

SENATE FINANCE COMMITTEE
February 9, 2022
1:04 p.m.

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CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 1:04 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman
Senator Donny Olson
Senator Natasha von Imhof
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Steve Masterman, State Geologist, Division of Geological and Geophysical Surveys, Department of Natural Resources; Ricky Gease, Director of Parks and Outdoor Recreation, Department of Natural Resources; Kris Hess, Deputy Director, Division of Mining, Land & Water, Department of Natural Resources; David Schade, Director, Division of Agriculture, Department of Natural Resources; Micaela Fowler, Acting Deputy Commissioner, Department of Commerce, Community and Economic Development; April Wilkerson, Administrative Services Director, Department of Corrections, Office of Management and Budget, Office of the Governor; Bob Ernisse, Administrative Service Director, Department of Military and Veterans Affairs, Office of Management and Budget, Office of the Governor; Kelly

Howell, Special Assistant to the Commissioner, Department of Corrections.

SUMMARY

SB 164 APPROP: CAP; REAPPROP; SUPP

SB 164 was HEARD and HELD in committee for further consideration.

#sb164

SENATE BILL NO. 164

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

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Co-Chair Bishop discussed housekeeping.

[1:05:37 PM](#)

NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, gave a continuation of the presentation from the previous week, "State of Alaska; Office of Management and Budget; Capital Budget SB164; Senate Finance Committee; February 4 & 7, 2022" (copy on file).

Mr. Steininger reminded that the slides addressed the governor's Capital Budget, including both capital projects effective in FY 23, as well as those supplemental requests for FY 22.

Mr. Steininger addressed slide 13, "FY2023 Projects by Department":

Natural Resources

1.National Recreational Trails Federal Grant Program
\$1,650.0 (\$150.0 GF/Match, \$1,500.0 Fed)

2.Abandoned Mine Lands Reclamation Federal Program
\$3,200.0 Fed

3.National Historic Preservation Fund \$800.0 (\$200.0 GF/Match, \$600.0 Fed)

4.Land and Water Conservation Fund Federal Grant Program \$4,200.0 (\$1,600.0 GF Match, \$2,600.0 Fed)

5.Federal and Local Government Funded Forest Resource and Fire Program \$7,000.0 Fed

6.Geological Mapping for Energy Development (USGS STATEMAP) \$1,200.0 (\$600.0 GF Match, \$600.0 Fed)

7.State Park Electronic Fee Stations \$650.0 UGF

8.Arctic Strategic Transportation and Resource Project (ASTAR) \$2,500.0 UGF

9.Land Sales - New Subdivision Development \$500.0 DGF
- State Land Disposal Income

Mr. Steininger highlighted an ongoing program to replace fee collection stations at state parks. He pointed out item 8, which looked at transportation for resource development in the northern region of the state.

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Senator von Imhof considered item 7 and asked how many parks would benefit from the funding. She assumed that the electronic devices used broadband. She asked whether the fees would be used toward trash cans and dog waste bags in the parks.

Mr. Steininger responded that the operating budget request for the Parks Division included sanitation requests for state parks.

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Co-Chair Bishop asked for an update on ASTAR and asked when the funding requests for the project would cease.

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STEVE MASTERMAN, STATE GEOLOGIST, DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS, DEPARTMENT OF NATURAL RESOURCES (via teleconference), reported that this was the last year

of anticipated funding request. He offered to provide a brief update of the activity of the project.

Co-Chair Bishop noted that the committee would look deeper into the project later.

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Mr. Steininger continued to slide 14.

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Co-Chair Stedman had questions about items on slide 13. He asked about what was planned for the \$800,000 request listed in item 3.

Ms. Cross asked to defer the Division of Parks and Outdoor Recreation.

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RICKY GEASE, DIRECTOR OF PARKS AND OUTDOOR RECREATION, DEPARTMENT OF NATURAL RESOURCES (via teleconference), explained that there were a series of different grant programs that would be funded with the funding including some new grants. He listed several areas where the funds would provide operating budget support.

Co-Chair Stedman thought there was normally a list of projects to be funded included in the requests. He wanted a list of specific projects that would be funded with the grant money.

Mr. Gease stated that the grant programs had open application periods, which meant the grantees were yet unknown. He agreed to report back to the committee.

Co-Chair Stedman wanted to get information on the dates of closure for the grants. He referenced page 95 of the capital budget detail book (copy on file). He noted \$20,408 for Saint Peter's church in Sitka. He described that the City of Sitka had a historic Russian church that needed maintenance fundings. He wondered whether the grants would be available to the Russian church.

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Mr. Gease replied in the affirmative.

Co-Chair Stedman noted that the church was built many years before the transfer of the state to the United States. He asked Mr. Gease to get back to the committee on how historical structures of the state could be maintained.

