

ALASKA STATE LEGISLATURE
HOUSE LABOR AND COMMERCE STANDING COMMITTEE

January 28, 2015

3:15 p.m.

MEMBERS PRESENT

Representative Kurt Olson, Chair
Representative Shelley Hughes, Vice Chair
Representative Jim Colver
Representative Gabrielle LeDoux
Representative Cathy Tilton
Representative Andy Josephson
Representative Sam Kito

MEMBERS ABSENT

Representative Mike Chenault (alternate)

COMMITTEE CALENDAR

OVERVIEW: DEPARTMENT OF ADMINISTRATION - COMMISSIONER FISHER

- HEARD

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

SHELDON FISHER, Commissioner Designee
Department of Administration (DOA)
Anchorage, Alaska

POSITION STATEMENT: Presented a PowerPoint overview of the Department of Administration.

KATE SHEEHAN, Director
Division of Personnel & Labor Relations
Department of Administration (DOA)
Juneau, Alaska

POSITION STATEMENT: Answered questions during the overview of the Department of Administration.

KONRAD JACKSON, Staff
House Labor & Commerce Standing Committee
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Answered questions on behalf of the House Labor & Commerce Standing Committee, Representative Kurt Olson, Chair, during the overview of the Department of Administration.

ANDY MILLS, Special Assistant
Office of the Commissioner
Department of Administration
Juneau, Alaska

POSITION STATEMENT: Answered questions during the overview of the Department of Administration.

ACTION NARRATIVE

[3:15:00 PM](#)

CHAIR KURT OLSON called the House Labor and Commerce Standing Committee meeting to order at 3:15 p.m. Representatives Kito, Tilton, Josephson and Olson were present at the call to order. Representatives Colver, Hughes, and LeDoux arrived as the meeting was in progress.

OVERVIEW: DEPARTMENT OF ADMINISTRATION - COMMISSIONER FISHER

[3:15:27 PM](#)

CHAIR OLSON announced that the only order of business would be an Overview: Department Of Administration by Commissioner [Designee] Fisher.

[3:15:53 PM](#)

SHELDON FISHER, Commissioner Designee, Department of Administration (DOA), directed attention to the organization and mission of the Department of Administration [slide 2]. He emphasized that a substantial portion of the department's efforts and services are rendered to the public and to other state agencies.

[3:17:36 PM](#)

COMMISSIONER FISHER highlighted that the Division of Motor Vehicles (DMV) and the Public Defender Agency (PDA) cover most of the state, with offices in many communities in every region of the state [slide 3]. The department employs slightly more than 1,000 employees.

COMMISSIONER FISHER acknowledged the visibility of the Division of Motor Vehicles (DMV) since most Alaskans conduct business with this division. The DMV has worked hard in the past few years to improve its service and shorten lines. The DMV does provide some on-line services and in 2014, 48 percent of registration renewals occurred on-line, he reported. The DMV hopes to be able to provide on-line renewal of drivers' licenses soon. Although the tests can't be administered on-line, people can take practice exams to shorten the amount of time spent inside the facilities. Thus, the DMV is constantly looking at ways to shorten lines and improve its service.

COMMISSIONER FISHER reported that the Division of Retirement and Benefits (DRB) represents an important part of the department's responsibilities. In addition, the Public Defender Agency (PDA) and the Office of Public Advocacy (OPA) provide constitutionally-mandated services, but while these agencies have experienced fairly dramatic increases in their respective caseloads, these increases create challenges as the state faces budget constraints. The department also houses five independent commissions, including the Alaska Public Offices Commission (APOC), the Alaska Oil & Gas Conservation Commission (AOGCC), the Alaska Public Broadcasting Commission (APBC), the Office of Administrative Hearings (OAH), and Violent Crimes Compensation Board (VCCB). The department provides administrative services to the aforementioned commissions, but also recognizes they are independent commissions.

