

SENATE FINANCE COMMITTEE

March 5, 2012

9:03 a.m.

[9:03:24 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Bert Stedman, Co-Chair

ALSO PRESENT

Senator Hollis French; Representative Bryce Edgmon; Karen Rehfeld, Director, Office of Management and Budget; Loren Peterson, Staff, Senator Donny Olsen; Jeanmarie Davis, Director, Division of Support Services, Department of Natural Resources; Joe Balash, Deputy Commissioner, Department of Natural Resources; Kevin Brooks, Administrative Director, Division of Administrative Services, Department of Fish and Game; Charles Swanton, Director, Division of Sport Fish, Department of Fish and Game; Joseph Schmidt, Commissioner, Department of Corrections; Leslie Houston, Director, Division of Administrative Services, Department of Corrections.

PRESENT VIA TELECONFERENCE

Jeff Regnart, Director, Division of Commercial Fisheries, Department of Fish and Game.

SUMMARY

SB 130 ALASKA NATIVE LANGUAGE COUNCIL

SB 130 was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note from the Department of Commerce, Community and Economic Development.

SB 135 CONTINUANCES IN CRIMINAL TRIALS; VICTIMS

SB 135 was REPORTED out of committee with a "do pass" recommendation and with a new indeterminate fiscal note from the Senate Finance Committee for the Department of Law, a new indeterminate fiscal note from the Department of Administration, a previously published indeterminate fiscal note: FN2 (DOA), and a previously published zero fiscal note: FN3 (DOC).

SB 160 BUDGET: CAPITAL

SB 160 was HEARD and HELD in committee for further consideration.

SB 184 SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

SB 184 was HEARD and HELD in committee for further consideration.

HB 65 SENIOR CITIZEN HOUSING DEV. FUND GRANTS

HB 65 was HEARD and HELD in committee for further consideration.

CSHB 104(RLS)  
ALASKA PERFORMANCE SCHOLARSHIPS

CSHB 104(RLS) was SCHEDULED but not HEARD.

CSHB 307(FIN)  
SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

CSHB 307(FIN) was SCHEDULED but not HEARD.

[9:04:17 AM](#)

#sb184  
SENATE BILL NO. 184

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

[9:05:00 AM](#)

Co-Chair Hoffman stated that capital budget items in the supplemental budget would not be discussed during the meeting.

[9:05:16 AM](#)

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, stated that the bill totaled approximately \$97 million, of which \$78.5 million was unrestricted general funds. She said that the agency operating supplementals that were included in the request totaled \$38.9 million, of which \$30.4 million was general funds and included: fire suppression, disaster relief, and formula requests under the adult public assistance program. She stated that there were two significant settlements included in the bill totaling \$38 million: the University of Alaska's Optional Retirement Plan settlement for \$20 million and the Moore v. State case settlement for \$18 million. She explained that the bill contained 18 sections. Sections 1 and 2 contained the operating numbers, Sections 3 through 5 were the capital numbers; the language section of the bill began in Section 6.

[9:07:02 AM](#)

Ms. Rehfeld read the requests listed on the FY12 supplemental requests spreadsheet:

Administration  
Office of Public Advocacy  
Operational Costs for Caseload Increases  
Projections are based upon actual expenditures for the first half of FY2012 and comparisons to prior year expenditures. In FY2011, OPA received a supplemental in the amount of \$900.0. The impact of this request is being considered for a FY2013 budget amendment.  
\$800.0 - General Fund

Administration

Public Defenders Agency

Operational Costs for Caseload Increases

In FY2011 the agency experienced a budget shortfall of \$300.0 which was covered by a supplemental. Projections are based upon actual expenditures for the first half of FY2012 and comparisons to prior year expenditures.

The impact of this request is being considered for a FY2013 budget amendment.

\$1,000.0 - General Fund

Commerce

Alaska Industrial Development and Export Authority

Increased Costs for Financing Tools

Increased costs for developing tools for financing major economic development infrastructure (industrial roads and ports) to support natural resource development in Alaska. This is a one-time item.

\$150.0 - AIDEA Receipts

Commerce

Corporations, Business and Professional Licensing

Support for Board and Commission Members

This increase provides funding support for volunteer boards and commissions members to stay current on issues, trends and policies impacting their professions and to maintain the quality licensing standards. A \$244.6 increment is in the FY2013 Governor's budget.

\$244.6 - Receipt Supported Services

Commerce

Corporations, Businesses and Professional Licensing

Business Licensing and Corporations Indirect Costs

Increase general fund program receipts to correctly charge indirect costs related to the Business Licensing and Corporations program. A \$250.0 increment is in the FY2013 Governor's budget

\$250.0 - General Fund Program Receipts

Commerce

Corporations, Businesses and Professional Licensing

Adjustment for Licensing Fees

Fund source change from professional licensing receipts (receipt supported services) to general fund to reimburse the professions for historical

indirect cost overpayments that were associated with the Business License and Corporations programs. This is a one-time funding change.

\$3,439.8 - General Fund - Receipt Supported Services

Commerce

Corporations, Businesses and Professional Licensing  
Implementation of Audit Recommendations

Increase receipt supported services to address audit findings on cost allocations to division programs and for remediation of the investigations system. This is a one-time item.

\$250.0 - Receipt Supported Services

[9:09:52 AM](#)

Ms. Rehfeld continued with her presentation of the supplemental requests:

Corrections

Inmate Transportation

Increased Inmate Transportation Costs

The Department of Corrections has experienced an increase in the costs within the Inmate Transportation Unit due to in-state and out-of-state prisoner transports associated with population management. The average daily in-state offender population from July 1, 2011 through December 31, 2011 was 3,851 with an additional 1,050 offenders housed out-of-state. The maximum capacity of the in-state institutions is 3,840. The average daily population continually exceeds the maximum capacity creating the need for offenders to be transported between facilities in order to manage the inmate population. This is a one-time item.

\$867.4 - General Fund

Corrections

Community Jails

Additional funding is necessary to cover operating costs of the 15 community jails based on financial reports provided to the Department of Corrections. The department is currently evaluating the costs and revising the methodology for funding community jails for consideration as a FY2012 budget amendment.

\$600.0 - General Fund

Education and Early Childhood Development  
Student and School Achievement  
Comprehensive System of Student Assessment Contractual  
Costs

This Additional funding is needed to accommodate the negotiated contract for the Comprehensive System of Student Assessments. The FY2013 Governor's budget includes an additional \$750.0 for modified contract items.

\$1,000.0 - General Fund

Health and Social Services  
Medical Assistance Administration  
Continued work on Health Information Portability and Accountability Act (HIPAA) Version 5010 Project  
Additional authority for federally mandated implementation of version 5010 medical care transactions and code sets. This is a one-time item.

