

MINUTES
SENATE FINANCE COMMITTEE
May 5, 2007
1:43 p.m.

CALL TO ORDER

Co-Chair Bert Stedman convened the meeting at approximately [1:43:11 PM](#).

PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Kim Elton
Senator Donny Olson
Senator Fred Dyson

Also Attending: Testifiers are listed in the body of the minutes in the order and location from which they testified.

SUMMARY INFORMATION

SB 53-BUDGET: CAPITAL, SUPP. & OTHER APPROPS

The Committee took public testimony. The bill was held in Committee.

SB 72-COMMUNITY REVENUE SHARING

This bill was scheduled but not heard.

#SB53

[1:44:23 PM](#)

SENATE BILL NO. 53

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

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

JEFF JABUSCH, Manager, City of Wrangell, testified via teleconference from Wrangell that he had no comment at this time.

[1:44:48 PM](#)

GREGORY VICKERY, Director, Tongass Conservation Society, testified via teleconference from Ketchikan thanking the Committee for the inclusion of \$46.2 million to complete the Swan Lake-Tyee Intertie. He supported the decision to make the appropriation unconditional to a link to Canada, which he deemed extravagant and unnecessary for completion of the project. He appreciated the appropriation of \$5.7 million for a replacement ferry to transport people and goods between Ketchikan and the airport on Gravina Island. The \$3.4 million appropriation to the City of Ketchikan for the water treatment facility was also appreciated. He continued listing Ketchikan area projects that would be funded in the committee substitute.

[1:46:59 PM](#)

LOIS EPSON, Alaska Transportation Priorities Project, testified via teleconference from Ketchikan that she had just received the committee substitute and after review might submit comments.

[1:47:29 PM](#)

ED ZASTROW, AARP, testified via teleconference from Ketchikan in appreciation of the inclusion of \$100,000 for road access to the proposed Ketchikan senior housing development. He considered it a community project and detailed the volunteer efforts and private and public contributions. He also thanked the Committee for providing funding for the Swan Lake-Tyee Intertie project.

[1:49:32 PM](#)

STEVE HOWELL, Cook Inlet Regional Citizens Advisory Council, testified via teleconference from Anchorage about the organization and thanked the Committee for including funding for the Cook Inlet Marine Vessel Risk Assessment project. The assessment would provide solid reference for spill prevention and response efforts. He detailed the process in developing the

proposed project involving local residents, the US Coast Guard, and State and federal regulators. This project is important for the economy and environment of Cook Inlet.

[1:52:54 PM](#)

CHARLES FRANZ, Chief Executive Officer, South Peninsula Hospital and member of the University of Alaska, Kachemak Bay campus advisory council, testified via teleconference from an offnet location to thank the Committee for its support of the University of Alaska.

DAVID SOULAK, Manager, Bristol Bay Borough, testified via teleconference from an offnet location on the topic of the Port of Bristol Bay. Funding for Port improvements is not included in the FY 08 Capital budget in its current form. The Port is 25 years old. In 2005 it was ranked second in its need for improvement and ranked eighth in the United States for commercial landing of seafood. The Port also handles 70 million pounds of freight and serves as a link to Bristol Bay and Lake Illiamna communities. Preliminary designs of Port improvement projects are almost complete. The Borough currently has approximately \$800,000 available and has applied for additional funding from the Bristol Bay Development Corporation, the Denali Commission and has requested assistance from the Alaska Congressional delegation. The project should be completed in a "timely fashion" and construction started the spring of 2009.

[1:57:22 PM](#)

LUKE HOPKINS, Presiding Officer, Fairbanks North Star Borough Assembly, and Vice-Chair, Fairbanks Metropolitan Planning Organization, testified via teleconference from an offnet location, that the road-planning Organization is similar to the Anchorage Metropolitan Area Transportation Study (AMATS). He appreciated the funding included for the Ester Volunteer Fire Station, the Fairbanks Pipeline Training Center, and maintenance of the Morris Thompson Cultural Center. He requested \$12.5 million for the school kitchen location change from Eielson Air Force Base. This facility must be moved due to security restrictions at the Base. Additionally, \$23.9 million was needed to proceed for the next four years on major road projects. These projects affect the entire transportation network of the Borough and 107 road service areas levy taxes on its residents to provide maintenance on these local roads.

