

HOUSE FINANCE COMMITTEE  
March 22, 2006  
2:46 p.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [2:46:43 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Richard Foster  
Representative Mike Hawker  
Representative Jim Holm  
Representative Reggie Joule  
Representative Mike Kelly  
Representative Beth Kerttula  
Representative Carl Moses  
Representative Bruce Weyhrauch

MEMBERS ABSENT

None

ALSO PRESENT

Sharon Kelly, staff, Co-Chair Chenault; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Guy Bell, Assistant Commissioner, Office of the Commissioner, Department of Labor and Workforce Development; Frank Richards, Statewide Maintenance and Operations, Department of Transportation and Public Facilities; Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities;

PRESENT VIA TELECONFERENCE

SUMMARY

CSSB 232(FIN)

"An Act making appropriations, supplemental appropriations, and capital appropriations; amending appropriations and funding sources; making appropriations to capitalize funds; and providing for an effective date."

CSSB 232(FIN) was REPORTED out of Committee with a "do pass" recommendation.

HB 365 "An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize 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."

HB 365 was heard and HELD in Committee for further consideration. The following departments were amended:

Department of Administration  
Department of Environmental Conservation  
Department of Education and Early Development  
Department of Labor and Workforce Development  
Military and Veterans Affairs  
Department of Revenue  
Department of Transportation and Public Facilities  
University.

HB 366 "An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

HB 366 was heard and HELD in Committee for further consideration.

#sb232

CS FOR SENATE BILL NO. 232(FIN)

"An Act making appropriations, supplemental appropriations, and capital appropriations; amending appropriations and funding sources; making appropriations to capitalize funds; and providing for an effective date."

Co-Chair Chenault MOVED to Adopt Amendment C, 24-GS2068\C.2.

SHARON KELLY, STAFF, CO-CHAIR CHENAULT, observed that Amendment C would clarify action on previously adopted Amendment #2. The amendment makes clear that the funds appropriated to the City of Kaktovik are for a capital project and will be added to the lapse section.

Representative Stoltze WITHDREW his objection. There being NO OBJECTION, it was so ordered.

Co-Chair Chenault MOVED to ADOPT Amendment D, 24-GS2068\C.3, Bailey, 3/22/06. Representative Stoltze OBJECTED.

Ms. Kelly explained that Amendment D would add \$1 thousand in general funds for the purpose of beginning the intent language on page 7, line 4.

There being NO OBJECTION, it was so ordered.

Ms. Kelly spoke to the Amendment #D. She noted the wording change on line 4. The Department of Administration needs a small appropriation to begin the work. Language was inserted to allow general fund monies to be spent.

Representative Stoltze WITHDREW his objection. There being NO OBJECTION, it was so ordered.

Representative Joule MOVED to ADOPT Amendment E, which would add \$35,000 to the Council on Domestic Violence and Sexual Assault.

Representative Stoltze OBJECTED

Representative Joule spoke to the amendment, stating that the funds would support the domestic violence and sexual assault crisis center in Kotzebue. Last year, the center received \$350,000 in funding through the Department of Health and Social Services. This year the center applied for funding through the Council on Domestic Violence and Sexual Assault, but did not received funding for FY 06 operations. He explained that the appropriation would reimburse funds used to operate the shelter in the previous year so it could continue.

Representative Kelly asked about the FY 07 plan. Representative Joule responded that it was in the budget for \$250 thousand.

Representative Kelly WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Representative Joule expressed his concern that certain items were unfinished, specifically in the area of energy issues that are widespread in rural Alaska. He urged discussion on the House Floor to address these issues.

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Co-Chair Chenault acknowledged the importance of energy and community issues, which might be addressed through municipal assistance. He expressed his intention to come up with a plan to meet the needs of Alaskans, and noted that the bill was a supplemental. He agreed that many departments were in need of funds.

Representative Foster MOVED to report CSSB 232(FIN) out of Committee with individual recommendations. There being NO OBJECTION, it was so ordered.

CSSB 232(FIN) was REPORTED out of Committee with a "do pass" recommendation.

2:55:06 PM

#hb365

HOUSE BILL NO. 365

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize 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."