\$80.0 - General Fund

\$720.0 - Federal Receipts

Health and Social Services  
McLaughlin Youth Center  
Increased Medical Costs for Juvenile Justice System  
Youth

Statutorily required medical services for youth within the Juvenile Justice facilities - will be reallocated via revised programs throughout the DJJ facilities. This is a one-time item.

\$627.5 - General Fund

Health and Social Services  
Alaska Temporary Assistance Program  
ARRA Emergency Funding for Temporary Assistance for Needy Families (TANF) Program  
Revenues made available due to an increase in the Alaska TANF caseload. The division plans to invest in these TANF emergency funds in work and job readiness activities and opportunities for engagement in work activities. This is a one-time item.

\$1,100.6 - 1212 Federal ARRA

Health and Social Services  
Adult Public Assistance  
Adult Public Assistance Caseload Growth  
Increased program enrollment, particularly in the disabled and blind category - tied to the dramatic

growth in the Alaska senior population. A \$6,075.0 increment is included in the FY2013 Governor's budget.  
\$2,600.0 - General Fund

Health and Social Services  
Energy Assistance Program  
Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for the State  
Based on projected needs. The impact of this supplemental request is being considered for a FY2013 budget amendment.  
\$928.7 - General Fund

Health and Social Services  
Energy Assistance Program  
Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for Tribes  
Based on projected needs. The impact of this supplemental request is being considered for a FY2013 budget amendment.  
\$1,691.6 - General Fund

[9:12:21 AM](#)

Co-Chair Hoffman queried when the latest assessment of need had been conducted. Ms. Rehfeld responded that the numbers had been provided upon the introduction of the supplemental bill on the 15th day of the current legislative session. She said that the department was in the process of reviewing the numbers and could provide updates at a later date.

Ms. Rehfeld continued with her presentation of the supplemental requests:

Health and Social Services  
Women, Children and Family Health  
Increase in Demand for Clinics for Newborn Screening  
Greater volume of screenings provided will generate additional general fund program receipts. The impact of this supplemental request is being considered for a FY2013 budget amendment.  
\$350.0 - General Fund Program Receipts

Health and Social Services  
Chronic Disease Prevention/Health Promotion

Reinstate American Recovery and Reinvestment Act (ARRA) Authority - Tobacco, Obesity and Diabetes Programs

Restore FY2012 federal authority for this program, which was deleted earlier due to an indication that federal revenues would be withdrawn. Funding has been extended through FY2012. This is a one-time item.

\$140.0 - Federal ARRA

Health and Social Services

Epidemiology

Reinstate American Recovery and Reinvestment Act (ARRA) Authority - Health Assessment and Children's Immunizations

Restore FY2012 federal authority for this program, which was deleted earlier due to an indication that the federal revenues would be withdrawn. Funding has been extended through FY2012. This is a one-time item.

\$30.0 - Federal ARRA

Health and Social Services

Senior and Disabilities Services Administration

Third Party Review of Home and Community Based Medicaid Waiver Denials Increased federal authority for review of eligibility decisions that remove clients from waived services, based on a recent one-time federal grant for review of all denials. This is a one-time item.

\$250.0 - Federal Receipts

Labor

Worker's Compensation Benefits Guaranty Fund

Increase Workers' Compensation Benefits Guaranty Fund Authority to Increased Legal Costs

An increase in Worker's Compensation Benefit Guaranty Fund authorization is required to support the component's legal representation provided by the Department of Law. The recent legal decision, Charles West v. State of Alaska, Benefit Guaranty Fund (Decision No. 145, January 20, 2011), has resulted in an increase in the number of claims requiring legal representation for the Fund. The impact of this supplemental request is being considered for a FY2013 budget amendment.

\$168.0 - Workers' Compensation Benefits Guaranty Fund

Labor

Alaska Vocational Technical Center  
Replace Unrealized Program Receipts

This fund source change replaces unrealizable general fund program receipts with general funds to support increased operating expenses for existing programs. AVTEC's expenses have grown considerably due to the higher cost of goods and services. This \$250.0 fund change is included in the FY2013 Governor's budget.  
\$250.0 - General Fund - General Fund Program Receipts

Law

Oil, Gas and Mining  
Oil and Gas Outside Council

Increased litigation costs for oil and gas outside council attributable to three types of cases: tariff proceedings; Trans Alaska Pipeline System (TAPS) property tax proceedings; and oil and gas royalty issues. An increment of \$6,150.0 is included in the FY2013 Governor's budget and is based on anticipated caseload.  
\$3,116.0 - General Fund

Law

Transportation Section  
Fast Ferry Litigation

In FY2011, the department had \$200,000 appropriated for the fast ferry litigation. Last year's activity however exceeded the \$200,000 and the department covered \$19,789 while the Department of Transportation paid an additional \$109,480. Total expenditures associated with the fast ferry lawsuit to date are \$569,955 (including \$21,605 from FY2012). In FY2012 YTD, \$219,081 has been expended and it is anticipated to ramp up because outside counsel has been obtained and discovery activity will pick up. An increment of \$600.0 is included in the FY2013 Governor's budget.  
\$600.0 - General Fund

Military and Veterans Affairs

Office of the Commissioner

Base Realignment and Closure Commission Impact

Department of Defense Secretary Leon Panetta had announced that the plan to cut nearly \$500 billion in the next 10 years from the Department of Defense budget will impact all 50 states and a Base Realignment and Closure Commission (BRAC) will be requested of Congress to address facility reductions

as soon as possible. The U.S. military's presence in Alaska represents 10 percent of the state's economy. The Alaska Military Force Advocacy and Structure Team (AMFAST) recommends the State of Alaska hire an experienced consulting group to address ideas proposed by the next BRAC. This request will promote and sustain Alaska's current military facilities and force structure. The impact of this request is being considered for a FY2013 budget amendment.

\$300.0 - General Fund

[9:16:10 AM](#)

Ms. Rehfeld continued with her presentation of the supplemental requests:

Military and Veterans Affairs

Army Guard Facilities Maintenance

State Match Requirement Change at Kodiak, Ketchikan, and Kenai Armories

The federal/state funding ratios for armory operations in Kodiak, Ketchikan, and Kenai have changed due to federal regulations regarding funding and armory use. The impact of this request is being considered for a FY2013 budget amendment.

\$97.3 - General Fund Match - Federal Receipts

Military and Veterans Affairs

Army Guard Facilities Maintenance

Bethel Armory Operations

Operating funds for the new Bethel Armory starting December 2011. The impact of this request is being considered for a FY2013 budget amendment.

\$94.6 - General Fund

Military and Veterans Affairs

Air Guard Facilities Maintenance

Eielson Air Force Base Electrical Usage Calculation Correction

Eielson Air Force Base discovered an error in the method used to calculate that Alaska Air National Guard electrical usage for the 168th Wing. Funding is requested for the increase to the annual cost of electricity. The impact of this request is being considered for an FY2013 budget amendment.

