

HOUSE FINANCE COMMITTEE
February 1, 2016
1:32 p.m.

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CALL TO ORDER

Co-Chair Steve Thompson called the House Finance Committee meeting to order at 1:32 p.m.

MEMBERS PRESENT

Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

Representative Mark Neuman, Co-Chair

ALSO PRESENT

Mark Luiken, Commissioner, Department of Transportation and Public Facilities; Mary Siroky, Director, Division of Administrative Services, Department of Transportation and Public Facilities; Doug Wooliver, Deputy Administrative Director, Alaska Court System.

SUMMARY

HB 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 256 was SCHEDULED but not HEARD.

HB 257 APPROP: MENTAL HEALTH BUDGET

HB 257 was SCHEDULED but not HEARD.

HB 255 BUDGET: CAPITAL

HB 255 was SCHEDULED but not HEARD.

Co-Chair Thompson reviewed the agenda for the day.

#hb256

#hb257

#hb255

HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HOUSE BILL NO. 255

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

FY 17 BUDGET OVERVIEW: DEPT. OF TRANSPORTATION & PUBLIC FACILITIES

FY 17 BUDGET OVERVIEW: JUDICIARY

^FY 17 BUDGET OVERVIEW: DEPT. OF TRANSPORTATION & PUBLIC FACILITIES

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MARK LUIKEN, COMMISSIONER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, introduced the PowerPoint presentation: "Alaska Department of Transportation and Public Facilities: Overview."

Commissioner Luiken scrolled to slide 2: "Overview":

- Mission/Core Services/Statutes
- Organizational Structure Overview
- FY2016 Budget Changes
- FY2017 Budget Overview
- Look Back Graphs

Commissioner Luiken turned to slide 3: "Our DOT&PF People: Alaskans Serving Alaskans":

- Hilary Lindh
 - South Coast Region Environmental Manager
 - B.S. Biology and M.S. Conservation Ecology
 - Born and raised in Juneau; returned with husband 5 years ago to raise daughter
 - 13 years on U.S. National Ski Team; Olympic Silver Medalist 1992 and World Champion in 1997; inducted into U.S. Ski and Snowboard Hall of Fame 2005 and Alaska Sports Hall of Fame 2009
 - In 4th year serving DOT&PF
 - Hilary, with assistance from her staff, has direct oversight and responsibility for the environmental requirements of all projects developed within the South Coast Region.
 - Led by Hilary, the region's environmental section provides support critical for projects that align with DOT&PF core services to Maintain and Expand Infrastructure.
 - Hilary is the common thread to all region projects and she instills teamwork, a strong work ethic, and a positive attitude not only in the region but across the state.

Commissioner Luiken emphasized the caliber of people working within the department including Hilary Lindh who ran the environmental section of the South Coast region. She was the continuity for all of the environmental work going on in the region through her leadership.

Commissioner Luiken slide 4: "Mission and Core Services."

"Keep Alaska Moving through service and infrastructure."

- Operate Alaska's Transportation Infrastructure
- Cost per operation lane mile maintained
- Maintain Alaska's Transportation Infrastructure
- Actual maintenance cost per lane mile maintained
- Number of miles meeting goal target/total miles
- Expand Alaska's Transportation Infrastructure
- Total dollars obligated vs total dollars planned to be obligated
- Operate Marine Transportation Services
- Number of weeks of services/total cost of operation

Commissioner Luiken reported that over the last 9 months the department examined the statutes that drove its actions and its delivery of services. As a Result the department had identified 4 core services which he reviewed. Under each of the core services listed on the slide were examples of the kind of measures used to evaluate the department's performance. The hope of the department in evaluating its performance was to provide the legislature a report that was objective and data-driven concerning what the department did to meet its core services.

Co-Chair Thompson asked if the report would include the costs including operating, lane miles maintained, and ridership. Commissioner Luiken responded that regarding the Alaska Marine Highway system the annual report contained an array of data including the cost to run each vessel, passenger numbers, vehicle numbers, and the weeks of service. The 2015 report had been released a week prior.

Co-Chair Thompson was also looking for data concerning airport traffic for the more than 270 airports in Alaska.

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Representative Guttenberg asked about how lane miles were compared and whether the same lane miles were being measured yearly. He wondered if weather conditions and other factors were considered when the departments made comparisons. Commissioner Luiken responded that the department could provide a macro look of the average cost relating to lane miles. He suggested he could provide some

granularity about costs by region and by road. The department had been collecting data to track performance and costs.

Representative Kawasaki asked if there was a way to track the number of cars being used on roads being used infrequently. Commissioner Luiken responded that the department had already applied the data, the annual average daily traffic for all of the major roads maintained by the state, to craft its budget. The department had used that data along with road geometry data to make important decisions in the current year. It was useful to normalize the level of services the state provided and balance the workload per employee across the maintenance and operations system. The data was also used to identify the road priority system, data published in September 2016. The data would determine the expected level of winter road maintenance service.

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Commissioner Luiken turned to slide 5: "Organization." He highlighted the principle deputy commissioner, Steve Hatter. There were two modal deputies that managed the Alaska Marine Highway System (AMHS) and the aviation system, and three regional directors. He continued to highlight the key positions and duties within the Department of Transportation and Public Facilities (DOT).

Vice-Chair Saddler asked about "Everyday Lean." Commissioner Luiken answered that it was a new initiative instituted by the DOT based on the belief that the people on the front line were the people who knew best as to how to get the most out of delivering services and being the most effective and efficient. The department had encouraged its employees to communicate directly to him through the Everyday Lean initiative. He reported having a website where people could provide feedback about how to run more efficiently. The website targeted maintenance and operations but was available throughout the department. He provided an example of a sand spreader guard. It was a piece of angle iron that angled around the sand spreader to prevent it from being damaged. Typically the state damaged 6 sand spreaders (valued at \$5000 each) per season. Using the inexpensive guard had the potential to save the state about \$30 thousand annually.

Co-Chair Thompson added that the commissioner should arrange a means for receiving feedback from employees anonymously.

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Representative Gara agreed with Co-Chair Thompson. He asked about the maintenance of the haul road. He wondered if the department had the ability to charge oil and gas users for their portion of the maintenance costs of the haul road. Commissioner Luiken relayed that Alaska had an example of an industrial use road, the Klondike Highway. The state charged mining ore trucks that ran heavy on the road helping to defray maintenance costs. He believed that it could be implemented for use on the haul road if the state wanted to move in that direction. He mentioned that it was the road that supplied the vast majority of the state's income. The haul road started out as private road and was transferred to the state with the understanding that the state would operate and maintain it.

