

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
April 6, 2006  
5:30 p.m.

**CALL TO ORDER**

Co-Chair Gary Wilken convened the meeting at approximately [5:30:09 PM](#).

**PRESENT**

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

**Also Attending:** Witnesses are listed in the body of the minutes in the order they testified.

**SUMMARY INFORMATION**

HB 365-APPROP: OPERATING BUDGET/LOANS/FUNDS

The Committee heard public testimony from residents of Fairbanks, Mat-Su, Anchorage, Glennallen, Seward, Homer, Kenai, Kodiak and Dillingham. The bill was held in Committee.

#HB365  
[5:30:25 PM](#)

CS FOR HOUSE BILL NO. 365(FIN) am(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; making appropriations for state aid to public schools, centralized correspondence study, and transportation of pupils; and providing for an effective date."

This was the second hearing for this bill in the Senate Finance Committee.

[5:31:25 PM](#)

Co-Chair Wilken noted the committee substitute adopted at the previous hearing restored funding for public radio to 100 percent of the amount requested by Governor Murkowski and public television to 75 percent. He would point out other changes as the topics arise.

Co-Chair Wilken announced testimony would be limited to three minutes.

[5:32:24 PM](#)

TYLER WHITE testified via teleconference from Fairbanks, to request funding to decrease the waitlist for services for the special needs population. He also spoke in support for a governor's counsel and the Alaska Mental Health Trust Authority.

[5:33:18 PM](#)

JOAN WALSER, Alaska Statewide Mentor Project, testified via teleconference from Fairbanks, to request full funding for the mentor project. It should be viewed as an investment rather than an expense. She detailed the project and the benefits it provides.

[5:36:55 PM](#)

Senator Bunde asked what level Ms. Walser taught and where she taught and mentored.

[5:37:10 PM](#)

Ms. Walser listed the Lower Yukon School District, Southwest Region School District, the Department of Education at the University of Alaska, and the Fairbanks School District. She mentors teachers in Fairbanks, the Northwest Arctic Borough, Delta-Greely, Alaska Gateway Borough and Copper River.

[5:37:36 PM](#)

Co-Chair Wilken told of ongoing efforts to identify funding sources for this program. The issue has received significant attention within the legislature and he supported the program.

[5:38:06 PM](#)

JAN LITTLEBEAR, Anchorage School District employee, testified via teleconference from Fairbanks in support of the Alaska Statewide Mentoring Project. She spoke of the intensive training the mentors receive to enable them to share with new teachers. She quoted one of her mentor students, "A teacher without a mentor is like an apprentice without a master."

[5:41:52 PM](#)

LYNDA GARCIA reading the testimony of DAN WOLF testified via teleconference from Mat-Su about the Palmer Pioneers' Home. Mr. Wolf's 93-year old mother is a long-time Alaskan and resident of the Palmer facility. He requested funding to hire new positions in anticipation of increased resident population needs.

[5:44:02 PM](#)

Co-Chair Wilken noted that the Governor had requested \$1.5 million and the Senate Finance Committee proposed to appropriate \$900,000 of that request.

[5:44:26 PM](#)

Co-Chair Green relayed that the Department of Health and Social Services indicated that funding to operate the program for nine months would be sufficient due to hiring delays. The positions would not likely be filled immediately upon the start of the fiscal year.

[5:45:28 PM](#)

GABRIEL LAYMAN, Palmer Senior Citizens Center, testified via teleconference from Mat-Su to support funding for flexible long-term care services. This is a long-standing program that has proven to allow seniors to remain in their homes, thus saving the State considerable nursing home costs.

[5:48:48 PM](#)

CHRIS MINOZA, Lifelong Alaskan, testified via teleconference from Mat-Su in support of the Alaska Youth First program. Acceptance in this program and the training it provided has greatly assisted him in obtaining employment operating heavy equipment. His case manager provided him with opportunities for hands-on training and financial support.

[5:50:45 PM](#)

BOB WILLIAMS testified via teleconference from Fairbanks, that he formerly taught in the Palmer School District and currently participates in the mentoring program, guiding teachers in various locations of the state. He told of the benefits mentors provide new teachers. He thanked the Committee for restoring partial funding and encouraged efforts to secure full funding.