\$26.3 - General Fund

\$78.8 - Federal Receipts

Military and Veterans Affairs

Veteran's Services

Reduce Unrealizable Federal Funds

The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veteran's Educational Programs (GI Bill). This change is reflected in the FY2013 Governor's budget.

\$(95.8) - Federal Receipts

Military and Veterans Affairs

Veteran's Services

State Approving Agency Program Continuation

The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veteran's Educational Programs (GI Bill). This change is reflected in the FY2013 Governor's budget.

\$95.8 - General Fund

Military and Veterans Affairs

Veterans' Services

Interior Alaska Veterans Cemetery Position

A vacant position will be transferred to the Veterans' Services Office to provide additional project planning and coordination. The impact of this request is being considered for a FY2013 budget amendment.

\$41.3 - General Fund

Natural Resources

Project Management and Permitting

Wishbone Hill Coal Project Rapid Health Impact Assessment

A Rapid Health Impact Assessment will be conducted in conjunction with the permit renewal process. This is a one-time item.

\$39.2 - General Fund

Natural Resources

Mining, Land and Water

Dam Safety Review - Red Dog Mine

The Dam Safety and Construction Unit (Dam Safety) is expecting to receive a large statutory designated program receipt (SDPR) in an application fee required under 11 AAC 93.171 for the construction and modification of dams for the expansion of the tailings storage facility at the Red Dog Mine in northwest

Alaska. The impact of this request is being considered for a FY2012 budget amendment.

\$66.5 - Statutory Designated Program Receipts

Natural Resources

Mining, Land and Water

Offshore Lease Sales at Nome

This request provides funding for securing a monitoring contractor for offshore lease sales at Nome to be trained and in place when the ice goes out at Nome (early to mid -June 2012). This is reflected in the FY2012 Governor's budget.

\$18.6 - General Fund Program Receipts

Natural Resources

Fire Suppression Activity

FY2012 Fire Suppression Activity

This is a preliminary estimate of supplemental needs for spring firefighting and costs of initial attack of wildland fires through June 30, 2012.

\$4,892.5 - General Fund

Public Safety

AST Detachments

24-Hour Dispatch and Prisoner Transport Services in the City of Kotzebue

The Department of Public Safety currently contracts with the City of Kotzebue to provide 24-hour dispatch services and for local transport of prisoners to and from court. The city has historically provided these services to the state at no cost and is no longer willing to do that. These services are required and there are no practical alternatives for the Department of Public Safety. The impact of this supplemental request is being considered doe a FY2013 budget amendment.

\$75.0 - General Fund

[9:19:19 AM](#)

Ms. Rehfeld continued to highlight the FY 12 supplemental requests:

Public Safety

ATS Detachments

City of Kotzebue Jail Closure Transportation Coasts

Temporary funding is necessary for prisoner transport between Kotzebue and Nome during closure of the Kotzebue jail. This assumes the jail re-opens on or about February 1, 2012. Amounts are based on December, 2011 actual costs of \$47.0, with an increase in January assuming some transition into the jail re-opening. Personal services costs are only for overtime, not for already budgeted personal services costs. This is a one-time item.

\$106.0 - General Fund

Public Safety

AST Detachments

Replace Federal Pass Thorough Funds from Alaska Highway Safety Office

The Alaska Bureau of Highway Patrol will no longer receive federal funds for non-DUI related traffic enforcement. In order to maintain traffic enforcement to include non-DUI specific activity, such as impaired driving, youth drivers, aggressive driving and speeding, and seat belt enforcement, supplemental funding is necessary as the current budget cannot absorb these costs. Additional federal funding reductions are anticipated for DUI-related traffic enforcement starting in FY2014. The impact of this supplemental request is being considered for a FY2013 budget amendment.

\$1,900.0 - General Fund

Public Safety

Alaska Criminal Records and ID

Maintain Current Level of Services

The Criminal Records and Identification Bureau (R&I) does not have adequate general funds in the FY2012 operating budget to maintain current services without taking cost containment measures that will impact public services and the timely availability of law enforcement information. The impact of this request is being considered for a FY2013 budget amendment.

\$200.0 - General Fund

Revenue

Tax Division

Litigation Support for Corporate Income Tax

Litigation expenses are anticipated to generate a budget shortfall in the first part of FY2012. The Department is involved in two cases requiring expert

witnesses that were unanticipated. The funds for the expert witnesses will be paid through a reimbursable service agreement to the Department of Law. This is a one-time item.

\$150.0 - General Fund

Revenue

Treasury Division

Investment Management of Power Cost Equalization Endowment Fund

The investment management costs for the Power Cost Equalization Endowment Fund (PCE) have increased due to a \$400 million deposit made in FY2011. The amount requested will cover the costs for the remainder of FY2012. An increment of \$80.4 is included in the FY2012 Governor's budget.

\$58.0 - Power Cost Equalization Endowment

Transportation and Public Facilities

State Equipment Fleet

Credit Card Fuel Program

Authorization to cover projected increases in expenditures related to the credit card fuel program. A \$1,110.0 increase is included in the FY2013 Governor's budget.

\$850.0 - Highway Working Capital Fund

Transportation and Public Facilities

Central Region Facilities

Snow Removal Costs

Due to an early and heavy snow season, Central Region Facilities has exhausted the snow removal budget in November and December. Also, additional snow hauling services have been incurred within the Tudor Complex. There is no longer adequate space to stockpile snow, so all snow must be hauled to the contractor's snow dump throughout the winter. This is a one-time line item.

\$85.0 - General Fund

Transportation and Public Facilities

Central Highways and Aviation

New Insurance Requirements for Rural Airport Maintenance Contracts

A recent change in how rural contractors were covered under the State's accident umbrella. All airport maintenance contracts are now required to be insured.

