

SENATE FINANCE COMMITTEE
March 16, 2011
1:13 p.m.

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CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:13 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lesil McGuire, Vice-Chair
Senator Johnny Ellis
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None.

ALSO PRESENT

Michael Barnhill, Deputy Commissioner, Department of Administration; Cheri Lowenstein, Director, Division Administrative Services, Department of Administration; Anna Kim, Director, Division of Administrative Services, Department of Education and Early Childhood Development; Sam Kito, Facilities Engineer, Department of Education and Early Childhood Development; Susan Colligan, Director, Division of Administrative Services, Department of Military and Veterans Affairs; Mary Siroky, Director, Division of Administrative Services, Department of Environmental Conservation; Bill Griffith, Program Manager, Department of Environmental Conservation; Charlie Swanton, Director, Division of Sport Fish, Department of Fish and Game; Kevin Brooks, Deputy Commissioner, Department of Administration; Joseph Schmidt, Commissioner, Department of Corrections; Leslie Houston, Director of Division of Administrative Services, Department of Corrections; Chris Christensen, Deputy Administrative Director, Alaska Court System; Ginger Blaisdell, Director, Division of Administrative Services,

Department of Revenue; Laura Achee, Director of Communications, Alaska Permanent Fund Corporation, Department of Revenue; Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development; Clark Bishop, Commissioner, Department of Labor and Workforce Development; Dave Blaisdell, Director, Administrative Services Division, Department of Law

PRESENT VIA TELECONFERENCE

SUMMARY

#sb46

SB 46-BUDGET: CAPITAL

SENATE BILL NO. 46

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

Department of Administration

MICHAEL BARNHILL, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, introduced the available representatives from the department.

CHERI LOWENSTEIN, DIRECTOR, DIVISION ADMINISTRATIVE SERVICES, DEPARTMENT OF ADMINISTRATION, discussed the project review listings.

AMD RN 51847

Atwood Building and Linny Pacillo Parking Garage Improvements for Security, Safety and Public Access
\$2,800,000

Brief Summary and Statement of Need:

The Division of General Services is requesting general fund program receipts to make improvements to 5 interior floors of the Atwood Building in Anchorage and to complete construction in the unfinished street-level corner of the Linny Pacillo Parking Garage (LPPG). Targeted areas of improvement are building security, safety in and around the building and to provide public access.

RN 51581
Statewide Network Connectivity Upgrades
\$3,000,000

Brief Summary and Statement of Need:

The average shared bandwidth capacity for 35 cities outside of the core communities of Anchorage, Fairbanks and Juneau is below 1.5 megabits per second (mbps) or a T1. Public and agency expectation for near or real time service has risen to a level that requires increased capacity to these rural locations. Bandwidth services in rural areas are expensive, often unreliable and sometimes non-existent. This funding will be used to address some bandwidth issues through various means.

Ms. Lowenstein added that Bethel, Nome Ketchikan, Sitka, Kotzebue, and the Palmer/Wasilla area would see an upgrade in bandwidth services.

RN 51590
Classification System Conversion
\$500,000

Brief Summary and Statement of Need:

The Division of Personnel will use the services of a contractor to assist in converting its current position classification system (whole job method) to a point factor system which will reduce staff processing time and the number of staff required to perform the classification function.

Ms. Lowenstein added that the state currently had 1,077 job classes; the conversion was expected to reduce the number of classes.

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RN 51796
Motor Vehicles Automatic Queuing System
\$200,000

Brief Summary and Statement of Need:

The automated queuing system allows the Division of Motor Vehicles (DMV) managers to accurately track the number of customers served and wait times per customer. DMV's current system allows DMV to measure wait times from when a ticket is pulled from the queue in 20 minute increments only. The

system is beyond its lifespan and needs regular maintenance, which is expensive and logistically cumbersome, and the only replacement parts are refurbished items.

Ms. Lowenstein stated that the new system would be instated in all state-owned DMV offices.

Co-Chair Hoffman asked how many DMV offices were located in the state and if the updates would occur in only Anchorage, Fairbanks, and Juneau. Ms. Lowenstein said that the automatic queuing system would be installed in each of the 16 state-owned offices.

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RN 51600

Retirement and Benefits Disaster Recovery System
\$796,200

Brief Summary and Statement of Need:

The Division of Retirement and Benefits (DRB) systems house important data regarding health care eligibility and premium payments. DRB is defined as the Covered Entity for both the active and retiree health plans. This means that DRB is legally mandated by the Health Insurance Portability and Accounting Act to develop a continuity of operation plan for critical IT systems that have access to electronic protected health information. If the State is not in compliance, it is possible that fines and penalties will be imposed.

Ms. Lowenstein shared that the department was legally mandated by the Health Insurance Portability and Accountability Act (HIPAA), to have a redundancy system in order to access information in the event of emergencies and natural disasters. The request is one of two in a two year request.

RN 51599

Combined Retirement System Upgrade
\$350,000

Brief Summary and Statement of Need:

The Combined Retirement System (CRS) was developed in COBOL using DB2 as a database on an IBM AS400. A complete upgrade is needed to move the functions currently provided by CRS

from this older technology, incrementally. The new design includes a State standard compliant JAVA web interface with the data residing in an Oracle database.

Ms. Lowenstein stated that he request was the second of a five year request. The current system maintained 200,000 existing and past members. The language of the system was antiquated and needed to be brought up to modern technological standards.

RN 51598

Retirement and Benefits Document Management System
\$387,000

Brief Summary and Statement of Need:

Funding is needed to provide for the migration of the Division of Retirement and Benefits' microfilm documents, currently imaged on 16 mm silver negatives on 100 ft. microfilm rolls, to the newly created Stellent system. The migration will include approximately 8.5 million documents. The new system will provide improved search capabilities and better long term storage.

Ms. Lowenstein relayed that the request was the second of a four-year request.

Senator Egan assumed that the department would have sufficient back-up in the event of digital document degradation. Mr. Barnhill replied that there was film back-up of all documents.

RN 49602

Statewide Deferred Maintenance Projects
\$10,250,000

Brief Summary and Statement of Need:

This request includes deferred maintenance projects for the Department of Administration. Deferred Maintenance projects for the Public Building Fund (PBF) and Non-PBF facilities as well as projects for the State of Alaska Telecommunication System (SATS) infrastructure and ETS facilities are included.

Co-Chair Stedman queried the committee's desire to examine the appropriation by allocation. None being heard, Ms. Lowenstein concluded her presentation.

[A complete list of DOA requests can be found on the Office of Management and Budget page at the Office of the Governor Homepage.]

Co-Chair Stedman suggested that the department prioritize the Capital Budget requests in the event that the committee decided to make reductions.

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Department of Education and Early Childhood Development

ANNA KIM, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT, discussed the department's Capital Budget requests.

