

MINUTES
SENATE FINANCE COMMITTEE
April 12, 2005
9:07 a.m.

CALL TO ORDER

Co-Chair Wilken convened the meeting at approximately [9:07:38 AM](#).

PRESENT

Senator Gary Wilken, Co-Chair
Senator Lyda Green, Co-Chair
Senator Bert Stedman
Senator Donny Olson
Senator Lyman Hoffman
Senator Fred Dyson
Senator Con Bunde

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

SUMMARY INFORMATION

HB 67-APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 66-APPROP: MENTAL HEALTH BUDGET

The Committee adopted committee substitute for both bill and heard public testimony. The bills were held in Committee.

#HB67

#HB66

CS FOR HOUSE BILL NO. 67(FIN)(brf sup maj fld)

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

CS FOR HOUSE BILL NO. 66(FIN)

"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."

The Committee scheduled testimony from the Legislative Information

Offices in Bethel, Nome, Kotzebue, Barrow, Tok, Delta Junction, Ketchikan, Wrangell, Petersburg, Sitka, Cordova and Valdez.

Senator Stedman moved for adoption of CS HB 67, 24-GH1073\L as a working document.

Without objection the committee substitute was ADOPTED.

[9:09:18 AM](#)

Senator Stedman moved for adoption of CS HB 66, 24-GH1075\Y as a working document.

There was no objection and the committee substitute was ADOPTED.

[9:10:11 AM](#)

Co-Chair Wilken outlined the public testimony procedures.

[9:12:15 AM](#)

CHARLENE SACLAMANA testified via teleconference from Nome directed testimony to page 26 of HB 67 and requested increased funding for the Local Emergency Planning Committee.

[9:15:10 AM](#)

Co-Chair Wilken spoke to the budget subcommittee's efforts in securing an additional \$100,000 for this component, increasing the amount to \$150,000. Efforts would continue to secure the total \$300,000 requested. He detailed the process in examining this program.

AT EASE [9:16:47 AM](#)/[9:17:38 AM](#)

[9:17:40 AM](#)

JOAN HAMILTON, Chair, Bethel Broadcasting Board testified via teleconference from Bethel to thank the Committee for support of public radio broadcasting. Public radio is important in emergency broadcasting and in providing weather reports, critical to the region.

[9:20:44 AM](#)

Senator Hoffman asked the status of the Camai Festival.

Ms. Hamilton reported the festival was a success and Senator

Hoffman's presence was missed.

AT EASE [9:21:29 AM](#)/[9:34:55 AM](#)

[9:35:34 AM](#)

NATE OLEMAUN, Mayor, City of Barrow, testified via teleconference from Barrow in reference to a resolution adopted by the city council in opposition to municipal funding reductions. He spoke to the increased employer contributions required for the Public Employees Retirement System (PERS), increased insurance costs and other expenses.

[9:39:45 AM](#)

Co-Chair Wilken noted that the PERS and Teachers Retirement System (TRS) issue has been undertaken by this legislature and characterized by Co-Chair Green as the most difficult issue she has faced in her tenure. Co-Chair Wilken appreciated the assistance of municipality officials and the House of Representative in achieving a solution in reforming the retirement system.

[9:41:13 AM](#)

Co-Chair Green informed that a fiscal note accompanying SB 141, reforming PERS and TRS, contains funding to municipalities to offset increased PERS and TRS costs.

[9:41:58 AM](#)

Senator Olson thanked the mayor for his testimony.

[9:42:34 AM](#)

MARY HAKALA, education advocate, testified in Juneau that funding for education must be "substantial enough to reach the classroom." She estimated this to be approximately \$85 to \$90 million in increased funding.

[9:44:22 AM](#)

AT EASE [9:44:40 AM](#)/[10:08:18 AM](#)

[10:08:35 AM](#)

JACK SHAY, representing the Ketchikan Gateway Borough and the City of Ketchikan, testified via teleconference from Ketchikan about the increased costs for PERS and TRS. Although every one-dollar

increase in the price per barrel of oil generates approximately \$65 million in additional revenue to the State, the cost to municipalities is approximately \$20 for the increased fuel costs. He thanked the Committee for continuing the funding for public broadcasting at the FY 05 level. The municipalities need as much assistance as possible.

Co-Chair Wilken requested Mr. Shay's assistance in the retirement system reform.

Senator Stedman furthered the request that Mr. Shay encourage the Borough and the City in this effort, as the sooner a remedy is agreed upon, the sooner relief could be possible.

Mr. Shay assured he would contribute what he could.

[10:13:41 AM](#)

ROBERT PRUNELLA, City Manager, City of Wrangell, testified via teleconference from Wrangell, that the increased costs of PERS/TRS is "killing me." Insurance rates have also increased.

[10:15:11 AM](#)

Senator Stedman reiterated his statement made to Mr. Shay that the Committee could use assistance from municipal officials in reforming the PERS and TRS retirement systems.

Mr. Prunella indicated he would speak to the city council on the matter.

AT EASE [10:16:35 AM/10:25:18 AM](#)

[10:25:33 AM](#)

DAN ETULAIN, President, North Star Television Network, and 20-year member of public broadcasting organization, testified via teleconference from Sitka about the benefits of public broadcasting for his community. He was pleased the legislature supported continued funding for public broadcasting. Commercial broadcasting is his livelihood; public broadcasting is his passion.

[10:27:45 AM](#)

Senator Stedman clarified the witness is comfortable with the funding levels proposed.

Mr. Etulain affirmed the level is adequate for continued

operations. He noted the amount is less than in the past, although fund raising efforts are compensating.

AT EASE [10:29:08 AM](#)/[10:50:55 AM](#)

Co-Chair Wilken announced that public testimony would continue at 5 pm.

Co-Chair Wilken ordered the bill HELD in Committee.

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ADJOURNMENT

Co-Chair Wilken adjourned the meeting at 10:52 AM