

**ALASKA STATE LEGISLATURE
JOINT MEETING
HOUSE LABOR AND COMMERCE STANDING COMMITTEE
SENATE LABOR AND COMMERCE STANDING COMMITTEE**

January 24, 2011

3:23 p.m.

MEMBERS PRESENT

HOUSE LABOR AND COMMERCE

Representative Kurt Olson, Chair
Representative Craig Johnson, Vice Chair
Representative Dan Saddler
Representative Paul Seaton
Representative Steve Thompson
Representative Lindsey Holmes
Representative Bob Miller

SENATE LABOR AND COMMERCE

Senator Dennis Egan, Chair
Senator Linda Menard
Senator Cathy Giessel
Senator Bettye Davis

MEMBERS ABSENT

SENATE LABOR AND COMMERCE

Senator Joe Paskvan, Vice Chair

COMMITTEE CALENDAR

OVERVIEW(S): DEPARTMENT OF COMMERCE~ COMMUNITY~ AND ECONOMIC
DEVELOPMENT

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

SUSAN BELL, Commissioner
Department of Commerce, Community & Economic Development (DCCED)

Juneau, Alaska

POSITION STATEMENT: Presented an overview of the DCCED divisions, programs, and functions.

DON HABEGGER, Director

Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community & Economic Development (DCCED)
Juneau, Alaska

POSITION STATEMENT: Answered questions during the Overview of the Department of Commerce, Community & Economic Development (DCCED).

ACTION NARRATIVE

[3:23:58 PM](#)

CHAIR KURT OLSON called the joint meeting of the House and Senate Labor and Commerce Standing Committees to order at 3:23 p.m. Present at the call to order from the House Labor & Commerce Committee were Representatives Seaton, Johnson, Saddler, Thompson, Holmes and Miller. Present from the Senate Labor & Commerce Committee were Senators Davis, Giessel, Menard, and Egan. Representative Herron was also in attendance.

OVERVIEW(S): Department Of Commerce, Community, and Economic Development

[3:24:37 PM](#)

CHAIR OLSON announced the only item on the agenda would be an overview of the Department of Commerce, Community and Economic Development (DCCED).

[3:24:40 PM](#)

SUSAN BELL, Commissioner, Department of Commerce, Community, & Economic Development (DCCED), began by introducing DCCED staff present at the meeting. She presented a PowerPoint overview of the department. She reported the department's mission is to promote a healthy economy, strong communities and protect consumers in Alaska [slide 2]. She identified four department priority areas, which include coordinate, develop, and promote its programs for sustainable economic growth. The DCCED's Economic development activities are organized in the Division of Economic Development, Alaska Seafood Marketing Institute (ASMI), the Alaska Aerospace Development Corporation (AADC), and the Alaska Industrial Development and Export Authority (AIDEA).

Sustainable energy programs are implemented through the Alaska Energy Authority (AEA). The regulatory and consumer protection activities are implemented in four divisions: the Division of Banking and Securities, Division of Business & Professional Licensing, the Division of Insurance, and the Regulatory Commission of Alaska (RCA). The Division of Community and Regional Affairs (CRA) and Serve Alaska work to assist communities to achieve maximum local self-government and to foster volunteerism statewide, she stated.

COMMISSIONER BELL related that six DCCED core agencies or divisions provide services: Administrative Services, Banking and Securities, Community and Regional Affairs, Corporations, Business and Professional Licensing, Economic Development, and Insurance [slide 3].

[3:27:11 PM](#)

COMMISSIONER BELL noted that the DCCED also houses seven corporate agencies [slide 4]. She pointed out the DCCED's administrative interaction with the corporate entities varies considerably. In some instances, the DCCED participates on the board, in other instances the department provides administrative services for the corporate agency, and some entities function more independently.