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Senator von Imhof asked about item 1 on the slide. She knew the Girdwood community was trying to get a bridge built at Winter Creek. She explained that there was no way to connect the trail from Winter Creek to Crow Creek Road and understood that there was a fundraising process //effort underway. She asked about the process by which the organization could apply for the grant.

Mr. Gease described that the DNR website contained details on application dates and methods. He said that bridges in remote locations could be expensive, and the organization should reach out to the department for more information.

Senator von Imhof hoped that the department and the organization could work together to move the project forward.

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Senator Wielechowski asked about the \$650,000 proposed for item 7 on slide 13, for state park electronic fee stations, and asked how much revenue was expected to be generated.

Mr. Gease stated that approximately \$4.2 million was currently collected in fees. He detailed that the department would purchase 50 new fee stations across the state, which would increase fee compliance by 20 percent. He added that the electronic method would increase administrative efficiency.

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Co-Chair Stedman asked about the appropriation request for item 1 on slide 13 and the National Recreational Trails Federal Grant Program. He drew attention to the windstorm damage sustained at the Helga Point Recreations area in Sitka. He asked for a report back regarding Totem Park in

Ketchikan, and a structure in Sitka that was in a state of deterioration.

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Co-Chair Stedman wanted assurances that Mr. Gease had heard the request for information.

Co-Chair Bishop asked Mr. Gease whether he heard Co-Chair Stedman's request.

Mr. Gease agreed to provide the requested information

Co-Chair Stedman noted that the facilities were made after the depression during the timeframe of the Civilian Conservation. He added Ward Lake to the areas of interest.

Co-Chair Stedman addressed electronic fee stations listed in item 7 and noted that boat launches had been added to the stations. He asked whether the proposal changed the arrangement that the state had with municipalities regarding boat launch ramp stickers. He assumed that the electronic fee stations would be there for citizens that did not have permit stickers. He wanted information on the status of revenues collected at boat ramps. He mentioned past difficulties with money collection by the department. He supported the project and asked for a comment relating to cash collection from the current boxes.

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Mr. Gease agreed to provide a status report. He mentioned the time-consuming nature of cash collection and management. He discussed the ongoing problem of individuals breaking into cash boxes.

Co-Chair Stedman thought having a credit card machine on-site was a good idea but noted that many people still used cash. He thought that the cash drop boxes should remain intact, and he requested a breakdown of the money collected at the boat launch stations. He added that he hoped the boat ramps were properly lit and maintained for safety.

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Mr. Gease agreed to provide Co-Chair Stedman the information and affirmed that there would be cash boxes as well as electronic stations.

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Senator Wielechowski wondered whether it was a better idea to get rid of the fee stations due to the vandalism and thefts and associated drain on resources. He emphasized that the state's land and resources were available for everyone. He noted that other states did not charge for the use of state parks.

Senator Wielechowski recalled that the previous year the governor had put the Long Trail into the proposed General Obligation Bond package. Subsequently, when that bond failed to gain traction, funding was put in by the legislature and then vetoed by the governor. He was curious if the governor still supported the project and if he would support funding for the trail.

Mr. Steininger relayed that the Long Trail project was not in the governor's Capital Budget or General Obligation Bond Package for the current fiscal year.

Senator Wielechowski asked whether the governor no longer supported the project and whether he would veto funds appropriated by the legislature for the project.

Mr. Steininger could not speculate as to the governor's intentions concerning funding for the project.

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Senator Wielechowski was curious whether the state parks division had any thoughts on whether the Long Trail project was a project that garnered state investment.

Mr. Gease deferred to the governor as to the support of the Long Trail project.

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Co-Chair Bishop wanted to revisit the matter later in the presentation.

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Co-Chair Stedman referenced Senator Wielechowski's idea of elimination of fees for boat ramps. He requested additional information from the department regarding the cost to the state. He believed the information would be important in the crafting of Operating Budget amendments.

Co-Chair Bishop asked whether Mr. Gease heard Co-Chair Stedman's request.

Mr. Gease affirmed he had heard both Senator Wielechowski's and Co-Chair Stedman's request for data on revenue generation of program receipts.

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Mr. Steininger showed slide 14, "FY2023 Projects by Department":

Natural Resources - continued

10. RS2477 Access Development - Advancing State's Rights in Navigability and Revised Statute 2477 \$2,500.0 UGF

11. Potter Marsh Watershed Conservation Project Phase I \$1,000.0 Fed

12. Statewide Park Sanitation Deferred Maintenance and Facility Upgrades \$1,418.0 Fed - CSLFRF

13. Eagle River Fire Crew Facility - Coronavirus Capital Projects Fund \$13,856.4 Fed - Covid

14. Big Eddy EVOS Restoration and Improvements \$4,329.6 Other - Exxon Valdez Oil Spill Trust -Civil

15. Food Security Agriculture Incentive Grant Program \$25,000.0 CSLFRF

Co-Chair Bishop wanted to discuss Item 10. He thought Alaskans should know the importance for the state to maintain access across the state and federal lands.