Representative Gara mentioned the state paying \$20 million per year. He did not want to charge tour busses or individuals, but wanted to target major users from the oil and gas industry. He wondered why the administration thought it was appropriate for the state to subsidize the road. Commissioner Luiken reported that currently the road was a public road and it was the obligation of the state to maintain it.

Co-Chair Thompson understood the question about the cost of maintaining the haul road but noted the discussion would need to be taken up at another time.

Representative Guttenberg relayed a whistle blower story where each party called him about the other. Although he did not want to put a damper on legitimate concerns, a perspective was necessary when receiving feedback.

Representative Wilson believed that the oil industry had offered to maintain the haul road, but the state wanted to do so in order to keep it as a public road. She thought it was possible to revisit the conversation with the industry. She mentioned that every airport did not have landing fees and wondered if the department was looking into that. She also noted that she had received two lengthy documents on striping the roads. She was glad the DOT was striping the

roads but did not need all of the accompanying documents. Alternatively, she was willing to pull such information off of the internet.

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Representative Gattis asked if they could currently use the Everyday Lean program anonymously. Commissioner Luiken responded affirmatively that employees could submit suggestions anonymously. However, he relayed that the majority of people making suggestions were very proud of what they did.

Representative Gattis asked if the means of submitting feedback was in the form of a software program or a drop box. Commissioner Luiken stated that it was on an internet site.

Representative Gattis wanted to clarify that employees could connect anonymously. Commissioner Luiken responded affirmatively.

Representative Gattis asked if Commissioner Luiken had been able to provide the subcommittee co-chair with a list of everything in order to be able to ferret out the information. Commissioner Luiken responded that he would be happy to send the information to the co-chairmen.

Co-Chair Thompson was unclear how much time the request would demand.

Representative Gattis thought that by briefly looking at them it would help to distinguish which would provide savings.

Representative Munoz asked about a fee for the mining trucks on the Klondike and why it would not be possible to do the same on the haul road. Commissioner Luiken explained that the ore trucks were running overweight. The state had given them the ability to run overweight on the state's road with the intent that a fee would be collected to continue to maintain the road keeping it safe for use.

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Commissioner Luiken reviewed slide 6: "DOT&PF Assets":

- 3,125 Full-time positions
- Own and maintain 5,589 center line miles of road/highways
- 79 Maintenance Stations
- 247 State Airports
- 2 International Airports
- 11 Ferries
- 35 Ferry Terminals
- 21 Harbors
- 813 State Owned Bridges
- 793 Facilities
- 7 Weigh Stations

Commissioner Luiken indicated that the map showed the physical layout of the department. He drew attention to the three colors that identified three regions: Northern, Central, and South Coast Regions.

Representative Kawasaki asked about slide 6. He wondered if there were duplicate municipal and privately owned airports in some of the communities. Commissioner Luiken responded that there were some and he could provide that information to the committee.

Representative Gattis asked for the commissioner to identify those communities on the road system with state-owned runways.

Representative Gara asked about a public notice sent out a few days prior regarding the leasing of 15 thousand square feet to a flight seeing company in Seward for \$100 per month. He wondered if the department habitually leased out department lands at submarket rates. Commissioner Luiken responded that the land lease rates at rural airports were well below fair-market-value. He added that the state was in the process of getting assessments for all of the state's airport lands. Afterwards, the department would likely adjust the leasing rates accordingly.

Co-Chair Thompson thought the commissioner had made the same statement in the previous year. He wondered where he was in the process. He emphasized that 12 months had passed. Commissioner Luiken would provide the information. He added that the state had 247 airports.

Co-Chair Thompson was aware of the number. Commissioner Luiken would be happy to provide the information to the committee.

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Representative Gara commented that if he were writing the law he would be more sympathetic to keeping air travel rates down for rural Alaska. He wondered why the state had not started with higher rates for a flight seeing business in Seward. Commissioner Luiken believed that as recent as 4 or 5 years prior the department had started the process. He indicated that it was still in process.

Commissioner Luiken advanced to slide 7: "Statutory Requirements":

- AS 44.42 Department of Transportation and Public Facilities
- AS 44.68.010 Use of State owned Vehicles
- AS 44.68.210 Highway Equipment Working Capital Fund
- AS 35 Public Buildings, Works, and Improvements
- AS 19 Highways and Ferries
- AS 19.10 State Highway System
- AS 19.10.300 Commercial Motor Vehicle Requirements
- AS 19.25 Utilities, Advertising, Encroachment and Memorials
- AS 19.65 Alaska Marine Highway System
- AS 19.65.050 Alaska Marine Highway System Fund and Budget
- AS 19.75 Knik Arm Bridge and Toll Authority
- AS 2 Aeronautics

Commissioner Luiken explained that the slide showed the statues that drove what the department was responsible for and the core services it provided.

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MARY SIROKY, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, turned to slide 8: "Commissioner's Office":

Commissioner's Office - Marc Luiken, Commissioner

- 13 full time budgeted positions

- .4% of FY2017 budget request
- \$2,190.1 (UGF \$743.0)
- Department leadership and contracting and appeals
- Challenges
 - Operating and maintaining a continually growing transportation infrastructure with reduced operating resources
 - Transitioning the culture at all levels of the department to make decisions using performance measures
 - An increase in the number and complication of federal reporting requirements
 - Recruitment and retention of qualified operators, mechanics and tradesmen in rural Alaska
 - Researching opportunities to divest or share responsibilities to operate and maintain transportation infrastructure where it makes sense

Ms. Siroky highlighted that the commissioner eliminated a section under his responsibility. The director position was eliminated and the rest of the tasks were moved throughout the department. The tasks for the director were assumed by the new regional director for South Coast Region.

Ms. Siroky explained her division on slide 9: "Administrative Services Division Program Development Division":

Administrative Services Division -Mary Siroky, Director

- 92 full time budgeted positions
- 2.8% of FY2017 budget request
- \$16,546.3 (UGF \$2,646.3)
- Finance, budget, human resources, procurement, internal review, equal employment and civil rights
- Challenges
 - Budget reductions
 - Implementation of the new accounting system
 - Increased federal financial reporting requirements

Program Development - Mike Vigue, Director

- 64 full time budgeted positions
- 1.4% of FY2017 budget request

- \$8,552.6 (UGF \$520.2)
- Statewide Transportation Improvement Program (STIP), federal aid highway agreements, long range transportation plan, capital budget, Strategic Highway Safety Plan, Alaska Highway Safety Office, community transit program

Challenges

- Consolidating planning functions to gain efficiencies
- Implementation of the Fixing America's Surface Transportation (FAST) Act

Ms. Siroky pointed out that the Program Development Division was consolidating planners. In the budget detail it showed that the regional planning positions were moving into program development. It would place all of the people in positions doing the long-range transportation plans as well as the department's Statewide Transportation Improvement Program (STIP), and capital budgets in one location with one focus.