HOUSE BILL NO. 366

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Representative Kerttula MOVED to ADOPT Amendment ADMIN #1, which would add \$1.7 million to the Office of Public Advocacy.

Co-Chair Chenault OBJECTED.

Representative Kerttula noted that the amendment would add funds to the Governor's original request. She emphasized the importance of the agency in criminal and civil conflict cases. She noted that it would cost more to defend these cases with private counsel. She emphasized that the agency had worked with seniors and children, and that they had a very high case load and not enough resources.

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Co-Chair Chenault conceded that the department does a fine job and acknowledged that they are under-funded based on his discussion with the personnel. He queried how to deal with supplementals and hold agencies to the amount specified [by the legislature]. He expressed an unwillingness to accept an amendment stating a specific amount and stated that he would not support the amendment.

Representative Kerttula recognized the problems with supplementals and urged the Committee to add additional funding into the base to prevent future supplementals.

A roll call vote was taken on the motion.

IN FAVOR: Kerttula, Moses, Joule  
OPPOSED: Kelly, Stoltze, Weyhrauch, Foster, Hawker, Holm,  
Meyer, Chenault

The MOTION FAILED (3-8).

Representative Kerttula MOVED to ADOPT Amendment ADMIN #2:  
add \$1 million for the Public Defender Agency.

Co-Chair Meyer OBJECTED.

Representative Kerttula noted that the agency is driven by caseload under a constitutional provision guaranteeing representation. She maintained that excess caseloads sometimes result in lost cases and delays. She also observed that attorneys often had to complete their own administrative duties, resulting in inefficiency.

IN FAVOR: Kerttula, Moses, Joule  
OPPOSED: Kelly, Stoltze, Weyhrauch, Foster, Hawker, Holm,  
Meyer, Chenault

The MOTION FAILED (3-8).

Representative Kelly MOVED to ADOPT Amendment DCCED #1,  
which would add \$25 thousand for the Alaska State Community  
Services Commission.

There being NO OBJECTION, it was so ordered.

Representative Kelly MOVED to ADOPT Amendment DCCED #2 to  
add \$900 thousand to the Qualified Trade Association  
Contract. Co-Chair Meyer OBJECTED.

Representative Kelly spoke to the amendment, stating that these funds would provide a grant to the Independent Traveler Association. He explained that the independent traveler market has not rebounded as well as other tourism segments, such as the cruise industry. The request was reduced in the subcommittee and removed from the capital budget to be submitted as a one time increment in the operating budget.

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Co-Chair Chenault asked if matching funds were involved. Representative Kelly noted that the smaller organizations felt that it would be difficult to meet a match requirement.

Co-Chair Chenault thought that the vehicle rental tax was originally intended to promote travel in the state. He suggested other departments could also promote tourism, and

stated his hesitance to support the amendment while other important state issues go unfunded.

Representative Kelly maintained that, although they could not dedicate funds, there was an implied promise that the funds would go toward tourism with a focus on such groups.

[3:08:03 PM](#)

Representative Kerttula asked what would happen if the amendment were not adopted. Representative Kelly noted that he would look at adding it to the capital budget.

IN FAVOR: Kelly, Kerttula, Moses

OPPOSED: Stoltze, Weyhrauch, Foster, Hawker, Joule, Holm, Meyer, Chenault

The MOTION FAILED (3-8).

Representative Kelly MOVED to ADOPT Amendment DCCED #3, which would add \$210 thousand to Community Assistance and Economic Development, Community Advocacy.

Representative Kelly MOVED to AMEND Amendment DCCED #3: change \$210 thousand to \$150 thousand. He observed that the appropriation to each Regional Seafood Development Association would be reduced from \$70.0 to \$50.0. He noted that the subcommittee added a one-time increment to the Regional Seafood Development Associations (RSDA's). He emphasized that the amendment would give the three RSDA's seed money.

[3:11:32 PM](#)

Representative Stoltze asked if a local fisheries tax supported the groups. Representative Kelly affirmed.

There being NO OBJECTION, it was so ordered.

Representative Moses MOVED to ADOPT Amendment DCCED Amendment #4, which would add \$1.8 million to the Alaska Seafood Marketing Institute (ASMI). Co-Chair Meyer OBJECTED.

