

SENATE FINANCE COMMITTEE
February 6, 2020
8:59 a.m.

8:59:35 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 8:59 a.m.

MEMBERS PRESENT

Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Donny Olson
Senator Bill Wielechowski

MEMBERS ABSENT

Senator Natasha von Imhof, Co-Chair
Senator David Wilson

ALSO PRESENT

Neil Steininger, Director, Office of Management and Budget, Office of the Governor; Chris Maisch, State Forester and Director, Division of Forestry, Department of Natural Resources; April Wilkerson, Administrative Services Director, Department of Corrections, Office of Management and Budget, Office of the Governor; Senator Cathy Giessel; Senator Gary Stevens; Sana Efird, Assistant Commissioner, Department of Health and Social Services; Torrey Jacobsen, Budget Analyst, Department of Public Safety; John MacKinnon, Commissioner, Department of Transportation and Public Facilities; Kelly Tshibaka, Commissioner, Department of Administration.

SUMMARY

SB 174 APPROP:SUPP; REAPPROP; CAP; AMEND; CBR

SB 174 was HEARD and HELD in committee for further consideration.

#sb174

SENATE BILL NO. 174

"An Act making supplemental appropriations, reappropriations, and other appropriations; amending appropriations; capitalizing funds; 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."

[9:00:16 AM](#)

Co-Chair Stedman relayed that the committee would consider the supplemental budget and a presentation from the Office of Management and Budget (OMB). He remarked that the proposed supplemental budget was significant and commented on the state's depleted cash reserves. He thought the committee might want to include conversation with several department heads that were present.

[9:01:38 AM](#)

NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, discussed the presentation "Senate Finance Committee FY2020 Supplemental Budget Overview" (copy on file).

Mr. Steininger looked at slide 2, "Supplemental Bill":

- Supplemental bill comprised of two parts:
- Urgent/emergency response: \$241,931.7 UGF
- Regular supplement: \$20,615.0 UGF

Total: \$262,546.7 UGF, \$507,910.4 All Funds

Mr. Steininger relayed that there were regular supplemental items, which were urgent enough to have a FY 20 effective date in the appropriation but did not need immediate action to be able to continue the program.

[9:03:09 AM](#)

Senator Hoffman had done a cursory review of the supplemental and referenced "urgent items." He did not see funds requested by the administration other than donations from Alaskans to get the Real I.D. He thought people that would be most affected by the lack of ability to get the Real I.D. to travel were the elderly and sick, who may not

have driver's licenses. He wondered why there had been no request for what he considered a life and death situation, where some individuals would need to travel for health care.

Mr. Steininger stated that there was a small amount of money in the Division of Motor Vehicle (DMV) receipts related to document processing. He could not speak to what Senator Hoffman had mentioned.

Senator Hoffman reiterated that the lack of funds was a life and death situation. He emphasized that it was urgent for the people of Alaska to get needed medical attention. He noted that Senator Olson had brought up the issue on numerous occasions. He hoped the matter could be addressed before the supplemental budget was passed by the Senate. He measured the supplemental budget requests by whether they were equivalent or higher than the need of those in remote areas that needed Real I.D. to travel for healthcare. He thought the request for individual Alaskans to donate funds to the DMV was absurd.

Senator Olson echoed the comments by Senator Hoffman. He mentioned villages in his district. He referenced slide 15. He was troubled by proposed funds to move a DMV site in Anchorage. He questioned the priorities in the budget. He wondered about the thought process behind the proposed budget.

Co-Chair Stedman asked for Mr. Steininger to provide a preliminary answer to Senator Olson's question and suggested the committee revisit the topic on slide 15.

Mr. Steininger suggested that the discussion continue when the presentation was on slide 15 and thought a representative from the department could join the conversations.

[9:08:25 AM](#)

Mr. Steininger spoke to slide 3, "UGF Operating & Capital Budgets with Supplementals - FY2019 - FY2021," which showed a bar graph. He commented that the slide put context to the total budget numbers inclusive of supplementals. He pointed out that the first bar was the FY 19 budget inclusive of supplementals past. Other bars showed the FY 20 budget with proposed supplementals to date, and the FY 21 governor's

budget. He specified that from the FY 19 to the FY 20 inclusive supplemental budgets there was a significant reduction in total undesignated general funds (UGF) spending of about \$239 million. From FY 20 to FY 21 (including supplementals) there was a reduction of about \$70 million in proposed spending.

Co-Chair Stedman thought there were some issues in the supplemental that had not been dealt with in FY 20. He mentioned oil tax credits, which he understood had an impact of around \$100 million if the state did not prevail in litigation dealing with the issuance of bonds. He asked if OMB had a position on the subject. He wondered what action the legislature would take via a direct appropriation versus a bond issuance.

Mr. Steininger stated the administration hoped that over time there would be more clarity by resolution of a lawsuit so that OMB could put forward a proposal based on the outcome. He stated that the matter was under discussion.

Co-Chair Stedman thought it looked as though if there had to be a direct appropriation, it would be at or above the appropriation for the bonds.

Mr. Steininger did not have the exact number at hand but acknowledged that a direct appropriation payout of credits would be an increase in the amount of UGF needed.

Co-Chair Stedman wanted the public to recognize that there had been a great deal of effort put forth by the legislature and the administration to reduce the operating budget over the previous year. When supplemental requests for the current budget and tax credits were added back, the amount was flat or higher than the previous year's spending. If the state issued bonds, there would be some reduction from the previous year; but cash flows going forward would be impacted by possibly \$50 million per year for several years. The large step-down in operating expenditures did not materialize. He stated that the committee had discussed not having supplementals. He thought the supplemental being considered was of colossal size; and may give that idea that although there were operating budget reductions, the funds were just added back in.

[9:13:00 AM](#)

Mr. Steininger referenced slide 4, "Supplemental Bill - Urgent/Emergency Response Items":

- Dept. of Natural Resources
 - Fire, Land, and Water Resources; Fire Suppression: \$110,500.0 UGF
- Dept. of Transportation and Public Facilities
 - Operating: Highway, Aviation and Facilities; Northern Highways Dalton Highway/Atigun Pass: \$158.1 UGF
 - Capital: Knik-Goose Bay Road: \$2,000.0 UGF Reappropriation
 - Capital: Earthquake Relief - Federally Ineligible: \$3,000.0 UGF
- Dept. of Military and Veterans Affairs
 - Capital Mass Notification: \$900.0 UGF Reappropriation
- Dept. of Health and Social Services
 - Medicaid Services; Medicaid: \$128,273.6 UGF, \$162,130.9 Fed

TOTAL: \$241,931.7 UGF, \$162,130.9 Fed

Mr. Steininger explained that there was a typo on the slide, and that the \$900,000 in UGF for the capital mass notification system was actually \$450,000 in UGF and \$450,000 in federal matching funds. He noted that there were subsequent slides that provided detail as to how the administration got into the position of requiring such a large supplemental for Medicaid services.