RN 51752
Abandoned School Site Assessments
\$125,000

Brief Summary and Statement of Need:

The Department of Education and Early Development currently holds title to five abandoned school sites with buildings located in the communities of Tuntutuliak, Rampart, Pilot Station, Telida and Newtok. The department does not have information regarding the nature or extent of potential hazardous materials associated with these sites, nor does it have the information to determine possible cleanup and demolition costs. This project would assess the hazards at the sites, and prepare demolition and mitigation plans for each of the five locations.

RN 51820
Major Maintenance Grant Fund
\$19,860,236

Brief Summary and Statement of Need:

In accordance with AS 14.11.005 - AS 14.11.135, the Department of Education and Early Development reviewed and prioritized capital improvement project (CIP) applications submitted by the school districts. The December 17, 2010 CIP Major Maintenance Grant Fund list contains 117 statewide projects for a state share total of \$275,132,938. Approval of this request will provide funding for the first 14 projects on the list.

RN 51761

St. Mary's Complex Renovation Completion
\$105,954

Brief Summary and Statement of Need:

St. Mary's Complex Renovation Completion is #1 on the December 17, 2010 CIP Major Maintenance list. This aging 25,347 square foot facility was built in 1974. Renovation included design and implementation of the mechanical room re-piping, equipment replacement and standardization of the design and components with other recently completed work. A new "T" hood diffuser assembly and modifications to the balancing dampers in the school's ventilation system were also installed. This work was removed from the original FY08 school renovation project and completed by the district at a later date. This request will provide reimbursement of funds expended by the school district to complete the renovation project.

RN 51764

Valley Park Elementary School Roof Replacement
\$1,211,170

Brief Summary and Statement of Need:

The Valley Park Elementary School Roof Replacement is #2 on the December 17, 2010 CIP Major Maintenance list. This aging school was built in 1973 and received an addition in 2001. The proposed project will remove and replace the existing roof system on the 40,686 square foot school. The new roof system will include installation of $\frac{3}{4}$ " plywood over the old $\frac{1}{2}$ " deck, a vapor retarder, and six inches of new tapered insulation with a $\frac{1}{2}$ " cover board to which a new flexible rubber roofing membrane will be adhered. All flashings, roof drains and appropriate accessories will be included with the install. This work was necessitated by persistent roof leaks that were unable to be fully repaired by maintenance staff.

Co-Chair Stedman asked if the committee wished to peruse the entire maintenance list. He noted that the list was prioritized. There was no request for elaboration on the Major Maintenance list.

[A complete list of DEED Major Maintenance requests can be found on the Office of Management and Budget page at the Office of the Governor Homepage.]

Co-Chair Stedman inquired whether the department had other requests. Ms. Kim replied that there was one construction grant project request.

RN 51754

Kuinerrarmiut Elitnaurviat K-12 Renovation/Addition,
Quinhagak
\$28,489,312

Brief Summary and Statement of Need:

Kuinerrarmiut Elitnaurviat K-12 School Renovation/Addition, Quinhagak is the #1 project on the department's December 17, 2010 Capital Improvement Projects School Construction Grant list. This project will construct a 32,245 square foot addition and renovate 20,520 square feet of the existing 24,314 square foot school. In accordance with the department's space guidelines, the existing space is adequate for 95 students; however, 205 students are currently being served. In addition, the facility is almost 30 years old and many of the building systems have exceeded their useful life.

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RN 51757

Mt. Edgecumbe High School Deferred Maintenance
\$800,000 GF

Brief Summary and Statement of Need:

Mt. Edgecumbe High School is over 40 years old and deferred maintenance is an ongoing necessity. Based on existing funding and progress with projects on the current Mt. Edgecumbe High School deferred maintenance plan, this request would likely be used to complete Phase I of the Heating System Renovation project. If there are funds remaining, then the design for a field house shower/locker/restroom renovation project would begin.

Ms. Kim relayed that upon completion of the heating system renovation siding of the women's dormitory would be considered. Co-Chair Stedman asked if the \$800,000 request was inclusive of all the deferred maintenance projects at Mt. Edgecumbe High School. Ms. Kim responded that the department had provided a six-year deferred maintenance plan for the school to Co-Chair Stedman's office. The department anticipated using \$750,000 to complete Phase I of the Heating System Renovation project. The field house

renovation was expected to cost \$700,000. The siding of the women's dormitory was expected to take priority over the field house renovation because it would require less funding. Co-Chair Stedman queried the Master Deferred Maintenance list for Mt. Edgecumbe High School. He noted that the list had a time sequence in years that extended far into the future.

SAM KITO, FACILITIES ENGINEER, DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT, explained the deferred maintenance list that had been provided to the committee was a global list of all the deferred maintenance needs that had been identified at the Mt. Edgecumbe campus. The list was an interim list, as the department was in the process of updating its master plan. The current list highlights approximately \$26 million in deferred maintenance for the entire campus. The list had not been prioritized from year-to-year. Current year plan discussions include the field house renovation and the siding of the women's dormitory. Co-Chair Stedman noted that the timeframe of the list extended 10 years and was expected to cost \$26.5 million. He understood that the projects had not been listed in priority order. Mr. Kito replied that the list was prioritized by year from the previous year's master plan. Projects not completed on year would be placed on the deferred maintenance list of the following year. The department was waiting for more information from departmental consultants in order to accurately prioritize remaining deferred maintenance.

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Co-Chair Stedman wondered how the funds would be spent were the committee to increase the appropriation. Mr. Kito replied that the dining facility was the next major building up for renovation. Co-Chair Stedman said that the committee would work with the department to identify the cost of expected yearly deferred maintenance costs at the Mt. Edgecumbe campus. Mr. Kito

RN 51756

Stratton Library Roof and Siding Replacement
\$900,000 GF

Brief Summary and Statement of Need:

The 11,408 square foot Stratton Library is located in Sitka on the Sheldon Jackson College campus, adjacent to the

existing state-owned and operated museum. During the 2010 legislative session, the legislature appropriated funding for the State of Alaska Department of Education and Early Development to purchase the Stratton Library from the Sheldon Jackson College Trustees. The library was originally constructed in 1974 and both the roofing and siding systems have exceeded their useful life. This project would replace the failing roof and siding, protecting the state's recent investment in the purchase of the library building.

Co-Chair Stedman expressed appreciation for the intent of the appropriation. He noted that the building had been acquired by the state in order to house the country's most prolific Northwest Native Art collection.

[A complete list of DEED capital requests can be found on the Office of Management and Budget page at the Office of the Governor Homepage.]

Department of Military and Veterans Affairs

SUSAN COLLIGAN, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, listed the department's capital requests in order of priority.