Representative Moses spoke to the amendment. He explained that the amendment would allow the Alaska Seafood Marketing Institute to participate in the industry. The state of Alaska has not contributed to ASMI for approximately ten years. He noted that \$500 thousand would allow international marketing in an attempt to increase Alaska's market share in countries such as Japan and Eastern Europe. He stated that Alaska spends much less than other countries on marketing.

[3:14:26 PM](#)

Representative Moses stressed that the state has a vested interest in keeping its seafood prices up. He concluded that the funds were equal to \$1 for every \$2.5 that the industry generated.

Representative Weyhrauch spoke in support of the amendment and reiterated that the state had not contributed to the Alaska Seafood Marketing Institute in the past 10 years. He felt a need to support them with the current surplus. He also observed that marketing in other countries resulted in higher sales. He observed that there has been approximately a 47 percent increase in sales of Alaskan seafood in countries where it has been advertised. He acknowledged that additional funds have been put into marketing through regional associations.

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Representative Joule also spoke in support of the amendment and stressed that Alaska is fortunate to have wild stock present.

Co-Chair Chenault maintained that the state has invested in seafood marketing. While he acknowledged marketing issues around the world he argued that a \$500 thousand general fund increase was substantial.

A roll call vote was taken on the motion.

IN FAVOR: Weyhrauch, Foster, Joule, Kerttula, Moses  
OPPOSED: Stoltze, Hawker, Holm, Kelly, Chenault, Meyer

Representative Moses WITHDREW Amendment DCCED #5 (copy on file.)

Representative Weyhrauch MOVED to ADOPT Amendment ED #1:

Add to Section 13

- (b) The sum of \$250,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2007, for payment as grants to each school district that operates a charter school with an average daily membership of less than 150 for support of those charter schools in those districts. The amount appropriated for grants by this subsection is to be allocated among eligible school districts in the proportion that the average daily membership of eligible charter schools in a district bears to the total average daily membership of all eligible charter schools

in all school districts that operate an eligible charter school.

Representative Stoltze OBJECTED.

Representative Weyhrauch noted that charter schools had received state support for the last two years. He explained that the amendment allowed funds to go to charter schools with populations of less than 150 students. He stated that otherwise these small schools were incorporated into the funding formula for the larger schools, which would significantly reduce their funding. He stressed the amount of time already spent by these schools in fundraising. There are schools in Kenai, Nome and Juneau. He observed that the amount was less than they originally requested.

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Representative Stoltze expressed his support of charter schools, and noted their reliance on volunteerism.

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Representative Hawker questioned if the amendment would result in level funding with FY 2006. Representative Weyhrauch confirmed.

There being NO OBJECTION, it was so ordered.

Representative Kerttula WITHDREW Amendment #2 (copy on file.)

Representative Weyhrauch MOVED to ADOPT Amendment ED #3 to appropriate \$49.5 thousand general funds to the Department of Education and Early Development, Alaska Library and Museums, Archives for program support.

There being NO OBJECTION, it was so ordered.

Representative Kerttula MOVED to ADOPT Amendment ED #4 to add \$500 thousand to Head Start Grants.

Co-Chair Meyer OBJECTED.

Representative Kerttula explained that the amendment would provide enough funding in the Head Start Program to incorporate many of the 850 children on the wait list. She explained that these children were beneath the poverty guidelines. She proposed that spending this money would have future benefits and pointed out that the state of Alaska had not funded preschool program, and that the Head Start program had been flat funded for the past several years. She noted that all Head Start Grants were completed on a

competitive basis. She noted that the first lady supported this program.

[3:26:38 PM](#)

Co-Chair Chenault noted the decrease of \$272 in federal funds and asked where this occurred.

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, confirmed his understanding that the funding for the Head Start Program would be decreased by \$270 thousand by the federal government in the coming year.

[3:27:44 PM](#)

IN FAVOR: Kerttula, Moses, Joule

OPPOSED: Kelly, Stoltze, Weyhrauch, Hawker, Holm, Meyer, Chenault

Representative Foster was absent from the vote.