An increment of \$356.3 is included in the FY2013 Governor's budget.  
\$102.4 - General Fund

9:22:16 AM

Transportation and Public Facilities  
Central Highways and Aviation  
Anchorage Snow Removal Costs  
Snowfall in the Anchorage area this year is significantly higher than considered normal for the area. The recent heavy snowstorms and near record snow accumulation in November and December has resulted in unanticipated hauling costs to remove excess snow plowed from the roads onto the shoulders and sidewalk areas. This is a one-time item.  
\$200.0 - General Fund

9:22:30 AM

Transportation and Public Facilities  
Northern Highways and Aviation  
New Insurance Requirements for Rural Airport Maintenance Contracts  
A recent change in how rural contractors were covered under the State's accident umbrella. All airport maintenance contracts are now required to be insured. An increment of \$423.6 is included in the FY2013 Governor's budget.  
\$120.1 - General Fund

Transportation and Public Facilities  
Southeast Highways and Aviation  
Winter Commodities - Sand and Ice Control Chemicals  
High snowfall and cold temperatures throughout Southeast Region in November and December have required heavier than normal sand and ice control chemical use to keep highways and airports safe. Due to stock depletion, large quantities of ice control chemicals were reordered in mid-winter. This is a one-time line item.  
\$257.0 - General Fund

Transportation and Public Facilities  
Whittier Access and Tunnel  
Whittier Tunnel Reduced Revenue Toll Collections

The majority of Whittier Access and Tunnel's funding is based on revenue collections from the tunnel tolls. Reduced travel through the tunnel and reduced cruise ship dockings has resulted in a decrease in toll collections. In addition to increased costs, toll revenues have declined over the past few years due to economic conditions, reduced cruise ship dockings, and increased fuel prices. An increment of \$192.9 is included in the Governor's FY2013 budget.  
\$229.8 - General Fund

[9:23:09 AM](#)

Ms. Rehfeld continued to highlight the FY 12 supplemental requests:

Transportation and Public Facilities  
Anchorage Airport Facilities  
Utilities and Building Maintenance for Kulis Air National Guard Base  
In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. Building maintenance and property upkeep is now the responsibility of the Anchorage Airport. An increment of \$750.0 (IARF) is included in the Governor's FY2013 budget.  
\$625.0 - International Airport Revenue Fund

Transportation and Public Facilities  
AIA Field and Equipment Maintenance  
Purchase De-icing Chemicals  
In FY2011, the cost per ton of urea increased from \$342 per ton to \$719 per ton. Also, the airport has commissioned a third new tank for potassium acetate in order to mitigate continuing supply shortages. An increment of \$1,634.5 has been included in the FY2013 Governor's budget.  
\$1,634.5 - International Airport Revenue Fund

Transportation and Public Facilities  
AIA Field and Equipment Maintenance  
Property Maintenance for Kulis Air National Guard Base Student Allocation (BSA) In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. The acquisition includes

approximately 130 acres of land, sidewalks, parking lots and access roads which are not the responsibility of the Anchorage Airport. AN increment of \$450.0 (IARF) is included in the Governor's FY2013 budget.  
\$375.0 - International Airport Revenue Fund

University of Alaska  
Anchorage Campus  
Federal Receipt Authority for Pell Grants  
Additional federal receipt authority is needed to accommodate the increase in Pell grant activity. A related FY2013 budget amendment is also being considered.  
\$5,000.0 - Federal Receipts

[9:24:07 AM](#)

Co-Chair Hoffman solicited committee member questions concerning the FY12 supplemental requests.

Ms. Rehfeld directed the committee to Page 9, line 79:

Education and Early Development  
Commissioner's Office  
Judgments and Settlements  
Settlement between Department of Education and Citizens for the Educational Advancement of Alaska's Children (CEAAC) related to the state's education system for the fiscal years ending June 30, 2012 through June 30, 2017.  
\$18,000.0 - General Fund

Ms. Rehfeld added that the settlement listed specific requirements as to how the funds would be dispersed. Decisions would be made through a joint committee.

Ms. Rehfeld noted line 80:

Law  
Deputy Attorney General's Office  
Judgments and Settlements  
Actual judgment and settlement costs received as of January 30, 2012.  
\$20,770.8 - General Fund

She stated that this was the largest settlement in the request and had to do with the university's optional retirement plan.

Ms. Rehfeld continued to highlight the FY 12 supplemental requests:

Military and Veteran's Affairs  
Army Guard Facilities Maintenance  
Scope Change: Section 13, ch.29, SLA 2008, page 151,  
lines 27-28  
Anchorage Armory Roof Replacement and G-Wing  
Preparation  
General Fund Match (\$380.5)  
\$380.5 - General Fund

Military and Veteran's Affairs  
Army Guard Facilities Maintenance  
Amend: Section 1, ch.5, FSSLA 2011, page 88, line 21  
State Match Requirement Change for Federal Energy  
Projects  
The federal/state funding ratios for armory operations  
in Kodiak, Ketchikan, and Kenai have changed due to  
federal regulations funding and armory use.  
\$7.5 - General Fund Match - Federal Receipts

Military and Veteran's Affairs  
Army Guard Facilities Maintenance  
Amend: Section 4, ch.43, SLA 2010, page 12, line 27  
State Match Requirement Change for Deferred  
Maintenance Projects in Kodiak, Ketchikan, and Kenai  
The federal/state funding ratios for armory operations  
in Kodiak, Ketchikan, and Kenai have changed due to  
federal regulations funding and armory use.  
\$737.5 - General Fund Match - Federal Receipts

Natural Resources  
Gas Pipeline Project  
Extend the lapse date for permitting and application  
processing related to the state gas pipeline right-of-  
way work related to bringing North Slope natural gas  
to market, made in Section 22(c), ch.14, SLA 2009, as  
amended by sec.11(c), ch.1, FSSLA 2011, from June 30,  
2012 to June 30, 2013.

State Debt and Other Obligations  
International Airports Revenue Bonds

Amend: Section 32(q), ch.3, FSSLA 2011

This allows the Alaska International Airport System to restructure debt payments to include additional passenger facility charge (PFC) revenue and the International Airports Construction Fund.

Int. Airports Revenue Fund - (\$13,5000.0)

\$10,000.0 - Int. Airports Construction Fund

\$3,500.0 - Passenger Facility Charges

Fund Capitalization

Disaster Relief Fund

Supplemental Disaster Funding

Current disasters are expected to exhaust the available general funds in the Disaster Relief Fund. In addition to fall and winter storms, traditionally there are spring floods that have been eligible for expenditures from the Disaster Relief Fund. The impact of this supplemental request is being considered for a FY2013 budget amendment.

\$3,000.0 - General Fund

[9:27:13 AM](#)

Ms. Rehfeld explained that the remaining line items spoke to 3 ratification requests for fire suppression for \$36.4, as well as two small requests from public safety.

Co-Chair Hoffman solicited further questions or testimony on the legislation.

SB 184 was HEARD and HELD in committee for further consideration.

#sb130

SENATE BILL NO. 130

"An Act establishing in the Office of the Governor an advisory council for the preservation, restoration, and revitalization of Alaska Native languages."

[9:28:31 AM](#)

Senator Olson introduced Mr. Peterson.

LOREN PETERSON, STAFF, SENATOR DONNY OLSEN, testified that the companion bill, HB 254, had been heard in the other body and set aside for further discussion. He stated that

there had been concerns regarding the recommendation of a bush caucus member to be appointed to the council. He stressed that it was important that a representative from rural Alaska, both from the House and Senate, provide representation on the council.