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COMMISSIONER FISHER directed attention to slide 5, to the services the department provides to other state agencies. For example, the Division of Finance (DOF) provides statewide financial and payroll services as well as an e-travel program. The Division of General Services (DGS) provides management of space and buildings. The Division of Personnel and Labor Relations (DPLR) has a centralized and managed human resources function as well as overseeing labor relations and contract bargaining. The Enterprise Technology Services (ETS) consists of the centralized portion of the states' information technology and the Division of Risk Management (DRM) manages insurance and risk for the state. Finally, the Division of Administration (DOA) services provides budget, financial, and procurement services to the department.

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COMMISSIONER FISHER outlined core initiative and challenges for the Department of Administration (DOA) [slide 6]. Each area consists of a function within the department and across departments. The Department of Administration provides services and a leadership role to others, he said. In terms of personnel cost savings, the state spends about \$2.6 billion on personnel and as the state faces budget challenges, it must also reduce those costs, in part, through increased productivity. The department must also continue to focus on health care spending. The second area the department has focused on has been to continue to reduce the unfunded liability, in particular, in the area of health care costs. The state also hopes to lower costs for state purchases and procurement. For example, the state spends nearly \$2 billion on goods and services so even modest savings can result in fairly substantial savings. Further, the department also sees an opportunity to improve its centralized and decentralized functions in information technology. Finally, in terms of facility management, the department believes that an opportunity exists for the state to become more efficient in the utilization of space.

[3:23:01 PM](#)

COMMISSIONER FISHER reported labor and the collective bargaining contracts [slide 7]. This slide highlights the contracts that expire between June 30, 2014 and June 30, 2016, he said. Last year, the department did not reach final agreement on two contracts: the Marine Engineers' Beneficial Association (MEBA) and the Masters, Mates, and Pilots (MMP), so those contract negotiations will continue this year. In addition, this year the department will negotiate three contracts: the Alaska Correctional Officers Association (ACOA), the Public Employees Local 71 (LTC), and the Teachers' Education Association of Mt. Edgecumbe (TEAME). The department has reached tentative agreement with the ACOA; however, it will continue to negotiate with the LTC and TEAME this year. A substantial number of employees are members of three contracts that will expire next year: the Alaska State Employees Association (ASEA), the Alaska Public Employees Association (APEA), and the Confidential Employees Association (CEA).

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REPRESENTATIVE COLVER mentioned that he came in contact with a number of DOT&PF and the Alaska Department of Fish and Game (ADF&G) employees in his travels this summer, who expressed concern that the cost of living adjustment (COLA) was the same

in rural areas as in Anchorage, even though rural areas experience much higher fuel and electric costs. He asked whether these costs will also be negotiated in the bargaining process. He expressed concern about retention of some employees in rural Alaska due to the high cost of living.

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KATE SHEEHAN, Director, Division of Personnel & Labor Relations (DPLR), Department of Administration (DOA), answered that the increase Representative Colver mentioned is the geographic pay differential cost, which was the result of a 2009 McDowell Group study that was bargained with most of the unions. She stated that the geographic pay differential, in statute, resulted from passage of Senate Bill 95. In fact, the department is currently negotiating with LTC, the Laborer's Trades and Crafts [Local 71] who do not currently have the geographic pay differential rates. However, under statute a geographical pay study can be performed every five years with an appropriation by the legislature. In 2008, the legislature appropriated funds for the study that resulted in the aforementioned geographic pay differential rates, she said.

[3:26:21 PM](#)

REPRESENTATIVE COLVER asked whether the General Government Unit (GGU) is affected by the geographic pay differential.

MS. SHEENAN answered yes; additionally the [Alaska Public Employees Association (APEA)] Supervisory Unit (SU), Confidential Employees Association (CEA), and Alaska Correctional Officers Association (ACOA) were also included. However, the Alaska Vocational Technical Center (AVTEC) teachers and three marine units are not affected.

REPRESENTATIVE COLVER related his understanding that this will arise as a topic for the unions to consider as to whether it is an issue.

