

SENATE FINANCE COMMITTEE

April 1, 2013

1:35 p.m.

[1:35:49 PM](#)

CALL TO ORDER

Co-Chair Meyer called the Senate Finance Committee meeting to order at 1:35 p.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair
Senator Kevin Meyer, Co-Chair
Senator Anna Fairclough, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Representative Cathy Munoz; Jacob Mercurief, Mayor, City of St. Paul; Jeff Weltzin, Special Projects Coordinator, Tanana Chiefs Conference, Kotzebue; Pat Branson, Mayor, City of Kodiak, Kodiak; Chris Rose, Executive Director, Renewable Energy Alaska Project (REAP), Juneau; Robert Barr, Director, Juneau Public Library, Juneau; Kathie Wasserman, Executive Director, Alaska Municipal League, Juneau; Marie Darlin, Member, Alaska Historical Society, Juneau; Paul Brown, Alaska Leader Series, Anchorage; Merrill Sanford, Mayor, City and Borough of Juneau; James Marcus, District Manager, Southeast Soil and Water Conservation District, Juneau; Charles Clement, Southeast Alaska Regional Health Consortium (SEARHC), Juneau; Casey Anderson, Membership Assistant, Alaska Mobility Coalition, Juneau; Mary Hakala, Coordinator, Science Technology Engineering Math (STEM) Alaska, Juneau; Paul Fuhs, Member, Fairview Business Association, Anchorage; Tammy Hansen, Vice President, Kodiak Area Native Association, Kodiak;

Kathy Niessbaum, Director, Behavioral Health Department, Kodiak Area Native Association, Kodiak.

PRESENT VIA TELECONFERENCE

Mike Hoffman, Executive Vice President, Association of Village Council Presidents, Bethel; Greg Roczicka, Director, Natural Resource Program, Orutsararmiut Native Council, Bethel; Shirley Marquardt, Mayor, City of Unalaska, Unalaska; Elizabeth Moore, Community and Government Affairs Manager, NANA Regional Corporation, Kotzebue; Ivan M. Ivan, Self, Akiak; Brian Lefferts, Director, Environmental Health and Engineering, Yukon-Kuskokwim Health Corporation, Bethel; Kathy Leary, Training Manager for Community and Workforce Development, Ilisagvik College, Barrow; Ben Glover, Dean of Community and Workforce Development, Ilisagvik College, Barrow; Rob Elkins, Deputy Director of Administration, North Slope Borough, Barrow; Angie David, Tribal Administrator, Mentasta Traditional Council, Mentasta; Mike Tvenge, City Administrator, Delta Junction; Bryce Wrigley, Alaska Association of Conservation Districts, Delta Junction; Dawn Grossman, Mayor, City of Delta Junction; Dennis Watson, General Manager, Inter-Island Ferry Authority, Ketchikan; Timothy Rooney, City Manager, City and Borough of Wrangell, Wrangell; Jim Agner, Chief of Police, Petersburg Borough, Petersburg; Sue Paulsen, Self, Petersburg; Sally Dwyer, Public Safety Board, Petersburg; Elizabeth Union-Jakubek, Capital Campaign Coordinator, First City Players, Ketchikan; Rebecca Valentine, Self, Ketchikan; Kevin Gadsey, Independent Living Advocate, Southeast Alaska Independent Living, Ketchikan; Lew Williams, Mayor, City of Ketchikan; Peter Rice, Medical Director, Ketchikan Medical Center, Ketchikan; Penny Pedersen, Ketchikan Medical Center, Ketchikan; Richard Hauver, Self, Ketchikan; Mike Houts, Finance Director, Ketchikan Gateway Borough, Ketchikan; Jim Pomplun, Member, State Parks Advisory Board, Ketchikan; Bonnie Newman, Housing Director, Ketchikan Indian Housing Authority, Ketchikan; Bob Berto, Chairman, Ketchikan Medical Center Governing Board, Ketchikan; Bryana Homan, President, Ketchikan Health Occupation Students of America, Ketchikan; Kyan Reeve, Transit Manager, Ketchikan Gateway Borough, Ketchikan; Mim McConnell, Mayor, City and Borough of Sitka; Kristin Carpenter, Member, Cordova City Council, Cordova; Joel Azure, Executive Director, Native Village of Eyak, Cordova; Jim Kacsh, Mayor, City of Cordova; Bret Bradford, Member, Cordova City Council, Cordova; Barclay Jones Kopchak, Stage of the Tide, Cordova;