Ms. Siroky explained slide 10: "Statewide Design and Engineering Services". She explained that the division did a large amount of federal reporting for the state. The state received over \$500 million from the federal government. The state was required to do a significant amount of reporting using certain accounting procedures. The division also actively worked with the state's congressional delegation regarding new federal programs making sure a one-size-fits-all approach was not used in the case of Alaska. The division was also responsible for bridge design, bridge maintenance, and bridge construction having been consolidated into one organization for efficiency.

Ms. Siroky scrolled to slide 11: "Statewide Aviation":

John Binder, Deputy Commissioner

- 31 full time budgeted positions
- .7% of FY2017 budget request
- \$4,070.0 (UGF \$301.6)
- Aviation leasing, system planning, capital program management, safety & security compliance, carrier compliance

Challenges

- Increasing federal regulations
- Lack of geospatial information data

- Land use compliance
- Airport obstructions
- Wildlife management
- Efficiently organizing structure to meet emerging aviation issues in a consistent and standardized manner statewide

Ms. Siroky emphasized the small size of the division and the small amount of unrestricted general funds (UGF) in the budget. She reported that the division was consolidating moving the statewide safety officers for the airports under the Division of Statewide Aviation. It would provide a standard look and procedure going forward to regulate the state's rural airports and certified Part 139 airports.

Representative Wilson asked about why the state had landing fees at some airports while others did not. She also wondered if it would be standardized for all Alaska airports. Ms. Siroky responded that the state did not collect landing fees at any state-owned and operated rural airports. The state had landing fees at the international airports which were set up to operate as self-supporting enterprise organizations.

Representative Wilson suggested applying the concept of self-supporting to all of Alaska's airports. She thought the international airports were great examples. Commissioner Luiken responded that the department had proposed introducing landing fees at its Part 139 airports. The division had approached the Aviation Advisory Board (AAB) and spent a good portion of the summer working with them to determine the fairest distribution of revenue generation for the entire system. The Aviation Advisory Board ultimately recommended an increase in the aviation fuel tax and the jet fuel tax charged around the state rather than instituting landing fees.

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Representative Wilson thought it remained inequitable. She wondered if a decision could be made by the commissioner rather than the AAB.

Co-Chair Thompson would look into Representative Wilson's question and provide the information.

Vice-Chair Saddler spoke as a pilot and advocate of general aviation that nationally it had been decided that the way to support aviation infrastructure was by assessing fees generated through sales of aviation fuel. Pilots in Alaska paid a fee per gallon which went into the UGF and subsequently paid for expenses associated with rural airports. He believed there was a federal fee associated. He further observed that commercial airports such as the Ted Stevens International Airport in Anchorage was where the landing fees were charged. However, airports in rural Alaska did not have landing fees. It was important to maintain rural airports for reasons of safety, access, and quality of life.

Co-Chair Thompson mentioned that there was a federal regulation requiring any taxes collected through airports to be used on airports rather than going into the UGF.

Representative Kawasaki thought there had been a plan to begin charging a landing fee at Deadhorse. He asked for additional information. Commissioner Luiken explained that the reason the state had the discussion a year prior was due to the industry and certain air carriers wanting expanded airport operation hours. The state's response was that if the airport expanded and brought on more people another revenue source would be needed, hence the idea of landing fees. Since that time the price of oil had plummeted. The expanded hour plans had not materialized. Alaska Airlines had continued to ask for slightly expanded operating hours. The department was looking at finding a way to defray the costs of the extended hours.

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Representative Kawasaki asked if hours had already expanded at Deadhorse and whether the state was recouping any new revenues. Commissioner Luiken stated that the department was continuing to negotiate with Alaska Airlines to recoup funds.

Representative Kawasaki asked if the hours of operation had expanded. Commissioner Luiken would have to get back to the representative about what had been done in Deadhorse.

Co-Chair Thompson asked if Commissioner Luiken knew whether the hours had been expanded. Commissioner Luiken did not know the answer.

Co-Chair Thompson asked the commissioner to get the information to his office.

Representative Gattis remarked that landing fees in uncontrolled airports would be difficult to capture.

Co-Chair Thompson agreed that no one would be present to collect the information.

Representative Gattis thought it would be tough to track.

Representative Munoz asked if the state was paying to maintain the 247 airports around Alaska. Commissioner Luiken responded in the affirmative.

Representative Munoz wondered why the state maintained some airports and not others such as municipally owned airports.

Co-Chair Thompson thought it was due to public safety. Ms. Siroky responded that she did not know the reason for specific communities taking over and managing certain airports. The communities of Juneau, Kenai, and Homer took over their airports and set their own landing fees. Aviation taxes were also rebated back to the communities to be spent at their airports.

Representative Munoz would follow-up further at a later time.

Representative Gara thought there was a significant amount of money on the table. He asked if the state was recuperating its operations and maintenance costs at the Deadhorse airport. Ms. Siroky responded that a good portion of the operating costs were recuperated through state lease fees at the Deadhorse airport.

Representative Gara asked for her to submit a written figure of "a good portion." Commissioner Luiken responded that the department would supply the exact numbers.

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Ms. Siroky advanced to slide 13: "Statewide Equipment Fleet." She reported that the Division of State Equipment Fleet was responsible for providing services to all of the departments within the executive branch. The division

handled contracting, maintenance, disposal, and purchasing. She added that it also managed all of the credit cards making sure the state recuperated its taxes charged on the cards. The division was streamlining systems and taking steps towards uniformity of the fleet.

Ms. Siroky scrolled to slide 14: "Measurement Standards and Commercial Vehicle Enforcement." She relayed that the division issued overweight permits, managed road closures, and worked closely with the commercial trucking industry to ensure safety. The division also validated the measuring devices throughout the state to ensure the consumer was getting what they paid for.

Representative Gattis wondered if she was the only member with slide 12 in her packet.

Ms. Siroky missed the slide. She reported on slide 12: "Information Systems and Services Division." She reported that the division was fairly new and was established in FY 16 with consolidation in mind. All of the department's information technology positions were brought into 1 division. She reported seeing good results from the change. She relayed that the batching system was narrowed down to one system which included the international airports. The division was standardizing equipment purchases, streamlining certain processes, and establishing a centralized help desk.

Co-Chair Thompson asked her to clarify the budget for the division highlighting the UGF spend. Ms. Siroky explained that the Division of Information Systems and Services received a percentage of international airport funds. She would have to supply the exact figure later.