The MOTION FAILED (4-7).

Representative Joule MOVED to ADOPT Amendment ED #5 to add \$5 million to Teaching and Learning Support for Teacher Mentoring.

Representative Stoltze OBJECTED.

Representative Joule explained that the funding would support the teacher mentoring program. He discussed the origin of the program and emphasized the success of past teacher mentoring programs. He noted that 37 school districts participated in this program and demonstrating that participation in this voluntary program increased teacher retention in the state. He observed that teachers who are initially mentored in rural Alaska might eventually move to larger districts in the state. He noted the importance of retaining teachers throughout the state and urged support.

[3:31:28 PM](#)

Co-Chair Meyer noted previous discussions in the Education Subcommittee and noted it had the support of the Commissioner of Education. He explained that the program was started by the federal government. The state must decide whether to continue the program. He noted the high request amount of \$5 million and observed that the Anchorage School District has its own program. He noted that the Subcommittee questioned whether retired teachers might be a less expensive option. He noted the subcommittee's discomfort with the high cost of the program.

[3:33:05 PM](#)

Co-Chair Chenault acknowledged that the program was beneficial, but expressed concern with the cost and pointed out that there are many unresolved issues surrounding education. He referred to the cost differential problem, which might be part of the solution. He stated that he was not comfortable supporting the amendment, but suggested that it might be revisited later in the session.

[3:34:30 PM](#)

Representative Joule agreed that sometimes issues were raised to continue dialogue on the House Floor. He commended larger school districts for continuing the program, but noted that raising energy costs in smaller districts prevented monies from being directed to other programs. He conceded that movement had been made, but emphasized the importance of assisting young teachers early on in the process. He maintained that providing assistance to new teachers would help them to transition and result in greater retention in Alaska. He welcomed further discussion.

[3:36:31 PM](#)

Representative Kelly acknowledged the cost of having to recruit and retain new teachers, but conceded that the funding level was not sustainable. He mentioned a time when Fairbanks put a great deal of effort into mentoring. He observed that the state was not producing the amount of teachers needed to fill current job openings.

Representative Joule pointed out that it would be more difficult to restart the program.

A roll call vote was taken on the motion.

IN FAVOR: Foster, Joule, Kerttula, Moses

OPPOSED: Hawker, Holm, Kelly, Stoltze, Wehyrauch, Meyer, Chenault

The MOTION FAILED (4-7).

Representative Joule MOVED to ADOPT Amendment ED #6 to add \$750 thousand to support the work of Ready to Read, Ready to Learn Alaska Task Force in the Department of Health and Social Services.

Representative Stoltze OBJECTED.

[3:40:05 PM](#)

Representative Joule explained that the amendment supported the Ready to Read program. He noted that pre K programs have been eliminated. He emphasized the importance of instilling early reading skills in 3 to 5 year olds, and proposed that work at this level would result in benefits in the overall system. He stressed that these funds are an investment in students in the state of Alaska, which would pay huge dividends. He pointed out that studies correlated early education to a lack of a prison record.

Representative Hawker observed that the program started in the Health and Social Services budget. The Subcommittee did not accept the appropriation and recommended that it be directed to the Education budget. He conceded that this program provided benefit, but questioned why it had begun in the Department of Health and Social Services budget. He suggested that it pointed to a family responsibility. He did not believe the state had a primary role at this level. He mentioned that there were a number of social services already available to support young children, such as day care, which is funded at \$53 million a year. He was not sure that the state should support this program.

[3:45:53 PM](#)

Co-Chair Meyer conceded that this was a difficult decision and noted the long discussions in the Education Subcommittee. He observed that the intent of the task force was to provide these services to all young children in the state. He pointed out however, that the funding was a placeholder, since the task force was not yet sure how to spend the money. He felt the amendment would be premature. The \$750 thousand was merely for the task force, with the services portending a much larger amount.

Representative Hawker clarified that the child care benefits proposal was \$48 million vs. \$53 million in the Department of Health and Social Services.

Representative Joule suggested that the task force might be able to identify current state agencies as methods for improving learning for young children. He emphasized the need for funding to allow the task force to interface with the current program. He noted that his own district currently chose to make this investment, even though the department is not supporting the funding. He referred to studies that demonstrate that young children benefit a great deal from this type of intervention.