[3:27:45 PM](#)

COMMISSIONER BELL outlined the departmental organizational chart that amplified her earlier comments [slide 5]. She explained that the corporate agencies are listed to the left and right of the organization, with the core agencies on the bottom. She explained that together the DCCED offers considerable breadth and engages in a wide array of businesses, communities, not-for-profit organizations, and individual consumers throughout the state in its daily activities.

[3:28:25 PM](#)

COMMISSIONER BELL referred to a map of Alaska [slide 6], which identifies the location of its 538 employees. She related that the stars indicate the existence of at least a Division of Community and Regional Affairs (DCRA) office. The map does not reflect seasonal employees in the public lands information center in Tok, the Alaska Aerospace Corporation (ADC) operations in Kodiak, or the Alaska Seafood Marketing Institute (ASMI) office in Bellevue, Washington, she said. She identified the

DCCED staff located in the Kotzebue, Nome, Bethel and Dillingham field offices as DCRA staff.

[3:29:37 PM](#)

COMMISSIONER BELL elaborated on the DCCED's changes and accomplishments [slide 7]. The Banking and Securities Division consists of 24 employees located in Anchorage and Juneau with an overall budget of approximately \$3.5 million. It conducts a wide-range of activities such as to register and license banks and chartered banks, provide consumer education, file ANCSA proxy corporate filings, and engage with banks, mortgage lenders and corporations. The division collected over \$11 million in fees last year, conducted 38 examinations of depository and non-depository institutions, issued 38 money transmitter licenses, and 205 new mortgage licenses, she reported. She highlighted that the DCCED's consumer protection aspect, noting the division partnered with other lead states in acquiring Alaska's share of global settlements and investment firms and is currently finalizing written agreements with each firm. She noted the division partners with the federal government to examine the financial strength of banks.

COMMISSIONER BELL turned to the Division of Community and Regional Affairs (DCRA), which she stated consists of 60 employees and whose current budget is \$10.8 million. Its employees conduct extensive day-to-day contact with municipalities, not-for-profit organizations, and tribal entities. She identified core programs that provide local government assistance and a wide array of technical assistance ranging from accounting, elections, interpreting state statutes, all of which helps ensure daily functionality of small governments throughout the state. One program legislators may be familiar with is the Rural Utility Business Advisory program offered in 167 communities throughout the state. This program focuses on the sustainability of water and wastewater programs. The CRA works with the Local Boundary Commission and the state assessor to provide land management assistance, and publishes a number of reports in a community database, Lien Watch and other publications. The DCRA is engaged with communities of all sizes, with its particular emphasis is to ensure the sustainability of communities with populations of 2,500 or less.

COMMISSIONER BELL offered that the DCCED administers a number of grants. She noted one of the DCCED's responsibilities is to oversee \$1.2 billion in grants appropriated in last year's capital budget. The grant amounts represented twice the dollar

volume as well as a dramatic increase in the transaction volume. The DCCED is currently working to finalize these grants to some entities. The DCCED is also actively engaged in working on grant agreements and the processes to administer them. In FY 10, the CRA distributed \$34 million in federal funds for the Payment In Lieu Of Taxes (PILT), National Forest Receipts, Fisheries Business Tax and the Fisheries Landing Tax programs. Additionally, in 2010 the Bulk Fuel Bridge Loan Program provided funding to 21 different communities for communities not eligible for bulk fuel loans through AEA, which are then assured to obtain a bridge loan through its DCRA division. She stated the DCCED's goal to offer its participants a method of sustainability for loan repayment to allow participants and allow them to segue into a more traditional loan program.