CHAIR OLSON recalled the court system may also have had [a study performed].

MS. SHEEHAN replied that she did not know the answer to that question.

CHAIR OLSON further recalled it might be unresolved.

KONRAD JACKSON, Staff, House Labor & Commerce Standing Committee, Alaska State Legislature, added that a bill was introduced last legislature but it did not pass.

[3:27:21 PM](#)

COMMISSIONER FISHER directed attention to the average yearly base salary by work associations [slide 8]. He indicated the salary range varies, depending on the unions. In addition, the average employee benefit cost is approximately 49 percent of the yearly average pay. Further, these numbers do include an average geographic pay differential, he said.

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REPRESENTATIVE HUGHES asked for further clarification on the PSEA. She asked what "AA" and "AP" stand for in terms of the Public Safety Employees Association (PSEA) salaries listed.

COMMISSIONER FISHER answered that "AA" refers to the Alaska State Troopers (AST) and "AP" covers the airport police and fire personnel, who have different rates.

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COMMISSIONER FISHER directed attention to an overview of the negotiation process [slide 9]. He advised that the process is governed by statute and negotiations are begun based on the terms of the collective bargaining. Typically, the negotiation process starts in the fall. Certain terms such as wages, hours, and other terms are mandatory. The Department of Administration must submit the monetary terms to the legislature for approval no later than the 60th day of the legislative session. In the event the department doesn't reach an agreement, some employees have the right to strike, he said [slide 10].

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REPRESENTATIVE LEDOUX, with respect to the right to strike, noted that all employees have the right to strike except for protective service personnel. She asked whether the right to strike is based on state or federal statute, or if it is based on common law.

MS. SHEEHAN answered that the right to strike is based on the Public Employment Relations Act (PERA), which is state statute. She directed attention to AS 23.40, which defines the three

classes of employees; for example, Class 1 - police and fire protection includes all Department of Public Safety (DPS) employees, including correctional officers. The other classes are also defined, she said.

[3:30:33 PM](#)

REPRESENTATIVE LEDOUX asked whether there is a local option clause.

MS. SHEEHAN answered that not all employers are subject to the Public Employment Relations Act (PERA), but all classified state employees are subject to the act.

[3:30:56 PM](#)

COMMISSIONER FISHER directed attention to labor striking, to the strike classes Representative LeDoux just referred to [slide 11]. He stated that "Strike Class 1" employees do not have the right to strike, but have certain other rights. The right to strike can be limited for "Strike Class 2" employees, which consists of public utility, snow removal, sanitation, and educational institution employees. He said that "Strike Class 3" may strike if the majority of its members vote to do so.

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COMMISSIONER FISHER referred to the flowchart on slide 12, entitled "Bargaining Road Map." In the event of an agreement monetary terms are submitted to the legislature the contract would be finalized, assuming the funds are appropriated. In the event of an impasse, "Strike Class 1" employees without the right to strike can seek arbitration to resolve the disputes. The other classes do not have that right, but certain alternatives exist depending on what the department decides to do; however, he assured members the department works very hard to reach agreement and has generally been successful.

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REPRESENTATIVE JOSEPHSON, in terms of exempt employees, asked whether legislation modifies the salaries.

MS. SHEEHAN asked for further clarification on the question.

REPRESENTATIVE JOSEPHSON asked who sets the salary for exempt employees, such as the deputy commissioner and how those salaries are modified.

MS. SHEEHAN answered that it depends; for example, the partially exempt salary schedule is set in statute by the legislature. The Public Employment Relations Act (PERA) requires the department to bargain wages. Thus, the classified employees' salaries are set through collective bargaining. Exempt employee salaries are set by whoever makes the determination, she said.

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REPRESENTATIVE LEDOUX asked who makes the determination.