Senator Wielechowski asked about the \$110 million for fire suppression and asked if any of the funds were for Swan Lake.

Mr. Steininger did not know of specific fires the funds were for, but qualified that the funds were for fires on state lands.

Senator Wielechowski recalled that the federal government had made the decision to let the fire run, which had turned out to be a poor decision. He was curious as to the extent to which the state was paying for what he considered the negligence of the federal government.

Co-Chair Stedman thought the question might be best directed to the Department of Natural Resources and agreed that the issue was of concern.

[9:16:24 AM](#)

CHRIS MAISCH, STATE FORESTER AND DIRECTOR, DIVISION OF FORESTRY, DEPARTMENT OF NATURAL RESOURCES, explained that the supplemental did not include any costs for the Swan Lake fire. The fire was covered under the federal authority portion of fire cost accounting, which was separate than the general funds. The state would be reimbursed the full \$49 million that was spent in federal authority to fight the Swan Lake fire.

Senator Wielechowski asked if the reimbursement was factored into the supplemental budget.

Mr. Maisch stated that the \$49 million was accounted for separately; and the federal authority piece of the budget was the authority to collect federal revenue and also spend general funds to suppress fires in the state's service area. The Alaska Fire Service, the primary federal agency that did fire suppression, protected a certain area of the state and the Division of Forestry protected another area of the state. When the division fought a federal fire in the state's service area, it spent general funds up front and then received reimbursement. The Alaska Fire Service did the same, while spending federal money on state lands and then getting reimbursed. The arrangement was called the "cross-billing process," and it took approximately 24 months to complete. He clarified that the payments would not affect the supplemental budget, which included costs for fire suppression on state, federal, and municipal lands which by statute the division was charged with protecting.

Senator Wielechowski asked if the state would be receiving \$49 million from the federal government that would be reflected in the budget.

Mr. Maisch affirmed that the state would be reimbursed the full amount, which would go to the general fund.

Co-Chair Stedman thought OMB or LFD could help clarify the accounting process to see what was owed the state. He noted there was a 24-month delay.

Senator Bishop asked about the \$110 million for fire suppression and asked if the funds were gone.

Mr. Maisch confirmed that the funds had been spent. He explained that three of the fires in the previous year were considered Fire Mitigation Assistance Grant fires, which were dangerous fires that threatened urban areas, the costs of which could be applied for reimbursement from the Federal Emergency Management Agency (FEMA). The process was lengthy and could return as much as \$30 million to the treasury. He thought the funds would not show up until FY 21 or FY 22. The fires were audited extensively by FEMA and would be reimbursed up to 75 percent for eligible expenses.

[9:20:10 AM](#)

Senator Hoffman asked Mr. Maisch if he knew how much of the \$110 million was spent to save property.

Mr. Maisch thought 100 percent of the funds was spent to protect life and property. The majority of the costs were for large project fires, mainly up in Fairbanks and rural parts of the state. He mentioned the McKinley fire, in which there had been significant loss of structures. He mentioned the Malaspina fire near Talkeetna, and many fires in the area in late August.

Senator Wielechowski understood that many or most of the fires were caused by human activity. He asked if there were efforts underway to try and recover from people or organizations that caused fires.

Mr. Maisch stated there were many human-caused fires every year, and there was always an investigation to determine if there had been negligence and if so if there were recoverable funds. Typically, the recoverable funds were from insurance proceeds from homeowners or business policies. He estimated that there were four cases moving through the civil process to recover funds. There was a seven-year statute of limitations, and because of the workload at the Department of Law, many of the cases did not start until 5 years after the event.

[9:22:13 AM](#)

Mr. Steininger turned to slide 5, "Medicaid: Ambitious Goals":

Governor's FY20 budget had ambitious savings targets for Medicaid based on changes to several elements

- Reduced provider payments
- Withhold payment inflation adjustments
- Elimination of adult preventative dental benefit
- Timely filing allowance
- Transportation efficiencies
- Tribal claiming
- Other efforts

Mr. Steininger spoke to the bar graph on slide 5, entitled 'FY 2020 UGF Medicaid Budget'. He identified that there had been ambitious goals built on savings initiatives. The initiatives were related to a lot of items that had been believed to be optional items or supposed reductions. He pointed out that there was a projected about \$20 million shortfall just moving from FY 19 budget going to FY 20. The projected need for the program as it was projected in November 2018 was about \$683 million. Through the legislative process the budget was reduced to \$574.6 million; then through further vetoes the amount was reduced to \$516.3 million.

Co-Chair Stedman was confused by the bar on the left-hand side of the graph. He asked for Mr. Steininger to discuss the projected shortfall.

Mr. Steininger explained that the blue bar represented what the FY 19 "base budget" for Medicaid, which was the starting point that OMB used to build the budget. The orange portion of the bar showed the projected shortfall for FY 20. On November 30, 2018 the department was projecting the general fund need for the Medicaid program for FY 20 would be \$683 million. The amount was reflected in initial budget proposals at the time; prior to the governor-amended budget after the administration worked with the department to identify areas for reduction. The graph was intended to provide context of the true scale of spending reductions the department had going into FY 20.

Co-Chair Stedman did not recall the projected shortfall shown on the graph. He asked if the committee should be on the lookout for another shortfall for the FY 21 budget.

Mr. Steininger thought one could consider the supplemental request to be orange bar on the graph for FY 20, as it

represented the anticipated revenue shortfall in the Medicaid program.

[9:26:28 AM](#)

Mr. Steininger considered slide 6, "Medicaid: Realized Savings":

FY2020 ambitious savings goal of \$166,707.7 UGF was not realized.