[3:34:36 PM](#)

COMMISSIONER BELL referred to the Division of Corporations, Business and Professional Licensing (DCBPL) [slide 8]. She advised that this division's primary function is to issue business licenses and process corporate filings. She related that the DCBPL has made significant improvements to overcome a serious backlog. This past year it reduced the delay in issuing business and corporate licenses from 14 weeks to 2 weeks or less. Additionally, the DCCED has worked to increase technology use, including on-line filings and transactions for all of its activities. With respect to professional licensing, the division oversees licensing for 40 professions, of which 20 have boards to assist them in developing regulations and providing administrative support, while the remaining 20 professions are assisted solely by division staff. The DCBPL collected nearly \$14 million in fees and its investigators handled 701 complaints resulting in 556 cases and 397 disciplinary actions, ranging from fines, education, and monitoring to license revocations. The DCCED's goal is to facilitate functioning businesses while providing public protection.

COMMISSIONER BELL turned to the Division of Economic Development (DED), relating that staff is located Anchorage, Fairbanks, and Juneau. She noted the Alaska Public Lands Information Center (APLIC) in Tok is also administered by the DED. The DED's budget is nearly \$9 million. One recent change was the merger of the Division of Investments and the Office of Economic Development. The department's goal and purpose for the merger was to provide a framework to better serve the business community throughout the state by realigning its functions. She mentioned that last year her role was as the Governor's special

assistant, which was concurrent with Deputy Commissioner Thayer's appointment. In that capacity, she noted that substantial concern and discussion arose with respect to the state's economic development functions. Some people had expressed concern that the DCCED and the state had fragmented programs with a narrowly defined focus on a few important industries such as the sectors involving minerals, seafood, forest products, tourism, and the film office. Administrative Order #257 merged the Division of Investments with the Office of Economic Development. Merging the two divisions strengthens the department's economic development's functions and enables the agency to interact more with the business community statewide, she said.

[3:39:07 PM](#)

COMMISSIONER BELL outlined that the majority of its financing staff oversees a dozen loan programs that target small businesses. She reported that aside from AIDEA, which is primarily the commercial development finance arm, the DED staff is largely located in Juneau, with a few staff in Anchorage. The DED's portfolio is primarily comprised of commercial fishing programs, with a number of its participants engaged in acquiring boats, quotas, and to repower boat engines. She highlighted a number of underutilized loan programs have not met the DCCED's goals, such as the Capstone Avionics, the Rural Development Investment Fund (RDIF), and Small Business Economic Development (SBED). She related that having offices in Anchorage, Fairbanks, and Juneau, allows the department to better share information, and improves communication and feedback to loan officers and from a policy perspective, which allows managers to take advantage of industry expertise. She said the Governor introduced a bill today that would provide financing for several components, including a Microloan Revolving Fund, a Mariculture Revolving Loan Fund, and Commercial Charter Fisheries Revolving Loan Fund. She anticipated that legislators would have an opportunity this legislative session to discuss the merits of these programs more fully, noting the ideas came from the business community. She asserted that from a financing standpoint the DCCED is poised to interact with the business community statewide. She added that this also positions the DCCED to examine other activities such as marketing, research, business and technical assistance, outreach and coordination with other agencies. She offered her belief that this merger gives the department the ability to leverage staff and be more effective. Since this change is recent, the DCCED is still working on position changes and program development, but she

said she thought that this change will enable the department to be more effective and will result in a more robust economic development in the state.

[3:42:00 PM](#)

COMMISSIONER BELL moved on to discuss financing in the division. She outlined that the DED made 268 loans totaling \$20.3 million from six different loan programs. In terms of business outreach, state chambers and business leaders have recently acknowledged that the DCCED is more engaged with the private sector than previously. She anticipated further strengthening and improvements in these areas. She pointed out one focus as really thinking from a business retention and expansion perspective. She recalled an example she used in a recent speech with respect to a company furloughing some of its pilots. The subsequent fallout blamed the organization for changing its administrative structure, noting the adverse impact the downsizing would have on Alaska's economy. However, from the DCCED's perspective, that "thinking is backwards", she said. Instead, the state should be thinking more systematically about retaining businesses and whether financing, facilities, or coordination could better serve a business. She remarked that the DCCED will focus on attracting and retaining businesses in the state.