Representative Gattis suggested that, as the chairman of the finance subcommittee for the Department of Administration (DOA), other departments were also consolidating. She thought the division within the DOT reflected a duplication of services and stretched across bureaucracy. She thought the duplication was unnecessary and an area in which the state could look to save. She suggested getting together with the chair of the finance subcommittee for the DOT to look for additional savings.

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Ms. Siroky relayed that the DOT was actively participating with DOA to look at shared services. She mentioned the massive amount of federal reporting requirements involving technology.

Co-Chair Thompson relayed that Representative Gattis had provided him a written list of questions realizing the limited time left in the meeting. He would provide a copy to the DOT. He acknowledged the importance of getting member questions answered and that the amount of money being discussed was considerable. He encouraged other members to submit additional questions on the subject to his staff.

Ms. Siroky advanced to slide 15: "Statewide Public Facilities." She highlighted that the Division of Statewide Public Facilities performed vertical construction for a large portion of the state and provided shared services. It also performed major maintenance projects and was in charge of the Alaska Energy Savings Performance Program. The pictures reflected a lighting upgrade that was done at the Mount Edgecombe gym. The lighting was improved dramatically and electric costs decreased.

Ms. Siroky explained slide 16: "AK International Airport System (AIAS)." She reported the cargo activity in FY 15 increased by about 9.5 percent and passenger activity increased as well by about 4.4 percent.

Ms. Siroky advanced to slide 17: "Alaska Marine Highway System." She relayed that the budget for the AMHS reflected a large portion in UGF dollars. Although the department had worked hard to reduce UGF dollars in all of its divisions, the AMHS still required a significant amount of UGF. The division brought in about \$54 million in revenues in the previous year and carried about 309 thousand passengers, 106 thousand vehicles, and revenues equaled about 33 percent of the total cost - an increase of about 3 percent.

Ms. Siroky moved to slide 18: "Southcoast Region." She explained that the regional division was put into place in the FY 16 budget combining as many of the marine elements and responsibilities under one organizational unit. The division's budget grew due to having taken on new responsibilities. Mr. Mike Coffey was the new regional director. He had previously held a position in the commissioner's office. He brought his statewide

transportation and maintenance responsibilities with him in order to eliminate an executive level position out of the commissioner's office.

Ms. Siroky turned to slide 19: "Central Region." She relayed that Mr. David Kemp was the new regional director. Previously he managed the Division of Statewide Public Facilities. He brought his prior responsibilities with him to his position eliminating a high level position in the department. Throughout the different regional units there was a large portion of UGF in their budgets.

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Ms. Siroky continued to slide 20: "Northern Region." The Northern Region unit included the Rylie Creek Bridge.

Ms. Siroky pointed to slide 21: "Dalton Highway Aufeis Flooding." She reported that the road was closed for 28 days in the prior year. There were a number of partners that were brought together to solve the problem. The contractors were partners in resolving the flooding. There were 2 state disaster declarations which would hopefully be paid for with federal dollars. She noted that the picture on the bottom left showed the embankment being raised about 10 feet to avoid the same kind of flooding in the future. The department was able to adjust some of the road projects already in place increasing the height of the embankments adding only a small amount of funding.

Ms. Siroky reviewed slide 22: "FY2016: \$34.6M UGF Reduction." She reported a \$34.6 million UGF reduction. She relayed that \$15.3 million UGF came out of the highways and aviation areas and eliminated 29 position control numbers (PCNs). She also conveyed that the AMHS had a reduction of \$11.1 million UGF and eliminated 32 PCNs. The support services, most of the other sections and divisions, took a reduction of \$8.2 million UGF and eliminated 34 PCNs. She emphasized that the AMHS and Highways and Aviation made up approximately 96 percent of the department's total UGF budget. The reduction of \$8.2 million UGF came from 4 percent of the department. The department was being diligent in reducing its UGF spend. She also pointed out that the department could not use capital dollars for all of its maintenance and operation activities but did so wherever possible. The department also pushed federal funding partners to give the department an extremely

liberal interpretation of how money could be used for preventative maintenance of Alaska's airport and highway systems.

Ms. Siroky turned to slide 23: "FY2017 Unrestricted General Fund (UGF) Broken out by Appropriation Further Broken out by Personal Services and Support Lines." She thought the graph was a clear demonstration of where the UGF was within the department. She highlighted the yellow representing the personal services category and the green depicting the support lines. The largest portion of UGF were in the maintenance and operations of facilities, in the highways and aviation areas, and the AMHS. She noted a small amount in the areas of administration and support including the regional directors' offices, the program development division, the information systems and services division, and the commissioner's office. There was also a very small amount of UGF within the Division of Design, Engineering, and Construction.

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Representative Gattis mentioned the light winter in the previous year and the current mild winter. She wondered if there was a chart that showed the savings in fuel costs due to the most recent temperate climate in the winter months and where the savings was spent. Ms. Siroky answered that the department built its budget based on normal winter maintenance activity. She furthered that when winters were mild remaining funds would be spent in the following spring to repair pot holes and brushing. Spring was the "shock absorber." If the state had a heavy winter, it would spend more of its resources on winter demands and curtail spending in the spring.

Representative Gattis noted the current mild winter, the second in a row, and the reduction in the cost of fuel. She explained that in her business when the price of fuel was down, her profit margins went up. She concluded that the state was experiencing some savings because the price of fuel was down. She wanted to know the amount of savings and where it was reflected in the department's budget. She remarked that the department had savings somewhere. She commented that when potholes were filled the department was filling them during rush hour traffic. She noted it was a sore point. She reiterated her question about where the savings could be found.

Ms. Siroky replied that in terms of fuel the department no longer received a fuel trigger and the price of fuel in rural Alaska had not decreased. Typically the state paid over \$10 per gallon in Nome and Kotzebue. The state had more facilities online than the department had ever been given a budget. She continued to explain that as the state expanded its road system it installed additional snow removal equipment to maintain them. In order to reduce wear and tear of \$250 thousand pieces of equipment heated storage was required. Therefore, she did not believe the state would see much savings in terms of fuel. She spoke to the use of chemicals at airports and the correct breaking capacity. She stressed that the department worked its tail off to be as efficient as possible and to provide the public with the best service possible.

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Ms. Siroky turned to slide 24: "DOT and PF Unrestricted General Fund by RDU." She explained that the chart was another representation of where UGF could be found within the department.

She moved to slide 25: "Summary of FY2017 Governor's Proposed: Budget Development." She summarized that the department was proposing a \$591,689 [million] budget. Reductions were primarily in Highways and Aviation and the AMHS totaling about \$18.4 million of which \$12 million was UGF.

