

MINUTES
SENATE FINANCE COMMITTEE
April 27, 2006
5:06 p.m.

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately [5:06:39 PM](#).

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice Chair
Senator Fred Dyson

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

SUMMARY INFORMATION

SB 231-BUDGET: CAPITAL & OTHER APPROPRIATIONS

The Committee heard testimony from residents of Fairbanks, Kodiak, Anchorage, Mat-Su and other locations. The bill was held in Committee.

#SB231
[5:07:05 PM](#)

SENATE BILL NO. 231
"An Act making appropriations, including capital appropriations and appropriations to capitalize funds; and providing for an effective date."

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

Co-Chair Green announced that funding for the University of Alaska would be restored in a forthcoming committee substitute

to the amount requested by the Governor in his proposed FY 06 Capital Budget.

5:08:40 PM

Senator Bunde relayed he had received electronic messages from several constituents unable to attend this hearing. He would forward their written testimony to the Committee.

5:09:07 PM

JEROME SELBY, Mayor, Kodiak Island Borough, testified via teleconference from Kodiak to request funding to supplement the funding appropriated the previous year for construction of a new Department of Fish and Game building in Kodiak. He reminded that the Borough would construct and maintain the facility while allowing the Department of Fish and Game to be the sole occupant.

5:11:44 PM

HAROLD HEINZE, Chief Executive Officer, Alaska Natural Gas Development Authority, testified via teleconference from Anchorage to written testimony he had submitted prior to the meeting. To secure this resource for use by Alaskans, significant decisions must be made. Extensive data and studies are necessary to make informed decisions.

5:14:35 PM

JEWEL JONES, Brother Francis Shelter, testified via teleconference from Anchorage that she is involved in the construction of a new facility. The previous facility is a former storage building and was intended to be a temporary location for the Shelter. This shelter is a vital component of the Anchorage society. Additional capital funding is needed.

Co-Chair Green indicated that this funding would be included in a forthcoming committee substitute.

5:17:27 PM

ALBERT PAGH, Four Star Lumber Company, testified via teleconference from Fairbanks about the importance of the timber industry. The Governor requested \$250,000 and the Committee has

to date approved a \$150,000 appropriation. This funding is necessary to conduct an inventory of available timber to allow for harvest and milling.

[5:19:41 PM](#)

Co-Chair Green announced that the forthcoming committee substitute would include an appropriation in the full amount requested by the Governor.

[5:19:52 PM](#)

Senator Bunde excused himself for a previous commitment.

[5:20:23 PM](#)

CINDY SCHUMAKER, Morris Thompson Center, testified via teleconference from Fairbanks that this facility is planned as a tribute to the late Mr. Thompson. It is intended as a fitting way to continue his good works. The efforts to construct the Center represent a unique partnership of the Fairbanks Convention and Visitors Bureau, the Tanana Chiefs Conference and the National Park Service to create a new multi use facility to "inspire visitors" to explore the State. The State is being requested to contribute \$2.9 million or 15 percent to the total cost. She detailed the federal funding and private contributions received.

Co-Chair Green reported that "more than half of that money has been restored and the conversation goes on."

[5:23:54 PM](#)

GABRIEL LAYMAN, Palmer Senior Citizens Center, testified via teleconference from Mat-Su about the number of senior citizens from the Matanuska-Susitna Valley area served by the Center. Many who receive these services are able to remain independent rather than relocating to a nursing home facility, at a significantly higher cost to the State. The Center is located in a former church, which is dilapidated and overcrowded. A new Center is proposed and funds are requested for planning and design.

Co-Chair Green stated that efforts were underway to secure funding for this project.

[5:27:31 PM](#)

HOWARD DELO, Chair, Matanuska Valley Fish and Game Advisory Committee, testified via teleconference from Mat-Su to read a letter from the Advisory Committee. This letter requested \$1.6 million proposed by the Governor for the Department of Fish and Game for game management activities. Additionally, \$30,000 was requested to allow the Board of Game to secure surveys necessary to make decisions on the Tier II hunting seasons.

Co-Chair Green remarked she would review this request.

[5:32:09 PM](#)

LOUIE BENCARDINO, Board Member, Alaska Vocational Technical Center, testified via teleconference from Seward that although the committee substitute includes a portion of the funding requested by the Governor for several projects at the facility, funding for three other important projects was omitted. The projects include a new distance training facility, replacement of the dormitory and a maintenance building, and planning for new design technology facility. The Center serves a vital role in training Alaskans for jobs necessary to the State's economy. Most of the Center's 14 buildings were constructed during the 1970s and were of "cheap" quality. Federal funds have been authorized, but require matching funds from the State.

[5:39:39 PM](#)

DON SWARNER, Ice Alaska, testified via teleconference from Fairbanks that the organization hosts an event that provides entertainment for many and promotes winter tourism. The current facility is outdated and does not meet building code requirements. Many of the buildings at the park site would be replaced at the organization's expense. However, the proposed assembly building replacement would require State funding. The Governor has expressed interest in this project.