Katrina Hoffman, President and CEO, Prince William Sound Science Center, Cordova; RJ Kopchak, Self, Cordova; Tim Joyce, Council Member, Cordova City Council, Cordova; Erin Cooper, Cordova Arts, Cordova; Dave Cobb, Mayor, City of Valdez; Charles Bud Cassidy, Kodiak Island Borough, Kodiak; Andrew Schroeder, Island Trails Network, Kodiak; Jerome Selby, Kodiak Island Borough, Kodiak; Jody Seitz, City Planner, City of Dillingham; Carolyn Smith, City of Aleknagik; Heidi Chay, District Manager, Kenai Soil and Water Conservation District, Kenai; Steve Albers, Farmer, Kenai; Michelle Martin, Kenai Soil and Water Conservation District, Kenai; Paul Shadura, Board Member, Kenai Peninsula Fisherman's Association, Kenai; Mayor O'Hara, Bristol Bay; Carl Marrs, CEO, Old Harbor Native Corporation, Old Harbor; Mary Matthias, Mayor, Nightmute; Clarence Baysinger, Self, Nenana; Bruce Megarr, City Manager, Pilot Point; Peter Stokes, Petroleum Engineer, UAF College of Engineering and Mines Advisory and Development Council; Evelyn Thomas, Tribal Council President, Crooked Creek Traditional Council, Crooked Creek; Eugene Paul, Tribal Chief, Holy Cross; Ronald Helgesen, CEO, Alaska Native Tribal Health Consortium (ANTHC), Anchorage; James Beylund, City of Selawik; Dan Clarion, Self, Ouzinkie; Larson Hunter, City Manager, Scammon Bay; Alexie Temple, Mayor, Napakiak; Steve Andresen, Mayor, City of Port Lion; Tim Dillon, City Manager, Seldovia; Cindy Arnold, City Administrator, Nuiqsut; Martin Moore Sr., City Manager, City of Emmonak; Wilbur Hootch, Mayor, City of Emmonak; Lorry Brooks, Self, Nenana; Esther Hugo, City Council, Anaktuvuk Pass; Ruth Fitka, Mayor, City of Marshall; Chris Kalerak, City of Elim; Diane Woodruff, Finance Manager, City of Akutan; Elsie Vent, City Council, Huslia; Carolyn Oquilluk, City of Teller; Cecil Gates, Farmer, Nenana; Stanley Tocktoo, Member, City Council of Shishmaref; Rhonda Pitka, Chief, Beaver Village Council, Beaver.

SUMMARY

SB 18 BUDGET: CAPITAL

SB 18 was HEARD and HELD in committee for further consideration.

#sb18

SENATE BILL NO. 18

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

BETHEL, NOME, KOTZEBUE, UNALASKA

1:37:12 PM

MIKE HOFFMAN, EXECUTIVE VICE PRESIDENT, ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, BETHEL (via teleconference), spoke in support of funding the Yukon Kuskokwim Energy Freight Corridor and the Western Alaska Emergency Response Center. The Yukon Kuskokwim Energy Freight Corridor was tied to the Roads to Resources project, and would extend the Elliot Highway to Tanana. He felt that the 35 mile corridor connecting the Kuskokwim and Yukon at their closest points, was essential to the economy of Bethel. He stressed that the corridor would make his region more connected to Alaska, and would help improve business. He explained that the project had received \$3 million in the year prior, and he was requesting \$13.2 million to complete the full study, design, and environmental impact statement (EIS) of the project. He also voiced support of funding for the Western Alaska Emergency Response Center. He shared that he had recently learned that Alaska was unprepared for any environmental disasters along the coastline and rivers. He shared that the Western Alaska Emergency Response Center would be the northern most response center for any environmental disaster in Alaska. He stated that the request was for \$4 million to retrofit a structurally sound building along the Kuskokwim River in Bethel.

Vice-Chair Fairclough queried the total cost of the Yukon Kuskokwim Energy Freight Corridor. Mr. Hoffman replied that the total cost would be approximately \$17.2 million.

Vice-Chair Fairclough restated her question, and asked for the total cost of the project, not just the cost of design. Mr. Hoffman replied that the total cost was estimated at \$120 million.