RN 42900
Army Guard Facilities Projects
\$3,750,000

Brief Summary and Statement of Need:

Funding is requested to address capital improvement projects for three of the 96 Alaska Army National Guard locations: Fairbanks, Anchorage, and Wasilla. Projects are necessary to meet space requirements, code requirements, property protection, conditions improvements, and the lodging needs of soldiers.

RN 50957
Federal Energy Projects
\$490,000

Brief Summary and Statement of Need:

Funding is requested to address energy conservation requirements in Alaska Army National Guard Facilities in the following communities: Juneau, Ketchikan, Kenai,

Kodiak, Nome, and Fort Richardson. The Alaska Army National Guard is tasked with reducing energy consumption at its facilities. Federal Executive Orders 13423 and 13514 prescribe the requirement for using more energy efficient equipment and for utilizing energy obtained from renewable sources. The proposed projects will install equipment and provide designs that utilize available and proven technology.

RN 42898
National Guard Counterdrug Support
\$100,000

Brief Summary and Statement of Need:

The National Guard Counterdrug Support Program (CDSP) supports law enforcement agencies in drug enforcement operations, assists in training Law Enforcement Officers, and provides community-based drug awareness programs. The primary purpose of the U.S. Department of Justice Asset Forfeiture Program is to deter crime by depriving criminals of profits and proceeds from their illegal activities. The CDSP program is needed to provide citizen protection and life safety measures.

RN 42901
State Homeland Security Grant Programs
\$9,500,000

Brief Summary and Statement of Need:

The various 100 percent federally funded State Homeland Security grant programs are annually awarded by the U.S. Department of Homeland Security. Programs include needed homeland security planning, equipment, training, and exercises to support local first responders, private sector infrastructure and state preparedness. This request is needed to assist in life safety citizen preparedness. Response end results will be enhanced and improved within our performance management framework. These funds provide for critical tasks at the state level that include crisis management, intelligence gathering and notification, critical infrastructure analysis, mitigation projects, policy development and effective grants management.

RN 49583
Military and Veterans Affairs Deferred Maintenance Projects
\$12,085,800

Brief Summary and Statement of Need:

Funding is requested to address deferred maintenance projects for the Alaska Army National Guard Facilities in the following locations: Anchorage, Bethel, Kotzebue, Sitka, Wasilla, Ketchikan, Juneau, Koyukuk, Fairbanks, Kenai, Nome, Brevig Mission, Elim, and other communities statewide. Projects focus on building repair and renovation with an emphasis on fire, safety, and protection of structures.

Ms. Colligan stated that the projects addressed deferred maintenance for Army National Guard facilities around the state, as well as the Alaska Military Youth Academy. The appropriation had 17 allocations.

[A complete list of DMVA capital requests can be found on the Office of Management and Budget page at the Office of the Governor Homepage.]

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Department of Environmental Conservation

MARY SIROKY, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, introduced available support staff. She shared that the list before the committee was in priority order.

RN 41376

Village Safe Water and Wastewater Infrastructure Projects
\$51,566,664

Brief Summary and Statement of Need:

This project provides grant funding for first time service to communities to plan, design and construct drinking water and sanitation facilities and the associated operating costs of the Facility Construction component within the Division of Water. This project contributes to the Department's End Result A - Citizens are Protected. Drinking water and sewer projects constructed with grant funds protect residents from unsafe sanitary conditions.

RN 46714

Municipal Water, Sewage, and Solid Waste Facilities Grants
(AS 46.03.030)
\$20,000,000

Brief Summary and Statement of Need:

This project provides funding for grants to communities to plan, design and construct drinking water and sanitation facilities and the associated operating costs of the Facility Construction component within the Division of Water. This project contributes to the Department's End Result A - Citizens are Protected. Drinking water and sewer projects constructed with grant funds protect residents from unsafe sanitary conditions.

Ms. Siorky stated that there were nine projects to be funded with the appropriation.

Co-Chair Stedman queried the weather the \$20 million appropriation would be enough to fund all of the projects in the state that were listed under the department's "End Result A - Citizens are Protected" plan.

BILL GRIFFITH, FACILITIES PROGRAM MANAGER, DIVISION OF WATER, DEPARTMENT OF ENVIRONMENTAL CONSERVATION, replied that the appropriation would not service the full list of the approximately 50 to 60 communities in need. Co-Chair Stedman requested the total dollar amount of the list. Mr. Griffith answered that the total dollar amount was approximately \$79 million. Co-Chair Stedman understood the appropriation was \$20 million of the total dollar amount. Mr. Griffith replied in the affirmative.

Senator Thomas wondered if similar materials and equipment were being used for each service grant funded facility. He thought that consistent use of similar materials would streamline future maintenance, from community to community. Mr. Griffith replied that significant standardization occurs throughout the design process to simplify maintenance. Standardization occurred less in the Municipal Matching Grant program, because individual cities, and not the state, administered the projects.

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Senator Thomas probed the department's distinction of criteria for "city" versus "rural". Mr. Griffiths said that the population limit for unincorporated communities and first-class cities is 600 people. There is no population limit for second-class cities.

Co-Chair Stedman shared that the committee had doubled the governor's request for the program in the FY2011 Capital Budget, which the governor had ultimately vetoed. He expressed confusion that the administration would request for FY2012, what it had vetoed for FY2011. Mr. Griffith could not provide an explanation for the veto. He said that the department would work closely with the administration to ensure the process by which the project were selected and prioritized was understood. Co-Chair Stedman stated that the legislature was not in the practice of rearranging the priority lists submitted by departments. In 2010, appropriations were increased in areas where the committee had determined the most need. He maintained puzzlement that the items vetoed by the administration for FY2011, would be requested again in FY2012. He wondered if increasing the appropriations again would result in a governor's veto for FY2012. Ms. Siorky stated that the department provided information to the governor's office as the governor considered final veto decisions.

RN 49749

Expansion, Upgrade, Replacement of Existing Service
\$21,774,913

Brief Summary and Statement of Need:

This project provides grant funding for expansion, upgrade and replacement of existing service to communities to plan, design and construct drinking water and sanitation facilities.

RN 49748

First Time Service Projects
\$29,791,751

Brief Summary and Statement of Need:

This project provides funding for first time service grants to communities to plan, design and construct drinking water and sanitation facilities.

RN 51725

Haines: Asbestos Cement Pipe Replacement
\$535,224

Brief Summary and Statement of Need:

There are approximately 990 homes in the community. This project will replace asbestos cement pipe in the 4th Avenue, View, and Lynnvue areas. The local match requirement is 30 percent of total eligible project costs.

RN 47787

Kenai: Water Transmission Mains Phase 3
\$1,603,710

Brief Summary and Statement of Need:

There are approximately 2,625 occupied homes in the community. This project will construct the third phase of a multi-phase effort to install new water transmission mains. The local match requirement is 30 percent of total eligible project costs.