[9:30:18 AM](#)

Senator Olson shared that there had been a lot of support throughout the state for the legislation.

Co-Chair Hoffman discussed a fiscal note from Department of Commerce, Community and Economic Development for \$240,200 in general funds to cover the council's cost of staffing, travel, and per diem for meetings.

Senator Ellis MOVED to report SB 130 out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SB 130 was REPORTED out of committee with a "do pass" recommendation and with a new fiscal impact note from the Department of Commerce, Community and Economic Development.

#sb135

SENATE BILL NO. 135

"An Act relating to the rights of crime victims; relating to the duties of prosecuting attorneys; and amending Rule 45, Alaska Rules of Criminal Procedure."

[9:31:53 AM](#)

SENATOR HOLLIS FRENCH, noted that the previous fiscal note had been replaced by an indeterminate note. He explained that the bill was designed to strengthen the constitutional right of a victim to the timely disposition of their case. He said that frequently there were lengthy delays in criminal cases being brought to trial.

[9:33:50 AM](#)

Co-Chair Hoffman discussed the fiscal notes in the bill packet.

Senator Ellis MOVED to report SB 135 out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

SB 134 was REPORTED out of committee with a "do pass" recommendation and with a new indeterminate fiscal note from the Senate Finance Committee for the Department of Law, a new indeterminate fiscal note from the Department of Administration, a previously published indeterminate fiscal note: FN2 (DOA), and a previously published zero fiscal note: FN3 (DOC).

#hb65

HOUSE BILL NO. 65

"An Act making regional Native housing authorities eligible to receive grants through the Alaska Housing Finance Corporation from the senior citizens housing development fund."

[9:35:15 AM](#)

REPRESENTATIVE BRYCE EDGMON, introduced HB 65. He stated that the intent of the legislation was to speak to the increasing housing demands for seniors. He relayed that the legislation would allow the regional housing authorities in the state to be more competitive when attempting to access the Senior Housing Grant Fund through the Alaska Housing finance Corporation (AHFC). The housing authorities would be placed directly under Title 18, enabling them to apply directly for the fund.

Senator Olson asked how many seniors were affected by the lack provisions for the available housing grants.

Representative Edgmon assumed that the number would be significant.

Senator Olson queried the distribution of the legislative effects.

Representative Edgmon replied that there were 14 housing authorities across the state, half of which had not taken the step to form a not-for-profit. He believed that the bill would have significant impact across the state.

[9:37:33 AM](#)

Co-Chair Hoffman noted that the legislation was a priority for the Association of Alaska Housing Authorities.

Co-Chair Hoffman OPENED public testimony. There being none, public testimony was CLOSED.

Co-Chair Hoffman discussed a fiscal note in the packet.

HB 65 was HEARD and HELD in committee for further consideration.

[9:38:38 AM](#)

AT EASE

[9:42:08 AM](#)

RECONVENED

#sb160

SENATE BILL NO. 160

"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 NATURAL RESOURCES

JEANMARIE DAVIS, DIRECTOR, DIVISION OF SUPPORT SERVICES, DEPARTMENT OF NATURAL RESOURCES, detailed the department's capital requests:

[9:43:46 AM](#)

RN 37762

Cooperative Water Resource Program

\$2,500,000

This project would allow the Department of Natural Resources (DNR) to accept funds from the private sector, and local governments and to pass the funds through to US Geological Survey (USGS) and US Natural Resources Conservation Service (NRCS) as part of funding agreements for cooperative water resource programs. Industry and local government often request and pay for USGS and NRCS to install and operate equipment to obtain hydrologic data. These data are

needed for resource development and permitting projects such as mining, hydroelectric, or public water supply. If gaging funding is passed through a state agency, funds can be matched up to 100 percent by the federal government.

Senator Egan asked why the request had increased nearly 3-fold from historic levels.

Ms. Davis replied that the Division of Mining, Land, and Water had laid out the requests and would need the large increase in order to accommodate the wide variety of requests.

Senator Egan assumed that the increase was due to increased mining activity and hydro development.

JOE BALASH, DEPUTY COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, interjected that it was for activity largely associated with mining but could also be attributed to an increased focus in renewable power in multiple region of the state.

[9:45:18 AM](#)

Ms. Davis continued:

RN 32552  
Land and Water Conservation Fund Federal Grant Program  
\$600,000

The Land and Water Conservation Fund Federal Grant Program (LWCF) is a 50/50 matching grant program that provides funding for the development of outdoor recreation areas and facilities. More than any other state in the union, Alaskans recreate outdoors. LWCF develops, conserves and maximizes Alaska's resources consistent with LWCF policy, addressing a second desired end result. LWCF program staff is responsible for monitoring compliance with LWCF regulations and policies.

RN 6854  
National Recreational Trails Grant Federal Program  
\$2,600,000

Alaskans rely on trails for recreation, subsistence and transportation. These trails need maintenance to ensure safe passage and to ensure that they remain open and available for use. Funds are distributed by 80-20 matching grants for trail and trailhead development and maintenance, and for education programs relating to trail safety and responsible trail use. Grants are awarded to organizations, agencies and local governments. The end result is a variety of safe, high-quality, tear round, motorized and non-motorized, trails.

RN 39042  
National Coastal Wetlands Grant  
\$1,060,000

The Coastal Wetlands program focuses on coastal wetlands ecosystems including both wetlands and upland buffers. Wetlands provide essential fish and wildlife habitat, which in Alaska support many commercial and recreational human uses, particularly in and near communities, parks, and refuges. Wetlands provide substantial contributions to water quality, flood and storm control as well as providing habitat for fish and wildlife. This program provides federal funding to the state for the long-term protection of wetlands, which is matched with private sector donations. The program considers acquisition, restoration, enhancement or management of coastal wetlands.

RN AMD 54914  
Alaska Land Mobile Radio Emergency Response Narrowband Compliance  
\$2,960,000

This is a new FY2013 capital project due to the cost estimates that were finalized after the December 15 release of the Governor's budget. This project will fulfill the Federal Communications Commission (FCC) January 1, 2013 mandate for narrowbanding specific spectrum bands used by the department and complete the migration to ALMR. The department is migrating to the shared system, the Alaska Land Mobile Radio (ALMR) system, for emergency response, logistics and operations. Sites not served by ALMR must be upgraded to narrowband standards. Radios and dispatch equipment that is not narrowbanded and is incompatible prevent

total migration to the shared system and also must be upgraded.

RN AMD 54937

Wildland Fire-Fighting Aircraft Maintenance  
\$500,000

This is a new FY2013 capital project due to cost estimates that were finalized after the December 15 release of the Governor's budget. This request promotes the continued use of state-operated aircraft to provide Wildland Fire Suppression on state, private, and local lands. This proposal will allow for the authority to keep revenues collected from flying to be used for periodically scheduled and unscheduled maintenance. These maintenance costs exceed the capability of the annual operating budget and may occur once in several budget cycles. Many of these revenues are reimbursable from the federal government.

