

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
April 7, 2006  
1:01 p.m.

**CALL TO ORDER**

Co-Chair Gary Wilken convened the meeting at approximately [1:01:30 PM](#).

**PRESENT**

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

**Also Attending:** Testifiers 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 testimony from residents of Bethel, Nome, Kotzebue, Barrow, Tok, Delta Junction, Ketchikan, Wrangell, Petersburg, Sitka, Cordova and Valdez. The bill was held in Committee.

#hb365  
[1:02:02 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 third hearing for this bill in the Senate Finance Committee.

[1:03:04 PM](#)

Co-Chair Wilken announced testimony would be limited to three minutes to allow all those present an opportunity to participate.

[1:03:15 PM](#)

GINA APPOLLONI, Program Director, Village Public Safety Officer program, testified via teleconference from Nome about the importance of the officer program in Northwestern Alaska. She supported the proposal of creating a lower tier position category, as it would not detriment the program. Additional funding is needed to hire 15 new positions and provide bonuses to current officers.

[1:06:14 PM](#)

Co-Chair Wilken informed that the Department of Public Safety is having difficulty recruiting for vacant positions and is therefore able to utilize lapsing funds for the program.

[1:07:03 PM](#)

MIKE OWENS testified via teleconference from Nome to raise awareness of the emergency medical services program. He requested the Senate provide the funding approved by the House of Representatives. Funding is desperately needed to maintain constitutionally mandated essential services.

[1:08:47 PM](#)

CHARLIE LEAN testified via teleconference from Nome that he is the voluntary ambulance chief for the local community. He stressed the need for funding the emergency medical services program. Volunteers provide most of these services and they require training.

[1:11:38 PM](#)

JOHN MCINTYRE, Public Relations Director, Association of Village Council Presidents, testified via teleconference from Bethel that the Association supports full funding for the Power Cost Equalization program. He and other rural residents have incurred high fuel costs this winter. Oil and gas development would not benefit residents of Western Alaska. The Association also supports municipal assistance. The regional public broadcasting station provides important information to the area and requires funding.

[1:15:51 PM](#)

GEORGE YOUNG, Fire Chief, City of Bethel, testified via teleconference from Bethel that he has been a member of the Lower Yukon-Kuskokwim Region EMS (emergency medical services) program for 27 years. The program needs assistance, such as the funding approved by the House of Representative. The critical needs in the Bush could not be underestimated.

[1:18:23 PM](#)

Senator Bunde remarked that municipal revenue sharing requires a stable revenue source. Revenue from oil is not stable. He asked if the witness would support expending earnings from the Alaska Permanent Fund for government services.

[1:18:54 PM](#)

Mr. Young replied that the municipal revenue share funding has decreased in recent years. He would support the use of the Alaska Permanent Fund earnings in this manner.

[1:19:58 PM](#)

BALASSA LARSON testified via teleconference from Bethel that she supervises health aides in rural communities and that the emergency medical services program would benefit from additional financial assistance.

[1:21:48 PM](#)

KYLA HAGAN testified via teleconference from Bethel in support of increases to the rural emergency response programs. The local program has struggled over the past 15 years to provide training to emergency medical technician volunteers.

[1:23:48 PM](#)

Co-Chair Wilken invited interested parties to submit written testimony.

[1:24:36 PM](#)

RHODA ALLEN, Employee, Native Village of Kotzebue, testified via teleconference from Kotzebue in support of the Kotzebue Vocational Technical Center and public radio. She benefited from computer training she received at the Center, which allowed her to secure employment.

[1:26:31 PM](#)

DARA WHALEN, Nursing Instructor, University of Alaska and Nursing Supervisor, Maniilaq Nursing Program, testified via teleconference from Kotzebue about the need to train Native Alaskans as nurses to serve rural areas.

[1:28:13 PM](#)

SUZY ERLICH, General Manager, KOTZ public radio, testified via teleconference from Kotzebue to thank the Committee for restoration of requested funding for public radio. Many local residents could not afford cable television and rely on public television. She requested full funding for that service.