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RN 49739

Ketchikan: Water and Sewer Improvements
\$1,658,287

Brief Summary and Statement of Need:

There are approximately 3,200 occupied homes in the community. This project will install 4,800 feet of 8" and 16" water and sewer mains in the Jackson Street, Monroe Street, 4th Avenue, and 7th Avenue areas. The local match requirement is 30 percent of total eligible project costs.

Co-Chair Stedman noted that the allocations were going to be short of funding. Mr. Griffith explained that the Ketchikan: Water and Sewer Improvement project would be partially funded, with a \$ 20 million dollar cut-off. An additional \$931,000 would be requested by the community to fully fund the project. Co-Chair Stedman asked why the department had decided to partially fund the request. Mr. Griffith replied that the decision had been made by OMB. Co-Chair Stedman asked if the department normally funded projects to completion. Mr. Griffith answered that the department typically attempted to fund whole projects. Some projects could be partially funded, such as pipe replacement projects, but most projects could not split funding from year-to-year. Co-Chair Stedman wondered if funding for the other half of the Ketchikan project would be at the top of the request list for FY2013. Mr. Griffith relayed that communities had to reapply for funding from year-to-year, so the project would be re-ranked. He added that oftentimes projects that scored just below the funding line ended up near the top of the funding list the following year. Co-Chair Stedman asked if the department gave the recommendation to OMB to half-fund projects, or was it recommended that OMB follow the priority list and

fund projects entirely. Mr. Griffith said that the department would recommend that the project was funded to completion.

RN 49743

Ketchikan: Water and Sewer main Replacements
\$2,616,824

Brief Summary and Statement of Need:

There are approximately 3,200 occupied homes in the Borough. This project will replace water and sewer mains in the Alaska Avenue area. The local match requirement is 30 percent of total eligible project costs.

RN 45535

Kodiak: Ultraviolet Secondary Water Treatment Facility
\$3,616,200

Brief Summary and Statement of Need:

There are approximately 2,000 occupied homes in the community. This project will fund an ultraviolet secondary water treatment facility. The local match requirement for this allocation is 30 percent of total eligible project costs.

RN 46735

Palmer: Southwest Water Utility Extension, Phase 2B
\$2,575,000

Brief Summary and Statement of Need:

There are approximately 1,475 occupied homes in the community. This project will provide additional funds for the southwest water utility extension, Phase 2B. The local match requirement for this allocation is 30 percent of total eligible project costs.

RN 51726

Sitka: Ultraviolet Disinfection Facility
\$3,587,500

Brief Summary and Statement of Need:

There are approximately 3,300 homes in the community. This project will construct an ultraviolet water treatment disinfection facility. The local match requirement is 30 percent of total eligible costs.

RN 51724

Soldotna: Well House B Reconstruction
\$717,255

Brief Summary and Statement of Need:

There are approximately 1,450 occupied homes in the community. This project will replace a well house and related equipment. The local match requirement for this project is 30 percent of total eligible project costs.

RN 51727

Unalaska: Water Treatment Plant
\$3,090,000

Brief Summary and Statement of Need:

There are approximately 835 homes in the community. This project will construct a new community water treatment plant to bring it into compliance with the Long Term Enhanced Surface Water Treatment Federal Drinking Water Rule. The local match requirement is 30 percent of total eligible costs.

Ms. Siroky continued.

RN 49697

Drinking Water Capitalization Grant - Subsidy Funding
\$4,071,900

Brief Summary and Statement of Need:

The federal Drinking Water Capitalization Grant requires States to issue 30 percent of the funding as subsidies (a loan forgiveness process). This program has in the past functioned strictly as a loan program until fiscal year 2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. This project contributes to the Department's End Result A - Citizens are Protected.

RN 49698

Clean Water Capitalization Grant - Subsidy Funding
\$1,826,274

Brief Summary and Statement of Need:

The federal Clean Water Capitalization Grant requires States to issue subsidies (a loan forgiveness process). The subsidy amount required was identified under the grant

terms the Environmental Protection Agency has identified for Alaska. This program has in the past functioned strictly as a loan program until fiscal year 2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Clean Water Fund. This project contributes to the Department's End Result A - Citizens are Protected.

RN 37753

Tax Exempt Usage Requirements for Investment Income from
Certificates of Participation
\$205,300

Brief Summary and Statement of Need:

The Department of Environmental Conservation requests Miscellaneous Earnings authorization in order to satisfy the tax exempt usage requirements for the investment income earned from the issuance of Certificates of Participation for the building of the Environmental Health Lab.

RN 35723

Spill Prevention - Best Available Technology Analyst
\$100,000

Brief Summary and Statement of Need:

This project provides funding for a review and appraisal by the department of oil spill prevention and response technologies that represent alternatives to the technologies used by plan holders in their oil discharge prevention and response plans. The department's review and appraisal of emerging technologies, such as oil spill response in arctic and ice covered waters, pipeline leak detection and well blowout control, will include engaging in studies, inquiries, surveys and analysis and the sponsorship of technology conferences to provide persons, organizations, and groups with interests and expertise in relevant technologies to present data on these technologies. Supports End Result B - Environment is Protected.

RN 50943

Recreational Shellfish Beach Monitoring Pilot Program
\$400,000

Brief Summary and Statement of Need:

There have been several occurrences recently of Alaskans eating recreational and subsistence harvested shellfish and becoming ill from paralytic shellfish poison (PSP) and other shellfish related pathogens. We are requesting a pilot program to collaborate with four communities to monitor recreational shellfish harvesting areas for paralytic shellfish poison. This project contributes to the Department's End Result A - Citizens are Protected.

RN 49339

Environmental Health Laboratory Building Deferred
Maintenance
\$200,000

Brief Summary and Statement of Need:

This funding is to cover deferred maintenance items in the Environmental Health Laboratory Building. Examples of immediate deferred maintenance needs in the lab include installing air flow safety alarms, ventilation improvements, steam generator replacement, and a decontamination shower upgrade. Supports End Result A - Citizens are Protected.

Ms. Siorky explained that the items had been deferred due to lack of funds during the construction of the building. Co-Chair Stedman asked when the building was constructed. Ms. Siorky thought the building was approximately six years-old.

[A complete list of DEC capital requests can be found on the Office of Management and Budget page at the Office of the Governor homepage.]

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Department of Fish and Game

KEVIN BROOKS, DIRECTOR OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ADMINISTRATION, relayed that the projects would be presented in priority order.

RN 43322

Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades
\$700,000

Brief Summary and Statement of Need:

This annual request funds repair, maintenance and renovation of department facilities statewide and vessel and aircraft repair and maintenance. This project contributes to the department's mission by providing the department with the means to properly maintain/repair/upgrade its facilities, vessels and equipment, resulting in reduced long-term capital costs and a more productive departmental workforce.

