

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**May 02, 2003**  
**9:50 AM**

**TAPES**

SFC-03 # 73, Side A

**CALL TO ORDER**

Co-Chair Gary Wilken convened the meeting at approximately 9:50 AM.

**PRESENT**

Senator Gary Wilken, Co-Chair  
Senator Lydia Green, Co-Chair  
Senator Con Bunde, Vice Chair  
Senator Robin Taylor  
Senator Ben Stevens  
Senator Lyman Hoffman  
Senator Donny Olson

**Also Attending:** Testifiers are listed in the order they testified.

**SUMMARY INFORMATION**

SB 100-APPROP: CAPITAL PROJECTS

The Committee adopted a committee substitute and heard public testimony. The bill was held in Committee.

#SB100

SENATE BILL NO. 100

"An Act making capital appropriations and reappropriations; capitalizing a fund; 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."

Senator Taylor moved for adoption of CS SB 100, 23-GS1003\Q, as a working document.

Without objection the committee substitute was ADOPTED.

Co-Chair Wilken pointed out that the Governor's proposed budget contained approximately \$133.95 million general funds and the committee substitute would appropriate approximately \$130.9 million general funds. He furthered that the budget contained in the committee substitute would increase federal fund expenditures by approximately \$61 million, and reduce "other funds" expenditures by approximately \$40 million.

Co-Chair Wilken remarked that "all opportunities" to secure federal funds with matching State funds would be utilized in the budget contained in the committee substitute.

Co-Chair Wilken directed attention to reports distributed: Election District Summary, Project Comparison, and Project Detail by Election District [copies on file.]

ANNE PASCH, Anchorage Museum Natural History, testified via teleconference from Anchorage about the abundance of natural history artifacts in the State. She noted the museum is requesting funds to remodel to accommodate "Libby" one of the oldest finds in North America from mountains near Talkeetna. She expressed interest in promoting education and attempts to secure federal funding to provide this opportunity.

DEAN ALLEN, Snow Travelers, testified via teleconference from Fairbanks about snowmachine registration funds and trail projects that were eliminated from the governor's budget request. He told of the self-sufficiency of the program and the support of the registration program based on the understanding that the revenues would be utilized for trail maintenance and construction. He understood administration costs were necessary and suggested that funding be provided for one-half of an existing position utilizing registration fee revenues to undertake administrative functions.

DR. DOUG STARK testified via teleconference from Homer about \$500,000 needed for land acquisition to construct a building important to the university system. He noted that voters in the previous general election approved bonding authority.

MERRITT MITCHELL, Homer Campus Advisory Council, testified via teleconference from Homer in support of the capital budget for the University of Alaska. He told of parking requirements for a newly constructed facility, which has "been on the books" for over 12 years.

Co-Chair Wilken highlighted five components of the committee substitute as follows.

Major Differences in the Governor's Capital Budget and the Senate Finance Committee Substitute

- 1) Department of Community and Economic Development
  - The Kodiak Launch site was reduced by \$26 million due to a shortage in federal receipts available for that project.
- 2) Department of Education and Early Development
  - The People's Learning Center was reduced by \$1 million. This project received \$900,000 in the FY 03 capital budget. We were told that this was the amount needed to show the State's support
- 3) Department of Natural Resources
  - Rejected \$2,500,000 in federal receipt authority under the National Coastal Wetland Conservation Grants Program. These funds were earmarked for the purchase of private land on Afognak Island.
- 4) Department of Public Safety
  - Increased the Department's CIP [Capital Improvement Project] request for Aircraft and Vessel Repair and Maintenance by \$425,000 in order to provide maintenance for the Wolstad.
  - Cut the Fairbanks Roof Replacement Project in half with the understanding that the remainder will be funded in the FY 05 capital budget. This will provide a savings in this budget and result in the Department's ability to make the necessary repairs without a considerable delay.
- 5) Department of Transportation and Public Facilities
  - Cut the request for \$1 million in general funds for the North Slope Oilfield Connector Roads and Colville River Bridge and fully funded the Governor's \$10 million request for the evaluation and potential development of Industrial Access Roads and Community Access Roads.

Co-Chair Wilken indicated Governor Murkowski's road plan as demonstrated on a map [copy on file.]

Senator Hoffman restated statements he made the previous legislative session that the maintenance and operation of the People's Learning Center in Bethel would not be the responsibility of the State, but rather would be undertaken locally. He informed that groundbreaking would occur on this facility with or without additional State funding. He surmised that the recent decision to "take a second look" at this facility and reconsider further participation could be warranted but stressed this region has the highest unemployment and lowest achievement record in the State. He

suggested that such reconsideration is paramount to "ignoring the problem". He expressed pride in the achievements made in this region and the initiative taken to improve the quality of education and employment of residents in an area with the lowest standard of living in Alaska. He asserted that it would behoove the State to support this project and should have "taken the lead on this project".

Senator Hoffman understood the State contributed \$900,000 at his "insistence" the previous legislative session, but stressed that the \$1 request for this budget was made by the Governor's Office. He told of local residents convincing the Governor of this program's importance and surmised that the Governor included funding in his proposed budget because, "he felt strongly enough about that project."

Senator Hoffman noted the State funds would be used to obtain federal funds and reiterated the co-chair's statement that all federal funds would be secured.

Senator Hoffman indicated he would further comment on the distribution of capital funds to various election districts at a later date.

Co-Chair Wilken understood that the Bethel facility does not require matching funds. Although he "applauded" the progress made with the Bethel project; however, he expressed concern that once the federal funding sources "dry up" maintenance would become the responsibility of the State.

Senator Hoffman clarified the co-chair's opening statement did not specify required match.

Co-Chair Wilken noted amendments would be considered at the next hearing.

#### **ADJOURNMENT**

Co-Chair Gary Wilken adjourned the meeting at 10:11 AM