[1:29:36 PM](#)

Senator Olson asked the witness to speak to the impacts of interrupted public broadcasting to the area.

[1:29:46 PM](#)

Ms. Erlich told of an aircraft that crashed into the radio tower, interrupting service to Kotzebue and outlying areas. Residents and traveling hunters were cut off from all forms of communication. The affect was drastic.

[1:31:55 PM](#)

LORETTA BULLARD testified via teleconference from Nome in support of the Village Public Safety Officer (VPSO) program and

to request the Committee approve the funding requested by the Governor. In addition, many cities are unable to pay their fuel bills.

[1:34:29 PM](#)

Senator Olson asked the witness's position on the proposal to add Village Public Safety Assistants position classifications to the VPSO program.

[1:34:36 PM](#)

Ms. Bullard had only recently heard of the proposal and was unsure of the impacts.

[1:35:27 PM](#)

JOAN HAMILTON, Chair, Bethel Broadcasting Inc, testified via teleconference from Bethel to thank the Committee for restoring funding for public radio and partial funding for public television. She told of efforts to record historical Native practices and techniques to share with future generations.

[1:38:14 PM](#)

Senator Bunde listens to public radio in Juneau and in Anchorage and these stations air fundraising campaigns. He asked if the Bethel station does the same.

[1:38:33 PM](#)

Ms. Hamilton replied that fundraising events are held twice a year and have received generous contributions in proportion to the local economy.

[1:39:51 PM](#)

BRAD KEHOE testified via teleconference from Bethel to the importance of public broadcasting to the community. This is not a luxury service, but required to locations off the road system. He asked that all funding be restored.

[1:43:55 PM](#)

JOHN MARK, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel that he travels to rural villages to train health care providers. Funds are needed through the emergency medical services program to assist in these efforts.

[1:45:11 PM](#)

JOSEPH KLETKA, Family Practice Physician, Corporate Medical Director, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel that unintentional injuries are the number one cause of death in the region. Trained Emergency Medical Technicians (EMTs) are essential for treating these emergencies.

[1:47:13 PM](#)

Senator Hoffman informed that the Yukon-Kuskokwim Health Corporation provides health care services for 56 villages over an area larger than the State of Washington. Recipients of the Corporation's services have noted significant improvements since Dr. Kletka assumed his position.

[1:48:18 PM](#)

BILL OBRIEN testified via teleconference from Bethel about the first responder teams stationed in villages. These are staffed with young volunteers. Increased funding should be supported. These programs improve the quality of life for village residents.

[1:50:24 PM](#)

DAVE TRANTHAM, Member, City Council, City of Bethel, testified via teleconference from Bethel that a gathering of area community leaders deemed public broadcasting to be the most important component needed to address a possible Avian Flu outbreak.

[1:52:16 PM](#)

Mr. Young clarified his earlier response to Senator Bunde regarding the use of the Alaska Permanent Fund. While he supported funding the Power Cost Equalization program, he did not support allocation of the Fund earnings for this effort.

[1:52:50 PM](#)

Senator Bunde appreciated the clarification, as he had been surprised at the initial response.

[1:53:21 PM](#)

VIVIAN JOHNSON testified via teleconference from Bethel to echo Mr. McIntyre's testimony regarding emergency medical services needs. She detailed surveys of Emergency Medical Technicians and Village Public Safety Officers.

[1:57:37 PM](#)

DAN HARRIS testified via teleconference from Barrow that his education background is in special education of developmentally disabled youth. He had been told that all funding for Fetal Alcohol Syndrome diagnostic and treatment programs would be eliminated from the FY 07 operating budget. Funding for related efforts has been reduced or eliminated.

[2:01:31 PM](#)

Co-Chair Wilken indicated he would research the matter, thanking Mr. Harris for bringing it to his attention.

[2:01:55 PM](#)

SHIINA AKPIK testified via teleconference from Barrow in support of increased funding for Fetal Alcohol Syndrome treatment programs.