She addressed slide 26: "FY2017 Governor's Proposed: Operating Budget All Funding Sources." The slide showed all of the operating budget funding sources. The largest piece of pie represented UGF in red. The green piece of the pie related to capital improvement projects. There was a variety of other funding sources that the department wanted to maximize as much as possible.

Ms. Siroky addressed slide 27: "FY2017 Governor's Proposed: UGF Operating Budget by Allocation." She conveyed that the UGF operating budget primarily supported the AMHS, highways, aviation, and facilities.

Ms. Siroky scrolled to the Legislative Finance Division graph on slide 28: "Department of Transportation and Public Facilities Share of Total Agency Operations (GF Only) (\$

Thousands)." It showed the DOT share of total agency operations. She indicated the yellow boxes showed how the fuel trigger impacted the department. The department was reaching the size it was in FY 10 or FY 11.

Ms. Siroky addressed salary adjustments and personal services costs on slide 29: "Department of Transportation and Public Facilities Salary Adjustment Increases and Personal Services Costs (All Funds) (\$ Thousands)." The slide showed \$73 million of contractual salary increases. If those increases were not taken into account the department's personal services funding would be down about \$40 million.

Ms. Siroky advanced to slide 30: "Appropriations within the Department of Transportation and Public Facilities (GF Only) (\$ Thousands)." The slide showed that the department had not only focused on reductions in the areas of the AMHS and the Highways, Aviation, and Facilities areas. It had also looked to reductions in all areas of UGF.

Ms. Siroky turned to slide 31: "Appropriations within the Department of Transportation and Public Facilities (All Funds) (\$ Thousands)." She explained the slide reflected that the downturn in all fund sources was primarily in the Highways and Aviation component and the AMHS. However, it did not reflect certain changes within the organization. For example the blue line representing administration and support showed a steady growth but was a result of centralizing activities.

Ms. Siroky moved to slide 32: "FY2017 Proposed Capital Budget." The department's proposed capital budget was \$860 million of federal receipts. She highlighted that a variety of other funding sources were shown on the slide. She asked if there were any questions from the committee.

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Vice-Chair Saddler pointed to growing infrastructure for transportation. He wondered if it equated to expanding lane miles or additional airports or more sea ports. Ms. Siroky replied that over the last ten years the department had been expanding runway safety areas at airports. She elaborated that adding a shoulder to a road or a bike lane was considered an increase to the state's infrastructure because it had to be maintained and was a budgetary

increase. The department was currently focusing its attention on heavy maintenance but did a fair amount of expansion such as intersections or round-a-bouts.

Co-Chair Thompson asked if there was a reduction of lines. He also reported that whenever the department redid a road in a community, the community was then required to take over the maintenance of that road. He indicated that the City of Fairbanks had taken over all of Illinois Street including the snow removal and minor maintenance on the 2 bridges across the Chena River. He suggested that the department had actually reduced the mileage it maintained in some cases. Ms. Siroky reported that when the state upgraded a road it looked to give the road to the municipality. Often times it made more sense.

Co-Chair Thompson replied that the way it had been explained was that if a municipality wanted a road redone it would have to take over the maintenance. He stated that it was not a voluntary situation.

Vice-Chair Saddler asked Ms. Siroky for her to explain the fuel trigger mechanism. Ms. Siroky responded that when oil reached above \$70 per barrel a formula was applied and the agencies received a distribution of fuel trigger money. It was originally set up because the price of oil was fluctuating so much in the early 2000's. The legislature did not want the fuel to be a continuing build-up of the base. The state would not be receiving any fuel trigger money in the current year.

Representative Gara asked about the 200 mile stretch between Talkeetna and Cooper Landing. He relayed that there used to be a number of safety signs that directed drivers with 5 or more cars behind them to pull over. He estimated seeing between 2 or less of those signs when he drove the route. He wondered why the signs were no longer present. Ms. Siroky could not remember the answer to the frequently asked question.

Representative Gara requested that the signs be redisplayed, as the stretch was one of the most dangerous in Alaska. Commissioner Luiken believed there were more than 2 signs. He also reported that several additional pull-outs were installed. However, it was really up to the public to adhere to the signs.

Representative Gara wanted the official count. He suggested that the pullouts were better marked. Commissioner Luiken stated that he would get back with the number of signs currently displayed.

Vice-Chair Saddler stated that his constituent had frequently seen a sign indicating a work safety zone with double fine penalties. He wondered if it was possible to make the signs conditional based on workers being present. He wondered about federal and state requirements. Commissioner Luiken was aware that for certain portions of the Seward, Glenn, and Sterling highways there were designated safety zones. Within those safety zones, whether there was construction or not, there were double fines.

Vice-Chair Saddler wondered if it was possible to make the signs conditional. Commissioner Luiken believed so but would double check.

Co-Chair Thompson encouraged members to submit any written questions. He reported that there would be a DOT Finance Subcommittee meeting at 7:00 a.m. on Thursday and invite people to attend.

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AT EASE

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RECONVENED

^FY 17 BUDGET OVERVIEW: JUDICIARY

[2:50:06 PM](#)

DOUG WOOLIVER, DEPUTY ADMINISTRATIVE DIRECTOR, ALASKA COURT SYSTEM, introduced the PowerPoint presentation: "FY 17 Alaska Court System Overview."

Mr. Wooliver turned to slide 2: "Mission Statement":

Mission Statement

The mission of the Alaska Court System is to provide an accessible and impartial forum for the just resolution of all cases that come before it, and to decide such cases in accordance with the law, expeditiously and with integrity.

Mr. Wooliver explained the core function of Judiciary was to resolve cases that came to the court in the best way possible. The challenge of the court system was to keep an eye on the mission statement while working with the new budget reality.

Mr. Wooliver discussed slide 3: "Four Levels of Courts." He stated that there were four levels of the court. The first was the Supreme Court that handled all civil appeals and also handled some criminal appeals but at the court's election. Next was the Court of Appeals, made up of three judges, which handled criminal appeals exclusively. He continued that the trial court was made up of Superior Courts, courts of general jurisdiction hearing everything from family law cases to murder cases and all of the child-in-need-of-aid cases. Lastly, there were district courts, courts of limited jurisdiction. They heard misdemeanor crimes, personal lawsuits under \$100 thousand, and domestic violence restraining orders, for example. District courts were where all minor offenses were filed.

Representative Wilson had heard talk about a family court and whether a family court specializing in cases such as divorce would save the state money. She wondered whether the option had been considered.

