

**ALASKA STATE LEGISLATURE
HOUSE TRANSPORTATION STANDING COMMITTEE**

February 8, 2022

1:10 p.m.

MEMBERS PRESENT

Representative Grier Hopkins, Chair
Representative Sara Hannan, Vice Chair
Representative Louise Stutes
Representative Harriet Drummond
Representative Tom McKay
Representative Kevin McCabe
Representative Mike Cronk

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CONFIRMATION HEARING(S):

Department of Transportation & Public Facilities Commissioner

Ryan Anderson - Juneau

- HEARD

OVERVIEW: EXECUTIVE ORDER 122

- HEARD

HOUSE BILL NO. 296

"An Act relating to program receipts; and relating to the acceptance of gifts, donations, and grants for the purpose of providing signage for assets under the control of the Department of Transportation and Public Facilities."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: HB 296

SHORT TITLE: DONATIONS/GIFTS FOR DOT&PF SIGNAGE

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

01/31/22 (H) READ THE FIRST TIME - REFERRALS
01/31/22 (H) TRA, FIN
02/08/22 (H) TRA AT 1:00 PM BARNES 124

WITNESS REGISTER

RYAN ANDERSON, Appointee/Commissioner Designee
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Testified as appointee to the position of commissioner of the Department of Transportation & Public Facilities.

ANDY MILLS, Legislative Liaison
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Gave an overview on Executive Order 122.

DOM PANNONE, Director
Division of Administrative Services
Department of Transportation & Public Facilities
Juneau, Alaska

POSITION STATEMENT: Responded to questions during the overview on EO 122.

BRAD SHARP, Assistant Attorney General
Department of Law
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the overview on EO 122.

KEN STEWART, Contracting Officer
Leasing Section
Division of Facility Services
Department of Transportation & Public Facilities
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the overview on EO 122.

REPRESENTATIVE GEORGE RAUSCHER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: As prime sponsor, presented HB 296.

RYAN MCKEE, Staff
Representative George Rauscher
Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Provided a sectional analysis for HB 296 on behalf of Representative Rauscher, prime sponsor.

ACTION NARRATIVE

[1:10:06 PM](#)

CHAIR GRIER HOPKINS called the House Transportation Standing Committee meeting to order at 1:10 p.m. Representatives Stutes, Cronk, McKay, McCabe, Drummond, Hannon, and Hopkins were present at the call to order.

CONFIRMATION HEARING(S):

Department of Transportation & Public Facilities Commissioner

[1:11:17 PM](#)

CHAIR HOPKINS announced that the first order of business would be a confirmation hearing considering the governor's nominee for commissioner for the Department of Transportation and Public Facilities.

[1:13:25 PM](#)

RYAN ANDERSON, Appointee/Commissioner Designee, Department of Transportation & Public Facilities, gave a background of his professional history and history in Alaska. He explained that he has worked in construction and design capacities. He shared that he's worked for the department for 21 years. He spoke about the challenges and opportunities ahead of Alaska and acknowledged the difference the last two years have contained [since the onset of the COVID-19 pandemic]. He said he is focused on workforce and the vacancy problems that are currently being experienced. He noted that he also appreciates partnerships with local governments, with contractors and local workers.

[1:17:35 PM](#)

REPRESENTATIVE STUTES shared her delight in the commissioner designee's interest in the Alaska Marine Highway System and thanked him for his responsiveness.

[1:18:10 PM](#)

REPRESENTATIVE MCCABE expressed that the commissioner designee has been very responsive to the needs of his district.

[1:18:47 PM](#)

REPRESENTATIVE MCKAY said he has found the commissioner designee to be engaging, and he stated his support of the appointment.

[1:19:21 PM](#)

REPRESENTATIVE HANNAN inquired whether Mr. Anderson would be called back to his home state of Minnesota.

MR. ANDERSON replied that Alaska is home now.

[1:20:11 PM](#)

CHAIR HOPKINS asked Commissioner Designee Anderson about the Infrastructure, Investment, and Jobs Act and a focus on "Complete Streets."

COMMISSIONER DESIGNEE ANDERSON responded that DOT&PF has been working with local governments to create Complete Streets, one example being in Fairbanks, where downtown has the capacity for cars, bicycles, pedestrians, and handicap accessible transportation. With that comes increased additional maintenance, he said, and the department works with partners on that issue. In response to Chair Hopkins, he said there are ideas for expanding this throughout Alaska, and he talked about the concept of creating rural transportation planning organizations.

[1:24:16 PM](#)

CHAIR HOPKINS asked how Mr. Anderson looks to balance the development of natural resources with ensuring public safety.

MR. ANDERSON responded that safety is DOT&PF's priority. He used the Parks Highway as an example because there have been so many recent improvements. He acknowledged that resource development has presented some challenges, but he noted that there are regulations and statutes that are followed that denote what is allowed on a highway. He said statutes and regulations do not necessarily address volume on a highway, and this is where the department's engineers focus. Some safety corridors are being expanded from two-lane to four-lane highways. In response to Chair Hopkins on how to ensure safety measures that

allow for growth, he said there is a planning element by DOT&PF to ensure safety. He noted that an official proposal had not yet been submitted.