1:41:28 PM

GREG ROCZICKA, DIRECTOR, NATURAL RESOURCE PROGRAM, ORUTSARARMIUT NATIVE COUNCIL, BETHEL (via teleconference), spoke in support of funding \$1.3 million for a hybrid wind-

solar project as requested by the Kuskoquim Watershed Council for the Bethel Senior Center. He stressed that the center served Bethel residents and elders from throughout the 40 villages along the Kuskoquim Delta. He remarked that the center had already undergone many upgrades like energy efficiency. He stated that the engineering firm would use existing technology, so the upgrade would not qualify for Alaska Energy Authority (AEA) grants. He pointed out that the project would yield approximately 30 percent savings per year. He furthered that the project had a training component, so 15 to 20 people from the community could be hired to maintain the new energy system. He explained that the design could be built to scale, so it would be possible to provide power to the entire community. He shared that the excess power would not be sold to the utility, but directed into the heating component.

[1:44:13 PM](#)

SHIRLEY MARQUARDT, MAYOR, CITY OF UNALASKA, UNALASKA (via teleconference), testified in support of \$5 million for a new fourth engine in a powerhouse. She stated that Unalaska provided power for a dynamic fishing and transportation industry. She announced that Unalaska had a \$56 million power plant for a community of 4600 people. She shared that the City of Unalaska had provided all of the money for the project, except for the requested \$5 million. She felt that the request would provide efficient power production for the community, infrastructure, fisheries, and transportation. She thanked the committee for prior capital request approval for Unalaska's major infrastructure needs. She also urged support of \$60 million for revenue sharing, and suggested consideration of the \$25 million supplemental request. She pointed out that the revenue sharing funds would help to ease the pressure of the high cost of fuel for the communities.

[1:47:20 PM](#)

ELIZABETH MOORE, COMMUNITY AND GOVERNMENT AFFAIRS MANAGER, NANA REGIONAL CORPORATION, KOTZEBUE (via teleconference), urged support of the \$10 million to complete the Cape Alaskan Regional Port Road; \$9.6 million for a Kotzebue Clinic; \$5.3 million to complete the Kivalina Evacuation and Access Road; \$2.5 million for the Cosmos Hills Hydro-Electric Project; and \$12 million for the Star of the Northwest Residential Dorm. She also urged support of the

Roads to Resources funding for the Alaska Industrial and Export Authority (AIDEA). She stated that the mission of NANA Regional was to improve the quality of life for its people by maximizing economic growth; protecting and enhancing its land; and promoting healthy communities with decisions inspired its values. She announced that Nana Regional had more than 13,200 shareholders who were of Inupiat descent. She stated that NANA had worked to build strong, stable company through investment in the Red Dog Mine and the NANA Development Corporation to achieve its mission and provide direct benefits back to NANA shareholders. She stressed the importance of a strong Alaska economy and a strong local economy. She shared that NANA Village Economic Development Committee traveled to the eleven villages in the NANA region to evaluate the largest barriers to economic growth. The committee found the largest barriers to be energy costs and lack of infrastructure.

Senator Bishop wondered if the \$2.5 million for a hydro-electric project was for a study. Ms. Moore replied that the request was for the Alaska Village Electric Cooperative for the study and permitting for the Cosmos Hills Hydro-Electric Project.

Vice-Chair Fairclough asked for a restating of the requests. Ms. Moore responded, and urged support of the \$10 million to complete the Cape Alaskan Regional Port Road; \$9.6 million for a Kotzebue Clinic; \$5.3 million to complete the Kivalina Evacuation and Access Road; \$2.5 million for the Cosmos Hills Hydro-Electric Project; and \$12 million for the Star of the Northwest Residential Dorm. She also urged support of the Roads to Resources funding for the Alaska Industrial and Export Authority (AIDEA).

[1:51:48 PM](#)

IVAN M. IVAN, SELF, AKIAK (via teleconference), testified in favor of the \$60 million for municipality revenue sharing. He stated that the community of Akiak had a population of 267 people. He announced that there were high fuel costs in Akiak, and felt that the request would ease the pressure. He shared that fuel was nearly \$6 or \$7 per gallon, so the revenue sharing would help the small communities. He thanked the committee for allowing the small communities to participate in the public process.