Mr. Wooliver answered that the only court with enough judges to divide the work was in Anchorage. Anchorage had five Superior Court judges that just handled criminal cases. The remaining judges handled civil cases. The trouble with dividing up caseloads in smaller courts was that the state did not have enough judges to do so. Parties had a right to bump judges. It was possible to run out of judges when that right was exercised once or twice. There was talk every once in a while about having the type of specialty Representative Wilson was suggesting. However, other types of specialties cropped up as well. He recalled talk about having judges that were very scientifically literate or judges who were very literate regarding business organizations. In the end, the model the state had (the only one he felt the state could have with its number of judges), worked best because most judges handled all types of cases. Training became an essential issue for judges because of the model the state had in place. He reported that Judiciary would be cutting back on training due to budget constraints and would be discussing the topic

further later in the presentation. He added that cutting back on training would not be a sustainable option because judges needed constant training particularly in the areas of family law. The laws changed and thinking changed over time.

Co-Chair Thompson commented that many people were in prison waiting for a pre-trial conference for extended periods of time. He wondered what might be causing the hang up. Mr. Wooliver responded that there were a number of things that kept people in jail. One problem could be that the bail was set too high. Another was the requirement of a third-party custodian. He mentioned that the criminal justice working commission was addressing the issue of the huge pre-trial population within the Department of Corrections (DOC). He believed that there was a bill in the works that included significant reforms to the bail statutes.

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Vice-Chair Saddler asked how the number of judges was determined. He wondered if it was set in statute or if a population formula was used. Mr. Wooliver stated that the number of Superior Court judges was set in statute. The number of District Court judges was not set in statute but the court addressed the legislature yearly with a request for funding to increase District Court positions. Although Judiciary had the authority to create new posts, it did not have the revenue to do so.

Mr. Wooliver continued to slide 4: "Court System Non-Judicial Employees." While he acknowledged the role of judges, he pointed out that it took significant staff to support them in doing their job. There were people that took in all of the court filings, dealt with the public, managed cases, moved files, and set court schedules. There was also administrative staff responsible for finances, human resources, computer services, and facilities.

Representative Gara understood cutting training to save money. He noted that one of the areas that had been a bright spot in the court system was the training of magistrates and masters on how to deal with children's cases in order to ensure more successful outcomes. He wondered if such training was going to be cut.

Mr. Wooliver replied that Judiciary planned to cut one day of magistrate training, although he was unclear what curriculum would be deleted. Also, there would be one less day of clerical training. The number of annual judicial conferences would be reduced from two to one and a law clerk training would be eliminated. He added that there were some areas that were critical for training. He also mentioned another way to save would be to avoid bringing presenters from outside to the conferences but rather rely on the expertise already within Alaska.

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Representative Gattis was wondering about the possibility of shared internet technologies (IT) services with the other agencies.

Mr. Wooliver responded that the court system used to be more closely affiliate with Enterprise Technology Services (ETS). However, when Judiciary was only 1.2 percent of the budget it was difficult to get its priorities to the top of ETS's list. The court could do its work much better when it was in charge of its own IT services rather than being in the que of a much larger organization. It was not to say that Judiciary did not work with the IT people in the other agencies. There was a "Magic Committee" that made sure that the agencies could speak to each other via their technology systems. Judiciary worked with the DOC and Department of Public Safety (DPS) on several kinds of technology projects. However, he concluded that Judiciary needed to be in charge of its employees and its priorities. The judiciary branch would not relish becoming part of the executive branch's technology efforts.

Representative Guttenberg asked about law enforcement that moved criminals back and forth and whether they fell under the Judiciary branch. Mr. Wooliver explained that the Alaska State Troopers provided some of the judicial services but did not fall under Judiciary.

Mr. Wooliver scrolled to slide 5: "Factors Impacting Workloads." The items influencing the types of cases that came to the court included population, police, economy, and other. As population grew judicial resources grew, and as population shrank judicial resources shrank. He explained that if a city received a federal grant and could increase the number of police officers and prosecutors, the state

might see an increase in criminal cases being filed irrespective of population and crime rates. Conversely, cuts in those areas might result in fewer cases being filed. He continued that, in general, people with jobs were less likely to get in trouble than people without jobs. He asserted that things like the unemployment rate could have an indirect effect on the court's workload.

Mr. Wooliver pointed to slide 6: "Trial Court Caseloads - FY 15." The workload for the Superior Court was up by 3 percent from the prior year. The District Court workload was up 2 percent. In general, the caseloads were not changing much, as they were only up slightly from the previous year.

Mr. Wooliver discussed the pie chart on slide 7: "FY 15 Trial Court Case Filings: Superior & District Courts Combined." He noted that the largest part of the case filings had to do with minor offenses such as traffic offenses and fish and game violations.

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Mr. Wooliver reviewed the pie chart on slide 8: "FY 15 Superior Court Case Filings." He noted that the caseload in Superior Court was primarily made up of felony filings (28 percent), probate filings (26 percent), and domestic relations cases (21 percent). The interesting part was the probate number which consisted of wills, guardianships, and conservatorships. He relayed that "Baby Boomers" were aging to over 65 becoming a larger percentage of the population which resulted in more probate cases in court. It was not just an increase in numbers, but an increase in focus as well. He conveyed that several years ago the legislature passed a bill requiring the licensing of professional guardians because of it becoming a bigger issue as the population aged. A few years ago the legislature passed a bill that allowed a person to get a financial abuse protective order when it looked like a senior was being taken advantage of regarding their money. The court established the Elder Law Task Force chaired by Justice Winfree. Mr. Wooliver indicated he sat on the task force as well. The focus of the task force was to figure out how the court could internally do a better job with guardianships and conservatorships.

Vice-Chair Saddler mentioned that much of the expenses of the foster care system were masked in other departments. He wondered how much of the expenses in the court system were associated with foster care adoptions and prosecutions that were not reimbursed. Mr. Wooliver reported that the court system just had cases and did not give money back. The number of Child-in-need-of-aid cases had grown significantly over the past few years, about an increase of 50 percent in case filings. He reported that it would be difficult to figure cost because the court did not have a cost-per-case amount in the court system. Instead, the system had an overhead amount.

Vice-Chair Saddler asked for a percentage. Mr. Wooliver responded about 11 percent of the Superior Court caseload.

Vice-Chair Saddler asked how many were related to foster care. Mr. Wooliver would try to find a better number.

Vice-Chair Saddler asked for the probate caseload attributable to foster care. Mr. Wooliver would try to find the information.

Representative Wilson asked about the 2571 cases. Mr. Wooliver answered that the number of cases represented the number of cases filed.

Representative Wilson asked about the delinquency number. Mr. Wooliver responded that there were 883 juvenile delinquency cases brought to the Division of Juvenile Justice involving crimes committed by minors. Although a minor might also be a child in need of aid, the case type was completely separate and unrelated.