COMMISSIONER BELL highlighted the significant emphasis on the film program, with respect to the Alaska Film Production Incentive Program. She reported that 29 film productions have been prequalified to receive tax credits and four have completed the process and were approved for nearly \$250,000 in tax credits. Since the completion of the film, Everybody Loves Whales, as well as from other productions, the department has experienced an increased awareness of the film incentive tax credits. The DCCED is working to be as effective as possible using its staff, financial resources, and partners to develop a more robust industry. Thus far, the outreach to communities and the private sector has been significant. She said she hopes to achieve greater economic depth and value from the Alaska Film Production Incentive Program. She related the DED conducted marketing and research components in minerals, seafood, tourism, and forestry industries. Last year the DED's engaged with the visitor industry to work on the business perspective as well as with cruise lines and tour operators to understand their concerns. This effort assisted the department in advising the governor, the legislature, and the industry to help support the cruise ship head tax reductions and increased marketing. She

reiterated that the DCCED used a combination of market research, outreach, and policy advice in that instance, which she said she hoped that is the kind of interaction and engagement that could be replicated in other industries.

[3:46:04 PM](#)

COMMISSIONER BELL brought up the next core agency, the Division of Insurance (DOI) [slide 9]. She reported this division collected over \$62 million in premium taxes, penalties, and fees in FY 10. She said the DOI is charged with licensing insurance providers, ensuring the financial solvency in compliance of insurance providers, and conducts consumer education and protection. Its director, Linda Hall, and her staff take their mission seriously. In 2010, criminal investigations resulted in seven convictions, two of which resulted in jail sentences and time served. She stressed that individuals, businesses, and entities rely on insurance, and problems can result in ruin for a person, a business, or a community. The DOI collects premium taxes, penalties and fees for its services and must work with increasingly complex insurance programs and policies. She highlighted that from a regulatory and investigative standpoint that it has become increasingly time-consuming to monitor the market. She noted that last year the DOI investigated 306 consumer complaints, taking action that resulted in payments of over \$250 thousand to Alaska's consumers. The consumer protection and fraud investigation works hand-in-hand to handle any flare ups, she said.

[3:48:47 PM](#)

COMMISSIONER BELL turned to corporate entities in the DCCED [slide 10]. In November 2010, the Alaska Aerospace Corporation (AAC) held a launch that some legislators attended. In May 2011, another launch is planned and she extended an invitation for members to attend. She expressed her excitement in touring the Kodiak facility, especially in the company of U.S. Pentagon staff and NASA Kennedy Space Center personnel who understand what a tremendous resource the aerospace program is for Alaska. The AAC's management is actively working to bring additional customers to Alaska. She pointed out the governor has introduced an executive order to move the corporation from the DCCED to the Department of Military & Veterans Affairs. The DCCED supports this change as it recognizes the considerable economic impact on job creation and business benefits. Additionally, whether serving military or commercial clients or a combination as the Alaska Aerospace Corporation grows, the

community of Kodiak, Southcentral, and all of Alaska will benefit greatly, as will the private sector.

COMMISSIONER BELL turned to the Alaska Energy Authority (AEA), noting the AEA just completed a significant document, the 2010 Alaska Energy Pathway. Some of its programs include Rural Power Systems Upgrade Program (RPSU), Bulk Fuel Program and the Renewable Energy Fund Grant Recommendation Program - ReFUND. She related that the Renewable Energy Fund Grant Program approved totaled \$150 million for 133 projects. Additionally, other programs include the Alternative Energy and Energy Efficiency Program, which examines energy efficiency for commercial facilities. Currently, the DCCED is involved in the process of hiring a new executive director. She said she anticipated the department would conduct interviews in the next week or two to fill the position left vacant after the director resigned last fall.