Even after supplemental, FY2020 Medicaid spending is still substantially reduced.

| | |
|---|---------------|
| 11/30/18 FY2020 Projection [UGF) | \$ 683,038.4 |
| Provider rate reductions | \$ (17,716.9) |
| Savings through tribal claiming | \$ (20,100.0) |
| Savings thru pharmacy and Medicare Part B | \$ (5,538.0) |
| Other utilization changes | \$ 4,919.9 |
| FY2020 Projected Total | \$ 644,603.4 |
| Projected Savings in FY2020 | \$ (38,435.0) |

Mr. Steininger summarized that there had been difficulty achieving the ambitious savings goals previously identified. Some of the services that were thought to be optional at the time the budget was built turned out not to be optional. There were still savings of about \$38 million from what the status quo projection was. While there were failures in implementation of savings goals, there were also successes. He thought a \$38 million savings was significant. He thought it was easy for the point to be lost when considering a supplemental need as large as \$128 million.

Senator Hoffman thought the committee had identified and pursued the tribal claims with the cooperation of the tribes in the state. He noted that over 50 percent of the savings on the page were contributed to the tribal members of Alaska.

Co-Chair Stedman recalled that the committee had been concerned about the matter and had been urging action for a number of years. He thought the inability to control Medicaid was concerning. He thought it was alarming and discomfiting that the state did significant budget reductions then added back the spending six months later. He thought it made it more difficult for the public to

understand the difficulty with reducing the operating budget as the state's cash ran out.

Senator Bishop commented that the slide had said "projected savings," which indicated it was not sure.

Mr. Steininger confirmed that the slide was based on current projections.

Senator Wielechowski asked about the impact to the state and Medicaid services if the legislature did not add back on \$128 million to Medicaid.

[9:29:41 AM](#)

Mr. Steininger displayed slide 7, "Medicaid: General Fund Cash Flow," which showed a line graph. He thought the next slide would address Senator Wielechowski's question. The blue line showed the cash flow in the Medicaid program with current funding. The implication was that without supplemental appropriation, the state would no longer be able to pay out to service providers starting at the end of March, 2020. The average weekly spend projected for the rest of the year was about \$13.8 million in UGF. The last point on the slide, "insufficient funding to get through the last quarter of FY 20" was a fairly optimistic statement. He stated that there was insufficient funding to guarantee the state got through the third quarter of FY 20.

Co-Chair Stedman asked Mr. Steininger to explain a formula-driven program, and why the funding could not just go to zero and stay at zero.

Mr. Steininger stated that about 35 percent of the state were beneficiaries of the Medicaid program. As beneficiaries utilized services, the state was obligated to pay providers for services rendered. Even if the appropriation was less than the costs, the state did not have a choice in having to pay. The department had been working with different stakeholders to reduce costs and had had been looking at the different services provided; but such changes required coordination between many outside parties. He noted that the federal government provided over 70 percent of the funding for the program and had a lot of say over the services provided under the program.

Co-Chair Stedman stated that the program was operating under federal law.

Mr. Steininger answered "yes."

Co-Chair Stedman thought the committee would be very concerned when it put together the upcoming budget to avoid the current situation and have more realistic numbers in the budget. He pointed out that it was not possible to identify and fix problems unless they were delineated and defined more accurately. He recognized that Mr. Steininger was the new director of OMB, and that the last director had made the commitments. He said some of his comments had a historical perspective.

[9:33:32 AM](#)

Mr. Steininger highlighted slide 8, "Medicaid Spending: FY2004 - FY2021," which showed a graph entitled 'Medicaid Actuals.' The slide was updated from the same slide that had been included in his general budget overview. He pointed out that the slide had been updated to include all fund sources to show Medicaid historical spending. The slide illustrated the growth in the program. He pointed that there were not significant reductions projected into FY 21. He stated the department would rather come back with savings that had been realized rather than projecting savings that could not be guaranteed.

Co-Chair Stedman thought the committee would appreciate the representation, as well as a more refined estimate of the state's cash position. He noted that that the committee would work with the department through the budgetary process to identify cost savings and have discussions on what formula-driven mechanisms could be altered to get costs under control. He did not want the public to think that the legislature would do nothing.

Senator Hoffman requested information on geographic distribution of growth in Medicaid beneficiaries from 2015 to 2020.

Co-Chair Stedman asked for Mr. Steininger to do a geographical distribution of beneficiaries and the beneficiary's growth. He thought the chair of the DHSS subcommittee could incorporate the information into budget

discussions. He wanted information including several years before the growth started.

Mr. Steininger looked at slide 9, "Regular Supplemental Items." The next section of the presentation addressed items that were sufficiently urgent to warrant an appropriation in FY 20, but not so urgent that they needed to be addressed immediately. He noted that there were also some items included that had a supplemental effective date for technical reasons and were part of the bill.

[9:37:04 AM](#)

Mr. Steininger addressed slide 10, "Supplemental Bill: Department of Administration":

Operating Total: \$1,700.0 UGF, \$550.0 DGF

- Legal and Advocacy Services, Office of Public Advocacy

Caseload growth and operational cost: \$1,700.0 UGF

- Division of Motor Vehicles

Document security and preservation system: \$50.0 DGF

Anchorage office location move: \$500.0 DGF

Mr. Steininger explained that the Anchorage DMV office was relocating to avoid a large rent increase.

Co-Chair Stedman asked if the relocation was into a state facility.

Mr. Steininger thought the new facility was owned by the University of Alaska Anchorage.

Mr. Steininger advanced to slide 11, "Supplemental Bill: Dept. of Commerce, Community, and Economic Development":

Capital Total: \$45,526.1 Fed

- Housing and Urban Development (HUD) Community Development Block Grant, Disaster Recovery Program:

\$38,856.0 Fed

- National Petroleum Reserve-Alaska (NPR-A) Impact Grants:

\$6,670.1 Fed

Mr. Steininger noted that there was a typo on the slide and the block grant should be \$35.8 million of federal receipt authority.

Senator Bishop asked if the slide listed additional royalties that came in after the budget was passed the previous year.

Mr. Steininger answered in the affirmative.

Mr. Steininger looked at slide 12, "Supplemental Bill: Department of Corrections":

Operating Total: \$8,025.7 Fed

- Population Management, Anchorage Correctional Complex

Add carryforward language: \$8,025.7 Fed

- Population Management, Palmer Correctional Center (PCC)

Extend appropriation for PCC efforts (FY20-FY21)

Mr. Steininger stated that carry-forward language related to federal man-day collections had been added. The collections of revenue were for housing of federal inmates at state facilities, and the amount was set on a per-day cost for inmates. There had been some additional revenue from the collections over time and the department was adding language to access the prior collections in order to avoid a general fund supplemental need to address population management issues. He discussed the amount of time required to open the Palmer facility, which would extend into the next fiscal year.