2:00:58 PM

TIM BECK, Fairbanks North Star Borough, testified via teleconference from an offnet location to reaffirm Mr. Hopkins comments and to thank the Committee for its efforts.

2:01:33 PM

GRETCHEN KLEIN, Ketchikan General Hospital Foundation, testified via teleconference from Ketchikan in appreciation of the appropriation to replace a ten-year old piece of medical equipment needed for the laboratory.

2:02:30 PM

PETE KELLY, Director, Governmental Relations, University of Alaska, testified in Juneau, and thanked the Committee for addressing "badly needed" items, in particular authority to receive and expend federal funds. He drew attention to increasing "major maintenance problems" of the entire State system and the University of Alaska, which must be addressed. The University owns over six million square feet of facility space, 300 buildings and over \$1.5 billion in facility assets. Best practices required that 2.5 percent of the value of the asset should be expended each year for regularly scheduled major maintenance projects such as roof replacements to continue the useful life. This calculates to \$40 to \$50 million per year. The University expends approximately \$23 million annually from its operating budget for routine maintenance. This demonstrates commitment. However, capital appropriations are necessary for larger repairs and system upgrades and the legislature had only provided an average of \$7 to \$12 million per year.

2:05:55 PM

Senator Olson asked the number of the 300 buildings, which were owned by the University compared to the number leased.

Co-Chair Kelly responded that most of the facilities were owned, a practice somewhat different than the State.

Senator Olson asked if the University was required to provide maintenance on the buildings it did lease.

Co-Chair Kelly responded that the individual leases varied.

AT EASE [2:06:37 PM](#) / [2:10:10 PM](#)

CARL ROSE, Executive Director, Alaskan Association of School Boards, testified in Juneau in support of funding for the second year of the four-year Consortium on Digital Learning Project. The previous fiscal year, \$5 million was appropriated to start the project. Many schools in several locations were implementing digital learning programs and a comprehensive approach was necessary to determine the best equipment, software and professional development to utilize. Rather than only teaching keyboarding and word processing, education must be focused on all aspects of digital learning, as this is the future trend. The intent of the project was to provide funding to offset two-thirds of the cost of school purchases. Apple computers were selected the previous year and negotiations were underway to add Dell computers. The short term return on this investment would be "huge" given the 2,700 users and teachers participating in digital learning. He distributed a brochure highlighting the program [copy on file.]

[2:14:39 PM](#)

Co-Chair Stedman indicated he would consider the request.

AT EASE [2:14:56 PM](#) / [2:23:03 PM](#)

[2:23:12 PM](#)

DAN DUNAWAY testified via teleconference from Fairbanks as an avid supporter of public broadcasting. He previously resided in Dutch Harbor and Sand Point and appreciated the benefits of public broadcasting. He requested \$400,000 for an engineering services program to benefit small stations in various locations statewide. Funding for public broadcasting had been "flat" for some time, which amounts to a reduction over a ten-year period.

AT EASE [2:25:10 PM](#) / [2:26:34 PM](#)

BETTY WALTERS, Kodiak Island Borough School District, testified via teleconference from Kodiak to thank the Committee for its support of education and in support of future funding for education.

Co-Chair Stedman indicated the issue was being addressed.

AT EASE [2:27:26 PM](#) / [3:07:00 PM](#)

Co-Chair Stedman announced public testimony on this bill was closed.

The bill was HELD in Committee.

#

ADJOURNMENT

Co-Chair Bert Stedman adjourned the meeting at [3:07:36 PM](#)