Mr. Brooks stated that the department has employees in over 40 locations around the state.

Co-Chair Stedman queried the evolution of the appropriation from \$700,000 in FY2012 to \$1.1 million in FY2013 - FY2017. Mr. Brooks replied that after financial analysis, the \$700,000 request for FY2012 was appropriate.

RN 50944

Critical Information Technology Infrastructure Maintenance
\$400,000

Brief Summary and Statement of Need:

This request seeks annual maintenance costs for the infrastructure components that supply the department's information technology backbone. Examples are storage, virtualization, databases, and disaster recovery. This project contributes to the department's mission as all facets of resource management, research, and administration are dependent upon the networking, database, and computer infrastructure.

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RN 39293

Westward Region DIDSON Sonar Purchase
\$105,000

Brief Summary and Statement of Need:

This project funds the acquisition of one Dual-Frequency Identification Sonar (DIDSON) long-range sonar unit to help commercial salmon fishery management and research within the Westward Region. The unit will be used to provide timely in season escapement estimates, allow fish counts during emergencies when weirs are flooded or inoperable, and address applied research questions such as smolt avoidance of traps and salmon movement and distribution at counting sites. DIDSON sonar units have proven to be highly

effective tools for salmon stock assessment, a core component of the department's mission.

Senator Thomas asked where the sonar would be placed. Mr. Brooks replied East Kodiak. Senator Thomas asked if a similar project could be considered for the Yukon River area. Mr. Brooks replied that the department had sonar in all but the westward region. He said that the sonar devices were portable, which allows for placement in a river for 120 to 150 days per-year. The device would not be dedicated specifically to the Yukon, but would be used in the region. Senator Thomas asked if the sonar used on the Yukon was as high-quality as the DIDSON unit. Mr. Brooks replied that the device would be consistent with other units used by the department.

RN 41452

State Game Refuge Access and Development
\$720,000

Brief Summary and Statement of Need:

The Division of Wildlife Conservation manages state game refuges that have identified tangible projects that will improve hunter access as well as clean up and develop public lands. Specific state game refuges include: Goose Bay, Susitna Flats, Palmer Hay Flats, and Anchorage Coastal. This project contributes to the department's mission by protecting wildlife resources and managing their use for people of the state.

RN 33647

Pacific Coastal Salmon Recovery Fund
\$12,000,000

Brief Summary and Statement of Need:

Federal fiscal year FY11 (state fiscal year FY12) federal appropriations legislation contains funding for the Pacific Coastal Salmon Recovery Fund (PCSRF). The Alaska portion of the federal appropriation comes to the state through a Memorandum of Understanding (MOU) with the U.S. Department of Commerce designating the Alaska Department of Fish and Game (ADF&G) as the program manager. This project contributes to the department's mission by providing funding for a wide range of fisheries research, management, and restoration work which will enhance the agency's capacity to contribute to the economy and general wellbeing of the people of Alaska.

RN 48948

Pacific Salmon Treaty Chinook Fishery Mitigation

\$7,500,000

Brief Summary and Statement of Need:

The federal budget for State FY12 (Federal FY11) is likely to include up to \$7.5 million to mitigate economic consequences of harvest reductions in the Southeast Alaska sport and commercial Chinook salmon fisheries imposed by the Pacific Salmon Treaty. This project contributes to the department's mission by mitigating some of the hardships imposed on the Southeast Alaska salmon industry, in order to achieve international conservation and allocation objectives contained in the treaty.

RN 30432

Sport Fish Recreational Boating Access

\$3,000,000

Brief Summary and Statement of Need:

This annual request authorizes the Division of Sport Fish to continue to construct and upgrade recreational power boating and sport fish access facilities statewide from funds comprised of 75 percent federal assistance and 25 percent Fish and Game Fund, or other local government non-federal match. Projects include: boat launches, mooring floats, parking lots, restrooms, fish cleaning facilities, and other services for recreational boaters. This project contributes to the department's mission by providing improvements and construction to statewide boating and sport fish access facilities and results in improved recreational boating and sport fishing access to the fish and wildlife resources of the state.

[1:56:21 PM](#)

Co-Chair Stedman asked where ramps were going to be built and queried future plans for the project. Mr. Brooks stated that the \$3 million request would fund boat ramps in Hoonah, Bar Harbor, False Island moorage near Craig, and various fish cleaning facilities. Co-Chair Stedman asked about plans at False Island. Mr. Brooks replied that the project was the False Island Moorage Float Renovation. Co-Chair Stedman requested a list of projects going back three years, as well as looking forward the next four years. He asked that the methodology used for project selection be

presented in addition to the project list. Mr. Brooks agreed to provide the information. Co-Chair Stedman added that there had been very little General Fund money put into the projects in the past, he believed that there was a higher interest in the program than was reflected in the funding streams. Mr. Brooks agreed that the program was in demand. He stressed that the department set aside 15 percent as was required by the federal apportionment and matched that with DF&G funds. Co-Chair Stedman asked if a boat ramp at Banana Point in Petersburg could be expected in the near future.

CHARLIE SWANTON, DIRECTOR, DIVISION OF SPORT FISH, DEPARTMENT OF FISH AND GAME, testified that the department was in the process of looking at upgrades and facility improvements at Banana Point. He could not speak to a timeline for the project. Co-Chair Stedman requested information on past and future plans for the project and a description of the project selection process. He added that the communities of Petersburg and Wrangell had been looking in to changing the location of the ramp at Banana Point. Mr. Swanton assured the committee that the requested information would be provided.

[1:59:33 PM](#)

AMD RN 51341
Campbell Creek Estuary Conservation Project
\$5,000,000

Brief Summary and Statement of Need:

The Department has applied to the National Marine Fisheries Service (NMFS) under the Section 6 competitive grant program for funding in support of the Campbell Creek Estuary Conservation project. The project, adjacent to ADFG's Anchorage Coastal Wildlife Refuge, has the support of the Municipality of Anchorage and it will conserve 60 acres of coastal habitat for the critical habitat designation of Cook Inlet beluga whales.

RN 45482
Statewide Facility Deferred Maintenance Projects
\$1,400,000

Brief Summary and Statement of Need:

This is an appropriation for Alaska Department of Fish and Game deferred maintenance projects and the details are

described in the allocations. This project contributes to the department's mission by providing the department the means to complete deferred maintenance on its facilities resulting in reduced long-term capital costs and a more productive departmental workforce.

RN 41922

Cordova Dock/Uplands Improvements and Upgrades
\$650,000

Brief Summary and Statement of Need:

This project will finalize the remaining deferred dock improvements at the Cordova Fish and Game dock compound. The dock float system is old and partially failing requiring replacement.