[3:51:55 PM](#)

COMMISSIONER BELL discussed the overview of the Alaska Industrial Development Export Authority (AIDEA) [slide 11]. She explained that AIDEA is involved in commercial development finance, with projects that the state owns directly, and the state also engages in loan participation. She commended AIDEA for completing its strategic plan, as well as for efforts taken to further educate its staff and board. She related that AIDEA has examined its flexibility and responsiveness and has brought in some new financing tools. A bill recently introduced this legislature would examine a proposal for new market tax credits. The entity has been increasingly creative to work to stimulate economic development. Its Revolving Loan Fund assets increased by \$37 million and its total funds are just under \$400 million. The AIDEA dividend to the state, approved by the board for FY 12, will be \$29 million, with the total dividends paid to the state reaching over \$304 million since its inception. She characterized AIDEA as an asset for businesses, providing tremendous earning power for the state.

[3:53:30 PM](#)

COMMISSIONER BELL recognized the Alaska Seafood Marketing Institute (ASMI) staff present at the hearing and began her overview of the ASMI. She said that in many ways the seafood industry has had a banner year. Since 2002, Alaska seafood export value has increased nearly 23 percent from \$1.78 billion to \$2.19 billion in 2009. The ASMI has been aggressively

working in the international and domestic markets, including helping food service programs and retailers to recognize how best to utilize Alaska's fish and seafood assets. She reported that ASMI had a pavilion at the European Seafood exposition, with on-site sales totaling nearly \$50 million on-site, with follow-on sales projected to reach over \$500 million. She reiterated that ASMI partners with other entities, commercial fishermen, the Alaska travel industry on consumer media. She characterized the ASMI as a vibrant organization.

3:55:16 PM

COMMISSIONER BELL turned to the Regulatory Commission of Alaska (RCA) [slide 12]. She related that the DCCED works closely administratively with the RCA. The commissioners for the RCA are appointed and the DCCED commissioner or deputy commissioners do not sit on the RCA's Board of Directors. She noted that 99.95 percent of the tariff filings made in FY 10 were reviewed and processed within regulatory timelines. Nearly 92 percent of Power Cost Equalization (PCE) eligible utilities were in compliance at the end of FY 10. Additionally, in FY 10, 100 percent of the final orders in adjudicatory dockets were reviewed by an assistant attorney general and all of the final decisions were issued on or before the statutory deadline. The RCA is currently monitoring 598 active certificates and regulates a broad range of wastewater systems, electric, natural gas, telecommunications, and pipelines. She reiterated that this agency works independently.

COMMISSIONER BELL reported the last corporate agency, Serve Alaska, funded through the AmeriCorps Vista program has four employees with a budget of \$3.5 million, largely comprised of federal grants. This agency helps provide volunteer service for education, public safety, health, and the environment. She noted that this small staff interacts statewide.

3:57:39 PM

COMMISSIONER BELL referred to an overview slide of the DCCED's budget [slide 13]. She detailed that the total department's budget request for FY 12 is \$204 million, which represents a reduction of 4 percent from last year's budget of \$213 million. She detailed the FY 12 budget request by line item, noting the breakout of \$55 million for personal services, \$2.5 million for travel, \$3.6 for commodities, \$6.9 million for capital outlay, and \$69.0 million in grants.

[3:58:58 PM](#)

COMMISSIONER BELL explained the FY 12 budget is also broken out by funding source [slide 14]. She pointed out the last bar on the bar graph illustrates the reduction in the overall budget from \$213 million to \$204 million. In conclusion, she reiterated the tremendous breadth of the department, working from rural areas to rockets, covering municipalities of all sizes, businesses of all sizes, and interacting with consumers. The DCCED is poised to move forward and be increasingly effective in its economic development programs, continue the strength in the regulatory, consumer protection and local government assistance programs she stated. She reiterated she anticipates an increased use of technology, expanding beyond the online programs and an overall increase in the effectiveness of the department.