Senator Wielechowski asked what sort of efforts the Department of Corrections was undertaking to start recruiting corrections officers. He had heard concerns that the process should be started expeditiously rather than waiting.

Mr. Steininger knew that recruitment and retention of correctional officers was an issue being addressed.

[9:41:02 AM](#)

AT EASE

[9:41:42 AM](#)

RECONVENED

APRIL WILKERSON, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF CORRECTIONS, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, addressed Senator Wielechowski's question regarding the recruitment for correctional officers for the Palmer Correctional Center.

Ms. Wilkerson believed it would take 12 to 18 months to make the facility operational. She explained that the current process for recruitment for correctional officers took 8 to 12 weeks. Given the timeline to bring the facility operational for housing capacity, she thought there was time to address the officer needs for the Palmer facility.

Co-Chair Stedman thought there would be more questions and work on the issue during the subcommittee process. He commented that the Department of Corrections was not as large as Medicaid but was part of the magnitude of the budget.

Mr. Steininger spoke to slide 13, "Supplemental Bill: Dept. of Education and Early Development":

Operating Total: \$100.0 UGF, \$150.0 DGF, \$10,000.0 Fed

- Education Support and Administrative Services, Student and School Achievement

Additional federal receipts for U.S. Dept. of Education grants: \$10,000.0 Fed

- Mt. Edgecumbe Boarding School, MEHS Facilities Maintenance

Operational and maintenance costs for MEHS Aquatic Center: \$100.0 UGF, \$150.0 DGF

Mr. Steininger detailed that the \$10 million in additional receipt authority was for pass-through grants to allow for obligation of federal receipts to send out to school districts throughout the state.

[9:44:26 AM](#)

Senator Olson shared a concern from his district about the lack of swimming instruction for children. He asked how much of the funding was going towards getting the pool up and running to teach rural students how to swim. He had

heard ongoing concerns with the pool. He discussed boating accidents.

Mr. Steininger explained that the Mt. Edgecumbe aquatic center was currently operating for the instruction of the students. The funds were for continued operation for spring semester for courses for the students. The \$100,000 was to ensure that the cost for operation of the pool did not come at the expense of other instructional areas.

Senator Olson asked about the likelihood that students at Mt. Edgecumbe had received a swimming lesson. He wondered if students could have received swimming instruction as recently as yesterday.

Mr. Steininger answered in the affirmative, assuming a student was enrolled in a swimming course.

Co-Chair Stedman stated that there would be an upcoming hearing on the bond package. He referenced the document "Operating Maintenance Costs" (copy on file) which showed the projects in the bond package. He noted that the dollars being spent from FY 14 to FY 21 in the proposed budget were operating funds. He was concerned that seven of the eight projects had been completed and funded after a vote by the people. He pointed out the Mt. Edgecumbe High School project, which had an appropriation of \$38 million in operating funds. Of the \$38 million, \$500,000 was put into the aquatic center in FY 18, which was part municipal match and part other funds. A significant portion of the \$500,000 was for maintenance of the facility.

[9:47:57 AM](#)

Co-Chair Stedman continued his remarks. He noted that for FY 19, there was \$250,000 in receipt authority and the pool was not in operating due to mechanical issues. In the FY 20 budget, there had been nothing enacted for the facility, while there was \$5.2 million for the other projects. He thought there was an urban/rural issue. He opined that rural projects received no funds while urban projects received funding with no discussion. In the current budget, there was \$650,000 in receipt authority. He thought the issue needed work and rectification. He explained that receipt authority allowed for the aquatic center to reduce the subsidy needed to run the facility. In order to

minimize budget impacts, it was important to collect revenue from users.

Co-Chair Stedman continued his remarks. He pointed out that removal of the receipt authority blocked the facility from receiving a check in excess of \$150,000; and put considerable disruption in the marketing of the facility to entities that would gladly contribute for use of the pool. He commented on the facility's use by the Alaska State Troopers and the United States Coast Guard. He thought there was continued work to do. He thought the matter did not bode well for future bond packages, particularly from rural legislators.

[9:51:12 AM](#)

Co-Chair Stedman continued to discuss the document and listed the projects that were part of the 2010 bond package projects as listed on the document:

- State Library, Archives, and Museums
- Valley Center for art and learning - Mat-Su Campus
- Community Arena and athletic facility - UA - Anchorage
- Life Science Classroom and Lab UA - Fairbanks
- Student Housing - Kenai Campus
- Career and Technical Education Center - Kenai Campus
- ADFG - Near Island Research Facility
- Mt. Edgecumbe Aquatic Center

Co-Chair Stedman reminded the public and the administration that the projects were voted on by the people of the state of Alaska to build and operate. He reminded that the legislature was the appropriators and had to make sure that there was the fairest possible distribution of the treasury to facilitate everyone's equal interest. He recognized and appreciated the \$100,000 in cash to the aquatic center. The school had been taking funds from other areas to keep the aquatic center operational. He commented that the center had missed the opportunity of the high revenue time of year without the ability to collect money at the door.

Senator Hoffman reminded that the region of the state with the largest participation at Mt. Edgecumbe was the Yukon-Kuskokwim Delta and emphasized that the region had the largest rate of drowning. He thought the aquatic center was a health-life-safety issue. Even though he had supported the other projects; it was hard for him to compare

appropriations for other projects against the health and safety issue that he felt had been ignored by previous and current administrations. He requested the administration to come forward with a number it felt was appropriate for addressing the health-life-safety of the people of Alaska in Senator Olson's district, his own district, and others.

Senator Hoffman thought the swimming program at Mt. Edgumbe should be mandatory. He referenced the lack of request by the Department of Administration (DOA) for addressing the Real I.D., which he thought could result in deaths of elders in the state. He believed that health-life-safety issues should rise to the top of the administration's priorities. He reiterated that the projects were voted on by the people and the implementation should be fully supported by the administration. He hoped that the administration would come forward to address the two issues of health-life-safety that he had brought up.

[9:57:01 AM](#)

Senator Bishop noted that he also represented rural areas of the state such as the Yukon, Porcupine, Black River, and Koyukuk. He had received letters from Mt. Edgumbe students as recently as the previous week. He wanted to work with the co-chair to make sure the pool received enough DGF funds to support long-term contracts.