1:54:36 PM

BRIAN LEFFERTS, DIRECTOR, ENVIRONMENTAL HEALTH AND ENGINEERING, YUKON-KUSKOKWIM HEALTH CORPORATION, BETHEL (via teleconference), urged support of the addition of \$2.5 million for an Energy Efficiency Audit Program; and \$2 million for Water Treatment Plant Energy Efficiency Retrofitting. He shared that running water was one of the most important ways to improve a family's health status. He remarked that running water was extremely expensive in rural Alaska, because of the cost of energy. He shared that two communities received retrofitting in the prior year, so the communities were able to see significant savings on energy expenses.

Vice-Chair Fairclough wondered if there was another testifier that wanted to speak from Kotzebue. The Legislative Information Office (LIO) operator indicated that no one else from Kotzebue had signed on to testify.

1:57:12 PM

AT EASE

2:02:42 PM

RECONVENED

BARROW, TOK, DELTA JUNCTION

2:02:53 PM

KATHY LEARY, TRAINING MANAGER FOR COMMUNITY AND WORKFORCE DEVELOPMENT, ILISAGVIK COLLEGE, BARROW (via teleconference), spoke in support of the workforce development programs at Ilisagvik College. She specifically urged support of \$85,000 equipment funding request at Ilisagvik College. She announced that there were some recent regulatory changes that had resulted in more industry certifications. She stated that the request was to update the industrial safety training equipment. Currently, students needed to travel to Anchorage to receive pre-training, before they could train on the specific kind of equipment. She stressed that Ilisagvik College was training emerging, displaced, and underemployed workers; veterans who were reentering the workforce; and the chronically unemployed. She explained that the workforce training was directed towards local hiring.

[2:05:47 PM](#)

BEN GLOVER, DEAN OF COMMUNITY AND WORKFORCE DEVELOPMENT, ILISAGVIK COLLEGE, BARROW (via teleconference), specifically urged support of \$85,000 for equipment funding at Ilisagvik College. He shared that the requests were directed from current employers for work that was done in Anchorage. He pointed out that many students could not miss work to receive training in Anchorage. He shared that there were higher completion rates with onsite training. He announced that many people did not have access to the training, because it was particularly expensive to travel from the North Slope. He shared that the current year's enrollment was 1780 students, of which 20 percent was in Barrow. He shared that specifically urged support of \$85,000 equipment funding request at Ilisagvik College had a workforce development advisory board, with members from industry, employers, and village corporations, which determined that the request was their top priority.

[2:07:43 PM](#)

ROB ELKINS, DEPUTY DIRECTOR OF ADMINISTRATION, NORTH SLOPE BOROUGH, BARROW (via teleconference), testified in support of funding for \$80 million for a comprehensive project intended to address erosion and subsequent flooding in Barrow, Wainright, and Point Hope. He shared that Barrow had been working for twenty years to address erosion through beach nourishment programs, sandbagging, development of earth berms, and some revamping. He stated that the efforts were very expensive, and yielded limited effectiveness. The risk was increasing dramatically, because of the formation of sea ice late in the year and loss of sea ice early in the year. He shared that the sea ice acted as a protective structure, to dissipate the wave energy to the ice rather than the shoreline. He pointed out that moderate storm events were currently causing great destruction, because of the growing ice free seas. He shared that a moderate storm event occurred in fall 2013 lead to the destruction of approximately one continuous mile of road in Barrow. He stressed that a great deal of Barrow's critical infrastructure like water, sewer systems, power lines, and roads were threatening by storm events.

[2:10:05 PM](#)

ANGIE DAVID, TRIBAL ADMINISTRATOR, MENTASTA TRADITIONAL COUNCIL, MENTASTA (via teleconference), testified in support of \$300,000 for Mentasta capital projects. She stated that the money would be used to build a new clinic, and would match \$\$600,000 funds for a total of \$900,000. She shared that the project received funding in the prior year, but the matching funds were not available, so the grant was lost.

[2:11:29 PM](#)

MIKE TVENGE, CITY ADMINISTRATOR, DELTA JUNCTION (via teleconference), spoke in support of supplemental community revenue sharing. He urged the committee to add \$25 million to the revenue sharing. He shared that Delta Junction relied on revenue sharing, and the supplemental funding allowed Delta Junction to provide support to local nonprofits such as the 2010 lower readers of the Imagination Library. He remarked that the funding could defer or supplement fuel costs to plow snow and heat buildings. The funding could be used to fund the lawn maintenance for the community park. He stressed that the revenue sharing helped Delta Junction provide the added benefits within the community. He remarked that the amount of revenue could go a long way at the local level to help all Alaska communities.