[2:03:01 PM](#)

LINDA WENNING, Finance Director, City of Barrow, testified via teleconference from Barrow to request increased municipal revenue sharing funding and funding for increased costs of the Public Employees Retirement System (PERS) and the Teachers Retirement System (TRS). Most revenue is generated from rural areas of Alaska.

[2:04:42 PM](#)

CYD HANNS testified via teleconference from Barrow to thank the Committee for restoring all funding for public radio and partial

funding for public television. She requested full funding for public television.

[2:06:02 PM](#)

TOM ABBOTT testified via teleconference from Petersburg that he was pleased the Committee approved funding for public radio and television. He stressed the importance of both and that full funding for public television is equally important as funding for radio. Public broadcasting provides education, entertainment and communication.

[2:11:01 PM](#)

DAVID HULL, Chief, North Tongass Volunteer Fire Department, testified via teleconference from Ketchikan about the Governor's proposed 20 percent increase to grants to regions for emergency medical services. He told of the significant workload required of the local department. Many responders are volunteers and must be trained.

[2:15:24 PM](#)

Senator Stedman was aware of the funding reduction and would attempt to address the issue.

[2:16:01 PM](#)

Co-Chair Green asked for clarification, as the Committee did not reduce the Governor's request.

[2:16:13 PM](#)

Co-Chair Wilken explained that the House of Representatives inserted this funding.

[2:16:30 PM](#)

Mr. Hull informed that the increment had been originally included in the Governor's proposal, but removed before the budget was submitted to the legislature.

[2:16:44 PM](#)

Senator Hoffman added that the program has been flat funded for many years.

[2:16:59 PM](#)

ED ZASTROW, Chair, Pioneer Home Advisory Board, and Member, Alaska Commission on Aging, testified via teleconference from Ketchikan in support of funding the Pioneers' Homes in the full amount requested by the Governor.

[2:20:00 PM](#)

Co-Chair Green reiterated the Department position that funding for nine months of operation would be adequate because hiring would not be immediate at the start of the fiscal year.

[2:21:55 PM](#)

Senator Stedman told Mr. Zastrow he would contact him to further discuss the matter.

[2:22:51 PM](#)

HEATHER MCGHEE, Ketchikan resident, testified in Juneau that Ketchikan is a maritime community, dependent on the Alaska Marine Highway System. She requested the system be adequately funded.

[2:23:52 PM](#)

Co-Chair Wilken stated that he and others have great concern about the future of the Marine Highway System and would work to ensure its viability rather than its demise.

[2:24:22 PM](#)

Senator Stedman further commented on the need to review and determine a viable response to the growing costs of operating the ferry system.

[2:25:11 PM](#)

ALICE ROONEY, Social Worker, Alaska Island Community Services, testified via teleconference from Wrangell about the services she provides for elderly citizens. She spoke in favor of

retaining \$250,000 in funding for the flexible long-term care program through the Division of Senior and Disability Services.

[2:26:43 PM](#)

JULIE DECKER, Executive Director, Southeast Alaska Regional Dive Fish Association, testified via teleconference from Wrangell about the non-profit organization and its efforts to develop dive fisheries. This organization is the only fishery organization in the state to tax itself to further its efforts. Funding assistance was requested.

[2:28:22 PM](#)

Senator Stedman was aware of the funding request and was attempting to address the issue either this year or in the future.

[2:28:58 PM](#)

JANELL PRIVETT, Wrangell Chamber of Commerce, testified via teleconference from Wrangell in appreciation of funding for public radio. It is the main communication system for the community. Public television is also important to allow her and the public to view their elected officials at work.

SUSAN SCIABBARRASI, Superintendent, Wrangell School District, provided testimony read by Ms. Privett. The District drafted its budget based on the funding amount proposed by the Governor. The amount proposed by the Committee would result in a six percent reduction according to a study conducted by the Alaska Association of School Boards.

[2:34:13 PM](#)

Co-Chair Wilken offered to explain the fallacy of the study Ms. Sciabbarrasi cited.