Ms. Croft asked to defer the question to a subject matter expert from the Division of Mining, Land, and Water.

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KRIS HESS, DEPUTY DIRECTOR, DIVISION OF MINING, LAND & WATER, DEPARTMENT OF NATURAL RESOURCES (via teleconference), explained that most of the litigation to maintain the navigable waters, and lands therein, is with the federal government. She said that the funds would support state litigation strategies.

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Senator Wielechowski recalled that the state had appropriated \$2.5 million in the previous fiscal year. He asked what route or corridor the \$2.5 million would go towards assessing.

Ms. Hess explained that litigation was active concerning both the 40 Mile River and the Koyukuk River. She said that the department was in the planning stages of filing additional litigation against the federal government for other rivers throughout the state. She reiterated that part of the funds would hire experts and outside staff to help identify new rivers that were known to be navigable but were had yet to be disclaimed by the Federal Bureau of Land Management.

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Co-Chair Bishop asked about the proposed \$25 million food security grant listed on item 15. He asked for an overview.

DAVID SCHADE, DIRECTOR, DIVISION OF AGRICULTURE, DEPARTMENT OF NATURAL RESOURCES (via teleconference), explained that it was challenging to make agricultural products from Alaska competitive on the national level. He said that the program was a multi-phase approach to helping local farmers expand and grow by balancing costs. He listed several tactics to for supporting local farmers. He asserted that the project was a way for the state to support the growth of local industry.

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Co-Chair Stedman referenced food security and thought it would be nice to have consolidation of issues so they could be incorporated yearly in the budget process. He expressed concern for putting significant funds into unnecessary

subsidies. He cautioned for a holistic approach that could be monitored.

Co-Chair Bishop commented that the topic might be worthy of a food security meeting in the committee. He thought there were many reasons that agricultural projects had not grown.

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Senator Hoffman relayed that for rural Alaska, food security was looked at with a different lens. He considered that the food that people in rural Alaska depended on were moose, caribou, and salmon. He thought the funding could be better used for increasing the supply of salmon stock. He thought that the proposed project would require an annual appropriation but that the project description showed no additional years of funding. He lamented that some rural communities had to rely on donation of salmon from other communities. He believed that rebuilding the stocks would provide food security for rural Alaska and hoped that the administration would expand the scope of the project to include salmon stocks.

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Senator von Imhof recalled that in the past the state had subsidized milk processing facilities. She thought there had been food security successes in Thorne Bay with hydroponic greenhouses. She thought it was important to be realistic in the understanding that large-scale farming had not been profitable in the state.

Co-Chair Bishop reiterated that the topic should be considered at a future committee meeting.

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Mr. Steininger continued to address slide 14:

Public Safety

1. Law Enforcement Off Highway Vehicle Replacement
\$750.0 UGF
2. Marine Fisheries Patrol Improvements \$1,200.0 Fed

Co-Chair Bishop mentioned the state equipment fleet and asked whether the item could not be purchased through state equipment fleet.

Mr. Steininger understood that the vehicles in question fell outside of the state equipment fleet requirements.

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Co-Chair Stedman expressed shock that that the vehicles were not part of the fleet.

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Mr. Steininger noted Item 3:

3. Reappropriate Alaska Public Safety Communication Services from Military and Veterans Affairs

Co-Chair Stedman made note of a substantial request for several new troopers. He identified the need for more information on trooper support infrastructure needs throughout the state.

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Mr. Steininger spoke to slide 15, "FY2023 Projects by Department":

Revenue

1. AHFC Supplemental Housing Development Program \$2,750.0 UGF - AHFC Div
2. AHFC Housing and Urban Development Capital Fund Program \$3,200.0 Fed
3. AHFC Housing and Urban Development Federal HOME Grant \$4,750.0 (\$750.0 UGF -AHFC Div, \$4,000.0 Fed)
4. AHFC Federal and Other Competitive Grants \$7,500.0 (\$1,500.0 UGF - AHFC Div, \$6,000.0 Fed)
5. AHFC Competitive Grants for Public Housing \$1,350.0 (\$350.0 UGF - AHFC Div, \$1,000.0 Fed)

6.AHFC Energy Efficiency Research \$500.0 UGF - AHFC Div

7.MH: AHFC Beneficiary and Special Needs Housing \$3,450.0 (\$1,750.0 DGF - MH Trust Reserve, \$200.0 Other - MH Trust Authority, \$1,500.0 UGF - AHFC Div)

8.MH: AHFC Homeless Assistance Program \$8,100.0 (\$850.0 DGF - MH Trust, \$6,300.0 UGF - AHFC Div, \$950.0 Other - MH Trust Authority)

Mr. Steininger noted that all the items on slide 15 were for the Alaska Housing Finance Corporation (AHFC. Most of the items involved some form of federal match. He noted that many of the UGF in the programs was paid for out of dividends paid by the corporation.