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Co-Chair Chenault agreed that earlier intervention in education is better. However, he noted that it was a policy question whether the state or the family ought to have that

responsibility. He conceded that some families might not have the ability to provide these resources, but questioned the role of the state.

[3:50:59 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Joule, Kerttula, Moses

OPPOSED: Hawker, Holm, Kelly, Stoltze, Weyhrauch, Foster, Chenault, Meyer

The MOTION FAILED (3-8).

[3:51:51 PM](#)

Representative Kerttula MOVED to ADOPT ED 7:

DEPARTMENT: Department of Education  
APPROPRIATION: Teaching and Learning Support  
ALLOCATION: Student and School Achievement

ADD: \$50.0

FUNDING SOURCE: GF code 1004

Co-Chair Chenault OBJECTED.

Representative Kerttula explained the amendment, which supports a 20 year old program. The Alaska Mineral and Energy Resource Education Fund (AMEREF) is a partnership between the State of Alaska Department of Education and private industry to provide Alaska students and teachers with the knowledge and skills to make informed and objective decisions relating to mineral, energy, and forest resources. The key component of the program is the curriculum modules provided to teachers around the state. These modules cover such subjects as Alaska's Mining History, Alaska's Geology, Alaska's Minerals and Mining, Ecology/Economy, Energy and the Environment and Alaska's Forestry. Funding is needed to update and revise the curriculum modules including incorporating the newly approved state science standards as well as new technologies. She spoke in support of the amendment and stressed its effectiveness. She observed that there is currently no good outside source.

Co-Chair Chenault did not support the amendment.

Co-Chair Meyer acknowledged the worth of the program, but observed that the state already contributes \$50 thousand dollars toward the program. He hoped to see the mining industry to take the program over.

Representative Kerttula pointed out that the State reduced funding, which AMEREF picked up. The money is needed to update and revise the science curriculum. She stated that it was a worthwhile program.

[3:55:03 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Joule, Kerttula, Moses  
OPPOSED: Hawker, Kelly, Stoltze, Weyhrauch, Foster,  
Chenault, Meyer

Representative Holm was absent from the vote.

The MOTION FAILED (3-7).

[3:55:50 PM](#)

Representative Weyhrauch MOVED to ADOPT Labor #1:

(d) The sum of \$200,000 is appropriated from the general fund to the Department of Labor and Workforce Development, independent living rehabilitation, for partial funding of interpreter referral line and transition of youth to employment, for the fiscal year ending June 30, 2007.

Co-Chair Chenault OBJECTED.

Representative Weyhrauch explained that the amendment would appropriate \$200 thousand for the independent living rehabilitation. He emphasized that the funding helps to keep people in their homes. It is a one-time appropriation.

Co-Chair Chenault acknowledged that the program is worthwhile.

Representative Chenault MOVED to AMEND Amendment: reduce the appropriation to \$150 thousand. There being NO OBJECTION, it was amended.

Representative Hawker OBJECTED for a comment. He expressed the desire to see the services coordinated between the Department of Labor and Workforce Development and the Department of Health and Social Services.

Representative Hawker WITHDREW his OBJECTION.

Representative Kelly referred to the number of constituents testifying regarding the budget and pointed out that few if any testified in favor of further cuts. He thought that the

budget was not sustainable. He maintained that there are many equally deserving programs, but indicated that he would support the amendment.

There being NO OBJECTION, LABOR #1 was adopted.

[4:00:48 PM](#)

Representative Kerttula MOVED to ADOPT Labor #2:

DEPARTMENT: Department of Labor  
APPROPRIATION: Workforce Development  
ALLOCATION: Adult Basic Education

ADD: \$450.0

FUNDING SOURCE: GF code 1004

EXPLANATION: This amendment will restore the Adult Basic Education Program to the full \$1 million. This program prepares Alaskans for employment by providing instruction in basic skills and GED preparation and testing. The increment will enable the program to increase their GED graduates by 630 and will also provide a trades apprenticeship and job training curriculum. The additional funding is also needed to maintain, monitor and update the databases and train the ABE program staff

Representative Stoltze OBJECTED.