[5:54:15 PM](#)

EDITH TOMANY testified via teleconference from Fairbanks, in appreciation of the funding for public radio and television. She has donated time and money to both. She hoped public television could be funded 100 percent.

[5:55:36 PM](#)

DICK TOMANY testified via teleconference from Fairbanks, that in 1992 the State funded public broadcasting with \$7.5 million. That amount was reduced to \$3.1 million in 2006 and would be less in 2007. He applauded the restored funding the Committee provided.

[5:57:09 PM](#)

Co-Chair Wilken invited written testimony.

[5:57:45 PM](#)

JOHN CANNON, Executive Director, Mat-Su Services for Children and Adults, testified via teleconference from Mat-Su to continue funding for community developmental disability services. Families that had anticipated they would receive services, based on the Governor's proposed budget, would be disappointed. The surplus funding should be utilized for these programs.

[5:59:16 PM](#)

Senator Bunde remarked that the State does not have surplus funding and actually has a deficit of over \$11 billion. While not intending to demean the needs of those on the wait list, if the entire Governor's budget request were granted, the State would have a \$50 million deficit.

[6:00:03 PM](#)

SARAH WELTON, Mat-Su School Board, testified via teleconference from Mat-Su that this area has the fastest growing population in the State. The increased student population would fiscally impact the community. Municipal assistance funding would be appreciated by the school district. The school district has achieved significant savings from energy saving efforts; however, energy costs have increased.

[6:01:53 PM](#)

Senator Bunde expressed that municipal revenue funding must be funded through a sustainable base. Oil prices would not be stable, only the Alaska Permanent Fund could provide a stable source. He asked if the witness supported use of the Fund for municipal revenue sharing.

Ms. Welton replied that she did.

[6:02:46 PM](#)

ROB WELLS, Mat-Su School Board, testified via teleconference from Mat-Su in support of the Alaska Statewide Mentor Project. He appreciated past funding for this program as well as for transportation projects.

[6:03:47 PM](#)

LESLIE YAMAMOTO testified via teleconference from Fairbanks about her 19-year old mentally developmentally disabled son. He has received services for the last seven years, which have improved his quality of life and allowed him to remain in the family home. She requested the Committee provide the funding amount requested by a governor's counsel and the Mental Health Trust Authority so other families currently on the wait list could receive services.

6:06:14 PM

JENNIFER MCBEATH testified via teleconference from Fairbanks to request funding for the Alaska Potato Export program. She detailed the possibilities of marketing seed potatoes to Asian countries. She developed a variety of seed potatoes that are resistant to disease and rot through her research at the University of Alaska. Not funding this program would negate all efforts to date.

6:09:52 PM

JOHN BROWN, Volunteer Board Member, Tanana Valley Boys and Girls Club, testified via teleconference from Fairbanks, to request funding for the Alaska Youth Initiative. Alaska has high instances of youth suicide and substance abuse. Programs such as this have proven success rates for reducing these problems. The Boys and Girls Clubs are private and provide the majority of their funding.

6:12:07 PM

Co-Chair Wilken commented that the Governor's budget set high expectations in increasing spending 21 percent from the previous year. Such an increase would not be sustainable. While he supported the efforts of the Boys and Girls Club, decisions as to which funding requests to grant were required.

6:13:07 PM

JEAN CHAPMAN testified via teleconference from Mat-Su to request full staffing of the Palmer Pioneers' Home. Her husband is a resident of the facility and she detailed his long active history in Alaska. She has witnessed deteriorating circumstances resulting from increased patients but no increase in personnel.

6:14:53 PM

Co-Chair Wilken reiterated Co-Chair Green's statement about the funding for this issue. In addition, funding was appropriated for the nursing program, and construction at the Palmer Pioneers' Home. Both his parents spent their final days in a Pioneer Home and he appreciated the importance of the facilities.

6:15:35 PM

NANCY SCHRAMM testified via teleconference from Mat-Su that her mother is a resident of the Palmer Pioneer Home. Ms. Schramm requested funding for the facility. There is not enough staffing to provide care for the increasing number of residents suffering from dementia. Her mother suffered falls and injuries, which she attributed to inadequate staffing attention. Pioneers' Homes should not become a warehouse for those suffering from dementia.