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Representative Wilson suggested that there was no way to track the number of children within the categories because the same child could be involved in more than one type of case. Mr. Wooliver agreed. He spoke of an earlier testifier on a previous day who confirmed a child could be involved in multiple types of cases. The court system's statistics would not show such information.

Representative Gara referred to Mr. Wooliver's earlier statement that child-in-need-of-aid cases had gone up 50 percent in the previous few years. He wondered if it

increased its costs. He thought the judges just absorbed the cases with the same amount of staff.

Mr. Wooliver replied that Representative Gara was correct. He elaborated that the court system had also seen some reductions. For instance, the amount of probate cases were up and delinquency cases were down. In the prior 2 years the family law cases had decreased. He cited a few more statistics but concluded Judiciary cases were relatively flat. The only time the courts received more resources was when a request was submitted to the legislature.

Mr. Wooliver moved on to slide 9: "FY 15 District Court Case Filings." He highlighted that the District Court handled minor offenses such as traffic tickets and misdemeanors.

Mr. Wooliver advanced to slide 10: "Criminal Jury Trials FY 13 - FY 16." He mentioned that in the past few years there had been a dramatic increase in trial rates. However, that had come to a screeching halt. Judiciary's trial rates for FY 15 were down slightly and for the first half of FY 16 they were down substantially. The attorneys and parties determined whether a case went to trial rather than the court system. He explained that when the trial rate went up so did the state's costs because the state paid jury fees and jury travel in rural areas. In the current year there was a savings because the number of trials were down.

Mr. Wooliver scrolled to the pie chart on slide 11: "FY 16 State of Alaska Funding - All Sources." The pie demonstrated that Judiciary was only a small percentage of the overall state budget, about 1.4 percent of the "All Sources" total and about 2.2 percent of the UGF total.

Mr. Wooliver pointed to slide 12: "Alaska Court System FY 16 Operating Budget Appropriation: All Fund Types." The pie depicted how the court system spent its money. Most of the branch's costs were associated with the trial courts, the Superior Court and the District Court. The majority of judges and employees worked within those courts.

Mr. Wooliver discussed slide 13: "Breakdown of FY 16 Funding (GF)." He surmised that the slide was another way of accounting for how Judiciary spent its funding. The majority of the agency's funding went towards personnel. The only other area that took a large chunk of funding went

towards services associated with facilities contracts, leases, and utilities.

Mr. Wooliver displayed slide 14: "Funding Changes FY 07 to FY 17: Personal Services." He reported that looking back over the previous 10 years, the largest factors impacting the agency's budget was the general salary adjustments that the legislature approved and the hiring of 8 new Superior Court judges and 3 new District Court judges.

Mr. Wooliver reviewed slide 15: "Funding Changes FY 07 to FY 17: Services." He explained that lease expenses had increased as well as costs for software and bandwidth. He also mentioned that Therapeutic Courts had been placed into Judiciary's budget a number of years ago.

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Mr. Wooliver turned to slide 16: "Judiciary: Salary Adjustment Increases and Personal Services Costs: All Funds." He explained that the red bars represented the raises that had been approved each year.

Representative Wilson asked if Judiciary was looking to absorb the red bar for the following year. Mr. Wooliver was not anticipating the funding and would be eating the cost for pay raises.

Representative Wilson wanted the information on record.

Mr. Wooliver advanced to slide 17: "Judiciary Appropriations: GF Only." The graph was another look at the overall spending for Judiciary appropriations. The agency used to be at about 2.07 percent and was currently at 2.22 percent of overall state spending in UGF.

Mr. Wooliver scrolled to slide 18: "Judiciary's Share of Total Agency Operations: GF Only." He reported that following the drop in oil prices in the previous year the agency submitted its budget request, got rid of its increments, and asked for a \$3.4 million reduction which the legislature approved.

Mr. Wooliver pointed to slide 19: "FY 15 to FY 16 Budget Change." In the end, \$2.2 million was added for the cost of pay raises. However, the \$2.2 million increase came with a new expense of \$2.2 million. Judiciary was still managing a

\$3.4 million cut to the budget. There were a number of ways Judiciary was managing the reduction including minimizing supply expenditures. The department no longer replaced computers unless it was absolutely necessary and minimized travel. The department did not approve much travel and placed a cap on travel of \$2000. He provided an example of traveling to a conference and having to reimburse the state \$158 because his costs had exceeded \$2000 by that amount. He noted reluctance to limit training. However, conferences were expensive and it was costly to bring people to Anchorage. Reducing training was not a sustainable option and the agency would beef up its training once the budget picture improved.

Vice-Chair Saddler referred to slide 19 and asked if the reduction of \$1.4 from FY 15 to FY 16 was roughly 1 percent - excluding the Cost-Of-Living Adjustment (COLA). Mr. Wooliver replied that it was just over 1 percent. He furthered that Judiciary was still left with a \$2.4 million cost to the pay raise. The agency would have to come up with \$3.8 million in savings under the budget being considered.

Mr. Wooliver discussed slide 20: "FY 16 Budget Management." He reiterated that the largest portion of the budget went towards personal services which was where savings had to be found. He suggested there was a 4-part way to get to the reductions.

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Mr. Wooliver continued to discuss budget management on slide 21: "FY 16 Budget Management (cont.)." The department was not laying people off and hoped not to through FY 17. One way to reduce costs was to have mandatory leave without pay (LWOP). There had been 2 such days; the day after Thanksgiving and the day before Christmas. There were 3 more days scheduled for the spring. If the department stayed on track with some of the other savings not all 3 days would necessarily be needed. Another thing the department was doing was leaving vacant positions unfilled. However, employees could move between positions leaving a different position vacant. In some cases the approval of the administrative director could be issued to fill a position. Through that effort there were 35 fewer jobs in the court system than there had been in the prior year. If a position was refilled it had to be vacant for a certain

period time. There had always been a 30 day vacancy requirement. Currently, it was between 45 to 90 days depending on the position and the court location which saved the agency a fair amount. Another idea regarding LWOP came about when some employees suggested voluntary leave without pay or voluntary salary reductions. Thus far, over 300 court employees, including judges, took voluntary LWOP, waived the 2.5 pay raise, or took a voluntary salary reduction. People did not want to see their colleagues laid off. The department hoped to be able to find enough savings to avoid having the 3 days of closures in the spring.

Representative Kawasaki asked if the budget that was passed in the previous year out of the finance subcommittee had 4 days of mandatory LWOP. Mr. Wooliver relayed that at the time up to 6 days were contemplated.