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Representative Kerttula stated that the amendment would restore the Adult Education Program to the requested limit of \$1 million. She referred to testimony indicating the importance of the program in allowing people to improve their lives. The Adult Basic Education Program issues certificates to the highest percentage of Alaskans graduating through any program. There are 630 graduates per year. She reiterated that it would be money well spent.

Representative Joule noted that he worked at the Alaska Technical Center in Kotzebue and recounted successful use of the program. He urged passage of the amendment and maintained it was a worthwhile expense.

[4:05:47 PM](#)

GUY BELL, ASSISTANT COMMISSIONER, OFFICE OF THE COMMISSIONER, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, explained that the GED program is the single largest source, with 20%, of high school diplomas.

Representative Hawker was shocked.

Representative Kerttula stated that there was no other program giving GED's in the State. Co-Chair Chenault stated this was in addition to what was requested.

[4:08:22 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Joule, Kerttula, Moses  
OPPOSED: Hawker, Holm, Kelly, Stoltze, Foster, Chenault,

Vice-Chair Meyer and Representative Weyhrauch were absent from the vote.

The MOTION FAILED (3-6).

[4:09:14 PM](#)

Representative Kerttula MOVED to ADOPT Labor #3:

DEPARTMENT: Department of Labor  
APPROPRIATION: Workers' Compensation and Safety  
ALLOCATION: Wage and Hour Administration

ADD: \$199.5

FUNDING SOURCE:GF code 1004

EXPLANATION: This amendment will restore funding to the \$299.2 level requested by Department of Labor to establish three new Wage and Hour Investigator I positions to improve resident hire results and ensure compliance with prevailing wage laws. Public construction projects have increased by 23% since FY 2003 and existing staff is insufficient to perform on-site inspections. These positions will result in an additional 800 on-site inspections annually.

Representative Stoltze OBJECTED.

Representative Kerttula spoke to the amendment. She explained that the amendment would restore the level requested by the Department of Labor and Workforce Development. She observed support from the General Contractors Association and members of the public. She observed that with the increase in public construction programs, the existing staff in the Department of Labor was unable to get to job sites to do proper inspections. The amendment would allow 800 more inspections per year. The state of Alaska has a prevailing wage law. Without enforcement some contractors may misclassify workers to lower paying crafts with little threat of being caught. The

amendment would help level the playing field. She maintained that without the funding some contractors would not follow ethical work practices.

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Co-Chair Chenault conceded that the amount was not as much as requested, but felt that it might be enough to suffice for now.

Representative Holm asked whether there were any cases that raised suspicion about contractors not complying. Representative Weyhrauch said that although they had not heard any testimony, the presence of the program preventing poor practices.

Representative Hawker agreed that the state needed to pay attention to current laws in this area. He endorsed the amendment.

Representative Kelly noted the increase and proposed that a great deal of enforcement already occurred in the workplace.

Representative Kerttula pointed out that testimony revealed that only 160 projects were surveyed, and inspectors were overwhelmed. She noted testimony estimating that 800 projects need auditing.

Representative Chenault spoke against the amendment.

A roll call vote was taken on the motion.

IN FAVOR: Joule, Kerttula, Hawker

OPPOSED: Holm, Kelly, Stoltze, Weyhrauch, Foster, Chenault, Meyer

Representative Moses was absent from the vote.

The MOTION FAILED (3-7).

Representative Kelly MOVED to ADOPT Amendment Labor #4 to add \$47.9 thousand Independent Living Rehabilitation for Assisted Living Care for the Elderly and Blind.

There being NO OBJECTION, it was so ordered.

Co-Chair Chenault MOVED to ADOPT Amendment Labor #5 to add \$50.0 thousand general funds for an office of Citizenship Assistance activities in the Kodiak office.

Representative Stoltze OBJECTED.

Co-Chair Chenault noted that the amendment generated from a Committee member, and stated that Kodiak had a large

Filipino population and believed they needed a position of Citizen Assistance.

Representative Stoltze WITHDREW objection. There being NO OBJECTION, it was so ordered.