RN AMD 54913

Large Dam Projects Application Review  
\$506,000

The purpose of Large Dam Projects Application Review is to fund the work necessary to issue Certificates of Approval for the construction and operation of large dams based on relatively large fees. Large dams are needed for the development and operation of mines and for hydroelectricity, which are consistent with the Department's mission. AS 46.17.020 allows the Department to retain consultants to assist in the performance of its duties under the respective dam safety statutes and regulations. In order to conduct timely and competent reviews of complex designs, the Dam Safety Unit must utilize this provision of the statute to retain qualified consultants under existing term contracts with the Department.

[9:49:03 AM](#)

Co-Chair Hoffman asked about the request for the Wood Tikchik Area.

Ms. Davis explained:

RN 51720

Parks and Outdoor Recreation Deferred Maintenance -  
Wood Tikchik Area  
\$70,000

The division is striving to protect visitor health and safety by providing safe, clean, and well maintained parks. State Parks had over \$60 million in deferred maintenance needs which are causing serious health and safety concerns and are generating copious public comments that are embarrassing to the State of Alaska. This request will fund multiple projects within each of the seven regional park areas. On a percentage basis, each area across the state will have funding to decrease their specific deferred maintenance, including upgrades, repairs or replacement of roads, trails, shelters, toilets, drinking water systems, parking areas and other facilities to keep them from becoming even greater hazards.

Ms. Davis specified that the repairs would include the Shelter Point cabin, the Eagle Island Campground and the Ranger Station.

Senator Thomas asked what the anticipated timeframe was for replacing the Department of Natural Resources Wildland Fire Facility in Fairbanks.

Mr. Balash explained that the department was aware of the facility needs. He stated that the replacement of the facility was in the 10-year plan. He said that the annual process to determine capital budget requests was always difficult, but he believed the issue would be addressed in the near future.

Senator Thomas encouraged the department to make improvements sooner rather than later.

Senator Olson noted the five aircraft operated by the department. He understood that they assisted in fighting fires in the Lower 48.

Ms. Davis responded that when it was not fire season in the Alaska, the state assisted other states in need.

Senator Olson asked where the aircraft were housed. Ms. Davis replied that she would get back to the committee with the information.

Senator Olsen queried whether the state owned the aircraft. Ms. Davis said one was still under lease.

DEPARTMENT OF FISH AND GAME

KEVIN BROOKS, ADMINISTRATIVE DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF FISH AND GAME, detailed the capital requests:

[9:54:07 AM](#)

RN 54418  
Kenai River King Salmon Sonar Assessment Program  
\$1,813,000

This capital project will expedite the transition and implementation to a new sonar program to more accurately assess abundance of Kenai River king salmon. Results will minimize uncertainty and reduce public and user group concerns about sustainability and in-season management of a recreationally and economically important resource.

Senator Thomas asked if the department was familiar with the work that the Alaska Center for Energy and Power had done in the Yukon River when positioning the in-river generation. He noted that the center had studied fish populations and migration patterns and had found helpful information. He wondered if the information had been taken into consideration when determining placement.

CHARLES SWANTON, DIRECTOR, DIVISION OF SPORT FISH, DEPARTMENT OF FISH AND GAME, replied that the department was familiar with the work. He said that the dynamics of different river systems, and how fish reacted to those dynamics, made the information non-applicable.

Senator Thomas felt that the information could be applied.

[9:57:08 AM](#)

Mr. Brooks continued with the capital requests:

RN 54419  
Wild/Hatchery Management Tools  
\$2,500,000

To continue economic benefits provided by large-scale hatchery production, the state must ensure wild salmon stocks are managed for sustained yield as required by statute. Research on possible interactions between wild and hatchery fish is required that will improve this knowledge in Southeast Alaska (SE) and Prince William Sound (PWS). Project results will help determine if wild stocks are surviving at levels commensurate with manager's expectations at current hatchery production levels. Benchmark information will also be provided for consideration of increases in hatchery production.

RN 54420  
Susitna River Sockeye Salmon Migration  
\$625,000

The goal of this project is to better understand the spatial and temporal sockeye salmon distribution of Susitna River drainage stocks and those from other Cook Inlet drainages migrating through Upper Cook Inlet's (UCI) Central District. This knowledge should allow managers the ability to more efficiently harvest non-Susitna stocks, while allowing Susitna-bound fish passage through the Central District.

RN 54421  
Upper Cook Inlet East Side Set Net Chinook Salmon Harvest Patterns  
\$789,000

The objective of this project are two-fold: (1) examine patterns of Chinook salmon harvests in the East Side Set Net (ESSN) fishery Upper Cook Inlet (UCI) through analyses of historical fish ticket data; and (2) examine patterns of Chinook salmon harvests and stock composition in the ESSN fishery. This project could provide additional fishing opportunities for both sport and commercial fishermen, specifically for sockeye salmon in the Kenai Section of the UCI management area and for Chinook salmon in the Kenai and Kasilof Rivers and provide economic benefits to the Kenai Peninsula.

RN 43347  
Research on Endangered Species Act Candidate Species

\$1,550,000

This capital project will provide funds to conduct baseline science to inform listing decisions (status reviews) for species currently under consideration for listing under the Endangered Species Act (ESA): Pacific walrus, Alexander Archipelago wolves, and flying squirrels in Southeast Alaska, or to inform biological opinions of other required ESA consultants on Stellar sea lions and beluga whales in Cook Inlet.

[10:00:43 AM](#)

Co-Chair Hoffman queried the need to assess flying squirrels. Mr. Brooks replied that he believed that the listing of flying squirrels could impact timber harvests.

Senator Thomas wondered if the assessments were prioritized based on where money was spent. Mr. Brooks replied that the department worked closely with LAW to preempt listings; the six species listed were determined by both departments to currently be most relevant to the state.

Mr. Brooks continued with the capital requests:

RN 43322  
Facilities, Vessels, and Aircraft Maintenance, Repair,  
and Upgrades  
\$1,000,000

This annual request funds repair, maintenance and renovation of department facilities statewide and vessel and aircraft repair and maintenance. Facilities funding is managed by the Division of Administrative Services (DAS), vessel funding by the Division of Commercial Fisheries and aircraft funding by the Divisions of Commercial Fisheries and Wildlife Conservation.

Senator Olson wondered what types of aircraft the request was intended to cover. Mr. Brooks replied that he could provide a list at a later date.

[10:03:07 AM](#)

JEFF REGNART, DIRECTOR, DIVISION OF COMMERCIAL FISHERIES,  
DEPARTMENT OF FISH AND GAME (via teleconference),

interjected that the Division of Commercial Fisheries had four aircraft: 2 Super cubs, 1 Cessna 185, and a deHavilland Beaver, all located in Kodiak.

