to the last item 80 or 41415, "Gas Pipeline Corridor Geologic Hazards and Resources-Phase 4 of 5" which will allow for the continuation of geologic mapping, hazard assessment, and resource evaluation along the purposed natural gas pipeline corridor from Delta Junction to the Canadian border.

Co-Chair Stedman noted that the items had been in priority order.

[3:11:01 PM](#) AT EASE

[3:11:13 PM](#) RECONVENED

#### DEPARTMENT OF FISH and GAME

TOM LAWSON, DIRECTOR, ADMINISTRATIVE SERVICES, DEPARTMENT OF FISH AND GAME, discussed the project review listing beginning with item 1 or AMD43322, "Statewide Annual Deferred Maintenance, Repair, Upgrades, and Equipment". He detailed the cost of maintenance in each of the areas of the department.

[3:13:35 PM](#)

Co-Chair Stedman asked if the \$250,000 reduction in the line item fund source total, from \$11,000,000 to \$850,000, had forced the deletion of projects.

Mr. Lawson stated that the department would cut back on deferred maintenance of various facilities. He felt that the department could survive the year with less money by trimming back on all areas to accommodate the overall funding reduction.

Co-Chair Stedman asked if the projected \$1.1 million targeted maintenance numbers remain the same.

Mr. Lawson replied that the numbers would stay the same.

Mr. Lawson continued to item 3 or AMD47027, "Data and Infrastructure Backup". The project would allow for the purchase of hard and software for data backup in Anchorage and Fairbanks. He stated that the backup systems for the department had been lacking across the board and cited a recent situation of server data loss at the headquarters office. He stressed that the data gathered by the department is a critical asset to the state and must be safely stored.

Co-Chair Stedman spoke of lost information in the past. He wondered about the man hours it would take to re-enter or recover data lost.

Mr. Lawson replied that the amount would be equal to the line item request, possibly more. He added that the data recovery took months and required a substantial number of staff members.

[3:17:17 PM](#)

Mr. Lawson continued to item 6 or AMD47028, "Application Development Software". The project would provide software to perform various applications to prepare customized reports. He gave an example of the fish ticket system currently used by the department, which is used to compile data. He pointed out that the current system does not allow for convenient conversion of data into shareable formats.

[3:18:37 PM](#)

Mr. Lawson continued to item 8 or AMD47023, "Wildlife Conservation Response Team", which was deleted. He continued to item 10 or AMD47022, "Wood Bison Stocking and Release". The program would establish up to three bison herds in Interior Alaska, work to complete the regulatory and planning hurdles facing the department, construct temporary

field camps and enclosures at release sites, aide in transport of the bison to the release site, conduct the initial biological monitoring of the bison herds, and fund staff for the project.

[3:20:42 PM](#)

Mr. Lawson continued to item 13 or AMD42951, "Hazardous Site Cleanups", which has been deleted from the capital budget. Item 15 or AMD45368, "Assessment of Pacific Salmon Resources in AYK, Northern Region", was moved from the capital budget to the operating budget.

[3:21:49 PM](#)

Mr. Lawson continued to item 17 or AMD42050, "Collection and Genetic Analysis of Chum Salmon Tissues in Western Alaska", which will allow the department to use genetic stock in the continuation of chum salmon identification research. The research should provide estimates of productivity and fisheries impacts on various fish stocks.

Co-Chair Stedman asked for clarification concerning details of the research.

[3:23:20 PM](#)

JOHN HILSINGER, DIRECTOR, DIVISION OF COMMERCIAL FISHERIES, DEPARTMENT OF FISH AND GAME, (testified via teleconference), stated that the project samples the commercial and subsistence fisheries along the coast of Alaska, from Chignik through Bristol Bay, and up to Norton Sound. The information would track how the stocks move through the area. In knowing the harvest of the fish stocks, productivity will be increased.

Co-Chair Hoffman asked about the appropriation reduction for the line item, and if it would affect the stock analysis.

[3:24:35 PM](#)

Mr. Hilsinger replied that the project could be completed with the requested funding in place.

Mr. Larson continued to item 19 or 30432, "Sport Fish Recreational Boating Access". The program would enable the department to construct and up-grade boating and sport fish access facilities statewide.

Co-Chair Stedman queried the particulars of the program. He specifically asked about the Star Gavin boat ramp in Sitka.

[3:25:59 PM](#)

Mr. Lawson shared that the department is objective in choosing which projects are eligible for the program.

[3:26:25 PM](#)

CHARLES SWANTON, DIRECTOR, DIVISION OF SPORT FISH, DEPARTMENT OF FISH AND GAME, understood that the funds to complete Star Gavin boat ramp had been appropriated in FY07 and that the department was in the process of finishing the project.

Co-Chair Stedman disagreed.

[3:27:05 PM](#) AT EASE

[3:27:17 PM](#) RECONVENED

Co-Chair Stedman believed that the item had been vetoed. He requested that Mr. Swanton check the facts. He stated the breakwater needed to be constructed to protect the infrastructure of the facility. He requested that the department research both completed and targeted boat ramp projects for status and maintenance reports. He stressed that the committee is committed to supporting boat ramp projects.

[3:28:26 PM](#)

Co-Chair Hoffman felt that the data would be helpful to the committee to ensure fair distribution of funds statewide.

Co-Chair Stedman ruminated on Star Gavin boat dock. He stressed that the area has been very well received by the community in Sitka, and should be a model for future projects. He relayed that the committee is working to bring a focused approach to the building of high quality boat ramps throughout the state. He hoped that the department maintained the same philosophy.

[3:30:11 PM](#)

Mr. Lawson continued to item 21 or 33647, "Pacific Coastal Salmon Recovery Fund", which is an annual item. The program objective is to ensure sustainable Alaska salmon fisheries. The vetting process for the grants is stringent. Mr. Lawson cited the "PCSRF Background" letter (copy on file).

[3:31:43 PM](#)

Mr. Lawson continued to item 23 or 47021, "Cooperative Resource Program". The project allows the department to accept funds from the private sector to match state funds.

[3:32:52 PM](#)

Mr. Lawson continued to the final item 25 or 47612, "Permit Card Equipment for eLandings Program". This is a card that is bar-coded and will likely take the place of fish tickets.

[3:34:05 PM](#)

Co-Chair Stedman pointed out that despite the \$22 million requested for the Salmon Recovery Fund, the department's requests for funding are minimal. He felt that there would be a discussion in the committee to work to extend as much attention to departmental requests as possible.

[3:35:17 PM](#)

#

ADJOURNMENT

The meeting was adjourned at 3:35 PM.