6:19:33 PM

SUZANNE CYR, Elementary School Principal, testified via teleconference from Mat-Su in support of the Alaska Statewide Mentor Program. She told of a new teacher who benefited from the program and the advances this teacher has made.

6:21:26 PM

BUZZY CHIU, General Manager, Bridgewater Hotel, and Volunteer Board Member, Boys and Girls Club, testified via teleconference from Fairbanks about the importance of the organization. As a business manager she has hired many teenaged employees for their first job. The Boys and Girls Club has provided skills necessary for jobs in addition to improving their self-esteem. This is a prevention program that costs \$500 per child compared to \$50,000 to incarcerate a child at the McLaughlin Youth Center each year.

6:23:51 PM

DAN JOHNSON, Interior Region Emergency Medical Services Council, testified via teleconference from Fairbanks, about the private non-profit organization funded primarily with grants through the Department of Health and Social Services. Emergency Services have not received increased funding for 15 years and many reductions have been necessary due to increased expenses. Although the Governor did not include funding for this program, the House of Representatives has approved over \$400,000 for statewide services. He asked that the Senate also approve this funding.

6:27:42 PM

KATHIE COOK testified via teleconference from Fairbanks to thank Co-Chair Wilken for identifying funding for the Alaska Statewide

Mentoring Program. She told of her work with developmentally disabled students and the importance of providing new teachers with the skills and confidence necessary to teach.

[6:29:23 PM](#)

ROGER HEBERT, Nurse, Palmer Pioneers' Home, testified via teleconference from Mat-Su that when he began working at the facility 15 years prior, the majority of the residents were fully functional. Today only two residents fit that category with most others requiring significantly more assistance. The frequency of falls increases with fewer staff.

[6:31:19 PM](#)

CLIFF JUDKINS, Member, Alaska Board of Game, testified via teleconference from Mat-Su that the Governor requested over \$2 million for Wildlife Conservation programs. Due to a high predator population, fewer hunters are able to get a moose or caribou. The five ongoing predator control programs are in jeopardy due to lack of funding.

[6:33:18 PM](#)

ROD ARNO, Executive Director, Alaska Outdoor Council, testified via teleconference from Mat-Su, that the Council had voted unanimously to support the Governor's request for the Division of Wildlife Conservation. Funding is necessary to do the surveys and studies required to continue predator control programs.

[6:34:38 PM](#)

CHUCK KAUCIC testified via teleconference from Mat-Su that the Palmer Pioneers' Home is a part of the local community, serving as a location for worship services, Boy Scouts of America meetings and other events. Residents of the facility require more care than was necessary in the past. Nurses are available for employment at the Palmer Pioneers' Home.

[6:36:40 PM](#)

Co-Chair Wilken limited testimony to two minutes to allow the numerous Fairbanks residents present an opportunity to participate.

[6:36:49 PM](#)

TABOR REHBAUM testified via teleconference from Fairbanks on behalf of the Arctic Alliance for People and Big Brothers Big Sisters. She requested funding the full amount the Governor requested for the Department of Health and Social Services Community Matching Block Grants. She also requested at least a portion of the requested funding for the Youth Success Initiative.

[6:39:48 PM](#)

ALBERT PAGH testified via teleconference from Fairbanks about the Interior forestry industry. Interest has been expressed in timber harvesting in the region, which would benefit the economy and reduce wildfires.

[6:41:42 PM](#)

ANNE DELAUNE testified via teleconference from Fairbanks to thank the Committee for restoring funding to public radio. She requested full funding for public television as well. She spoke to the benefits of children's educational programs. These services are non-expendable.

[6:43:29 PM](#)

DICK BURLEY, Member, Alaska Board of Game, testified via teleconference from Fairbanks that in three days of testimony, the Board heard overwhelming support of intensive management programs. These programs are expensive to implement due to the extensive survey and study requirements.

[6:45:26 PM](#)

SCOTT PETERS testified via teleconference from Fairbanks in appreciation of restored funding to public radio and television. Public television offers the only appropriate programming for his children.