RN 49672

Fairbanks Regional Office Repairs/Upgrades
\$750,000

Brief Summary and Statement of Need:

The Fairbanks Regional Office has a variety of needed improvements and upgrades due to the age of the facility and the constant heavy use: upgrade mechanical heating and cooling systems, electrical system assessments and upgrades, and facility efficiency and long term operational plan/assessment. Funds are needed to contract for various professional assessments, design plans and specifications, and for the actual improvements and upgrades to the facility.

Co-Chair Stedman queried the cost of deferred maintenance projects beyond the two allocations listed under the appropriation. Mr. Brooks said that the department could provide a list of over \$3 million in deferred maintenance needs.

[A complete list of DFG capital requests can be found on the Office of Management and Budget page at the Office of the Governor homepage.]

[2:02:10 PM](#)

Department of Corrections

JOSEPH SCHMIDT, COMMISSIONER, DEPARTMENT OF CORRECTIONS, discussed the capital requests.

RN 45637

Annual Facilities Maintenance and Repairs
\$1,000,000

Brief Summary and Statement of Need:

This project will provide funding for essential renewal, replacement, renovation, remodeling and repair of electrical, mechanical, roofing, walls, fire and life safety, security, structural, food service, pavement and site drainage systems at all correctional facilities. This work is required to enable continued safe, secure and efficient operation of the 24-hour incarceration facility. This project assists in providing secure confinement, and keeping the community safe from offenders placed in the department's custody.

Commissioner Schmidt briefly skimmed the next two appropriations.

Co-Chair Stedman asked why the deferred maintenance request jumped from \$1 million in FY2012, \$10 million in FY2013, to \$16 million in FY2014.

LESLIE HOUSTON, DIRECTOR OF DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF CORRECTIONS stated that the numbers represented the cost of the overall list of annual maintenance and repairs in all facilities into FY2017.

Co-Chair Stedman asked why the schedule was so irregular. Ms. Houston thought that the question would be more appropriately asked of OMB.

[2:05:10 PM](#)

Senator Ellis pointed out to the committee that there had been no discussion on second two appropriations.

Co-Chair Stedman requested the department begin the presentation again; remembering to cite the reference number, project title, and FY2012 request for each appropriation and allocation.

Ms. Houston continued to list the capital requests.

RN 46995

Implementation of a Medical Information System
\$1,000,000

Brief Summary and Statement of Need:

This project will provide funding to fully implement Medical Information System within the Alaska Corrections Offender Management System (ACOMS). Offenders are transported to various in-state correctional facilities, community residential centers and to the Out of State Contract Facility in Colorado. This system is necessary for department medical staff to track all medical information of an offender in one system that is accessible statewide. This project assists in providing secure confinement and keeping the community safe from offenders placed in the department's custody.

Senator McGuire noticed that every plan to implement a medical information system, in every division, had a request for \$1 million, she urged the committee to find out how the \$1 million figure had been determined.

Co-Chair Stedman requested further clarification of how the \$1 million request was determined. Ms. Houston responded that the system was a consortium of various states and was currently being joint-developed with Alaska and Utah. The system was currently being used by Utah. The various states had agreed that each state would contribute \$1 million for the implementation of the system.

RN 48960

Seward: Spring Creek Correctional Center Seward Land Transfer
\$250,000

Brief Summary and Statement of Need:

Funding for the Spring Creek Correctional Center land transfer from the City of Seward to the State of Alaska. This project assists in providing secure confinement and keeping the community safe from offenders placed in the department's custody.

RN 50675

Community Jails Repairs, Renovations, and Equipment
\$150,000

Brief Summary and Statement of Need:

This project will provide funding for essential safety and security repairs, remodeling, renovations, and equipment at 15 local government contract jails. These jails require repairs and modifications to continue operations in support

of the department's mission to provide secure offender confinement, thus enhancing community safety. This project assists in providing secure confinement and keeping the community safe from offenders placed in the department's custody.

Co-Chair Stedman recalled that the committee had increased the appropriation in FY2011 from \$100,000, to \$150,000. Ms. Houston acknowledged that in FY2011 the department received \$100,000 dollars. The Senate Finance Committee increased the request to \$150,000; the increase was vetoed by the governor. Co-Chair Stedman wondered if the community jails would be happy with the FY2012 request of \$150,000 dropping down to \$100,000 in FY2013 through FY2017. Ms. Houston hoped so. Co-Chair Stedman was not optimistic. Ms. Houston pointed out that the funding was in addition to the operating contracts issued by the department to assist the community jail operations.

[2:06:03 PM](#)

RN 49376
Deferred Maintenance Projects
\$5,000,000

Brief Summary and Statement of Need:

This funds a few of the department's highest deferred maintenance needs. This project will provide funding for essential renewal, replacement, renovation, remodeling and repair of electrical, mechanical, roofing, walls, fire and life safety, security, structural, food service, pavements and site drainage systems at multiple correctional facilities. This work is required to enable continued safe, secure and efficient operation of the 24-hour incarceration facilities. This project assists in providing secure confinement and keeping the community safe from offenders placed in the department's custody.

Ms. Houston stated that the appropriation would be allocated to 20 different projects.

[A complete list of DOC capital requests can be found on the Office of Management and Budget page at the Office of the Governor homepage.]

[2:10:33 PM](#)

Alaska Court System

CHRIS CHRISTENSEN, DEPUTY ADMINISTRATIVE DIRECTOR, ALASKA COURT SYSTEM, discussed the court system agency requests. He stated that the court system did not have the right to have items in the governor's capital bill. Requests were submitted directly to the legislature and OMB. The governor put two of the projects submitted for FY2012 in the capital bill. He referred to the court system request document (Copy on file). He stated the document listed the projects in priority order. He stressed the two items that the governor put in the bill.

Mr. Christensen discussed Priority 1: Anchorage Campus Project Renovation.

RN 43152
Anchorage Campus Court Renovation
\$4,000,000

Brief Summary and Statement of Need:

The Anchorage court campus is comprised of three main buildings - the Boney Courthouse, the Nesbett Courthouse, and the Snowden Administration Building. This project is a remodel of all but the third floor of the Boney Courthouse and a minor remodel in the Nesbett Courthouse to accommodate additional judges, provide safe prisoner transport to additional courtrooms in the Boney Courthouse, and provide spaces that are more conducive to efficient customer services for the public.

Mr. Christensen said that FY2012 was the sixth year the committee had seen the request. He added that the governor had made substantial vetoes to funding agreed on by the committee over the last three years. Last year the legislature provided the money to finish the project, but more than half if that money was vetoed.

Co-Chair Stedman wondered if the vetoes had had any monetary repercussions. Mr. Christensen replied that in the beginning it had been estimated that the project would cost \$23 million. Due to the phasing that was done and various cost escalations, if it were funded in FY2012 the total increase would be \$8 million over the original estimate. He added that only \$350,000 of the total increase was due to scope change. The rest was escalation due to the amount of time it has taken and the way the phasing had to be done.