Co-Chair Stedman stated that the committee would take up the suggestion by Senator Hoffman and ask OMB to come forward with solutions. He reiterated that the projects would be considered when the bond package was in review. He wanted to assure that the committee was looking for equity going forward.

Mr. Steininger referenced slide 14, "Supplemental Bill: Office of the Governor":

Operating Total: \$233.4 UGF

Capital Total: \$3,700.0 Other

Operating

- Executive Operations, Lieutenant Governor

Voter initiative public hearings: \$18.0 UGF

- Elections

Voter initiative review, certification and language translation: \$215.4 UGF

Capital

- Help America Vote Act: \$3,700.0 Other

Senator Wielechowski was curious about the \$215 million for the voter initiative review and certification. He understood that the initiative was reviewed by the lieutenant governor and by the attorney general and was done in-house. He did not understand where the \$215,400 went.

Mr. Steininger stated that there were costs associated with translation of ballots. He stated that while done in the lieutenant governor's office, review and certification of ballots cost money.

Senator Wielechowski asked for a breakdown on the costs. He pointed out that the election was not until the next year. He was also interested in the \$18,000 for voter initiative public hearings. He asked about the plan for the meetings including the date, location, and format.

Mr. Steininger stated that he would get back to the committee with the requested information.

[10:00:24 AM](#)

Mr. Steininger turned to slide 15, "Supplemental Bill: Department of Health and Social Services":

Operating Total: \$15,600.0 UGF

- Alaska Pioneer Homes, APH Payment Assistance
Alaska Pioneer Homes payment assistance: \$1,000.0 UGF
- Alaska Psychiatric Institute
Add authority to achieve full capacity: \$6,000.0 UGF
- Public Assistance, Adult Public Assistance
Restore Adult Public Assistance payment maintenance of effort requirements: \$8,600.0 UGF

Mr. Steininger explained that in review of the change to the maintenance of effort calculation with the federal government, the effect of the change was too onerous, and funds needed to be added back into the budget.

Senator Wielechowski asked about the \$6 million for the Alaska Psychiatric Institute (API), and asked if any of the funds were going to Wellpath, Inc.

Mr. Steininger asked for a representative from the department to discuss the question in more detail.

SANA EFIRD, ASSISTANT COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, confirmed that some portion of the funds was for continuation of the Wellpath Contract. The original contract began in February of the previous year, and the contract was renewed for the stabilization of API. She was happy to say that 92 of the findings that API was under had been resolved. She continued that API was continuing to contract with Wellpath; and the current contract ended March 31, with an option to renew.

Senator Wielechowski was interested in a breakdown of where the \$6 million was going. He asked if the funds were expected to go towards increased nurse or assistant positions, or to the Wellpath organization.

Ms. Efird stated that the funds were to be spent on a number of things, including an increase in salary for nurses after a nurse study had been done. She continued that the funds were also to contract when it was not possible to hire for psychiatrists and other medical personnel. There was continued recruitment for staff. There was an additional cost for continuation of a security contract, due to the acuity of the patients at the hospital.

Co-Chair Stedman asked Ms. Efird to get back to the committee with additional information.

[10:04:28 AM](#)

Senator Olson asked if Wellpath employed the nurses being discussed.

Ms. Efird noted that the state employed nurses and staff, and Wellpath was present to advise and stabilize. Wellpath had been providing assistance with API to provide stabilization and to meet all the requirements through the findings from the survey.

Senator Olson assumed that Wellpath did not employ the psychiatrists.

Ms. Efird affirmed that the state employed the psychiatrists at API.

Mr. Steininger considered slide 16, "Supplemental Bill: Department of Law":

Operating Total \$150.0 Other, \$250.0 Fed
• Criminal Division, Second Judicial District
Reopening Utqiagvik District Attorney's Office:
\$150.0 Other
•Criminal Division, Criminal Appeals/Special
Litigation
Expand prosecutions in rural Alaska: \$250.0 Fed

Senator Olson asked if it was true that the facilities on the North Slope were also chipping in to make it so reopening the offices did not cost the state as much as it would otherwise.

Mr. Steininger understood that there was a Memorandum of Agreement to receive money from the community to reopen the office.

Senator Olson asked if the office was still doing cases, or if the cases were going to Fairbanks.

Mr. Steininger did not know the answer to Senator Olson's question.

Co-Chair Stedman asked Mr. Steininger to get back to the committee with more information on Senator Olson's question. He thought the subject was a point of discussion the previous year during the budget cycle and he wanted to ensure that the topic was well understood by the committee.

Senator Olson was concerned that outside counsel had been hired by the Department of Law to handle some cases for which the department did not have expertise. He understood that there were hundreds of thousands of dollars being spent on law firms in the Lower 48. He asked if the expense was reflected in the supplemental budget being considered.

Mr. Steininger stated that the funds on the slide reflected reopening of the district attorney's office. The expansion of prosecutions listed on the slide was a new federal grant being received by the department, and believed prosecutors were in Anchorage but assigned to rural areas.

Senator Olson clarified that his question was if the supplemental request was for money being spent on outside counsel for lawsuits that some considered frivolous.

Mr. Steininger stated he did not think so.

Co-Chair Stedman thought the matter could be fleshed out in the subcommittee process and would get to the answer.

[10:08:09 AM](#)

Mr. Steininger displayed slide 17, "Supplemental Bill: Department of Natural Resources":

Operating Total: \$76.1 DGF

- Fire Suppression, Land, and Water Resources; Mining, Land and Water

Aquatic farm application processing: \$76.1 DGF

Mr. Steininger detailed that there had been a significant increase in the number of aquatic farms, and there was additional authority was needed for processing applications.

Co-Chair Stedman thought it was good that there was an expanding industry.

Co-Chair Stedman noted that Senator Gary Stevens was present. He thought some of Senator Stevens constituents were students at Mt. Edgecumbe.

Senator Bishop asked if Mr. Steininger thought the funds on slide 7 were due to having missed the mark on the fiscal note when there was associated legislation being passed through the body.

Mr. Steininger believed that the number of applications had risen from 4 to 16, and did not recall when the information was known.

Co-Chair Stedman thought the subcommittee could address the topic in detail.