[1:49:50 PM](#)

Mr. Steininger referenced slide 16, "FY2023 Projects by Department":

Revenue - continued

10.AHFC Teacher, Health and Public Safety Professionals Housing \$2,250.0 (\$1,750.0 UGF - AHFC Div, \$500.0 Other - SDPR)

11.AHFC Energy Programs Weatherization \$4,800.0 (\$3,000.0 Fed, \$1,800.0 UGF -AHFC Div)

12.AHFC Rental Assistance for Persons Displaced Due to Domestic Violence -Empowering Choice Housing Program (ECHP) \$1,500.0 UGF - AHFC Dividend

13.MH: AHFC Senior Citizens Housing Predevelopment Program (SCHPP) \$500.0 UGF -AHFC Div

14.AHFC Senior Citizens Housing Development Program \$1,000.0 UGF - AHFC Dividend

Mr. Steininger noted that item 10 through item 14 was a continuation of items for AHFC.

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Senator von Imhof asked about more detail for the teacher and public safety housing in item 10. She wondered about locations, cost, and timelines. She wondered how many houses the funding would support.

Mr. Steininger agreed to provide more detailed information on where the money had been deployed. He understood that the funding was more for vouchers for housing and less about building new housing.

Senator von Imhof asked for a discussion regarding building new teacher and public safety housing. She suggested that without actual houses the vouchers for housing proved useless.

Co-Chair Bishop recalled that the previous year's budget had more description of new teacher and public safety housing.

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Co-Chair Stedman suggested an update on the success of the previous year's appropriation.

Co-Chair Bishop reminded that the meeting was an overview, and that the committee would return to discuss departmental requests in more detail.

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Mr. Steininger continued to address slide 16:

Transportation and Public Facilities

1. Federal-Aid Aviation State Match \$17,600.0 Other - AHFC Bonds
2. Alaska Marine Highway System Vessel Overhaul, Annual Certification and Shoreside Facilities Rehabilitation \$20,000.0 UGF
3. State Equipment Fleet Replacement \$25,000.0 Other - Highways/Equipment Working Capital Fund

Co-Chair Bishop referenced Co-Chair Stedman's comments about provisioning state troopers and noted that vehicles for troopers generally came from the state equipment fleet.

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Co-Chair Stedman asked about item 2 under DOT, and the \$20 million request. He expressed concern that the vessels were maintained just enough so that they did not sink, but not enough to guarantee they were consistently operational. He understood that the administration was going to announce a new ferry structure that would be the result of incoming federal dollars.

Mr. Steininger stated there had been a lot of work looking at reshaping AMHS. He referenced legislation from the previous year that created an advisory board. He stated that the passage of an infrastructure bill on the federal level would bring some funding for the system. He did not have concrete plans to share with the committee concerning AMHS. He acknowledged the aging of AMHS vessels and stated that there had been increased costs for annual certification.

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Co-Chair Stedman was under the impression that the administration might make an announcement at the Southeast Conference as to how the federal dollars might be spent. He hoped the conversation could occur in time to incorporate funds into the Operating Budget. He said that there was concern that the Marine Highway Replacement Fund might be swept, which would leave the state without the ability to build up sinking funds for replacement vessels.

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Senator Olson spoke to Item 1. He queried how the funds would be distributed.

Mr. Steininger relayed that the department could provide a list of funded projects. He said that there was a lot of federal rules and guidance involved.

Senator Olson noted the approximately \$18 million in UGF and wondered where the funds would be spent.

Mr. Steininger stated that the funds would match federal dollars. He acknowledged that the funds were significant and reiterated that a list of projects could be provided to the committee.

Co-Chair Bishop reminded that there would be meetings with DOT to review capital requests in further detail. He noted that project backup was forthcoming.

[1:58:15 PM](#)

Mr. Steininger spoke to slide 17, " FY2023 Projects by Department":

Transportation and Public Facilities - continued

1. Federal Transit Administration Grants \$26,670.0 Fed
2. MH: Coordinated Transportation and Vehicles \$1,300.0 (\$1,000.0 MH GF, \$300.0 MH Trust Authority)
5. Cooperative Reimbursable Projects \$15,000.0 (\$5,000.0 Fed, \$10,000 DGF -SDPR)
6. Surface Transportation Program \$669,500.0 Fed
7. Highway Safety Grants Program \$8,033.9 (\$130.6 UGF, \$8,000.0 Fed)
8. Federal Emergency Projects \$10,000.0 Fed
9. Other Federal Program Match \$1,300.0 GF Match
10. Alaska International Airport System \$81,700.3 (\$9,561.0 Other - Int. Airport Revenue Fund, \$72,139.2 Fed)

Co-Chair Bishop asked to speak to a representative from DOT&PF.