[3:59:47 PM](#)

REPRESENTATIVE HOLMES expressed interest in two areas, which she was pleased were discussed extensively: corporations and economic development. She noted that her concerns are being taken seriously and she commended the commissioner on making strides in reducing the processing time for corporate filings and eliminating the registrations' backlog. She related that the business community and her constituents have registered complaints about the processing time. She pointed out that when conducting a large business process, that New York bankers did not understand why they could not obtain certified copies of all the documents on the day of the closing. She commended the division's staff, recognizing that the staff has been swamped with applications. She encouraged ongoing communications between the department and her office. She said she is happy to hear the efforts being made in economic development, in addition to the oil and gas industry, which can help attract and sustain other businesses and industry.

[4:01:50 PM](#)

SENATOR MENARD asked the reason that the DCCED has "pulled back" on one of the deputy commissioners.

COMMISSIONER BELL responded that the DCCED is relatively small department, consisting of 538 employees, not including the Alaska Railroad Corporation. She reiterated the recent merger of the Division of Investments and Economic Development and the impact it will have on the department's efficiency. She related

that she is comfortable with her position and noted that Deputy Commissioner Curtis Thayer has now been with the department for over a year. He was initially asked to work with five divisions. She acknowledged that serving on commissions and sub-cabinets stresses the commissioner and deputy commissioners a little, but felt the overall system is working well. In part, the system works well due to the department size, physical locations in Anchorage and Juneau, and its overall team approach. Recently, the second deputy commissioner position was reclassified to special assistant. This deputy commissioner located in Anchorage is project oriented and efficient. These changes have worked well for the department, she concluded.

4:03:50 PM

SENATOR MENARD asked for clarification that the DCCED is supportive of transferring the Alaska Aerospace Corporation (AAC) to the Department of Military & Veterans Affairs (DMVA).

COMMISSIONER BELL responded that the DCCED's focus has been the sustainability of the corporation, not only for the physical plant in Kodiak, but to heighten awareness of the unique orbits and other advantages. After examining the agency, the DCCED concluded that aligning the aerospace function with MVA provides the access to launch clients and key contacts that enhance the corporation's opportunities for sustainable funding. She related that the AAC will not just serve commercial clients, such as satellite launches, but the AAC will also pursue government and private clients. She offered her belief that having the agency located in a military organization could help it to secure federal launches and would afford it better access. She recalled some reports and publications also reviewed the economic development of the organization. The DCCED wants to perpetuate the economic impact, and assist the corporation to sustain, grow, and thrive.

4:06:10 PM

COMMISSIONER BELL, in response to Senator Menard, related that Florida and Brandenburg, California aerospace organizations are federal entities. Alaska is unique in that the Kodiak facility is a state asset. She recalled that the Florida and California personnel complimented Kodiak on its customer service and responsiveness. She said she thought the alignment in MVA will further enhance communication since its circle is different from the DCCED's circle.

4:07:15 PM

REPRESENTATIVE SEATON recalled a budget request of \$40 million over a three-year period for operational subsidies. He asked for clarification on the budget request, with respect to the DCCED and MVA budgets.

COMMISSIONER BELL answered that the budget request is reflected in the DCCED's FY 12 budget. She related her understanding that in terms of transferring the request to the MVA budget, it would result in a net zero impact but she would also obtain technical advice to figure out the mechanics of doing so. She indicated that the actual FY 12 budget request for FY 12 is \$4 million. She elaborated that for aerospace launches of this magnitude, the state's partners need the state to demonstrate continuity of its commitment. Launches take years to plan and the purpose of the \$40 million has been to demonstrate to the marketplace that Alaska is committed, will maintain its launch facility, and be able to conduct business. She reiterated the budget request for this fiscal year is for \$4 million.

4:09:25 PM

REPRESENTATIVE SADDLER remarked that he attended the November 2010 launch. He asked whether there has been a shift in the corporate name.