Co-Chair Stedman asked if the state had earned more than \$8 million on the interest from the vetoes. Mr. Christensen suspected not.

Mr. Christensen stated that as the population and caseloads in Anchorage had increased, judges and court staff additions had been moved to the older Boney Courthouse. He shared that the old building had approximately 30 more years of life, if fully renovated. Alternatively, demolishing the building and building a new one would be more expensive. He relayed that the ultimate goal was to have the entire superior court; both criminal and civil, in the new Nesbett Courthouse, and the entire district court; both criminal and civil, along with the supreme court and the court of appeals in the Boney Courthouse.

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Co-Chair Stedman wondered how many years this specific request had been brought to the legislature. Mr. Christensen replied that it was now in its sixth year of the request.

Co-Chair Stedman hoped it would not be vetoed again. He said that the committee had in the past expressed interest in expediting the remodel of the courthouses in Anchorage to help facilitate the flow of business. He stressed that the executive branch vetoes had cost the state money. He offered committee support for funding the project and expected that the current request would not be vetoed.

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Mr. Christensen looked at Priority 2: Electronic Filing System. The item was not in the governor's capital budget. He explained that the project total would be \$7,180,000, with \$1,830 requested for FY2012. To keep up with its workload without adding employees, the court needs funding to implement an electronic filing system. This system would include an electric document management system and would be fully integrated with the trial court case management system. Mr. Christensen explained that currently most attorneys prepare work processing documents, print them out, and physically deliver them to the courthouse with the appropriate filing fees and instructions. Court clerks review the documents, accept payments, type information into the courts case management system, and

place the documents into a case jacket. Case files are routed to the appropriate judge or staff for processing until the case is closed. Eventually, closed case files are routed to central location for scanning, so that images of the documents are stored in an electronically accessible format. With electronic filing, documents are prepared in much the same way, but are sent and stored electronically, allowing the case to be managed electronically from initiation through final disposition and archiving.

[2:20:59 PM](#)

Mr. Christensen continued to Priority 3: Court Security Projects. He testified that FY2012 would be the ninth year that security money had been requested. The court system approached the legislature nine years ago with a long-term plan to upgrade the 44 buildings the system operated around the states. The legislature had provided funding for five of the previous eight fiscal years. The FY2012 request totaled \$1.2 million. He relayed that it was important that each courthouse maintain effective security, which simultaneously ensures fair, safe and orderly trials while creating a public atmosphere of respect for judicial proceedings.

Co-Chair Stedman asked if funds previously appropriated for the projects by the committee had been vetoed. Mr. Christensen replied that in five of the last eight years the legislature had provided the system with some security funding. Funds had been used for the installation of limited access systems in major courthouses with metal detectors, video surveillance systems, security card access, and DPS holding facilities had been upgraded.

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Mr. Christensen discussed priority 4: Statewide Remodel Projects. He stated that the request would fund renovation projects, which would increase staff efficiency, improve access for the public, and increase efficiency of conducting court business. Specific projects included remodeling clerk benches to accommodate two clerks in courtrooms in Anchorage Kodiak, Palmer, Valdez, Kenai, Bethel, and Delta Junction the project was associated with the No Dark Courtrooms Project that the legislature had funded in the Operating Budget for the previous three fiscal years. Funds would be used for remodeling and

installation of cooling equipment and additional power in server rooms in Kodiak, Juneau and Tok. Additional projects included remodels for security, safety and efficiency in areas around the state including; Fairbanks, Valdez, Delta Junction and Ketchikan. The FY2012 request totaled \$3,020,400.

Co-Chair Stedman suggested that appropriating the \$4.9 million in total in FY2012, would excel orate the renewal, safety and renovation projects. Mr. Christensen replied that it could work that way. Co-Chair Stedman thought that it should be considered. He pointed out that the financial position of the state in 2015 and 2016 was unpredictable. However, the state was currently in a positive economic position.

[2:24:37 PM](#)

Mr. Christensen continued to discuss Priority 5: Replace Worn Furniture and Repair Specialized Finishes in Public Use Spaces. He said that the request had been seen before, and emphasized that none of the funds were going to be used to fund new furniture for judges or court employees. The furniture and building furnishings would directly benefit the public in assembly rooms, juror deliberation rooms, courtrooms and lobby areas. Courthouses opened in Juneau, Sitka, Ketchikan, Valdez, Kodiak, Delta Junction and Fort Yukon between 1974 and 1976 were operating with original furniture. He added that detailed list of all furniture to be replaced in each courthouse could be provided to the committee. The FY2012 request totaled \$1,145,100.

Mr. Christensen continued to Priority 6: Deferred Maintenance. He relayed that the list was a result of agency participation in the Deferred Maintenance Taskforce. The FY2012 through FY2017 request totaled \$12.5 million. The FY2012 request was for \$4.1 million. He testified that the governor had requested \$2.5 million of the deferred maintenance request in the Capital Budget. The \$2.5 million would fund the top four projects on the deferred maintenance priority list, all at the Nesbett Courthouse in Anchorage.

Mr. Christensen continued to Priority 7: Statewide Building Code and Energy Upgrade for Court Buildings. He explained that there were 38 total projects, 21 for which funding was being requested in FY2012. The upgrades included;

earthquake bracing for library shelving and boilers, energy efficient light fixtures for several court locations, bringing doors in certain buildings into compliance with the Americans with Disabilities Act, electrical system upgrades in order to meet current code, fire alarm upgrades and heating and ventilation systems.

[2:26:31 PM](#)

Co-Chair Stedman recommended Mr. Christensen meet with each committee member to discuss the needs of the court system. The committee would then return for a full discussion of individual committee members.

Senator Ellis wondered if there had been coordination between the court system and the Office of Public Advocacy concerning the electronic records system. Mr. Christensen replied that the Multi-Agency Justice Integration Consortium (MAJIC) was a collaborative project of every state justice agency, as well as a number of federal justice agencies operating in Alaska. The consortium had been meeting for several years to work to integrate various computer systems to ensure communication. The consortium was working to ensure that all new systems are fully compatible.

Department of Revenue

GINGER BLAISDELL, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF REVENUE, presented the capital requests for the department.

RN 51568

Payment Card Industry Data Security Standards Statewide Compliance
\$2,000,000

Brief Summary and Statement of Need:

Payment Card Industry Data Security Standard (PCI DSS) Compliance is a mandatory requirement for all transactions involving credit card vendors, online merchants and service providers. The State of Alaska is considered a single merchant and the compliance of any single department reflects the state as a whole. This project reflects the costs to bring all State of Alaska departments that are currently accepting credit card payments into compliance.