Mr. Steininger believed Dom Pannone, Director of Administrative Services, was online for questions.

Co-Chair Bishop referenced Item 6 and the proposed \$669,500.0. He requested confirmation that the state would be receiving a 40 percent increase in foundation funding.

Mr. Steininger relayed that the administration planned on releasing an infrastructure appropriation bill that would cover federal programs that were new or increased. He said that the \$669 million increase would be addressed in that legislation.

Co-Chair Bishop understood that the \$669 million was the base funding.

Mr. Steininger answered affirmatively.

Co-Chair Bishop surmised that the increase would be in addition to the \$669 million.

Mr. Steininger agreed that there would be a considerable increase.

Co-Chair Bishop asked when the increase was expected to materialize.

Mr. Steininger shared that it should come before the committee within the next few weeks.

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Co-Chair Stedman queried the deadline for budget amendments.

Mr. Steininger stated that the statutory deadline for budget amendments was the 30th day of the legislative session. He said that the administration would put forth amendments on that deadline. He said that the request for consideration of the item after the deadline was because the administration was still receiving guidance on the federal infrastructure funding. He expressed frustration that federal timelines differed from those of the state.

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Co-Chair Bishop noted that it was day 22 of the session.

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Co-Chair Stedman recounted that the previous year the legislature had taken amendments until the end of the session. He recalled that to pay for the projects the dividend had been reduced to \$1100. He reminded the committee that many of the projects had been subsequently vetoed by the governor. He asserted that the dividend could have been larger in FY 22 had the committee been aware of the governor's intention to veto the projects.

[2:03:42 PM](#)

Mr. Steininger referenced slide 18, "FY2023 Projects by Department":

Transportation and Public Facilities - continued

5. Rural Airport Improvement Program \$200,000.0 Fed
6. Federal-Aid Highway State Match \$70,200.0 DGF - Program Receipts

University

1. Student Information Technology Systems - Coronavirus Capital Projects Fund \$20,000.0 Fed - COVID
2. Seward Marine Center Research Vessel Infrastructure \$94,400.0 Fed

Mr. Steininger detailed that further federal guidance was being sought that Item 1 would meet federal guidelines for funding.

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Co-Chair Bishop asked how confident the University and the administration was that the project would meet the guidelines.

Mr. Steininger replied that the administration believed that the project fit the U.S. Treasury guidelines. He acknowledged that there was always the consideration that the federal government interpreted the project differently, and he noted that the language in the federal guidelines was frequently inconsistent. He said that the final project plans were due September 2022.

Mr. Steininger continued to address slide 18:

Courts

1. Court Security Projects \$1,130.0 UGF
2. Courts Statewide Deferred Maintenance \$3,820.0 UGF

[2:07:09 PM](#)

Mr. Steininger showed slide 19:

FY2022 Capital Supplemental
*SB 164 Supplemental in FY2023 Governor
**SB 165 Fast Track Supplemental
^^SB 176 Regular Supplemental

The symbols accompanying each line item are in relation to the supplemental legislation they are contained within.

[2:07:52 PM](#)

Co-Chair Stedman that items included in previous budgets, that had not been authorized by the administration in that budget cycle, be highlighted for discussion.

Co-Chair Bishop replied in the affirmative.

[2:08:29 PM](#)

Mr. Steininger reviewed slide 20, "FY2022 Supplemental Projects":

Administration

1.*Alaska Rural Communications Service (ARCS) FCC License Surrenders and Renewals Update \$1,650.0 (\$,500.0 UGF, \$1,130.0 Fed)

2.**Azure Adoption to Assist with Cloud Migration \$23,116.0 UGF

Commerce, Community & Economic Development

1.*Replace Alcohol Licensing Database \$750.0 UGF

2.*Alaska Energy Authority - Electrical Vehicle Infrastructure Plan \$1,150.0 UGF

3.*Alaska Energy Authority - Strategic Plan for Railbelt Assets \$2,500.0 UGF

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Senator von Imhof asked about item 1 under the Department of Commerce, Community and Economic Development for a replacement of the alcohol licensing database. She wondered whether applicants would be able to apply online.

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MICAELA FOWLER, ACTING DEPUTY COMMISSIONER, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT (via teleconference), stated that it was the goal of the department to pivot toward electronic applications. She did not know that it would become an immediately become a functionality of the new database but believed it was part of the long-term plan.

Senator von Imhof asked for Ms. Fowler to define "long-term."

Ms. Fowler was wary of over-promising and underdelivering. She shared that the electronic applications would depend on the time it took to update the database and then find the right product for electronic updating. She suggested a two-year timeline.