COMMISSIONER BELL explained that last year the name changed from the Alaska Aerospace Development Corporation to the Alaska Aerospace Corporation (AAC), recognizing that the facility is now firmly established and operational and the development phase has been completed.

4:10:09 PM

REPRESENTATIVE SADDLER asked for details on the new financing tools for AIDEA.

COMMISSIONER BELL answered that one component relates to the new market tax credit. She acknowledged that while she is not as well versed as AIDEA on the financing tools, it was her understanding that the new market tax credit is a development tool that allows an entity to make an investment in an economically underutilized and disadvantaged area, which is determined by census data. This credit is designed to attract investments to economically disadvantaged areas. She offered her further belief that the timeframe is for a seven-year window

and during that time an entity would only repay interest, which allows the investment to "get some legs" underneath it before paying traditional loan repayments. The program has more technical aspects available through Alaska growth capital and is an allocation issued by the federal government. If this plan passes, AIDEA would be eligible to receive some of the allocation. The AIDEA would consider using this as a tool for its clients. She pointed out that last year legislation passed that would allow AIDEA to be a partial owner. This year, the entity would like to clarify that the AIDEA has the authority to participate with a limited liability corporation (LLC).

[4:12:27 PM](#)

SENATOR GIESSEL recalled one of the DCCED's objectives is to provide consumer protection. She stated that a federally mandated program under the Board of Nursing, which is also federally funded, provides oversight of certified nurse aide programs. She asked for a status report on the position.

[4:13:43 PM](#)

DON HABEGER, Director, Division of Corporations, Business, and Professional Licensing, Department of Commerce, Community, and Economic Development (DCCED), explained that in FY 02, a position for Nurse Coordinator 1 was removed from the budget, although he said he was uncertain why it was deleted. He stated that the DCCED receives \$100,000 in federal funds from the Department of Health and Social Services (DHSS), which pays for a licensing examiner in the nurse aide program. He advised that last week the Board of Nursing advised him that it would like to go back to prior program, and while he is looking for a means to do so, he has not yet found a solution.

[4:14:59 PM](#)

CHAIR OLSON related that he has some concern about the staffing level in Division of Insurance (DOI). He related his understanding that in the past 12 months the division has picked up responsibility to implement "Obamacare" and other federal changes such as the Surplus Lines Insurance Multi-State Compliance Compact (SLIMPAC). He asked whether the division has adequate staffing to deal with the federal mandates.

COMMISSIONER BELL answered that Director Hall has been a key part of the team working to address health care changes, which she then characterized as a rigorous process with firm

deadlines. She indicated that Ms. Hall networks with other states. She stated that the DCCED supports the governor's budget, but at the same time she also recognized that the changes have created additional stress for staff. She offered to follow-up on the concern and meet with the director to obtain more information. She agreed this division is "working around the clock."

CHAIR OLSON related that he works closely with Director Hall but has not discussed this issue with her.

[4:17:34 PM](#)

CHAIR OLSON also expressed the same concern about the Regulatory Commission of Alaska (RCA), since it has been given the added responsibility for gas storage and recognizing the timeliness of the proposed gas line approval. He related his understanding that the RCA lost some key people, although he was unsure if it was due to salary issues or some other issue. He related the importance of having the RCA fully staffed while the state wends its way through the proposed gasline project process.

COMMISSIONER BELL agreed that the RCA has increased responsibility. She also acknowledged that Chair Pickett is quite dedicated. She advised that the DCCED is working with the Department of Administration to reconsider some earlier decisions made on classification study to ensure the RCA can attract employees. She offered to follow-up on this concern.

CHAIR OLSON expressed his support for the DOI, further noting that it appears to him to be a "cash cow" since it brings in revenue equal to nine times its budget.

[4:20:37 PM](#)

ADJOURNMENT

There being no further business before the committees, the joint meeting between the House Labor and Commerce Standing Committee and the Senate Labor & Commerce Standing Committee was adjourned at 4:20 p.m.