MS. SHEEHAN answered that the governor makes determinations on staff salaries, but exempt employees in commissions would be set by the commission, in consultation with the governor's office. For example, the Alaska Seafood Marketing Institute (ASMI) salaries would be made by ASMI, in consultation with the governor's office.

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COMMISSIONER FISHER highlighted the past Cost of Living Allowances (COLA) that were negotiated [slide 13]. At the time COLA is negotiated, no one knows what the consumer price index (CPI) will be; however, over time the COLA increases have roughly matched the actual CPI increases. He offered that one percent CPI in the five different contracts being negotiated will have different impacts on the individual contracts. As a whole each one percent COLA amounts to approximately \$2.7 million annually or \$16.3 million for three years, he said.

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COMMISSIONER FISHER turned to the current status of contracts [slide 15]. As previously mentioned, the contracts for the Masters, Mates, & Pilots (MMP) and Marine Engineers' Beneficial Association (MEBA) were scheduled to be negotiated last year. The state reached a tentative agreement with MMP, but its members failed to ratify the agreement so negotiations will continue. The state has not yet reached an agreement with MEBA, but negotiations continue. However, the state has reached a tentative agreement with Alaska Correctional Officers Association (ACOA). He pointed out the negotiated COLA figures of 1 percent in 2016, 1 percent in 2017, and 2.5 percent in

2018. The Labor Trades & Crafts and the Teachers' Education Association of Mt. Edgecumbe (TEAME) are both currently in negotiations with the state, he reported.

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COMMISSIONER FISHER discussed the next steps once agreement is reached noting that the DOA submits the monetary terms of an agreement to the legislature for approval [slide 16].

[3:37:07 PM](#)

COMMISSIONER FISHER discussed the monthly health insurance benefit credit [slide 17]. This impacts the state in two ways, for active employees and for retirees. He pointed out the dramatic increase in costs, such that in the past 30 years, the Alaska consumer price index (CPI) increased by 95 percent with medical expenses increasing by over 300 percent. Alaska continues to be one of the most expensive states in the nation for medical services, he said, with medical expenses sometimes costing twice as much in Alaska as in some other states. The administration sees the need and opportunity to try to continue to reduce costs, he said. Costs have begun to decline in the last year, in part, by replacement of the state's third party administrator with Aetna. In fact, Aetna's more substantial network has reduced costs, he said, estimating that in 2014 the state saved nearly \$44 million.

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CHAIR OLSON cautioned that [Aetna's success] depends on the region since some parts of the state continue to experience a shortage of medical professionals. He reported that he has received a number of complaints from retirees and from some active employees in his district who allege that benefits have diminished under Aetna. If so, it would probably be in violation of their contract, he stated. He asked for comments.

COMMISSIONER FISHER explained that the task of the third-party administrator is to administer approximately 1.5 million line items in the insurance plan. He acknowledged that challenges exist in figuring out how to align and preserve with precision specific benefits when switching administrators. Some benefits may impact members, he agreed, stating the administration has been holding conversations with retirees to address their concerns and find solutions to more clearly meet their needs; however, he also doesn't believe there has been a diminishment

in the overall plan. He cautioned that the standard does not require a one-for-one exactness, but rather that the plan must provide a program roughly comparable - with some pluses and minuses. He further said that the administration understands the frustration members are having and has been taking steps to try to address their concerns.

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CHAIR OLSON outlined his plan to schedule meetings to discuss the aforementioned issues at length. He encouraged Commissioner Fisher to participate, as well as welcoming Aetna's participation. Although he has held some brief conversations with Aetna, the complaints and nature of the calls are serious enough to warrant further investigation. For example, Aetna has been using the Rawlings [Group], a Lower 48 subrogation company that isn't licensed in Alaska, in fact, according to the DCCED's website the company doesn't even hold a business license in Alaska. He expressed concern that the Rawlings Group has been attempting to shift claims from the major medical policy to an automobile policy, workers' compensation, or other policy. He advised members that these issues will be considered under a separate series of meetings.