[1:28:49 PM](#)

REPRESENTATIVE MCCABE asked whether Commissioner Designee Anderson was focused on saying "yes" over "no" as he offered his understanding the former commissioner had tried to do.

COMMISSIONER DESIGNEE ANDERSON responded that there's a lot that happens in terms of decision making. He said he tries to ensure that everyone understands the reason behind the decisions made. He emphasized the value of working in teams.

[1:30:46 PM](#)

CHAIR HOPKINS asked Commissioner Designee Anderson what steps are being taken to ensure good infrastructure on the North Slope as relating to response to the effects of climate change.

COMMISSIONER DESIGNEE ANDERSON responded that he sees snowplow operators as frontline workers when it comes to climate change. He noted that the last 50 miles of the Dalton Highway are now paved. He said the department is positioned well to be flexible in allocating its resources. He stressed the importance of partnerships, such as the ones with universities.

[1:33:10 PM](#)

REPRESENTATIVE HANNAN asked for an explanation regarding the determination to pave 50 miles of the Dalton Highway, and she mentioned "The Blob" that "keeps sliding" onto the highway.

COMMISSIONER DESIGNEE ANDERSON responded that "The Blob" is no longer an impending disaster following the realignment of the road. He offered further details, including the cooperation of the University of Alaska and consideration of permafrost in determining whether to pave more sections of the highway.

[1:35:27 PM](#)

REPRESENTATIVE DRUMMOND discussed various areas in Anchorage that did and did not get funding from the Municipality of Anchorage for DOT&PF projects. She mentioned the need for accessible walking paths and bicycle routes. She indicated that

she appreciates Commissioner Designee Anderson's perspective relating to Complete Streets.

[1:36:49 PM](#)

REPRESENTATIVE HANNAN stated that the House Transportation Standing Committee has reviewed the qualifications of the governor's appointee and recommends the following name be forwarded to a joint session for consideration: Ryan Anderson, Commissioner, Department of Transportation & Public Facilities. Signing the report regarding appointments to boards and commissions in no way reflects an individual member's approval or disapproval of the appointee, and the nomination is merely forwarded to the full legislature for confirmation or rejection.

[1:37:23 PM](#)

The committee took an at-ease from 1:37 p.m. to 1:41 p.m.

PRESENTATION: EXECUTIVE ORDER 122

[1:41:27 PM](#)

CHAIR HOPKINS announced that the next order of business would be an overview on Executive Order 122.

[1:42:02 PM](#)

ANDY MILLS, Legislative Liaison, Department of Transportation & Public Facilities, gave an overview of Executive Order (EO) 122, which seeks to shift statutory authority from the Department of Administration (DOA) to the Department of Transportation & Public Facilities (DOT&PF). The reason is to follow the budgetary transactions that occurred in the fiscal year 2022 (FY 22) operating budget, when funding transferred from DOA to DOT&PF as a consolidation of leasing and public building efforts brought into DOT&PF's Division of Facility Services.

[1:43:15 PM](#)

DOM PANNONE, Director, Division of Administrative Services, Department of Transportation & Public Facilities, in response to a question from Representative Hannan, said 12 positions were moved from DOA shared services, 8 of which were facilities-related, and 3 of which were from accounting and moved to the Division of Administration within DOT&PF.

[1:44:15 PM](#)

MR. PANNONE, in response to Chair Hopkins, confirmed the salaries remained the same in the move of staff.

[1:44:50 PM](#)

BRAD SHARP, Assistant Attorney General, Department of Law, responded to a question from Chair Hopkins as to whether there were differences between the following phrases: "lease of space"; "lease of real property"; and "leasing of space to the executive branch of state government". He offered his understanding that each of those phrases refers to the same action but could change according to the context of the statute in which they were used.

[1:46:25 PM](#)

CHAIR HOPKINS requested Mr. Sharp submit to the committee a memorandum ("memo") on those phrases so that committee can be sure to use the terms correctly.

[1:46:42 PM](#)

MR. SHARP, in response to Representative Hannan, offered his understanding that the lease of space would always pertain to real property, and he offered to get back to the committee with confirmation.

[1:47:17 PM](#)

KEN STEWART, Contracting Officer, Leasing Section, Division of Facility Services, Department of Transportation & Public Facilities, offered his interpretation that the term "real property" refers to real estate, and it can mean a building on a piece of real estate or a ground lease, such as for a communications tower. In response to Chair Hopkins, he said he has been with DOT&PF since 2007. To a follow-up question, he said the transition from DOA to DOT&PF has been seamless.

[1:50:04 PM](#)

CHAIR HOPKINS noted that EO 122 would go into effect "on day 60 of this legislative session" unless the legislature takes action via resolution in joint session to reject the proposed EO. He announced that EO 122 was held over for future discussion.

HB 296-DONATIONS/GIFTS FOR DOT&PF SIGNAGE

1:50:42 PM

CHAIR HOPKINS announced that the final order of business would be HOUSE BILL NO. 296, "An Act relating to program receipts; and relating to the acceptance of gifts, donations, and grants for the purpose of providing signage for assets under the control of the Department of Transportation and Public Facilities."