[6:46:34 PM](#)

BETH REAGIN testified via teleconference from Fairbanks in support of the Alaska Youth First Initiative. She told of her community service. Workforce needs would increase in the next

few years and trained workers would be needed. She hoped for increased graduation rates and better-trained youth.

[6:49:50 PM](#)

BARBARA SCHUHMANN testified via teleconference from Fairbanks as a fan of the local public radio and television station. News reports are independent and not unduly influenced. She could allow her daughters to enjoy public broadcasting without supervision, as the programming would be appropriate. Reduced State funding would jeopardize federal funding.

[6:52:17 PM](#)

CHERYL KEEPERS, Employee of Fairbanks North Star Borough, testified via teleconference from Fairbanks about reduced funding allocated to health and human services programs. This occurred when the Mat-Su Borough became eligible for participation in the Community Matching Block Grant program and the total funding was distributed among more recipients.

[6:54:45 PM](#)

Co-Chair Wilken noted written testimony submitted by Luke Hopkins, Presiding Officer of the Fairbanks North Star Borough Assembly in support of this funding as well.

[6:54:54 PM](#)

DICK BISHOP testified via teleconference from Fairbanks about his long-time support for sound fish and game management. He requested that the Division of Wildlife Conservation receive the full amount requested by the Governor.

[6:57:20 PM](#)

JOHN DAVIES testified via teleconference from Fairbanks in support of funding the maximum amount possible of the University of Alaska Board of Regents' request. He requested increased funding for Department of Health and Social Services Community Matching Block Grant program for feeding the hungry.

[6:59:57 PM](#)

BOB ZACHEL, Sawmill Operator, testified via teleconference from Fairbanks to request funding for the Division of Forestry for Interior timber activities. He also supported funding for public television.

[7:01:14 PM](#)

GILBERT BOOTH testified via teleconference from Fairbanks that the University of Alaska is an investment. Many Alaskan high school students choose to attend schools outside the State because the programs they seek are not offered by the University of Alaska system. Many of these people do not return.

[7:03:20 PM](#)

KARA NYQUIST testified via teleconference from Anchorage on behalf of 19 service providers of children and youth to request the Committee reinstate childrens' Medicaid funding, specifically funding to return youth currently in out-of-state residential treatment programs to the State. These are not optional services.

[7:05:25 PM](#)

Co-Chair Green noted that funding for the Bring the Kids Home initiative is included in several line items of the budget.

Ms. Nyquist responded that one component was not addressed.

[7:05:58 PM](#)

Co-Chair Wilken indicated the issue would be researched.

[7:07:03 PM](#)

LORIE MORRIS, Executive Director, Alaska Baptist Family Services, testified via teleconference from Anchorage about the residential treatment center for children. Providers have not received a rate increase since the reimbursement programs' inception in 1997. The Governor's requested amount would provide an 18 percent increase to offset inflation.

[7:09:36 PM](#)

JOHN DEDE, Volunteer Board Member, Boys and Girls Club, testified via teleconference from Anchorage in support of funding for the organization's programs to assist youth.

[7:11:37 PM](#)

Senator Bunde excused himself for a prior commitment.

[7:11:54 PM](#)

WILMA VINTON testified via teleconference from Fairbanks in support of funding to allow family members to provide care for dementia sufferers. The Alaska Mental Health Trust Authority has assisted in these efforts. This is not a new program. Her mother benefited from this program. She also requested funding for emergency medical services programs.

[7:14:52 PM](#)

JANET HALVERSON testified via teleconference from Fairbanks that the State made a wise choice in establishing the pioneers' homes. An aging population has increased the demands on the facilities with more residents requiring higher levels of care.

[7:17:54 PM](#)

Co-Chair Wilken noted the Committee did fully fund the Governor's request for staffing. He agreed the needs are growing.

[7:18:27 PM](#)

Co-Chair Green pointed out this is in addition to the \$36 million appropriated to the Pioneers' Homes.