Senator Olson asked if any of the aircraft had been in an accident within the last year. Mr. Regnart replied no.

Mr. Brooks continued with the capital requests:

RN 54422  
Boards of Fisheries and Game Sound Systems Replacement  
\$100,000

Alaska Board of Fisheries and Game meetings are recorded to ensure an accurate record of proceedings. The audio recordings for these meetings are frequently utilized by members of the public, state and federal agencies, and court systems. All recordings and meeting documents are submitted as official state archives. The Board of Fisheries typically meets five times a year plus holds teleconferences to address petitions, for approximately 40 days annually. The Board of Game typically meets three times a year plus holds teleconferences, for approximately 20 days annually.

RN 47181  
Replacement of R/V Resolution  
\$3,700,000

The existing R/V Resolution was built in 1970 and requires substantial capital funds to keep the vessel seaworthy. The vessel supports research and stock assessment operations in the Gulf of Alaska, which uses sophisticated electronics, requiring continual platform modifications to support. Without a replacement vessel, the division risks interrupting long-term data series that ensure reproductive goals are met and may be unable to sustain fisheries on stocks of fish and shellfish based upon control and regulation of harvests through responsive management systems.

Mr. Brooks added that the proceeds from the sale of the Resolution would be used to outfit the new boat.

Co-Chair Hoffman wondered when the sale would take place. Mr. Brooks replied that the sale would occur after the new boat was built.

Mr. Brooks continued with the capital requests:

RN 54426

Fish Passages, Counting and Sampling Sites, and Weir Facilities Design, Repair and Upgrades  
\$700,000

This initial project funding will be used to cover design and engineering services, and some repairs of numerous fish passages, counting and sampling sites, and weir facilities across the state. As designs/estimates are completed, and funding allows, additional contracts will be issued for the follow-on construction services. Major locations with immediate needs to remain operationally viable include: Fraser Lake fish passage design/repairs/upgrades, Crooked Creek Raceway design/repairs/upgrades, Chignik weir upgrades and repairs, plus a variety of other Afognak Island fish passage/weir projects. These facilities are long-term (very old) major project sites for the department, and are quite complex.

RN 50951

Eradication of Invasive Tunicates in Whiting Harbor in Sitka  
\$500,000

This project will provide the Alaska Department of Fish and Game funds to support efforts aimed at the containment and eradication of invasive tunicates recently found in Whiting Harbor, Sitka and monitor the area for two additional years to assess effectiveness of the projected response efforts.

RN 30432

Sport Fish Recreational Boating Access  
\$2,500,000

This annual request authorizes the Division of Sport Fish to continue to construct and upgrade recreational power boating and sport fish access facilities statewide using Sport Fish Restoration Fund apportionment funds comprised of 75 percent federal assistance and 25 percent non-federal match. Federal

regulations require that 15 percent of the annual Sport Fish Restoration (Dingell-Johnson/Wallop-Breaux Amendment) Fund apportionment will be dedicated to projects that benefit recreational power boaters. Projects include boat launches, mooring floats, parking lots, restrooms, fish cleaning facilities, and other services.

RN 33647  
Pacific Coastal Salmon Recovery Fund  
\$7,500,000

This project will allow the department to receive federal grant funds for the Pacific Coastal Salmon Recovery Fund. This has been an on-going program since FY2000 and provides funding for a wide range of fisheries research, management, and restoration work which will enhance the agency's ability to sustainably manage Alaska's salmon and contribute to the economy and general well-being of the people of Alaska. Federal funding has been going down and will continue to do so. Starting in state FY2010, state match is required per the federal appropriation. The department passes the 33 percent match requirement on to project funding recipients.

RN 41451  
Equipment Replacement and Upgrade for Wildlife Research and Management Statewide Programs  
\$200,000

The Division of Wildlife Conservation maintains a presence in 22 locations statewide. Field management and research staff must use motor vehicles, all-terrain vehicles (ATV), snow machines, and boats to access large areas of land and water to perform their wildlife management and research duties. Technological equipment is necessary to help staff communicate in the field and to enhance computer applications including GIS and web-based software development. Equipment needs replacement on a scheduled basis to ensure safety and dependability for field staff as they execute their duties.

RN 54772  
Seward Vessel Wash-Down and Wastewater Recycling Facility

\$641,300

The Exxon Valdez Oil Spill Trustee Council (EVOSTC) will provide one-time capital funding for the construction of a vessel wash-down and wastewater recycling facility to the City of Seward - Harbor Department. The project will include a concrete pad which drains into a system that collects, treats, and recycles 100 percent of the wastewater for subsequent vessel washing. This project will help protect the bay from incremental pollutions associated with vessel cleaning and maintenance activities that may prevent Resurrection Bay from fully recovering from the spill. Once complete, the City of Seward will operate and maintain the facility.

RN 45482

Deferred Maintenance, Renewal, Repair and Equipment  
\$1,400,000

This is an appropriation for the department's deferred maintenance program and the details are described in the allocations.

[10:10:03 AM](#)

Co-Chair Hoffman wondered if there were any general funds appropriated for releasing additional salmon into dying streams. Mr. Brooks replied that the departments top priority request was for \$1.8 million for the Kenai River.

Co-Chair Hoffman argued that the funds were for an assessment of the river and not to replenish. He urged the department to be more proactive in adding additional salmon to Alaska's rivers.

Senator Olson added that not enough was being done to avoid the depletion of the fish population in Alaska's rivers. He opined that the department had not presented a definitive way to create a program that would ensure future escapement stocks for sport fishing and subsistence.

Mr. Brooks replied that the issue should be discussed further.

[10:13:21 AM](#)

Mr. Regnart added that the department was very aware of the issue. He stated that there were on-going projects that would hopefully result in new ways to approach fish population management. He assured the committee that the department was doing everything in its power to comply with the constitutional mandate to assure that fish were returning to Alaska's rivers. He said that department members would be discussing the issue in Bethel over the next few days.

Senator Olson stated that there was only a small portion of the departments capital requests that was going towards increasing the salmon runs for the future. He asked if he could expect to see the development of more proactive programs in the future.

Mr. Regnart replied that the concerns of the committee would be taken into consideration during further department discussion concerning new work.

Senator Olson stated that he looked forward to the new programs.

Senator Thomas echoed the concerns. He pointed attention to Page 23, RN 41451. He wondered if any of the funding for the request would be available for airboat maintenance and refurbishing in the Interior River System.

Mr. Brooks responded in the affirmative.

[10:16:39 AM](#)

Senator McGuire stated that the department should be more focused on initiatives. She believed that the salmon stocks were more important than deferred maintenance of buildings. She spoke of her work with the Moose Federation and wondered if the department supported the federation's initiatives.

