

SENATE FINANCE COMMITTEE
March 19, 2009
2:40 p.m.

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CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 2:40 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Johnny Ellis

ALSO PRESENT

Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development; Chris Christensen, Deputy Administrative Director, Alaska Court System.

PRESENT VIA TELECONFERENCE

(None)

SUMMARY

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

SB 75 was HEARD and HELD in Committee for further consideration.

#sb75

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."

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DEPARTMENT OF LABOR and WORKFORCE DEVELOPMENT (DLWD)

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, introduced the department's first item, \$1.5 million for the Alaska Vocational Technical Center (AVTEC) Deferred Maintenance and Major Maintenance and Expansion of the Industrial Electrical Program Building. The first component covers the cost of some of the maintenance staff at AVTEC funded with capital project receipts. The component also covers the day-to-day maintenance of the facility as issues arise. The second component is for major maintenance and expansion of the electrical program building to increase its capacity and deal with environmental systems issues. The increase should allow program enrollment to increase from 24 to 30 students.

Mr. Bell turned to the second item, the AVTEC Third Avenue Dormitory Replacement. The dormitory houses around 120 students. The project has been deleted in the governor's amended budget due to the revenue shortfall.

Co-Chair Stedman asked if the item would be in DLWD's FY11 capital budget. Mr. Bell answered that the department intended to request funds for the project at some future date; the item will be in the FY11 budget if possible. He explained that the facility is old and needs to be replaced.

Co-Chair Stedman asked whether the structure was still usable. Mr. Bell responded that students are still housed in the facility and maintenance staff has been working to keep it operational.

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Mr. Bell described the third item for the Division of Workers' Compensation to upgrade and rewrite computer systems. The program is funded with workers' safety account receipts, which are set aside from workers compensation taxes and reimbursements from self-insured employers to fund worker safety activities. The systems include filing of proof of coverage from employers, the claims management database, the fraud management database, and other databases maintained by the division to serve clients.

Mr. Bell explained the next item for \$275,000 to the Division of Vocational Rehabilitation for an interface between the case management and accounting system with the social security administration database and with the unemployment insurance program. Connecting with the databases will enable the department to better track actual outcomes such as what an individual earns after exiting the program and returning to work. In addition, the department will be able to use the interface to track the ability to

recover social security receipts. When individuals complete the department's program and return to work, the Social Security Administration reimburses the DLWD for a percentage of savings in reduced social security benefit payments.

Mr. Bell referred to the next item, \$6 million for the AVTEC New Heavy Equipment Shop and Diesel Shop with Pipe Welding Program Relocation. The initial request for the project was for \$12 million. The governor's amended budget reduced the request to \$6 million. The new request plans to split the project. The first funds would be used to partially replace the building currently occupied by the diesel technology training program with an estimated 8,000 square foot modular facility. In FY11 there will be another request for an additional \$6 million to complete the project.

Co-Chair Stedman noted that the additional \$6 million was not listed in the FY11 column. Mr. Bell acknowledged that the item should have been indicated. He added that the FY10 request would pay for a useable building that would stand next to and extend the existing building. The intent is to continue with an adjacent building. The thirty-year-old building being replaced has structural problems and should be vacated.

Co-Chair Stedman asked if the vacated building would be used for storage or other purposes. Mr. Bell answered that the intent was to use the building for storage.

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Mr. Bell concluded with the department's last project, \$1.3 million for Alaska Works Partnership Fairbanks Pipeline Training Center Equipment. The original request was reduced by \$1 million. Equipment purchased will include welding stations, health and safety lab-related equipment, and instructional equipment for the facility.

Senator Huggins asked for more information regarding bush training. Mr. Bell answered that the department provides grants to entities that provide job training in rural Alaska, such as Nome, Kotzebue, Bethel, King Salmon, and Galena. He wondered if the training Senator Huggins had heard about was provided through the Denali Commission.

Co-Chair Stedman noted challenges in keeping track of the money put into training and workforce development and suggested an overview of legislative activities in workforce development over the past years.

Mr. Bell reported that Representative Hawker had requested an accounting of the various gasoline-related appropriations from all agencies and that DWLD was putting together their

data. He added that the Office of Management and Budget (OMB) would compile the information.

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ALASKA COURT SYSTEM (COURTS)

CHRIS CHRISTENSEN, DEPUTY ADMINISTRATIVE DIRECTOR, ALASKA COURT SYSTEM, explained the relationship between the court system, the legislature, and OMB in connection with the capital budget. He directed attention to the ten-project list and noted that only the first item was in the governor's budget.

Mr. Christensen informed the committee that the first item, \$2.5 million for the Anchorage Campus Project Renovation, was the COURTS top priority. The request would fund one part of the multi-year Boney Courthouse renovation project in Anchorage. He provided a history of funding for the \$21.8 million project. Over 40 percent of the court system caseload is in Anchorage.

Mr. Christensen described problems with the Boney Courthouse, including substantial deferred maintenance needs, seismic issues, problems installing needed electronic equipment, and a lack of security for handling prisoners, the cause of mistrials and regular escapes. Anchorage has had a 75 percent increase in felony cases in the past five years, dramatically increasing the need for criminal trials, new judges, and therapeutic courts. Renovating the building would be more cost effective than re-building it.

Mr. Christensen noted that the federal stimulus package indicates that 18 percent of each state's allocation must be used for public safety and other government services. He added that \$9.9 million of the courthouse project could be ready within 30 days.

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Mr. Christensen turned to the second priority item, \$1.344 million for CourtView Enhancements. The purpose of the project is to enhance the CourtView case management system that has been developed over the past five years. The system makes criminal case data available to other law enforcement agencies in a more complete, accurate, accessible, and timely manner. The basic version of CourtView is operational in 24 court locations throughout the state. Southeast Alaska is the last remaining location to be developed. He provided examples of problems caused by a lack of the case management system.

Mr. Christensen added that the request was the capital component to get the system operational.

Co-Chair Stedman clarified that COURTS would request \$1.344 for FY10 and follow with a request for over \$800,000 in FY11. He asked if the challenges would be solved with the two appropriations. Mr. Christensen opined that the amount would solve the problems. Currently data is available on the internet, but limited; law enforcement needs access to information not available to the public.

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Co-Chair Stedman asked if location would affect retrieval. Mr. Christensen explained that the system is state-wide and the information is electronic. The system is used by both the city police and state troopers.

Mr. Christensen described the COURTS third priority on the list, Court Security Projects. The request is made of many discreet projects of all sizes; any amount provided would be useful. He pointed out that courthouses are filled with people with problems that make them security risks. Alaska does not have armed officers in courthouses or courtrooms. Security upgrades will provide for safer holding cells, secure transportation, alarms, replacements for worn-out metal detectors, and other security projects.

Mr. Christensen detailed the fourth item, \$350,000 expended over three years for the Mediation Pilot Project. He explained that child custody, visitation, and support are huge issues in the courts, making up approximately 20 percent of superior court caseload in Alaska. People rarely like initial custody determinations and return to the courts repeatedly over a long period of time. The request would fund a mediation pilot project in Fairbanks, Palmer, and Anchorage for cases where custody has been set, but someone is trying to change it. Mediation has been used effectively in similar cases around the country. The money would be used for training personnel.

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Mr. Christensen emphasized that there are no federal funds available for the project. After the program has been in place and demonstrates success, the court system will ask for general funds. Surveys in other states show that people who participate in agreements regarding custody issues are more satisfied.

Co-Chair Stedman explained that the legislature cannot guarantee amounts above the governor's requests.

SB 75 was HEARD and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 3:09 PM.