

SENATE FINANCE COMMITTEE  
April 19, 2009  
11:17 a.m.

11:17:03 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 11:17 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Charlie Huggins, Vice-Chair  
Senator Johnny Ellis  
Senator Donny Olson  
Senator Joe Thomas

MEMBERS ABSENT

ALSO PRESENT

Representative Mark Neuman; James Ellis, Staff,  
Representative Mark Neuman; Tim Grussendorf, Staff, Senator  
Lyman Hoffman;

PRESENT VIA TELECONFERENCE

Jeff Johnson, Manager, Alaska Boating Safety Program; James  
King, Director, Division of Parks and Recreation;

SUMMARY

CS HB 113(FIN) am(brf sup maj fld)

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

SCS CSHB 113 (FIN) was REPORTED out of Committee  
with a "do pass" recommendation.

CS HB 151(FIN)

"An Act amending the termination date of the  
statewide boating safety and education program;  
providing for an effective date by amending the  
effective date of secs. 3, 5, 7, 9, 11, 14, 16,  
18, 20, 23, 26, and 27, ch. 28, SLA 2000, as  
amended; and providing for an effective date."

CS HB 151(FIN) was REPORTED out of Committee with a "do pass" recommendation and with attached fiscal note 2 by the Department of Natural Resources.

Presentation:  
Stampede Recreation Area

#hb151  
CS FOR HOUSE BILL NO. 151(FIN)

"An Act amending the termination date of the statewide boating safety and education program; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

CS HB 151(FIN) was REPORTED out of Committee with a "do pass" recommendation and with attached fiscal note 2 by the Department of Natural Resources.

11:18:11 AM

REPRESENTATIVE MARK NEUMAN, SPONSOR spoke in support of the legislation, which would continue the program to put lifejackets at boat launches, and teach children to swim through school programs.

JAMES ELLIS, STAFF, REPRESENTATIVE MARK NEUMAN, explained that the legislation would extend the Alaska Boating Safety program. Under the legislation's current form, the program would be extended for one year. The program began in 2000 and is funded through a mix of federal grants and license receipts. The program will terminate before the next session due to a conflict with the federal fiscal year grant cycle if the legislation is not passed. The program has taught boating safety to over 63,000 children and over 14,000 adults and has 104 instructors across the state. Training is also provided to state troopers and other law enforcement officers. The program has distributed over 20,000 kids don't float life vests at 514 stations in 153 communities in partnerships with local organizations. He concluded that there has been a 20 percent decrease in boating fatalities and increased compliance with basic boating standards and rules. Seventeen children have been rescued while wearing these life vests.

Senator Huggins noted that the provision had been in place for eight years and commented on the lives saved. Co-Chair Stedman commented on the importance of protecting children in coastal communities.

Co-Chair Stedman observed that the legislation has one attached fiscal note for \$364.5 thousand for FY 10 and FY 11.

[11:22:11 AM](#)

JEFF JOHNSON, MANAGER, ALASKA BOATING SAFETY PROGRAM (testified via teleconference) offered to answer questions.

JAMES KING, DIRECTOR, DIVISION OF PARKS AND RECREATION testified via teleconference in support of the legislation. He pointed out that the fiscal note would be funded by boater registration fees. The rest of the program would be funded through a federal grant. He described the success of the program and emphasized the decline in deaths resulting from boating.

[11:24:27 AM](#)

Co-Chair Hoffman MOVED to report CS HB 151(FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CS HB 151(FIN) was REPORTED out of Committee with a "do pass" recommendation and with attached fiscal note 2 by the Department of Natural Resources.

[11:24:54 AM](#)

^PRESENTATION: STAMPEDE STATE RECREATION AREA

Senator Thomas, Sponsor, presented an overview, "SB 108-Stampede State Recreation Area," (copy on file).

Senator Thomas noted that Stampeded Road corridor is northwest of Healy and flanked on three sides by the Denali National Park and is a traditional place for Alaskans to pursue recreational activities:

- Hunting and trapping
- Dog mushing
- All-terrain vehicles
- Watercraft use
- Snowmachining
- Horseback riding
- Dog sledding
- Camping

Senator Thomas explained that legislation would preserve the traditional use of the area by creating the Stampede

Recreation Area. Several years ago former Governor Murkowski proposed a road through the area, which was vehemently opposed by residents and recreational users. The Denali Borough Assembly designated the corridor as the Stampede State Recreational area with a strong emphasis on self determination by the residents and users of the area for its protection. The current use includes off road and all terrain vehicle use, hunting and trapping, dog mushing, watercraft use, hiking, bicycling, snow machining, horseback riding, cross country skiing, dog sledding, camping, wildlife viewing and photography. All these activities would be protected and preserved. Recreational users come from Fairbanks, Denali Borough, Anchorage, and Matsu. Tourists and adventurers travel to the area from across the globe. The area supports several tourism businesses including several lodges, and road touring companies. The legislation has wide support.

[11:29:25 AM](#)

Senator Thomas explained that the area contains a RS2477 trail, which existed before statehood and is considered public domain. The trail provides access to Denali Park by horseback or snow machines (in the winter).

Co-Chair Stedman noted the issue would be addressed in the future.