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Senator Wielechowski appreciated the intent of the project but thought the cost seemed high. He recalled passage of the bill to update the state's online checkbook, which was done for a third of the cost of the proposed database update.

Ms. Fowler retorted that the department did not feel that the cost was exorbitant. She said that that the cost of building out the Marijuana Database, as well as the cost of the Professional Licensing Database, had been used to inform the cost of the database upgrade. She said that the cost was a best guess based on available information.

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Senator Wielechowski was curious to see whether there was more information available about how the cost was determined. He asked about the ongoing operating costs of \$50 thousand per year, into the future.

Ms. Fowler affirmed that the ongoing operating costs for the database would include updates, adjustments for changing regulation, maintenance, security, etc. She said that it was common to have ongoing costs to maintain databases.

[2:15:29 PM](#)

Senator Olson looked at Item 1, Administration, and the Alaska Rural Communications Service (ARCS). He asked who would be in charge of scheduling of the digital upgrades.

Mr. Steininger agreed to provide the information.

Senator Olson spoke of constituent complaints about access to statewide and local news at appropriate hours.

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Co-Chair Stedman was concerned about being midway through the fiscal year and receiving Supplemental Capital Budget requests spurred by the rise in oil prices. He thought the timing of certain projects would lead to confusion. He suggested that the capital project requests should be carefully considered for final approval by the legislature. He thought that an item like the Electrical Vehicle Infrastructure Plan did not need to be fast-tracked. He warned against having appropriation bills lingering in the process while the state had excess revenue.

[2:19:20 PM](#)

Senator Olson asked whether the administration was trying to meet some sort of deadline by fast-tracking the electric vehicle plan.

Mr. Steininger discussed how the administration crafted the Capital Budget for the December 15, 2021, release. He said that there had been small Capital Budget over the past few years and these supplementals were an effort to ease some of the "pent up" demand. He felt that the items on the fast-track were urgent and some simply benefitted from early funding.

Senator Olson understood that some of the projects were not immediately urgent and could be included in the FY 23 budgets.

Mr. Steininger stated that it would be beneficial for the projects to be supplementally funded.

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Co-Chair Stedman clarified that at the end of the year excess revenue would roll into the Constitutional Budget Reserve (CBR). He furthered that it would take a three-quarter vote of the legislature to access the funds once they went to the CBR.

Mr. Steininger agreed that surplus in the General Fund was swept to the CBR per the constitution. The budget as contemplated on December 15th would send \$150 million into the CBR, more current revenue estimated several \$100s of millions.

2:22:59 PM

Senator von Imhof wondered whether there were Designated General Funds (DGF) in the supplemental bills.

Mr. Steininger replied in the affirmative. He said that DGF fund would be noted on the slides in the continuing presentation.

Senator von Imhof wanted to discuss the source of the funds and whether money was available - or whether the funds had been swept because of the administrations failure to perform the traditional reverse sweep.

Mr. Steininger replied that OMB had insured that any appropriations from DGF had revenue behind them and could be executed regardless of the reverse sweep mode.

2:24:13 PM

Co-Chair Bishop looked at item 2 under the Department of Commerce, Community and Economic Development, and asked whether the funds had come from the Volkswagen Settlement.

Mr. Steininger replied in the negative. He said that Item 2 used UGF.

Co-Chair Bishop thought that the fiscal note mentioned the Volkswagen Settlement Fund.

Mr. Steininger replied that the Alaska Energy Authority managed a variety of funds.

[2:25:23 PM](#)

Mr. Steininger continued to address slide 20:

Corrections

1.*Hiland Mountain Intake Administration Project
\$4,500.0 UGF

2.*Yukon Kuskokwim Correctional Center Recreational
Area Renovations \$3,170.0 UGF

3.*Statewide Backup Power System Evaluation and
Upgrade Program \$350.0 UGF

4.**Suicide Prevention Barriers \$750.0 UGF

*SB 164 Supplemental in 2023 Governor **SB 165 Fast
Track Supplemental ^^SB 176 Regular Supplemental

Co-Chair Bishop asked on Senator Wilson's behalf about Item 1 and its similarity to a line item already in the Operating Budget.

Mr. Steininger affirmed that Item 1 was associated to an item in the Operating Budget. He described that the moving intake to Highland Mountain would require additional staff at Highland Mountain. He said that some capital build-up would also be required.

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Co-Chair Stedman thought projects of such need would have been submitted in the governor's FY 22 Capital Budget proposal. He reiterated that projects should be carefully considered to identify those that should be in the FY 23 Capital Budget versus a supplemental budget.

[2:27:32 PM](#)

Senator Wielechowski asked for detail on item 4 under DOC and the suicide prevention barriers.