Mr. Steininger highlighted slide 18, "Supplemental Bill: Department of Public Safety":

Operating Total: \$6,743.4 UGF
Capital Total: \$605.0 UGF

Operating

- Alaska State Troopers, AST Detachments, Alaska Wildlife Troopers, and Wildlife Troopers Aircraft Section - Meet FY2020 operating needs and law enforcement safety equipment: \$6,743.4 UGF

Capital

- FAA required aircraft equipment: \$105.0 UGF
- Radio replacement: \$500.0 UGF

Mr. Steininger commented on the good news of increased recruitment and retention of Alaska State Troopers. He noted that the amount of people coming in for new trooper classes was exceeding the amount of people turning over within the ranks, so additional authority was needed to outfit and pay new troopers.

[10:10:33 AM](#)

Senator Hoffman was glad to see that public safety was a priority of the administration. He made note of the lack of request for funds for operation of the Village Public Safety Officer (VPSO) program and asked if it was an indication of the program functioning fully.

Mr. Steininger stated that there was no request for additional funding for the VPSO program as they amount of money the program had was sufficient for operations within the current year.

Senator Hoffman asked if the people of rural Alaska, considering that there were no additional funds being requested, should feel that the program was running at full steam and pumping on all cylinders and should feel safe at night.

Mr. Steininger thought it was the goal of the DPS for all people of Alaska to feel safe at night.

Co-Chair Stedman thought the topic would be addressed in subcommittee.

Senator Wielechowski asked how many VPSOs there were and how many vacancies there were in the program.

Mr. Steininger did not have the information. He offered to get back to the committee with the information.

Co-Chair Stedman thought the issue was sizeable and would be worked on in subcommittee.

Senator Olson was a member of a VPSO working group. He explained that the program was at an all-time low, with 38 officers. He thought there had been anticipation for 100 officers that had been funded a number of years ago, but there had been challenges with recruitment and retention. He commented that the VPSO in his town of Golovin had been there the second longest of any VPSO. He thought the VPSO program needed an overhaul and suffered from lack of funding reaching the point where it was implemented. He mentioned that one recommendation of the working group was to pull the funding allocation from DPS and put it into the Department of Commerce, Community and Economic Development to more reasonably delegate the funds.

Senator Hoffman thanked Senator Olson for his comments. He asked if the administration had reviewed the report from the task force on the VPSO program, and if there was interest in getting the report implemented so that the people of rural Alaska could feel safe when going to sleep at night.

Mr. Steininger wanted to get back to Senator Hoffman regarding the analysis of the report.

Senator Hoffman asked if Mr. Steininger had a lifeline to respond to his question.

[10:14:54 AM](#)

TORREY JACOBSEN, BUDGET ANALYST, DEPARTMENT OF PUBLIC SAFETY, stated that the commissioner was not present, and he was not able to respond to decisions within the department. He offered to research the matter and get back to the committee.

Senator Olson thought there was a great deal of funds put into trooper recruitment and retention. He assumed that the previous testifier was aware of how much had been to improve recruitment and retention for the VPSO program.

Mr. Steininger asked to get back to the committee with the information as to what funds had been allocated for recruitment and retention within the VPSO program.

Senator Olson said unequivocally that people would not be sleeping better as a result of feeling that communities were currently safer.

10:16:42 AM

Mr. Steininger looked at slide 19, "Supplemental Bill: Department of Revenue":

Operating Total: \$854.4 UGF, (\$400.0 Other)
• Taxation and Treasury, Tax Division
Tax Revenue Management System maintenance and support costs: \$400.0 UGF, (\$400.0 Other)
Tax subject matter experts, economic and legal analysis
(FY20-FY22): \$350.0 UGF
• Administration and Support, Commissioner's Office
Technology refresh and space utilization and planning:
\$104.4 UGF

Mr. Steininger detailed that the new tax revenue management system capital project funds had been exhausted and the costs of supporting the system needed to be moved to the operating budget.

Senator Olson considered the proposed \$350,000 in UGF for economic and legal analysis and thought the amount was sizable. He asked how the funds would be used in the next four to five months.

Mr. Steininger stated that the work on the tax matters would be starting in FY 20, but the appropriation extended into FY 22. The funds would extend through FY 22 and were to provide additional support as DOR looked at various proposals related to taxation.

Senator Olson understood that there was consideration of implementation of a statewide sales tax. He asked if the matter was covered in the proposed funds.

Mr. Steininger stated that the funds would assist the economic research group in the Department of Revenue and would go towards any tax related issue proposed by anyone.

Co-Chair Stedman thought the funds might be more appropriate in the FY 21 budget.

Senator Hoffman considered the expenditure being included in the supplemental in the current year's budget and asked if the legislature could anticipate legislation to address additional revenue measures.

Mr. Steininger could not comment on bills that had not been introduced. He knew there were various tax ideas that DOR wanted to review.

[10:19:44 AM](#)

Mr. Steininger addressed slide 20, "Supplemental Bill: Dept. of Transportation and Public Facilities":

Operating Total: \$7,050.0 DGF
Capital Total: \$5,000.0 DGF, \$3,155.0 Other

Operating

- Administration and Support, Measurement Standards
Replace capital funding with unified carrier registration receipts: fund source change
- Marine Highway System, Marine Vessel Operations
Maintain AMHS vessel operations: \$7,050.0 DGF

Capital

- AMHS vessel overhaul: \$5,000.0 DGF
- DPS patrol vehicles: \$3,155.0 Other

Mr. Steininger explained that the proposed funds for the Alaska Marine Highway System (AMHS) were to cover some additional costs for boats that ended up in layup longer than anticipated; which had resulted in more expensive boats being used and other expenses such as fuel cost increases. The funds were to ensure that the service level planned for the year could be met. The costs for vessel overhauls had been significantly more expensive than anticipated. The DPS patrol vehicle fund request was for fund the department had already paid into the fund.

Senator Bishop asked about the balance of the fund after the proposed purchase of patrol vehicles.

Mr. Steininger believed the credits DPS had in the fund were in the \$12 million dollar range. The department paid into the fund based on the vehicles it had, so the fund

balance was replenished every year roughly equal to the average amount spent yearly.

10:22:09 AM

Senator Olson asked if any of the funds on slide 20 would supplement some of the AMHS services that had been curtailed because of maintenance issues. He noted that a number of legislative vehicles had been stuck and could not be transported to Juneau.

Mr. Steininger stated that the proposed \$5 million in overhaul was to get boats back in the water. The \$7 million was to maintain the service level that had been planned. There were a couple of routes where the funds would add service above what was planned when the FY 20 budget was passed.