Mr. Brooks replied that the department had been working with the Moose Federation to help quell the instances of moose on the highways. He furthered that efforts for wildlife conservation could be found in the department's operating requests.

Senator McGuire stated that it would be helpful if the department would present future initiative plans. She

wondered if the department could benefit from more legislative guidance.

[10:19:49 AM](#)

Co-Chair Hoffman believed that the focus of the department should not be studies and tools for assessment, but rather it should become more proactive in getting more game and fish to all Alaskans.

[10:21:31 AM](#)

DEPARTMENT OF CORRECTIONS

JOSEPH SCHMIDT, COMMISSIONER, DEPARTMENT OF CORRECTIONS, presented the department's capital requests:

RN 47567

Goose Creek Correctional Center Start-Up Furniture and Equipment  
\$5,000,000

Construction of Goose Creek Correctional Center (GCCC) is complete and housing of offenders is scheduled to begin in calendar year 2012. The requested funding is needed to support the costs associated with the one-time start-up items and the initial Furniture, Fixtures & Equipment (FF&E) needed to meet the operational needs of the new facility.

RN 46995

Information Technology MIS/Disaster Recovery Equipment & Novell Replacement Project  
\$250,000

Design and establish a reliable recovery plan, infrastructure, equipment, and networking system for the Department of Corrections. This project assists in providing secure confinement, and keeping the community safe from offenders placed in the department's custody.

RN 45637

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

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 facilities. This project assists in providing secure confinement and keeping the community safe from offenders placed in the department's custody.

RN 49376

Deferred Maintenance, Renewal, Repair and Equipment  
\$5,000,000

This project will provide deferred maintenance funding for 117 state-owned buildings. Areas of maintenance this project will address include but are not limited to electrical, mechanical, roofing, walls, safety, security, structural, pavement and site drainage systems. This work is required to enable continued safe, secure and efficient operation of the 24-hour incarceration facilities.

[10:22:48 AM](#)

Senator McGuire felt that \$5 million was an excessive amount of money for furniture at GCCC. She wondered if furniture could be pulled from state surplus and reused to furnish the facility.

LESLIE HOUSTON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF CORRECTIONS, said that the department had explored the idea of using surplus furniture in administrative offices. She shared that inmate furniture was a durable and specialized line of furniture that would not be found in state surplus.

Co-Chair Hoffman noted that there was no funding request that spoke to the issues faced by the correctional facility in the Arctic-Yukon-Kuskokwim Region (AYK). He assumed that the space issues that burdened the facility had been corrected.

Commissioner Schmidt replied that the space issues at the facility had not been solved. He said that money had been moved in the budget from maintenance projects to try to

keep up with the AYK gym renovations, and that the work would not require new construction.

[10:24:40 AM](#)

Co-Chair Hoffman stated that the gym was being used for beds for inmates and people were rotating three times a day for meals. He wondered what the department's plans were for dealing with the problem of overcrowding at the facility. He asked if the department was waiting for a lawsuit to motivate improvements.

Commissioner Schmidt responded that the department did not hope for a lawsuit, although sometimes lawsuits did occur. He hoped that the department could get ahead of the problem. He recognized that the department had been focused on GCCC, which had detracted from attention to the facility in Bethel.

[10:25:37 AM](#)

Co-Chair Hoffman asked what the department's timeframe was for addressing the problem. He reminded the commissioner of their joint tour of the facility, which had revealed that the facility was overcrowded and that working conditions were deplorable.

Co-Chair Hoffman noted that the facility had been number one on the list of facilities to be addressed for over a decade. He felt that the department was ignoring the problem.

Commissioner Schmidt replied that the department had been working on the issue. He said he could not to promise a new building for Bethel would be a capital request in FY14. He relayed that the department felt the most pressure from the Bethel facility, and when the next expansion was discussed the Bethel facility would be at the top of the list.

Co-Chair Hoffman asked if the department had any plans to address the critical needs of any facilities outside of the Railbelt.

Commissioner Schmidt replied that he could not commit to a date or timeframe for the improvements.

[10:27:35 AM](#)

Co-Chair Hoffman probed whether the problem in Bethel was getting better or worse. Commissioner Schmidt replied that it was certainly not getting any better.

Senator Thomas was curious about the \$20,000,000 total that would fund the furnishing of GCCC.

10:29:26 AM

Ms. Houston said that the plumbing and inmates bunks were already in place. She explained that the \$20 million allocation would be used for: copiers, office supplies, information technology between computer to work stations, software licenses, printers, servers, two-way hand held radios, base stations, dispatch consoles, antenna systems, hand guns, shot guns, pepper balls, ammunition, riot equipment, body armor, tasers, training protection suits, restraints, busses vans, groceries, serving and cleaning supplies for inmates, inmate clothing, bedding, laundry equipment, janitorial equipment, information technology systems required for inmate education, books, supplies, vocational equipment and supplies, dental supplies, medical supplies, mental health materials, facility maintenance equipment, snow removal and shop equipment and supplies.

10:31:02 AM

Senator McGuire stated that another emergency expansion was needed at Bethel. She assumed that another year would not go by without any action taken by the department. She noted that litigation against the state was a realistic possibility given the circumstances at the facility. He thought that the same energy that the department was putting into GCCC could be extended to the Bethel facility.

Commissioner Schmidt replied that the population had stabilized in Bethel, but further discussion would be needed if the numbers continued to increase.

Senator Olson expressed a concern that there was no request for the jail in Kotzebue. He noted that OMB had testified to spending over \$100 thousand in prisoner transport. He requested an update on the conditions in Kotzebue.

Commissioner Schmidt replied that the department had been working with the community of Kotzebue on the issue. He

shared that a brief closure of the jail in Kotzebue had cost the department \$106 thousand in prisoner transportation expenses. He said that the department would continue to work with Kotzebue on the problem.

[10:34:16 AM](#)

Senator Olson asked if he could tell the people of Kotzebue that improvements were imminent. Commissioner Schmidt replied that "imminent" was not the term he would use, but that the solution was not that far away.

#hb104

CS FOR HOUSE BILL NO. 104(RLS)

"An Act renaming the Alaska performance scholarship and relating to the scholarship and tax credits applicable to contributions to the scholarship; relating to AlaskAdvantage education grant funding and to Alaska performance scholarship funding; establishing an account and fund for those purposes; making conforming amendments; and providing for an effective date."

CSHB 104(RLS) was SCHEDULED but not HEARD.

#hb307

CS FOR HOUSE BILL NO. 307(FIN)

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

CSHB 307(FIN) was SCHEDULED but not HEARD.

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ADJOURNMENT

[10:35:03 AM](#)

The meeting was adjourned at 10:35 AM.