Representative Kawasaki asked Mr. Wooliver to provide any anecdotal information about the core closure dates in terms of impacting services. Mr. Wooliver was unsure. However, the department chose certain days that it thought would be least impactful to operations. He had not heard of any impacts and plenty of notice was given to employees. The 3 days proposed for the spring had already been announced by the chief justice in the prior month of November or December to avoid trials being scheduled on those days.

Representative Gara asked about LWOP. He wondered how money was saved with LWOP for salaried employees. Mr. Wooliver responded that his own pay was docked for each day.

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Mr. Wooliver reviewed slide 22: "FY 16 - Other Budget Measures." The department did not just cut the budget but it also raised some of its filing fees amounting to about \$1.2 million in general fund dollars. Judiciary had not raised its fees for over a dozen years. There were a few other items that were implemented to save costs including an online juror questionnaire anticipated to save the state about \$30 thousand in the following year. The court system was also going to change the court rules to allow more e-distribution of documents which would amount to a savings of over \$100 thousand per year. He spoke of receiving an email from the woman who oversaw all of the court interpreters. She reported having saved \$26 thousand in the court's contract for interpreters. The three cost savings

measures equated to two full-time positions. Judiciary was looking everywhere it could to find savings.

Mr. Wooliver turned to slide 23: "FY 17 Operating Budget." He reported that the court system's budget request for FY 17 was \$3.8 million less than the previous year which included taking out \$2.2 million for raises. The budget request was a 3.8 percent reduction. The court system would continue to take measures to reduce costs.

Mr. Wooliver advanced to slide 24: "FY 17 Operating Budget (cont.)." He spoke of further reductions in the area of personal services. He expounded that all staff would be working Monday through Thursday from 8:00 a.m. to 5:00 p.m. The courts would continue to close at 4:30 p.m. giving staff 30 minutes of uninterrupted time at the end of each day to finish up their work and to prep for the following day. The court would close at noon on Fridays. The net result was a 1.5 hour reduction of hours for each employee, a 4 percent pay reduction. The department would also add 17 positions to the long-term vacancy pool resulting in a total of 52 fewer employees by July 1st than the previous year. He reported that Judiciary had always had 8 positions in the long-term vacancy pool, but was adding 52 - 52 jobs that used to exist that would not exist anymore. The department would also continue to ask for voluntary LWOP and would continue to leave positions that it would leave vacant for as long as possible. Judiciary's priority was to avoid layoffs. He explained that most of the employees would prefer for everyone to have smaller reductions than resorting to layoffs. By closing at noon on Fridays and reducing employees pay by 4 percent the department saved about \$2.1 million. Otherwise, to save that money the department would have to lay off about 25 people. It was already planning on being down 52 positions in addition to the 8 that were vacant totaling 60 positions. He suggested that if people were laid off rather than reducing hours and pay the department would be down 85 positions. He concluded that by reducing hours and pay the department was able to keep more courts open longer than if it laid off 25 employees.

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Vice-Chair Saddler asked how many hours employees would be working per week. Mr. Wooliver replied that employees worked 8 hours Monday through Thursday and half days on

Friday totaling 36 hours per week rather than 37.5 hours. Therefore, it equated to 1.5 hours less per week per employee totaling a 4 percent reduction.

Vice-Chair Saddler asked if employees would be paid a lesser amount. Mr. Wooliver confirmed that employees would be paid 4 percent less.

Mr. Wooliver scrolled to slide 25: "FY 17 and Beyond." He was uncertain about the budget looking forward. However, e-filing was a certain way to receive, transmit, store, and manage documents and was already funded. The department was going through the long process of adopting a new way of doing business. He reported that the states that have changed over to e-filing had seen significant savings. It would be one of the reforms that would survive the budget crisis.

Mr. Wooliver concluded with slide 26: "FY 17 and Beyond...(Cont.)." He stated that access to justice was a priority and a challenge. He suggested that with additional budget cuts the state would be forced to close certain court locations. It was not an option the court system wanted to exercise but perhaps it would be necessary down the road. One of the things the department was doing to cooperate with other agencies was video conferencing which saved a great deal of time and money especially for the DOC and the DPS. He reported having gone live two weeks prior with a connection between Anvil Mountain in Nome, the Nome courthouse, and the Kotzebue courthouse. He supposed that increases to one department could mean savings elsewhere. The court system would continue efforts working with other departments.

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Representative Kawasaki referenced slide 7. He thought it looked as if 24 percent of the trial court filings were criminal cases. Next he pointed to slide 10 which noted that trials from FY 15 were down 14 percent from FY 13 and down 7 percent from FY 14. Similarly, in District Court misdemeanor trials were up 1 percent but trial courts were down a total of 21 percent from year-to-year. The slide also noted the Superior and District Court trials for FY 16 were significantly less in FY 14. He wondered why, with fewer cases, the same number of staff would be needed at present.

Mr. Wooliver answered that there were not fewer cases but fewer trials. The savings of about \$100 thousand was in jury costs. He suggested that when Judiciary closed courts it saved about \$250 thousand which was half of a 1 day closure. It was a sort of fortuitous savings but helped in other areas.

Representative Kawasaki asked about the number of Superior Court judges per case load. Mr. Wooliver believed there were stats but they were not all the same between states. There were judges that appeared to have thousands of cases. However, they were counted much differently in other states than in Alaska. He believed it was difficult to make equitable cross state comparisons.

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Vice-Chair Saddler mentioned the proposal from the Department of Law (DOL) to shut down the prosecutor's office in Dillingham. He asked if there was a breakeven point in caseload or workload where there would not be a savings from closing an office. Mr. Wooliver relayed that, although he could not speak for the LAW, Judiciary looked at what point it would be better to have a roving magistrate to serve the smaller magistrate courts. He agreed that it was important not to close a court and end up spending more on travel, per diem, and hotels. He thought it was important to identify a savings before closing a court.

Vice-Chair Saddler asked if Mr. Wooliver anticipated additional work within the court system regarding the legalization of marijuana. Mr. Wooliver responded in the negative. He elaborated that there were never very many possession cases limited to just marijuana. Usually people in jail for marijuana possession were in jail for marijuana possession and something else, at least for the small amounts.

Vice-Chair Saddler agreed.

Representative Edgmon commented that there were some great opportunities within the criminal justice system to reform the system making it more efficient and saving the state a significant amount of money. He expressed concern how one arm of the system did not know what the other arm was doing

and how cuts to one agency trickled down to other agencies. He believed the costs associated with bringing the district attorney position from Dillingham into Anchorage would ultimately cost the DOL more than the savings registered in the DOL's bottom line.

Co-Chair Thompson thanked Mr. Wooliver for his presentation and reviewed the agenda for the following meeting.

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ADJOURNMENT

3:39:16 PM

The meeting was adjourned at 3:39 p.m.