APRIL WILKERSON, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF CORRECTIONS, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR (via teleconference), detailed that that the barriers would help in building out in three locations - the Anchorage Correctional Complex, Goose Creek Correctional Center, and Spring Creek Correctional Center. She offered to get information on square footage to the committee.

Co-Chair Bishop thought the supplemental spreadsheet offered more information.

[2:28:56 PM](#)

Mr. Steininger addressed slide 21, "FY2022 Supplemental Projects":

Education

1.**William N. Miller K-12 Memorial School Replacement, Napakiak \$54,895.5 (\$22,111.5 UGF, \$32,784 Other - REAA)

Family and Community Services

1.*Alaska Psychiatric Institute Wireless Infrastructure Upgrade \$500.0 UGF

Fish and Game

1.*Stock Identification of Salmon Harvested in South Peninsula Fisheries \$2,000.0 UGF

2.*Alaska Marine Salmon Program \$1,150.0 UGF

3.*Arctic Fisheries \$1,000.0 UGF, \$2,000 Fed

4.*Proceeds of Sale of State-owned Vessels and Aircrafts \$150.0 DGF

*SB 164 Supplemental in 2023 Governor **SB 165 Fast Track Supplemental ^^SB 176 Regular Supplemental

[2:30:38 PM](#)

Senator Wielechowski thought some of the projects listed on slide 21 were favorable but thought that \$500,000 seemed

like a great deal of money for wireless infrastructure. He considered that sometimes projects could be completed using a lesser appropriation. He expressed concern that requests were "padded" and thought that all projects did not need to be "gold-plated."

[2:32:05 PM](#)

Mr. Steininger spoke to slide 22, "FY 2022 Supplemental Projects":

Health

- 1.*Office of Children's Services Lease Expansion or Relocation \$960.0 (\$640.0 UGF, \$320.0 Fed)
- 2.**Information Technology Security Program Assessment \$1,900.0 UGF
- 3.^Cyberattack Mitigation and Response (Scope change, \$0.0)

Governor

- 1.*Primary and General Elections Security Due to COVID-19 \$3,000.0 Other - Election Fund
- 2.*Statewide Deferred Maintenance, Renovation, and Repair \$5,903.8 DGF - Capital Income Fund

Military and Veterans Affairs

- 1.*Construction of a Certified Veterans Cemetery in Fairbanks area \$3,270.0 (\$2,270.0 UGF, \$1,000.0 Fed)
 - 2.*Alaska Military Youth Academy (AMYA) Construction, Contingency, and Planning \$750.0 (\$150.0 UGF, \$600 Fed)
- *SB 164 Supplemental in 2023 Governor **SB 165 Fast Track Supplemental ^^SB 176 Regular Supplemental

Co-Chair Bishop announced that he could not find the Office of the Governor requests in his backup.

Mr. Steininger thought the items may have been included on the slide in error. He said that a revised slide would be provided to the committee.

2:34:26 PM

Senator Wielechowski asked about the \$3 million for election security and whether it was an actual request or not.

Mr. Steininger thought that there was a cutting and pasting error on the slide. He said that what should be on the slide was a \$4.3 million for election security for Division of Elections and the implementation of Ballot Measure 2.

Senator Wielechowski asked for more detail about election security that was referenced.

Mr. Steininger detailed that part of the project was stress testing of election information technology systems to assure any holes could not be capitalized on by a "bad actor." He said that the project was in response to the national concern over fraudulent elections.

Senator Wielechowski asked whether the administration had any evidence that the last presidential election was in any way fraudulent or accurate.

Mr. Steininger deferred the question to the director of the Division of Elections. He relayed that there were concerns about increased attempts to access election data and election systems.

Senator Wielechowski understood that Mr. Steininger could not speak on the legitimacy of the most recent presidential election.

Mr. Steininger assured the committee that he had no political feelings about the matter and to respond to the question would be out of his area of expertise. He deferred to the Director of the Division of Elections.

Senator Wielechowski recalled that there were reports that had come out relating to hacking of the state's election system. He wondered whether more information on the matter could be provided.

Mr. Steininger agreed to provide further information.

[2:37:57 PM](#)

Mr. Steininger continued to address slide 22:

Military and Veterans Affairs

1.*Construction of a Certified Veterans Cemetery in Fairbanks area \$3,270.0 (\$2,270.0 UGF, \$1,000.0 Fed)

2.*Alaska Military Youth Academy (AMYA) Construction, Contingency, and Planning \$750.0 (\$150.0 UGF, \$600 Fed)

*SB 164 Supplemental in 2023 Governor **SB 165 Fast Track Supplemental ^^SB 176 Regular Supplemental

Co-Chair Bishop asked whether the cemetery would be a national veteran's cemetery.

[2:39:00 PM](#)

BOB ERNISSE, ADMINISTRATIVE SERVICE DIRECTOR, DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR (via teleconference), affirmed that the cemetery would be a national cemetery.