Co-Chair Stedman thought the matter would be best addressed in more detail by the commissioner of DOT. He thought the economic significance of having virtually the entire fleet tied up for several weeks needed to be addressed and information needed to flow to the public. He asked the commissioner to address the matter with frankness.

10:25:11 AM

JOHN MACKINNON, COMMISSIONER, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, stated that the proposed \$7 million supplemental request would be used for unanticipated expenses that occurred in the current fiscal year. He addressed stranded vehicles and passengers. He recalled that when the Matanuska was tied up in Juneau and unable to continue its run North, there had been a number of military personnel and vehicles on the ship. The department had assisted the military to arrange transport. The department had chartered a vessel to get other stranded passengers to Haines. He added that there had been some union contract issues involved. Tickets for truncated voyages would be refunded.

Senator Olson thought the department had made a good effort in accommodating passengers. He asked about vehicles that had been shipped south by legislators and staff and wondered how the vehicles would get to Juneau.

Commissioner MacKinnon stated that the department had been having discussion on the matter and what steps could be taken to get the vehicles to Juneau. He noted that Alaska Marine Lines had weekly trips from Haines/Skagway to Juneau that could accommodate vehicles.

Senator Olson asked if the supplemental cost of chartering vessels would be paid for by the state.

Commissioner MacKinnon mentioned the cost of transporting stranded students, which the department had paid for. He thought the state needed to be cautious about setting a precedent.

[10:28:32 AM](#)

Senator Wielechowski asked how much cost had the department had "eaten."

Co-Chair Stedman asked if the commissioner could provide one part of his answer in hindsight, as well as discuss fleet capacity.

Commissioner MacKinnon believed the cost of taking care of the stranded students was approximately \$11,000. He continued that the department was looking at options and there was a number of community events in the month of March. He mentioned a press release the previous day and stated there was a good likelihood that AMHS would not have service in Southeast in March. The department was looking at engaging other transportation services to serve for the Gold Medal Tournament and other sports events. He mentioned vessels that were laid up in overhaul or not operational. He described the situation as a "perfect storm." He reiterated that there were complications with union contracts that could prevent certain solutions.

Co-Chair Stedman would be asking the budget subcommittee on DOT to look at the current budget, how much had been consumed in operations, and the need going forward. He thought a broader concern was that if all vessels were tied up save for one, there was still a substantial fixed cost. Even though no ships were running, there was still a draw on the operating budget. He thought the subcommittee needed to understand the information and then bring the information to the full committee. He thought the public

should take note of the commissioner's comment that there was high likelihood of minimal to no service through March.

Co-Chair Stedman discussed the challenges inherent in having vessels in the shipyard. He asked the public to try and have flexibility as the issue was being worked through. He asked the commissioner to discuss the issue with the M/V Matanuska and give more information on why the vessel was not running.

[10:33:27 AM](#)

Commissioner MacKinnon commented on the complexity of the operational scheduling of ferries. He discussed costs for fuel and overhaul. Ships in overhaul required some crew presence. For some longer-term savings, ships were in layup, which also required crew. He discussed unanticipated costs for vessel overhaul.

Commissioner MacKinnon discussed vessel testing and overhaul. The M/V Matanuska underwent extensive engine replacement and overhaul. The department had anticipated that the ship could handle much of the mainline service for the winter, but there had been a failure of the new equipment.

Co-Chair Stedman summarized that there was a severe mechanical issue that made the ship inoperable and repair would take time.

[10:36:09 AM](#)

Senator Hoffman recalled that it was reported in the news that the governor had expressed that the AMHS was a high priority of the administration. He asked if the statement of commitment to the people of coastal Alaska would result in an additional supplemental to FY 20 and FY 21 budgets. He asked if the commissioner and the governor had discussed the matter.

Commissioner MacKinnon stated that the conversation was taking place. The department was considering which ships could be returned to operation. He discussed the status of various vessels. The M/V Aurora had extensive repairs to be done. The department was working with the United States Coast Guard to determine eligibility of vessels for operation. When the department knew what was possible it

would address finances and come back to the legislature with a request for more funds if needed.

Co-Chair Stedman stated that the DOT finance subcommittee (chaired by Senator Bishop) would be looking at the AMHS maintenance schedule. He thought there had been concern that there had not been requests put forward to deal with major maintenance items. He pointed out that decomposition of steel ships happened over time and was curious why all of the maintenance and certification issues were happening simultaneously. He wanted the subcommittee to come back with a recommendation of what it would take to get the fleet back into operation to serve land-locked communities. He noted there were food supply issues with smaller communities.

10:40:31 AM

Senator Bishop understood that the mechanical failure on the M/V Matanuska was under warranty.

Commissioner MacKinnon affirmed that that the equipment was under warranty but reminded that there were multiple stakeholders. He thought there would be finger-pointing and the matter would take time to address.

Co-Chair Stedman stated that the committee over funded the request from the AMHS the previous year. The committee had over funded by around \$20 million and added back substantial funds for maintenance. He pointed out that that there were no ships immediately in the Statewide Transportation Improvement Program for replacement. To have new ships constructed was an 8 to 10-year process. He thought there would be forthcoming conversation regarding the M/V Tustemena and a replacement. He expected that there would be encouragement from the committee to move along with replacement.

Co-Chair Stedman thought timely planning was needed. He reminded that last time the state had two ships built, the funding had been driven by the legislature. He thought there was a significant challenge to figure out the transportation system within coastal Alaska. He mentioned the military bases and the ability for the AMHS to respond to any catastrophic events and be able to transport goods to the Railbelt. He thought there was concern that with the fleet inoperable it would hinder the states response to an

emergency such as an oil spill. He thought the issue was much broader than moving cars and people. He asked the public to be cognizant that it would likely be April before the AMHS was operable.

10:45:00 AM

Co-Chair Stedman appreciated DOT's ability to facilitate the needs of the communities since no one had expected the entire fleet being tied up.

Co-Chair Stedman asked Mr. Steininger to address the next two slides and then return to slide 10.

Mr. Steininger advanced to slide 21, "Supplemental Bill: Fund Capitalization and Transfers":

Fund Capitalization: Total \$600.0 UGF, \$3,000.0 Fed Capital

- Election Fund - FY20 capitalization of the Election Fund with federal receipts: \$600.0 UGF, \$3,000.0 Fed

Fund Transfers: Total \$1,100.0 deposit into General Fund

- Undesignated Reserve (UGF out), AHFC Subsidiary Fund
Transfer balance of AHCC account to the General Fund:
\$1,100.0 fund transfer

Mr. Steininger explained that emptying the Alaska Housing Finance Corporation (AHFC) Capital Corporation Account into the General Fund would save costs on administrative work on maintaining the account.