[5:42:58 PM](#)

DAVE FERREE, Fairbanks North Star School District, testified via teleconference from Fairbanks that the District's top priority is the replacement of the central kitchen facility. The existing facility is located on Eielson Air Force Base and was designed

and constructed in the 1970s to serve approximately 1,500 students. Currently, the kitchen provides meals for over 4,000 students and faculty. Federal funds have been secured but state funds are necessary.

[5:45:15 PM](#)

SUSAN BOMALASKI, Executive Director, Catholic Community Services, testified via teleconference from Anchorage to identify herself as new to the position and to thank the Committee for the funding provided.

[5:45:32 PM](#)

JEAN WALL, Director, Alaska Small Business Development Center, testified via teleconference from Anchorage to request funding at the same level provided in FY 06. The Center had submitted a report of its progress and future plans and goals, which include support of the Buy Alaska Program.

[5:48:13 PM](#)

PATRICK SHIFLEA, Alaska Community Development Corporation, testified via teleconference from Mat-Su to request the \$6 million appropriation proposed by the Governor for the Alaska Housing Finance Corporation Low Income Weatherization Program. The current high fuel costs place an increased burden on low income Alaskans. This program has long lasting benefits to low-income households.

[5:49:44 PM](#)

CASSANDRA PINKEL, Project Manager, Fairbanks Economic Development Corporation, testified via teleconference from Fairbanks to thank the Committee for supporting the Interior Alaska timber inventory project.

[5:50:09 PM](#)

COLEEN TURNER, Executive Director, Resource Center for Parents and Children, testified via teleconference from Fairbanks about the services the Center provides to break the cycle of child abuse and neglect and the funding necessary to continue these efforts.

[5:51:39 PM](#)

JOEL GROVES, Professional Engineer, Polar Consultants of Alaska, testified via teleconference from Anchorage about the efforts of this organization to provide professional services to rural villages to assist in power intertie systems.

[5:54:10 PM](#)

GEOFFREY PARKER, Attorney, testified via teleconference from Anchorage regarding the Juneau Access project and the Williams Port/Pile Bay Road project. The Juneau Access road project involves multiple legal problems that should be resolved before the project commences. Funding projects in one area of the State should not be appropriated at the expense of other areas of the State. He also opposed the Williams Port/Pile Bay Road project near Lake Illiamna.

[5:57:26 PM](#)

JOHN HAWCHETT, Finance Chair, Ice Alaska, testified via teleconference from Fairbanks thanking Co-Chair Wilken for his efforts in assisting the organization. Promoting winter tourism is an important continuing undertaking and this event attracts thousands of visitors from the United States and other countries. Many conferences and other gatherings are planned to coincide with this event. The existing facilities do not meet fire safety code requirements. He requested that the funding requested by the Governor be restored.

[6:00:27 PM](#)

JERRY WALKER, Student and Adjunct Instructor, and Advisory Council Member, Tanana Valley Campus, University of Alaska, Fairbanks, testified via teleconference from Fairbanks that education is of primary importance to him. Efficiency in these efforts is vital. He requested funding to address the building efficiency and improve energy efficiency. This would be an investment rather than an expenditure.

[6:02:21 PM](#)

GRACE CHANG, Volunteer, Ice Alaska, testified via teleconference from Fairbanks about her attraction to the event. She has gotten her children involved as well. An ice slide constructed for the

event is popular with children and provides them with vital physical exercise. She serves as a Chinese translator for visitors from China and the Republic of China and their attendance to this event is beneficial.

[6:05:43 PM](#)

KAREN PARR, Retirement Community of Fairbanks, testified via teleconference from Fairbanks that although Fairbanks is the second-largest community in the State, it does not have a facility for those transitioning from an independent lifestyle to a full care arrangement. The Fairbanks Pioneers' Home had served as primarily an assisted living facility, but has become more of a nursing home. Low-income senior citizens need such a service and an assisted living style apartment building is planned. Without such a facility, many are forced to leave the community, their friends and relatives.

[6:10:30 PM](#)

Co-Chair Wilken thanked the witness for her efforts on this matter. He cautioned about the precedence such a State appropriation would establish for future similar requests.

[6:11:22 PM](#)

MARY RASMUSSEN, Chair, Anchorage Library Board, testified via teleconference from an offnet location to request funding for renovation of the Lusak Library in Anchorage and the construction of a new facility in Girdwood.

[6:13:17 PM](#)

JAN WRENTMORE, Skagway resident, testified in Juneau that she has operated tourism-related businesses in Skagway since 1978. Skagway voters have voted in opposition to the Juneau Access project in several elections. The current plan would involve the road ending in a desolate area and would not address the needs placed on the ferry system. The road would cost 45 percent more to maintain over its life than the Marine Highway System. A proposal to operate ferries from Cascade Point in Berners Bay, north of Juneau, is a preferable alternative. Existing ferries could be utilized under this plan and three new vessels would not need to be constructed and maintained.