Ms. Blaisdell said that a statewide survey had been conducted to examine how many departments collected credit card information. Each of the departments will be subject to a security scan by the state's bank to identify where personal identity security measures need to be improved. The funding would be divided among the agencies to do whatever remediation required for compliance.

RN 51503

Child Support Services Computer Replacement Project-Phase 2
\$212,000

Brief Summary and Statement of Need:

This is Phase 2 of a third five-year replacement cycle of the computer, server and printer replacement project. The agency objective is to replace personal computers, printers, servers, network attached storage and supporting devices such as Uninterruptible Power Supplies (UPS) that have exceeded their useful life. With 274 computers in use within the division, a five year replacement plan has 55 computers in that situation, as well as several servers and duplex printers.

Ms. Blaisdell stated that FY2012 was the first year in the second five-year phase of the project.

RN 42933

Permanent Fund Dividend Division Computer Replacement
Project - Phase 5
\$266,500

Brief Summary and Statement of Need:

This request is for the fifth year of the PFD Division replacement project for desktop computers, printers, servers, and other office support equipment. The replacement cycle is based on the warranty and expected useful life of each type of equipment. Replacing worn out and obsolete mission critical equipment on a planned life-cycle basis facilitates maximum employee productivity on a day-to-day basis, and enables the success of cost saving and programmatic goals related to PFD Division Performance Management targets to increase staff efficiency and effectiveness; eliminate process bottlenecks; reduce operational costs; reduce fraud; promote customer service and respect; and prepare for the future.

Alaska Permanent Fund Corporation

LAURA ACHEE, DIRECTOR OF ADMINISTRATION, ALASKA PERMANENT FUND CORPORATION, DEPARTMENT OF REVENUE, discussed the next project request.

RN 51504

Permanent Fund Integrated Investment Accounting and Reporting Software Analysis
\$150,000

Brief Summary and Statement of Need:

This funding will be used to analyze the Alaska Permanent Fund Corporation's portfolio accounting and reporting system needs and to assist in developing a scope of work and preliminary budget plan aimed at implementing an integrated system. The goal is to have an integrated portfolio accounting system that will allow the APFC to better track our internally traded Fixed Income investment assets and perhaps any other asset type APFC may hold, such as Real Estate, Equities, and Alternative assets. Prudent monitoring and reconciling of our investment accounts is a critical portion of the fiduciary duty of the APFC.

Ms. Achee highlighted the \$1,000,000 request in FY2013. She stated that the figure was an estimate, set in place in the event that the corporation was able to implement an improved system.

[2:34:50 PM](#)

Department of Labor

CLARK BISHOP, COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, introduced his support staff.

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, discussed the department's capital requests.

RN 51501

Maritime Vessel Simulator Projection System Upgrade
\$210,000

Brief Summary and Statement of Need:

Alaska Vocational Technical Center's (AVTEC) maritime vessel simulator was installed in FY2001 with a Coast Guard Class A rating. It uses a projection system with projectors

that are no longer supported by the manufacturer, 3D Perceptions. Next year AVTEC's simulator, as it is currently configured, will no longer qualify for a Class A rating. Many maritime classes and maritime industry members use the simulator for training exercises. Through training AVTEC supports the department's mission to advance opportunities for employment.

RN 51795

Fairbanks Pipeline Training Center Construction and Equipment Purchase
\$500,000

Brief Summary and Statement of Need:

The Fairbanks Pipeline Training Center (FPTC) is a public/private partnership that prepares Alaskans for work in the high demand oil/gas and construction industries. This project is for a grant to the FPTC to be used in combination with other funds toward constructing and equipping training facilities. Equipment will include classroom and instruction equipment. FPTC supports the department's mission by preparing Alaskans for jobs.

Co-Chair Stedman noted that there were no targeted appropriations for FY2013 through FY2017, but that there had been appropriations in FY2006 through FY2011. He wondered why the committee would not assume continued support for the pipeline training center. Mr. Bell responded that there was a federal act that had authorized \$3 million toward pipeline training center construction that had not yet been released for appropriation. All interested parties were working toward the increase and release of the federal funding. The capital request assumed the federal funding.

[2:39:18 PM](#)

RN 48821

AVTEC Deferred Maintenance
\$1,000,000

Brief Summary and Statement of Need:

Baseline requirements for facilities deferred maintenance at Alaska Vocational Technical Center's (AVTEC) 16 buildings in Seward, include general facility maintenance, apartment remodels (1-2 per year), gym safety and energy upgrades, diesel shop ventilation system replacement, First

Lake facility electrical panel upgrade, and the Student Service Center underground fuel tank replacement with an above ground tank. Through training, AVTEC supports the Department's mission to advance opportunities for employment.

Mr. Bell informed the committee that the department's current deferred maintenance estimate was approximately \$15 million. Co-Chair Stedman reiterated the need for the projects to be listed in priority order.

[2:41:46 PM](#)

Department of Law

DAVE BLAISDELL, DIRECTOR, ADMINISTRATIVE SERVICES DIVISION, DEPARTMENT OF LAW, discussed the project review listing.

RN 51785
Information Technology Projects
\$1,250,000

Brief Summary and Statement of Need:

1) \$750,000 - Upgrade server room, continue ProLaw deployment and Obtain a Security Audit 2) \$300,000 - E-Discovery Solution; and 3) \$200,000 - Statutes and Regulations Database Search Engine development. Each of the projects will continue Law's efforts to more efficiently prosecute crime and provide legal services to state government for the protection and benefit of Alaska's citizens.

Mr. Blaisdell explained that the funds would be allocated as followed:

- \$750,000 - Upgrade server room to a standard that will accommodate our current and 3-5 year requirements including upgrading our current cabling plant in the server room, installing and relocating electrical circuits and lights, wiring for and installing a server room UPS and installing an air conditioning system. The funds would also continue ProLaw deployment integrating document management functionality of the ProLaw case management system to improve work process and information flow; and obtain a Security Audit.

- \$300,000 - Identify and deploy an e-discovery solution for civil litigation and Public Records Act matters involving a few pages to hundreds of thousands of pages of non-electronic and electronic records. The e-discovery solution would be used for all or some of the following discovery-related tasks:
 1. identification,
 2. preservation and collection
 3. processing, review, and analysis
 4. production
 5. presentation

- Deploying an e-discovery solution will involve purchasing hardware (including servers, desktop computers with substantial processing and memory capabilities, and large-volume scanners) and software licenses to collect, process, review, organize, redact, and produce records.

- \$200,000 - To improve the accuracy, performance and accessibility of the State of Alaska Statute and Regulations database.

[2:44:06 PM](#)

Co-Chair Stedman discussed housekeeping.

#

ADJOURNMENT

The meeting was adjourned at 2:44 PM.