[7:18:48 PM](#)

TEISHA SIMMONS testified via teleconference from Fairbanks about her spinal injury and services she received from the Independent Living Center. She has since graduated from the University of Alaska, Fairbanks, is employed and is a taxpayer. She would not have accomplished this without the Center's assistance.

[7:21:07 PM](#)

JOE HAYES, Director, University of Alaska Alumni Association, testified via teleconference from Fairbanks to request the Committee's \$4 million reduction to the Governor's request be restored.

[7:22:36 PM](#)

BRUCE BARTLEY, Chief, Chugiak Fire and Rescue, testified via teleconference from Anchorage that the emergency medical services programs have received flat funding for many years. He expounded on the services provided by the mostly volunteer agencies.

[7:24:51 PM](#)

JONATHAN DONEY, University of Alaska student, testified via teleconference from Anchorage in support of the Alaska Youth First program. He participated in a similar program while in high school.

[7:26:13 PM](#)

ALANA HUMPHREY, Vice President, Clubhouse Operations, Boys and Girls Club, testified via teleconference from Anchorage that she joined the organization several years ago because of the benefits it provides young people. The Alaska Youth First program would help young people achieve their potential.

[7:29:04 PM](#)

LOU GROSS, Director, North Star Council on Aging, testified via teleconference from Fairbanks to request the amount of funding the governor proposed for the Human Services Community Matching Block Grant. The local Meals on Wheels program provides the only hot meals many elderly residents in the community receive. He expressed willingness to utilize earnings of the Alaska Permanent Fund for certain government services.

[7:32:42 PM](#)

TIM SHARP testified via teleconference from Fairbanks against the elimination of three wage and hour officer positions. These officers are necessary to enforce the Governor's Alaska Hire initiative.

[7:34:25 PM](#)

Co-Chair Wilken noted that the House of Representatives approved \$99,700 for these positions. He would review the matter.

[7:34:40 PM](#)

DAVE GARDNER testified via teleconference from Fairbanks to emphasize the importance of public broadcasting in Alaska. He requested the full amount proposed be restored for public television.

[7:36:01 PM](#)

HISA FALLICO, Registered Nurse, Department Health and Human Services, Municipality of Anchorage, testified via teleconference from Anchorage to request full funding of the Alaskan Immunization Registry. She told of the importance of having this information for preventative measures. Baseline data would be vital in the event of a pandemic.

[7:39:21 PM](#)

Co-Chair Wilken was not aware of this omission and would investigate.

[7:39:27 PM](#)

BARB JEWELL, Covenant House Alaska, testified via teleconference from Anchorage in support of funding for Fetal Alcohol Syndrome treatment programs. She described the afflicted children the organization serves.

[7:40:57 PM](#)

Senator Dyson thanked Ms. Jewell for her efforts in helping those with prenatal alcohol diseases.

[7:41:41 PM](#)

ALEX JOHNSTON, Director, Statewide Initiatives, Big Brothers Big Sisters, testified via teleconference from Anchorage in support of funding for the organization. She listed the innovation partnerships to reach at-risk children in the state.

[7:44:24 PM](#)

JUDY CORDELL, Executive Director, Abused Women's Aid in Crisis (AWAIC), testified via teleconference from Anchorage about the women and children's shelter and the victims it serves. The center has received flat funding for several years, which equals "serious cuts". This and other shelters have been successful at securing funding from other sources, including private corporations.

[7:47:04 PM](#)

DON ALSPACH testified via teleconference from Anchorage that he and his wife view public television and contribute financially to its operation. They requested full funding, noting the use of shared facilities to limit expenses.

[7:49:24 PM](#)

DEBBIE NEWSHAM testified via teleconference from Anchorage that she is a caregiver to her father who suffers from Alzheimer's and she has cared for other family members. The ten hours of respite she receives each week from agency assistance allows her to meet other family obligations.

[7:51:36 PM](#)

RONNI SULLIVAN, Director, Southern Region Emergency Medical Services, testified via teleconference from Anchorage that the organization is a basic health care provider. The State has an obligation to support these efforts.

[7:55:06 PM](#)

VERN MCCORKLE testified via teleconference from Anchorage that he volunteers time and money to public broadcasting. Alaska is one of the most "wired" states in the nation, yet many communities only have access to public television. Public television is the one entity that has no commercial obligation or political influence. The local station operates very efficiently. He writes a monthly public broadcasting magazine.