COMMISSIONER FISHER responded that he will be delighted to engage in those meetings. He said, "I do think this is critical, and critical from both dimensions." First, it is critical for the state to address its medical costs. Of the \$10 billion plus of unfunded liability in the pension plan, \$3.6 billion is associated with medical care. At the same time; however, the state should provide its retirees the services they deserve. He welcomed working with the committee on resolve these issues.

[3:43:05 PM](#)

CHAIR OLSON asked whether the department has been considering medical tourism. He recalled that previously the administration had been considering sending patients and their spouses/caregivers, primarily to Seattle, to obtain specialized treatment. He recalled that treatment would be 40 to 50 percent less even with travel and lodging expenses.

COMMISSIONER FISHER answered yes; that the department is looking at everything. The aforementioned scenario illustrating the cost dynamic demonstrates some of the challenges the department is facing, he said.

CHAIR OLSON offered to provide the top 25-50 procedures based on six western states, primarily developed for workers' compensation. He said that some medical procedures are 300 to 350 percent more expensive in Alaska.

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REPRESENTATIVE LEDOUX asked whether the state has considered working with the federal government to allow more foreign physicians to immigrate if they are willing to work in Alaska or remote areas. She offered her belief, with respect to immigration, that physicians don't currently receive any advantage in the queue, whereas nurses have a much easier time immigrating. She acknowledged the matter relates to federal immigration, but she wondered whether the state could foster discussions to obtain exemptions for physicians.

COMMISSIONER FISHER said he thought her suggestion is a great one and although he is not aware of any initiative, she has raised an interesting opportunity to explore.

[3:45:40 PM](#)

CHAIR OLSON, with respect to medical tourism, advised members that during the pipeline days, one union had two Lear jets to medevac workers to Seattle for treatment.

REPRESENTATIVE LEDOUX commented that medical tourism is used by a number of countries.

[3:46:13 PM](#)

COMMISSIONER FISHER directed attention to the graph that illustrates the steep increase in benefits for PERS/TRS [Public Employees Retirement System/Teachers Retirement System] in the coming decades [slide 19]. He cautioned that the state only has a few years to make a difference, but if the state succeeds in reducing costs, it will reap substantial benefits in the coming decades. He said he feels a sense of urgency to aggressively pursue reductions so the state doesn't miss this opportunity. The current unfunded liability is just over \$10 billion, he said.

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REPRESENTATIVE KITO related his understanding that the graph on slide 19 illustrates the impact of Tier I and Tier II employee medical costs that will diminish over time. He asked whether the current Tier IV employees will incur medical costs in the future.

COMMISSIONER FISHER answered yes; however, the state has worked hard to ensure that there isn't unfunded cost for Tier IV so over time the burden on the retirement plan will be less.

[3:48:17 PM](#)

REPRESENTATIVE JOSEPHSON recalled a series of articles last April that noted legislation shifting \$3 billion to the trust was good, but that this would be consumed by a new scheduled payout due to the amortization. He asked whether the commissioner could comment on whether the legislature back ended the trust but left a somewhat larger problem for future generations to contend with.

COMMISSIONER FISHER, referring to slide 20, pointed out the graph illustrates the \$3 billion payment made last year. The green line shows what would have been the amortization schedule and the blue and red lines represent the forecasted schedule. He agreed that in the outlying years there appears to be a crossover and that it pushed some costs further out.

REPRESENTATIVE JOSEPHSON commented that it will be difficult to change course this year or next year; however, he noted it is a concern some have had.

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REPRESENTATIVE KITO also expressed his concern that by extending the amortization out too far, the state may be back into the situation of paying more in interest than the state can afford.

COMMISSIONER FISHER offered to review the schedule and consider options.

[3:50:28 PM](#)

CHAIR OLSON asked whether the commissioner could break out the retirement and the medical component into two charts.

COMMISSIONER FISHER answered yes.