[11:32:43 AM](#) RECESSED  
[3:21:37 PM](#) RECONVENED

#hb113  
CS FOR HOUSE BILL NO. 113(FIN) am(brf sup maj fld)

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

[3:22:07 PM](#)

Co-Chair Hoffman noted that HB 113 addresses the FY 09 supplemental.

Co-Chair Stedman MOVED to ADOPT Work Draft 26-GH1005\M, Kane, 4/18/09. There being NO OBJECTION, it was so ordered.

TIM GRUSSENDORF, STAFF, SENATOR LYMAN HOFFMAN, reviewed The following changes to the legislation:

- Grant to the Department of Commerce Community and Economic Development (DCCED) for World Trade Center Alaska FY 2010 for \$115.0 GF on page 13, line 13

- DCCED SE Conference reappropriation to SE Conference for \$47.0- on page 13, line 17.
- Department of Corrections reappropriation from the Department of Health and Social Services (HSS) of the unexpended and unobligated balance for secure detoxification substance on page 13, line 22.
- Contingent funding for HB 172 to the Alaska Commission on Postsecondary Education for \$60.0 on page 14, line 29.
- Wik Road reappropriation of \$944.4 from the Capital Income Fund to the Department of Health and Social Services, McLaughlin Youth Center on page 15 line 30.
- Contingent language for HB 141, Interstate Compact for Juveniles of \$45 on page 15, line 30.
- Contingent funding for SB 89 for the Territorial Guard retirement of \$31.3 on page 18, line 3.
- Contingent funding for SB 171, PFD deceased legislation for \$86.7 interagency receipts on page 18, line 31.
- Delete "International Airport" language from appropriation to Department of Transportation and Public Facilities on Page 22, line 27.
- Whittier Tunnel rock slide for \$800.0 from the commercial vessel passenger tax on page 22, line 23. This funding would be retroactive to the slide's inception.
- Department of Transportation and Public Facilities for \$2.0 million from the Capital Income Fund for the Newtok road and evacuation shelter material, on page 22, line 27.
- Office of the Governor for \$4.322.0 million from the Capital Income Fund for the development of an instate natural gas pipeline on page 28, line 12.
- Office of the Governor for \$2.7 million from a reappropriation from the Department of Natural Resources for the development of an instate natural gas pipeline on page 28, line 15.
- Revenue sharing for \$60 million, which is a fund transfer from the general fund on page 28, line 29.

- Constitutional Budget Reserve draw to forward fund education of \$1,111,914,700 on page 28, line 22.

Mr. Grussendorf noted that there were additional technical changes adding contingency language in case some of the bills do not pass.

[3:29:06 PM](#)

Senator Huggins Moved Amendment 1, 26-GH1005\M.1, Kane, 4/18/09. Co-Chair Hoffman Objected for discussion. Co-Chair Hoffman OBJECTED for purpose of discussion.

Page 28, following line 18:

Insert a new subsection to read:

"(c) For the appropriations made in (a) and (b) of this section, it is the intent of the legislature that

(1) the funds be used solely to plan, coordinate, and facilitate construction, ownership, and management of a natural gas pipeline serving Fairbanks, the Southcentral region of the state, and other communities wherever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater;

(2) the funds be used for a full alternative analysis of possible routes;

(3) an economically feasible in-state pipeline and any connecting lines serve industrial, residential, and utility customers along the entire route, including any other regions of the state that could be served at commercially feasible rates;

(4) the Office of the Governor use the appropriations to

(A) coordinate with entities that could build, own, and operate the line;

(B) assist with preparing cost estimates for the project to determine its economic feasibility and cost to consumers;

(C) apply for and obtain right-of-way permits for the project route, with the intent that the state would transfer the permits to, and receive compensation for the permits from, the entity best able to complete the project;

(D) work with other entities to promote the gas supply and gas purchase contracts that would be required for the project to be commercially viable;

(5) the coordination effort by the Office of the Governor use, to the fullest extent possible, any and all existing work by other state agencies before contracting for new reports, research, and analyses,

and that the coordination effort by the Office of the Governor not expand beyond the scope of coordinating interests to build, own, and operate the gas line;

(6) the Office of the Governor submit written monthly reports to the president of the senate, the speaker of the house of representatives, and all legislators, listing all current and future contracts executed for development of an in-state natural gas pipeline and specifying the scope of work and contract amount, a cumulative total monthly of all funds spent for development of an in-state natural gas pipeline, reporting progress to date on the project work plan, and presenting a work plan for each subsequent month."

Senator Huggins reviewed the amendment, which adds intent language. He observed that the accountability would be through the Office of the Governor, which would report monthly.

Co-Chair Hoffman WITHDREW his OBJECTION. There being NO OBJECTION, Amendment 1 was adopted.

Co-Chair Stedman MOVED to report SCS CSHB 113 (FIN) out of Committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SCS CSHB 113 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

[3:31:53 PM](#) AT EASE  
[3:32:30 PM](#) RECONVENED

Co-Chair Stedman and other members expressed appreciation for the staff and committee's work and support.

Co-Chair Stedman MOVED to allow the Legislative Finance Division to make technical changes as needed. There being NO OBJECTION, it was so ordered.

[3:34:44 PM](#)  
#  
ADJOURNMENT

The meeting was adjourned at 3:34 PM.