6:18:43 PM

ALLEN GUGGISBERG testified via teleconference from Fairbanks that he resides near Healy and does not support funding the Stampede Road project. He understood the desire for improved access to Denali National Park, although this project represents a poor alternative and the \$14 million proposed would be insufficient.

6:20:50 PM

RICK CAULFIELD, Director, Tanana Valley Campus, University of Alaska, Fairbanks, testified via teleconference from Fairbanks to thank the Committee for its support of the University's community college mission. This mission focuses on workforce development, academic preparation and lifelong learning. Future projections of job needs indicate that only 25 percent of those jobs would require a four-year college degree, three-quarters of future workers would require an associate degree, apprenticeship training, certificates or other skills that facilities such as this campus would provide. He supported the \$4.39 million request for improvements to the Community Campus Center, which has been identified as the highest priority of the Board of Regents for community campuses.

6:23:39 PM

WILL FORSBERG testified via teleconference from an offnet location that he represents the 135-member area homeowners association of residents along the Stampede Road area who oppose the proposed project for that area. It is poorly designed and is not the best alternative for access to Denali National Park.

6:24:57 PM

MELISSA CHAPIN testified via teleconference from Fairbanks to request funding for the Ice Alaska capital funding request.

6:26:15 PM

ART WEEKS, Municipal Librarian, testified via teleconference from an offnet location in Anchorage in support of funding improvements to the Lusak Library. This building is 20 years old. A teen gathering center is planned for this location. He also supported the construction of a library in Girdwood.

[6:28:15 PM](#)

MATT ATKINSON, Northern Alaska Tour Company, testified via teleconference from Fairbanks to request restoration of the full \$2.9 million for the proposed Morris Thomson Cultural and Visitor Center.

[6:30:41 PM](#)

CATHY LIESER testified via teleconference from an offnet location as a resident of the Denali Borough to the importance of separating "the wants from the needs." The proposed Stampede Road project is a want of the Governor and the Department of Transportation and Public Facilities. These funds should instead be allocated to needs in Interior Alaska such as turning lanes on the Parks Highway at the north entrance to the Denali National Park.

[6:32:04 PM](#)

JERRYNE COLE testified via teleconference from an offnet location in agreement with past testimony that findings on the proposed Stampede Road project must be reviewed before construction begins. Additionally, attempts must be made to secure federal funding rather than solely utilizing general funds.

[6:33:52 PM](#)

KAREN KELLER, Mother of a teenager and part-time librarian, testified via teleconference from an offnet location to encourage funding for the proposed teen center at the Lusak Library.

[6:35:01 PM](#)

DICK BRICKLEY testified via teleconference from Fairbanks about the attributes of Ice Alaska. A building at the park site could no longer be utilized as multi-use facility, as currently done. A new facility must be constructed and the existing facility returned to its original use as housing for visiting artists.

[6:38:13 PM](#)

ALAN ARMBRUSTER testified via teleconference from Fairbanks that the Ice Alaska event has expanded and attracted more visitors each year. It is time that State funds are contributed to this effort.

[6:38:53 PM](#)

WALLACE COX testified via teleconference from Fairbanks about the non-profit Ice Alaska organization that annually raises and expends approximately \$500,000. Local businesses and volunteers contribute significantly to these efforts. If the operation were run by a for-profit entity, this would be considered a successful business and would be responsible for amassing the resources necessary to fund these projects.

At ease [6:43:57 PM](#) / [6:44:15 PM](#)

Co-Chair Green announced that those signed up to testify about the Juneau Access road project would be heard the following day.

[6:44:58 PM](#)

RON DIXON, Chair, Community Advisory Council, Tanana Valley Campus, University of Alaska, Fairbanks, testified via teleconference from Fairbanks in support of funding for the campus center project.

[6:45:58 PM](#)

CLICK BISHOP, Alaska Operating Engineers Local 1302, testified via teleconference from Fairbanks to thank the Committee for approving the \$3 million request for the Pipeline Training Center in Fairbanks. Future workers must be adequately trained for jobs on the upcoming construction of a natural gas pipeline. He also supported funding for the Tanana Valley Campus project.

[6:48:17 PM](#)

DICK BOUSSON testified via teleconference from an offnet location in Skagway to request that the funding be removed from the Juneau Access project. This project would be subject to litigation.

[6:49:42 PM](#)

KEN RUSSO testified via teleconference from an offnet location in opposition to funding the Juneau Access project. This is an unpopular project as indicated by many residents of Haines and Skagway. Any money appropriated to this project would be "good money after bad".

AT EASE to [6:55:30 PM](#)

FAY VON GEMMINGEN, Certified Public Accountant, testified via teleconference from Anchorage in support of the Small Business Development Corporation. As a small business operator, she frequently refers clients to the Corporation to receive assistance in establishing and operating successful businesses.

AT EASE [6:57:16 PM](#) / [7:01:33 PM](#)

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ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at [7:02:02 PM](#)