Mr. Steininger turned to slide 22, "Supplemental Bill: Special Appropriations and Capital Items":

Special Appropriations: Total \$131.7 UGF

- Judgments, Settlements, and Claims
FY2020 judgments, settlements, and claims: \$131.7 UGF

Capital: Total \$4,852.9 deposit into General Fund

- Capital
Repeals: \$4,398.6 UGF

Mr. Steininger stated that the capital budget had a variety of repeals of old projects, some of which had remaining funds. It was proposed for \$5 million of the amount would be deposited into the General Fund. Co-Chair Stedman stated that the committee had not had the discussion regarding reappropriating funds for old projects yet.

Senator Hoffman asked if the committee could obtain a copy of capital projects that were being eliminated with funding going to the General Fund.

Mr. Steininger informed that the projects were detailed in the bill, as well as in the backup documents. He stated he could also provide a list.

Co-Chair Stedman referenced a report on disposition of state properties to be potentially liquidated. He asked for an update.

Mr. Steininger updated that there was a facilities council that was undertaking to identify various state facilities that were not being utilized and could be disposed of. There was a prioritized list that was generated.

Co-Chair Stedman stated the list would be considered at a future hearing, and he thought one of the facilities on the list was the Mt. Edgecumbe pool. He reminded that the public voted to build the facility.

Mr. Steininger stated that the item was on initial drafts and had been removed after discussion.

Co-Chair Stedman stated that the topic would be revisited when the committee addressed the bond package.

[10:49:40 AM](#)

Senator Olson referenced Senator Hoffman's question about capital project funds going back to the General Fund. He asked if the Knik Arm Bridge was on the list.

Mr. Steininger did not have the list in front of him and was not sure if the bridge was on the list. The administration had worked with the department to ensure that projects were completed and that the funds were truly not needed. The list was in the bill listing specific locations and projects.

Senator Olson commented on the duration of the bridge project.

Co-Chair Stedman stated the committee would review the list and discuss the projects at a later time.

Senator Olson had discussed alternative avenues for obtaining the Real I.D. with the commissioner of DOA. He agreed with Senator Hoffman that there was a health-life-safety issue. He asked about the lack of funding request for supporting getting the Real I.D. situation resolved in rural Alaska.

[10:52:40 AM](#)

KELLY TSHIBAKA, COMMISSIONER, DEPARTMENT OF ADMINISTRATION, appreciated the opportunity to address the question. She thought it was important to clarify that a Real I.D. driver's license was not needed to fly as of October 1, 2020. She thought some messaging had been confusing. She referenced an excerpt from the Transportation Security Administration's (TSA) standard operating procedures that showed 30 alternative forms of identification that Alaskans could use to fly. She listed passports, passport cards, a tribal identification with a photo, and others. She noted that a TSA-compliant identification would be required as of October 1, 2020.

Commissioner Tshibaka continued to address Senator Olson's question. She stated that the Real I.D. paperwork burden was very high. She reiterated that the Real I.D. was not required to fly, and other pieces of identification, such as a tribal I.D., were easier to obtain. She referenced AS 28.15.041, which dictated that the state or local jurisdictions could not require a person to have a Real I.D. There were 48 DMV locations around the state, including 17 in rural areas; where applicants could come and request a driver's license. She agreed that there were situations in which Alaskans could not get an alternative form of I.D.

Commissioner Tshibaka asserted that the DMV had been going above and beyond its normal operations to help with the education and outreach efforts, and that one department staff member was dedicated for the outreach. The department had engaged with rural points of contact in communities.

She referenced a campaign that started under the last administration and a rural DMV effort that would require developing digital technology to take a biometric identification camera into rural communities as well as other technologies for signatures and identification screening. She referenced financial arrangements with the communities paying for the services and asserted that every Alaskan paid for DMV services.

10:56:48 AM

Commissioner Tshibaka stated that she started with the department at the end of January 2019, and there had been a program in place. The technology had been developed two months previously and the program was being piloted. The department had visited New Stuyahok in January and issued 83 I.D.s to residents. The department had experienced significant challenges with the technical digitalization of the camera. She was not confident that rural trips would continue to be successful in rural Alaska if the problems with the camera were not solved. She referenced requirements for biometric identifiers. She noted that there were five more communities that were on a list to be visited and had requested Real I.D. The department was partnering with the Department of Education and Early Development and wanted to work with TSA to educate the public.

10:58:33 AM

Senator Hoffman stated he had met with the commissioner and the president of the Yukon-Kuskokwim Health Corporation the previous day. He noted that the corporation was the largest in the region and represented 56 communities over a very vast area. The president had asserted that the elderly of the state (with English as a second language) would be hurt the worst by the Real I.D. requirement, regardless of if they had requested services. The president had thought that thousands of elders would not be able to travel for health reasons. He thought it was unacceptable that the administration had not requested more resources to address the problem. He emphasized that if the department was having problems with its camera, it should request more resources. He strongly asserted that if there were people with lives in danger, it was a result of the department not coming forward to request resources.

Commissioner Tshibaka relayed that she did not make budget requests that were not supported on data. She referenced a law passed in 2005 that said Real I.D. was coming into effect and there would be new requirements for passing through TSA checkpoints. She stated that the DMV was contributing to the education of Alaskans but was not the only partners in the education of Alaskans about the requirements for getting through TSA checkpoints. She asserted that the responsibility of the department was to issue licenses with respect to motor vehicles and was doing what it could to also help with the education with other alternative forms of I.D.s for getting through check points. She listed the numbers of different I.D. types. She stated that the department was open and available to discuss a pilot program, and that she was not going to bring forward a supplemental budget request when she did not have more than a handful of communities that had requested help with getting Real I.D.

Senator Hoffman told Commissioner Tshibaka to "do your homework."

Co-Chair Stedman was glad the commissioner had brought a list of alternate identifications, and though the state could distribute the information throughout the state.

SB 174 was HEARD and HELD in committee for further consideration.

Co-Chair Stedman discussed the agenda for the following day.

#

AJOURNMENT

[11:03:28 AM](#)

The meeting was adjourned at 11:03 a.m.