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REPRESENTATIVE HUGHES recalled several years ago the state planned to institute a health care management plan designed for savings. She asked whether the state has done so and if the state has realized savings. She further recalled that it may have been a nurse call in line.

CHAIR OLSON asked whether Representative Hughes is referring to TeleMed [telemedicine].

COMMISSIONER FISHER said he was unsure, but related his understanding that a certain amount of telemedicine is being used in rural Alaska.

REPRESENTATIVE HUGHES wondered if the state has some kind of program for state employees and retirees.

[3:52:18 PM](#)

ANDY MILLS, Special Assistant, Office of the Commissioner, Department of Administration (DOA), suggested that Representative Hughes might be referring to the wellness program. He stated that this voluntary program brought forward ideas, such as Weight Watchers, employee health concepts, and an employee assistance program similar to a counseling line. Some telemedicine and other concepts such as onsite clinics were not implemented, he said.

[3:53:06 PM](#)

REPRESENTATIVE HUGHES asked whether there were any savings.

MR. MILLS answered that wellness is difficult to track or to find measureable and quantifiable results. He offered to check but the outcome of the wellness program means better long-term health for its members.

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REPRESENTATIVE HUGHES recalled that the proposal was supposed to achieve savings and while she recognized the importance of having healthy Alaskans, she also expressed an interest in obtaining feedback that demonstrates quantifiable program benefits.

COMMISSIONER FISHER offered to check into this for the committee.

[3:54:07 PM](#)

COMMISSIONER FISHER highlighted that the third area of focus is to obtain savings in state purchasing [slide 21]. Currently, some state procurement is managed by the department and other procurement is managed by various other departments, he said, although some benchmarks indicate the department has saved \$60 million. However, this is an area that is ripe for additional savings, he said.

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COMMISSIONER FISHER directed attention to slide 22 to the [Integrated Resource Information System] IRIS. This system will replace aging financial systems currently in operation and allow a more complete and comprehensive view of financial information as well as purchasing information. He reported that the department is in the final stages of "go live" testing and expects to make the transition to phase three of financial management and "go live" this year. Further, he anticipated that next year phase 4 will include human resources and payroll components. He reported that the department is on schedule and on budget with the IRIS project.

COMMISSIONER FISHER directed attention to the self-serve site that vendors can use [slide 23]. This includes RFPs [Request for Proposals] and various grants, allowing vendors to obtain status and facilitating efficiency and more competitive bids in the state processes.

[3:56:22 PM](#)

COMMISSIONER FISHER directed attention to the information technology [IT] services, which are centralized through the ETS [Enterprise Technology Services] but decentralized through the department-centric function [slide 24]. He estimated approximately \$220 million in total IT spend, of which \$38 million is for ETS. Many think that the department currently has a somewhat "silo" or "department-centric" view, with inconsistent standards or a duplication of effort in each department, he said. He assured members that the department will work to find the right structure to improve the level of service, in part, due to the legislature's request, but partly through its own efforts.

[3:57:28 PM](#)

REPRESENTATIVE KITO asked whether the state previously had a centralized IT service.

COMMISSIONER FISHER related his understanding that there have been at times a more centralized IT, perhaps not 100 percent, but rather an ebb and flow over the years. He was not sure on the details.

[3:57:56 PM](#)

COMMISSIONER FISHER directed attention to the building portfolio, pointing out that the state manages 19 buildings consisting of 1.6 million square feet in state-owned buildings with another 3.9 million square feet of space in leases [slide 25]. He reported the state-owned building occupancy is at 97 percent occupancy - which is great; however, the department continues to strive to reduce costs and move as many people to state-owned facilities as possible. Universal space standards has been one tool used to achieve a higher density of workers [slide 26]. He reported that although some space standards to upgrade cubicles were instituted, and ones currently underway will be completed, the administration has halted further universal space standards action due to budgetary changes that may affect staff numbers.