[7:58:02 PM](#)

DAN DUNAWAY testified via teleconference from Dillingham to thank the Committee for restoring funding for public radio. He asked for additional funding to allow the continuation of services.

[7:59:49 PM](#)

RON BOWERS testified via teleconference from Dillingham about the \$428,000 the House of Representatives approved for emergency medical services programs. The non-profit organizations have been flat-funded since 1990.

[8:01:50 PM](#)

ROBERT FITHIAN, Master Guide, representing the Alaska Professional Hunters Association, testified via teleconference from Glennallen to request funding for Wildlife Conservation efforts. Failure to properly manage these resources represents a lapse in stewardship. The worldview of Alaska is of wild places and wild things rather than industrial accomplishments.

[8:05:13 PM](#)

ROBERT PURCELL, former Fire Chief, City of Homer, testified via teleconference from Homer about the need for office space for the local fire department. Homer and the southern Kenai Peninsula had been identified as the highest wild land fire risk area in the state.

[8:07:45 PM](#)

TERRY ANDERSON testified via teleconference from Homer in favor of including \$50,000 for the emergency medical service program that was approved by the House of Representatives. The Homer-area program has a proven track record. Fire suppression is actually a failure of fire prevention. This program is a cheap insurance policy.

[8:09:36 PM](#)

Co-Chair Wilken informed that Senator Gary Stevens has brought this issue to his attention and efforts were underway to address the need.

[8:09:53 PM](#)

MAKO HAGGERTY testified via teleconference from Homer that he serves on the board of directors of the local public radio station. A strong public broadcasting system relies on both radio and television.

[8:12:20 PM](#)

MARGARET GILMAN, Assembly Member, Kenai Peninsula Borough, testified via teleconference from Kenai to the need for municipal revenue sharing. If received, the funds would be used for property tax relief. She appreciated the increased funding for education, but noted that 90 percent would be applied to fixed cost increases. The area cost differential must also be addressed as the local district is impacted significantly.

[8:15:34 PM](#)

ELIJAH STAFFORD, Talents, testified via teleconference from Kenai that he benefited from the Independent Learning Center. He requested increased funding for the program.

[8:17:15 PM](#)

BETTY WALTERS, Superintendent, Kodiak School District, testified via teleconference from Kodiak that the Alaska Statewide Mentor Program has benefited the district significantly. Alaska students deserve the best that could be provided.

[8:19:08 PM](#)

WALLY JOHNSON testified via teleconference from Kodiak to thank the Committee for recommending that public radio remain at least the same as allocated the previous year. The legislature's challenge was to increase fundraising efforts and the "seed money" provided would be used for this.

[8:20:34 PM](#)

PAUL PELLEGRINI, Chair, Kachemak Bay Emergency Service Area, testified via teleconference from Homer that the three witnesses testifying on this issue from Homer represent about 80 years of fire fighting experience.

[8:22:21 PM](#)

LORETTA SPAULDING, Talents, testified via teleconference from Kenai to thank Co-Chair Wilken for restoring funding to the Independent Living Center. She told of the services provided by the Talents program and students with disabilities and high-risk youth who have benefited from the employment training programs.

[8:24:27 PM](#)

EILEEN BRYSON, Teacher, Kenai School District, testified via teleconference from Kenai to express concern about the increased needs. She requested the Committee address the area cost differential.

[8:26:10 PM](#)

JACK WALSH, Personnel Director, Kodiak School District, testified via teleconference from Kodiak about the importance of the Statewide Mentor Project. He also requested the Committee adopt the area cost differential, as expenses are higher in rural areas and must be addressed.

[8:27:33 PM](#)

GENEVIEVE STEVENS, Retired Educator and community volunteer, testified via teleconference from Kodiak that public radio is a staple in Kodiak and communities across the state. Rural areas rely on both public radio and television to keep communities strong, informed and connected.

#

**ADJOURNMENT**

Co-Chair Gary Wilken adjourned the meeting at [8:30:22 PM](#)