[2:34:31 PM](#)

Senator Stedman emphasized that the requests to fund public broadcasting have been considered, given that in many coastal areas, public radio is the only broadcast available. He was also aware of the cost differential concerns for the Wrangell area and was attempting to rectify the situation.

[2:35:45 PM](#)

BURL SHELDON Testified in Juneau that he is involved in the public broadcasting program "Back Country". The facilities of the stations are bare bones and he could not identify areas where further reductions could be made. He requested the funding levels be retained.

[2:39:46 PM](#)

CAROL ROSS testified via teleconference from Wrangell in support of funding for public broadcasting.

[2:40:57 PM](#)

MICHAEL KINERK, Volunteer, KRBD public radio, testified via teleconference from Ketchikan that public broadcasting is the only way for those who do not subscribe to cable television to receive information.

[2:42:37 PM](#)

CHRIS AUBERTINE testified via teleconference from Ketchikan that her mother is a resident of the Ketchikan Pioneers' Home. She is able to see the impacts of the staff shortages on the residents.

[2:43:33 PM](#)

Co-Chair Wilken noted that the Committee approved \$284,000 for additional Certified Nurse Aid positions, \$904,000 to remodel 18 beds across the state and \$907,500 for increased staffing. The over \$2 million should assist in addressing the needs of the Pioneers' Homes this year with continued efforts intended for the following year.

[2:44:17 PM](#)

ROBERT SANDERSON, President, Tlingit and Haida Central Council, testified via teleconference from Ketchikan in support of the emergency services programs. One in ten Natives are affected by this program.

[2:45:25 PM](#)

GIG DECKER, Commercial Fisherman, testified via teleconference from Wrangell, about the importance of the industry.

[2:46:52 PM](#)

GEORGE JOSEPH, Manager, Wrangell Senior Center testified via teleconference from Wrangell to request \$250,000 for the flexible long term care program in the Division of Senior and Disability Services. Without this program, the community would suffer.

[2:47:35 PM](#)

Co-Chair Green would review the matter.

[2:48:37 PM](#)

JEFF SEIFERT, KRBD FM public radio, testified via teleconference from Ketchikan to thank the Committee for supporting public broadcasting. The station would soon begin an on-air fundraising effort.

[2:50:11 PM](#)

Senator Stedman recognized Mr. Seifert's many years involvement with public broadcasting.

[2:50:41 PM](#)

SHERI SLICK testified via teleconference from Ketchikan that she cares for an elderly parent. She echoed previous testimony in favor of full funding for the Pioneers' Homes.

[2:52:35 PM](#)

Senator Stedman appreciated Ms. Slicks efforts on the Pioneers' Home Advisory Board.

[2:54:27 PM](#)

KENT THELEN testified via teleconference from Cordova to request increased funding for the emergency medical services grants. Many changes and improvements have been made in the medical field and personnel must be trained in these advances.

[2:57:49 PM](#)

BARBARA SMITH, President, Cordova Family Resource Center, testified via teleconference from Cordova that the Center's costs have doubled in recent years. Dedicated staff have contributed additional hours without compensation to address the needs of the residents.

[2:59:55 PM](#)

NICHOLE SONGER, Executive Director, Cordova Family Resource Center, testified via teleconference from Cordova to request the Committee fully fund the Governor's request for the Council on Domestic Violence and Sexual Assault. She listed the services the Center provides.

[3:02:09 PM](#)

STEVE BRADSHAW, Superintendent, Sitka School District, testified via teleconference from Sitka in support of the Alaska Statewide Mentor Project. The district utilizes this program for both teachers and principals. Although he understood Co-Chair Wilken deemed the cost differential study to be flawed, costs are higher in smaller communities than in Anchorage.

[3:04:49 PM](#)

Co-Chair Wilken identified Mr. Bradshaw as one who contributes to solutions rather than only complaining about the problems.

[3:05:10 PM](#)

Senator Stedman thanked Mr. Bradshaw for his participation.