[3:59:46 PM](#)

REPRESENTATIVE COLVER related his understanding that the space reorganization has been very unpopular among employees, who haven't viewed these changes as cost savings measures because implementing space standards also necessitates buying new office equipment. He hoped the commissioner will solicit feedback from workers. Workers know what will work more efficiently and he questioned implementing the universal space standards in all buildings statewide. He reported hearing that having four people in one cubicle makes it impossible to conduct business, particularly in terms of confidentiality. He viewed this as an opportunity for the department to review this process.

REPRESENTATIVE KITO agreed with Representative Colver in terms of making sure that state employees have the adequate space and the resources they need to do perform their jobs. He acknowledged that may vary so he hoped the DOA will work with

other commissioners to be certain that individual job classes are adequately served.

[4:01:57 PM](#)

COMMISSIONER FISHER answered yes; noting the department has been reviewing some of the complaints with union representatives to address the issues. He said he has reviewed some of the materials, noting the nationwide trend to try to use space more efficiently. He offered his belief that the department can use space more efficiently, but said he was unsure whether [the universal space standards approach] is the right answer or not. However, considering space standards is not inconsistent with other initiatives in the private and public sectors, he said.

[4:03:15 PM](#)

REPRESENTATIVE HUGHES hoped the department would also consider co-locating offices as it reviews statewide physical space in order to save money whenever possible. For example, as she mentioned recently in a House Transportation Standing Committee meeting, it seems like it would make sense to have the trooper and the highway department share space in rural areas.

[4:04:13 PM](#)

COMMISSIONER FISHER referring to an earlier slide, acknowledged that the state often does co-locate offices; however, he agreed that other opportunities probably exist to be more efficient with space.

[4:04:32 PM](#)

COMMISSIONER FISHER directed attention to insurance and the catastrophic fund managed by the department [slide 27]. The state has experienced several catastrophic events in the past year.

REPRESENTATIVE JOSEPHSON asked whether the Aerospace Launch Complex in Kodiak catastrophic event is a covered event.

COMMISSIONER FISHER answered that the department is subject to a \$1 million deductible, but the balance will be covered through multiple insurance companies. Thus, the state's exposure is capped at \$1 million, he said.

CHAIR OLSON asked whether there is recovery from the parties.

COMMISSIONER FISHER interjected that an investigation is currently ongoing, but this will largely be between the insurance companies and the launch facility.

4:05:58 PM

COMMISSIONER FISHER explained that the last few slides represent three recently renovated office buildings: the Nome State Office Building, the Douglas Island building in Juneau, and the Geologic Materials Center in Anchorage [slides 28, 29, and 30]. He reported efficiencies were achieved in each of the buildings by updating the insulation and thermal improvements. In particular, the Geologic Materials Center was renovated at half the cost of new construction and construction time cost was reduced by two years, he said.

4:07:22 PM

CHAIR OLSON commented that the [Anchorage Legislative Office} is a nice building.

COMMISSIONER FISHER indicated the DOA does not manage that project or building.

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CHAIR OLSON reported that his Kenai office co-locates with several offices, including the DOT&PF, the OCS [Department of Health and Social Services, Office of Children's Services] and the LIO [Legislative Information Office].

COMMISSIONER FISHER acknowledged the comments made.

4:08:05 PM

REPRESENTATIVE HUGHES reported on an incident one of her constituents experienced at the DMV in an attempt to obtain his/her permanent vehicle registration. The person could not find the information on the DMV's website, which highlights the need to have more information online so the DMV can be more user friendly.

COMMISSIONER FISHER agreed 100 percent. He said that many people gauge government by their experiences at the DMV so it needs to be a customer friendly experience. He related his understanding that prior administrations have tried to improve

service, and have been successful in moving a fair number of functions online, thereby reducing queues and waiting times. He offered to work to continue that effort.

CHAIR OLSON remarked that in many communities, such as in the Kenai and Soldotna area, the DMV uses real time cameras so people can view the lines to estimate potential wait time and plan their visits accordingly.

[4:11:02 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:11 p.m.