1:50:58 PM

The committee took a brief at ease at 1:51 p.m.

1:51:22 PM

REPRESENTATIVE GEORGE RAUSCHER, Alaska State Legislature, as prime sponsor, presented HB 296. He paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

Part of the job of being a State Senator or a State Representative is to acknowledge those people, groups or organizations that have contributed to their community or state or country in a unique way that provides that recognition. One of the ways we do that is to name a geographic location, structure, event or even a bridge after those previously named entities through legislation.

When doing so, one of the most common points of discussion is the cost to name that structure. I have never seen one to vote on that doesn't have a fiscal note attached and that alone has caused a few legislators to vote no on the legislation.

HB 296 provide a mechanism for funding a commemorative name to a project by allowing receipt authority to the Department of Transportation so that the department can collect donations for signage. It does not require these costs to be paid by outside groups but instead helps to codify a process that will not be reliant on state funds.

1:53:44 PM

RYAN MCKEE, Staff, Representative George Rauscher, Alaska State Legislature, on behalf of Representative Rauscher, prime sponsor, provided the sectional analysis for HB 296 [included in the committee packet], which read as follows [original punctuation provided]:

Section 1: AS 37.05.146(c) Page 1, Lines 5-7

This section adds gifts, donations, and grants received by DOT & PF to the definition of program receipts and non-general fund programs receipts found in the Fiscal Procedures Act in accordance with section 2 of this bill.

Section 2: AS 44.42.060 Page 1, Lines 8-14, Page 2, Lines 1-3

This section adds that the department may receive gifts, donations, and grants in accordance with a memorandum of understanding with the donor party. This section also outlines that the funds may not be used until the necessary funds have been collected from the donor.

[1:55:47 PM](#)

MR. MCKEE, in response to a question from Representative Hannan, clarified that the money is collected up front.

[1:56:42 PM](#)

REPRESENTATIVE RAUSCHER added there would be an expectation of whether the naming of a bridge would be done through donations or "through the legislature and the money process here at the state." It could be either, he said, and it would be designated within legislation put forward.

[1:57:28 PM](#)

REPRESENTATIVE RAUSCHER, in response to questions from Representative Stutes, explained that there is a number assigned to a bridge, but until the money is collected, the name would not go up on a sign at that bridge.

[1:59:34 PM](#)

CHAIR HOPKINS proffered that if the legislation was moved forward and passed, the physical sign wouldn't go up until the state receives the money.

[2:00:24 PM](#)

MR. MILLS, in response to a question from Chair Hopkins, walked the committee through the process. First, a bill would come before the legislature requesting the naming of a bridge, and the bill would signify whether the funds would be from a donor or be paid by the state. If the money were to come from a donor, then the state would designate [the donor] in state designated program receipts (SDPR) that the department would expect to collect, and there would be a memorandum of understanding (MOU) that would be signed with that party. Mr. Mills cited the language on page 1, line 14, through page 2, line 1 of HB 296, as pertaining to this process and protecting DOT&PF from having to pay for the signage with its own funds. In conclusion, he confirmed the sign for the bridge would not be placed until the funds were collected. In response to a follow-up question from Representative Stutes, he said if a donor died after making a commitment to pay for a sign on a bridge, then a new MOU could be drafted. He then suggested that designating that the money would come from a third party would be one way to "get around that issue."

[2:04:09 PM](#)

MR. MILLS, in response to Representative Hannan, offered his understanding that "the sweep" [that occurs at the end of a fiscal year] does not affect statutory designated program receipts. To another question, he replied that DOT&PF would collect the funds only when the full amount was available. He added that a "boiler plate" MOU would be available.

[2:05:52 PM](#)

REPRESENTATIVE MCCABE expressed his understanding of the mechanism proposed under HB 296.

[2:06:59 PM](#)

CHAIR HOPKINS noted that he agrees with the mechanism.

[2:07:24 PM](#)

REPRESENTATIVE RAUSCHER said HB 296 basically would give the receipt authority for DOT&PF to collect the funds.

[2:07:46 PM](#)

MR. MILLS, in response to Chair Hopkins, clarified that a donor could gift the actual sign rather than the funds for one to be made, as long as the sign itself met the standards of DOT&PF. He then responded to follow-up questions. He said the department does not "presuppose" price as affected by inflation, and "would work to make that difference up." He explained that the authority given would be to spend down to zero, so the fiscal note would be zero, but would not be "a true zero fiscal note."

[2:09:39 PM](#)

REPRESENTATIVE RAUSCHER, in response to Representative Hannan regarding the need for this legislation to dedicate bridges, shared that "one or two votes have not happened because it costs the state money."

[2:10:41 PM](#)

CHAIR HOPKINS offered clarification that HB 296 would not [preclude other forms of funding].

[2:11:12 PM](#)

CHAIR HOPKINS expressed appreciation for the proposed bill.

REPRESENTATIVE RAUSCHER thanked the committee.

[2:11:45 PM](#)

CHAIR HOPKINS announced that HB 296 was held over.

[2:11:54 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Transportation Standing Committee meeting was adjourned at 2:12 p.m.