[3:05:41 PM](#)

JANE DEMMERT testified via teleconference from Sitka, that all Alaskans are potential clients of the Pioneers' Homes. Inadequate staffing is provided to increasing needs of residents. Residents' basic human needs are not being met, including eating and bathing.

[3:08:00 PM](#)

MICHELLE PUTZ testified via teleconference from Sitka to request full funding for public television. She is willing to pay for public broadcasting but is unwilling to pay for cable or satellite broadcasting. If the service were eliminated, she would reconsider remaining in Sitka.

[3:10:13 PM](#)

JULIE HURSEY, Petersburg resident, testified in Juneau that access to the legislature is commendable. She supported public radio and television. She understood any funding reduction to public broadcasting could result in a cut to public radio as well.

[3:12:03 PM](#)

PENNY OSWALT, EMT, Cordova Volunteer Fire Department, testified via teleconference from Cordova that providing volunteer emergency medical services in Alaska is a daunting task. She requested funding increases to the EMS regional council.

[3:13:37 PM](#)

Co-Chair Wilken informed that the rural emergency medical services grants has been funded \$1.71 million each year since before FY 04. The House of Representatives approved a 20 percent increase of \$455,000. The Senate Finance Committee would consider the matter. He thanked the testifiers on this issue for bringing the matter to the attention of the Senate.

[3:14:30 PM](#)

JOAN BEHREND, Emergency Medical Services Coordinator, Cordova Volunteer Fire Department, testified via teleconference from Cordova about a letter submitted to legislators on the needs of the EMS Southern Regional Council and the other councils. The Cordova department is planning for a new ambulance, made possible through the Code Blue program.

[3:19:04 PM](#)

MIKE HICKS, Fire Chief, City of Cordova's testimony was read by the Cordova Legislative Information Office staff. He supported funding for the emergency medical services grants to regional councils.

[3:21:26 PM](#)

DEEANN PORRITT, mother and grandmother, testified via teleconference from Valdez in support of education. Her children, grandchildren and other families live in various communities across the state. She was concerned about diminishing funding for teachers and programs. PERS and TRS should be separately funded.

[3:25:31 PM](#)

DAVID VOLUCK, Executive Director, Youth Advocates of Sitka, testified via teleconference from Sitka detailing the services provided by the Hanson House, a non-profit residential treatment facility for at-risk youth. The Behavior Rehabilitation Services (BRS) rate, which reimburses facilities for treatment of residents in State custody, has not been increased for several years.

[3:28:21 PM](#)

RALPH JUNKER testified via teleconference from Sitka that his wife is a resident of the Sitka Pioneers' Home. The staffing level at that facility is tight. Efforts to increase staffing and training of staff would be appreciated.

[3:30:17 PM](#)

DAN ETOLIN testified via teleconference from Sitka that he owns radio and television stations. He also volunteers on the board of the local public broadcasting station. Local fundraising efforts are generating great response.

[3:32:08 PM](#)

Senator Stedman agreed that funding for public broadcasting and Pioneers' Homes is important.

[3:32:54 PM](#)

MOLLY KITKA testified via teleconference from Sitka on behalf of the residents of the Sitka Pioneers' Home who are unable to speak for themselves. Her mother suffers from dementia and Parkinson's disease and requires a great deal of care. At least

three aides should be on duty at any given time because two staff members are necessary to care for one patient and another staff must be available for other patients.

[3:35:53 PM](#)

Senator Stedman hoped the Pioneers' Homes could be upgraded over the next several years.

[3:36:44 PM](#)

KORIE HOLMES testified via teleconference from Sitka that the rural and regional emergency medical services programs need an increase in funding.

[3:40:20 PM](#)

STEPHANIE WEDDEL testified via teleconference from Sitka on behalf of Rural Cap/AmeriCorps VISTA. She is a member working with the Sitka Family Justice Center. Other efforts include projects in the schools and attempts to establish a Boys and Girls Club in Sitka.

#

**ADJOURNMENT**

Co-Chair Gary Wilken adjourned the meeting at [3:44:29 PM](#)