Co-Chair Chenault MOVED to ADOPT Amendment LAW #1:

\* Sec. 15. DEPARTMENT OF LAW. The sum of \$1,500,000 is from the general fund to the Department of Law, oil, gas, and mining, for work related to the state gas pipeline, to bringing North Slope natural gas to market, and to other oil and gas projects, for the fiscal year ending June 30, 2007.

Representative Stoltze OBJECTED.

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Co-Chair Chenault observed that the amendment would provide \$1.5 million for related oil and gas projects. The monies were split between the FY 06 and 07 budgets. He pointed out that the FY 07 funding was taken out of the supplemental and added to the FY 07 operating budget. He observed that a large amount of money has been spent over the last few years for pipeline and other negotiations and noted concerns regarding accounting for those expenditures. He had been reassured that the funding was spent in the correct manner. He concluded that at this time, with the PPT tax before the Legislature, the money must be invested. He stated that although he was reluctant to spend the money, he believed it was necessary.

Representative Stoltze expressed support for funding civil lawyers. He noted the amount of outstanding tax cases, and the cost of contracted attorneys. He commended the dedication of attorneys working for the department. He also noted that the intention was not to hire too many attorneys out of Washington D.C.

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Representative Hawker WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

Representative Stoltze MOVED to ADOPT Amendment LAW #2, which would add \$141.8 thousand in general funds for the Third Judicial District, Anchorage to restore a therapeutic courts attorney.

There being NO OBJECTION, it was so ordered.

Co-Chair Chenault MOVED to ADOPT Amendment DMVA #1 to add \$150 thousand for Homeland Security Emergency Services.

There being NO OBJECTION, it was so ordered.

Representative Holm MOVED to ADOPT Amendment DOTPF #1 to add \$1.5 million Northern Region Highways and Aviation for increased Dalton Highway maintenance and operations.

There being NO OBJECTION, it was so ordered.

[4:22:10 PM](#)

Representative Moses MOVED to ADOPT Amendment DOTPF #2 to add \$543.8 thousand for five positions and to extend the hours of operation at Kodiak, Dillingham, Unalaska, Nome, Kotzebue, Wrangell and Petersburg.

Representative Stoltze OBJECTED.

FRANK RICHARDS, STATEWIDE MAINTENANCE AND OPERATIONS, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, spoke to the amendment. He explained that the amendment would allow extended hours in rural certificated airports, where air carriers would like better service on the runway for snow and ice removal. The additional service would affect both passenger and cargo flights. He explained that missed approaches result in returns to Anchorage, which prevents food stuffs and medical evacuation staff from arriving. He observed support in rural areas. He noted that the legislature approved 75% of their FY 06 request on six of the airports: Petersburg, Nome, Bethel, Kotzebue and Dillingham. The amendment would expand service to Kodiak and Unalaska.

A roll call vote was taken on the motion.

IN FAVOR: Moses, Foster, Joule, Kerttula  
OPPOSED: Stoltze, Weyhrauch, Hawker, Holm, Kelly, Meyer, Chenault

The MOTION FAILED (4-7).

Representative Joule WITHDREW Amendment DOTPF #3 (copy on file.)

Representative Kerttula MOVED Amendment #4, DOTPF, which would add \$2,355.8 million for Alaska Marine Highway System Vessel Operations.

Co-Chair Chenault OBJECTED.

Representative Kerttula explained that the amendment would restore the reduction of additional weeks of service for the

cross gulf service between Juneau and Whittier from October to June 30, 2006 on the M/V Kennicott. She observed that many travelers depend on the service, including legislators, military and other state employees.

NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, observed that the amendment would restore funding reduced by the Subcommittee as an unallocated reduction.

[4:26:48 PM](#)

Co-Chair Chenault observed that there are concerns regarding fast ferry service and other issues with the Alaska Marine Highway System. He expressed a hesitance to add support at this time.

A roll call vote was taken on the motion.

IN FAVOR: Moses, Joule, Kerttula

OPPOSED: Stoltze, Weyhrauch, Foster, Hawker, Holm, Kelly, Meyer, Chenault

The MOTION FAILED (3-8).

HB 365 and HB 366 were heard and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 4:29 PM