[2:39:24 PM](#)

Mr. Steininger spoke to slide 23, "FY2022 Supplemental Projects":

Natural Resources

1.*Fire Crew Vehicle Replacement \$750.0 UGF

2.^^LIDAR Collection and Mapping Modernization (\$1,088.5 EVOSS)

3.^^National Historic Preservation Fund (\$200.0 UGF)

Public Safety

- 1.*Body Worn Camera Initiative \$4,524.3 (\$3,586.3 UGF, \$938.0 Fed)
- 2.*Mobile and Handheld Radio Replacement \$3,728.3 UGF
- 3.*AWT Medium-Class Vessel Replacement \$1,800.0 UGF
- 4.*VPSO Law Enforcement Program Support \$2,980.0 UGF
- 5.*Aircraft Purchase and Replacement \$6,000.0 UGF
- 6.*AST Unmanned Aerial System \$450.0 UGF

[2:41:49 PM](#)

Senator Olson asked whether Mr. Steininger had any information regarding where the medium class vessel replacement would be ported.

Mr. Steininger deferred to DOC.

[2:42:08 PM](#)

KELLY HOWELL, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF CORRECTIONS (via teleconference), believed that the vessel would be placed in Petersburg, also the request would replace several medium class vessels. She offered to provide further detail on those vessels.

Senator Olson said he was interested in whether any of the vessels would be in Western Alaska.

Senator Olson looked at item 4 under DPS for Village Public Safety Officer (VPSO) law enforcement program support. He asked for specifics about the line item.

Ms. Howell relayed that the department had consulted with grantees on their public safety needs, both for infrastructure and equipment. She said that a report was available of the requests, which would bolster infrastructure based on the needs identified by grantees.

[2:44:17 PM](#)

Senator Wielechowski referenced the \$3.7 million request for the mobile and handheld radio replacement. He wondered how many radios would be replaced.

Ms. Howell estimated that approximately 450 radios were anticipated to be replaced with the funding. She agreed to confirm the number in writing.

Senator Wielechowski pondered the costs of the radio replacement and estimated that the cost equated to \$8,248 per radio. He was curious about the high cost for the mobile radios and noted they sold on eBay for \$800 to \$1,400 apiece.

Ms. Howell agreed to get back to the committee with additional information on the cost of the radios and associated costs.

[2:46:06 PM](#)

Co-Chair Bishop shared Senator Wilson's question about the Body Worn Camera Initiative listed in item 1 for DPS. He asked whether the item would include the ongoing data storage for statewide operations and how the policy would be developed.

Ms. Howell shared that a bandwidth assessment would be done in rural areas to determine need. She thought that the capability in rural Alaska still needed to be determined. She furthered that, concerning policy, the department had followed how the Anchorage Police Department. She shared that the department was anticipating federal grants and would seek out public testimony when developing policies.

Co-Chair Bishop shared another question from Senator Wilson relating to aircraft replacement. He asked whether the change was to blue shirts (police) or brown shirts (troopers).

Ms. Howell replied that both divisions were used depending on the mission and need.

[2:48:48 PM](#)

Co-Chair Bishop looked at the detail book and asked if the state planned to buy 3 Robinson r44s and 3 Robinson 206s.

Ms. Howell believed that the actual number of 2 of each. She furthered that, while the state would be purchasing some new aircraft, some old aircraft would be sold.

Co-Chair Bishop asked Ms. Howell with detail as to what aircraft were being sold, and a list of fixed wing and rotor wing aircraft, as well as the tag time per aircraft.

Ms. Howell agreed to provide the information.

[2:50:08 PM](#)

Senator Wielechowski asked what state employees, other than law enforcement, would be allowed or eligible to fly in the aircraft.

Ms. Howell listed prisoners, VPSOs, and state troopers.

Senator Wielechowski asked whether the planes or helicopters would be able to be used by others in the executive branch such as commissioners, directors, or elected officials.

Ms. Howell thought there was a process by which other executive branch employees could fly on state aircraft with a reimbursement to the department for the cost.

[2:52:14 PM](#)

Senator Olson asked whether the governor's spouse was allowed to ride in the aircraft.

Ms. Howell deferred the question until a later time when she had more information. She thought there had been determinations by the Department of Law as to eligibility.

Mr. Steininger touched on the last item on page 23:

Transportation & Public Facilities

1. ^^Emergency Weather & Catastrophic Events
(Reappropriation, \$0.0)

*SB 164 Supplemental in 2023 Governor **SB 165 Fast
Track Supplemental ^^SB 176 Regular Supplemental

Co-Chair Bishop asked for further detail of the request.

Mr. Steininger agreed to provide the information.

Co-Chair Bishop discussed housekeeping.

#

ADJOURNMENT

2:54:22 PM

The meeting was adjourned at 2:54 p.m.