[2:13:02 PM](#)

BRYCE WRIGLEY, ALASKA ASSOCIATION OF CONSERVATION DISTRICTS, DELTA JUNCTION (via teleconference), testified in support of funding for Alaska Association of Conservation Districts requests. He remarked that the districts in the state could provide technical assistance for mapping wetlands; vegetation soil stabilization; fertilizer and seeding recommendations; conservation planning; geo-spatial planning; water quality sampling; storm water prevention planning and drainage; and trail work.

[2:14:16 PM](#)

DAWN GROSSMAN, MAYOR, CITY OF DELTA JUNCTION (via teleconference), echoed Mr. Tvenge's comments. She stressed that the community of Delta Junction work hard to take care of each other, and provided many benefits in order to make it a much better place to live.

2:15:22 PM

AT EASE

2:19:02 PM

RECONVENED

2:19:47 PM

JACOB MERCULIEF, MAYOR, CITY OF ST. PAUL, testified in support of capital projects for St. Paul. He stated that space for vital equipment was limited. He remarked that emergency response vehicles had sensitive components, so it was becoming necessary to store those vehicles indoors. He stated that there was storage three miles out of town, but the weather in winter months made it difficult to access the equipment in a timely manner. He also urged support for additional \$25 million for community revenue sharing. He also voiced support for \$40,000 for a new fire alarm system in the Pribilof School District.

Senator Bishop queried the per gallon price of heating oil in St. Paul. Mr. Mercurief responded that the cost of heating oil in St. Paul was slightly over \$5 per gallon. He furthered that North Pacific Fuel delivered the fuel, and the city stored the fuel. The city did not get charged until the fuel was delivered to the community. He remarked that it was sometimes difficult to deliver fuel to the island, because of the limited number of fuel barges.

2:23:06 PM

JEFF WELTZIN, SPECIAL PROJECTS COORDINATOR, TANANA CHIEFS CONFERENCE, KOTZEBUE, stated that the Tanana Chiefs Conference (TCC) had worked to consolidate the health clinics and multipurpose buildings. He stated that there was work to leverage State funding with federal and foundation money. He stated that TCC had requested 27 projects for 27 communities, and most of the projects could be completed within the year. He reiterated that most of the projects could be leveraged with federal and foundation money at a one percent to six percent rate of return.

Co-Chair Meyer referenced two Tanana Chiefs Conference capital request memos (copies on file). Mr. Weltzin affirmed and discussed the leveraging of funds.

2:25:29 PM

AT EASE

2:31:33 PM

RECONVENED

KETCHIKAN, WRANGELL, PETERSBURG

2:32:02 PM

DENNIS WATSON, GENERAL MANAGER, INTER-ISLAND FERRY AUTHORITY, KETCHIKAN (via teleconference), testified in support of funding request for fuel assistance. He stated that the Inter-Island Ferry Authority operated a 200 foot vessel between Hollis and Ketchikan; and carried 50,000 people and 12,000 vehicles per year. He stated that the Inter-Island Ferry Authority had a \$4 million budget and 25 percent was spent on fuel. He pointed out that only 5 percent of the budget was spent on fuel, five years prior. He added that he was the mayor of the City of Craig, so he also urged support of revenue sharing appropriation.

2:33:53 PM

TIMOTHY ROONEY, CITY MANAGER, CITY AND BOROUGH OF WRANGELL, WRANGELL (via teleconference), testified in favor of funding the requests directed specifically at the City and Borough of Wrangell, including the supplemental revenue sharing. He stated that Wrangell received slightly less than \$250,000 in supplemental revenue sharing, and was utilized to offset revenue that was no longer received as a result of the senior citizen property tax exemption. He stressed that Wrangell was an aging community, and the lack of revenue decreased each year. He pointed out that the revenue sharing funds provided match funding for grants that were received from the State or federal government.

2:35:14 PM

JIM AGNER, CHIEF OF POLICE, PETERSBURG BOROUGH, PETERSBURG (via teleconference), testified in favor funding for the Petersburg Police Station. He felt that the police department's building was the worst public safety facility in Alaska, and warned that it was possibly the worst public safety facility in the nation. He described the dilapidated state of the current building. He stated that the sewer backed up, and raw sewage flowed through the floors jail.

He explained that the building was originally a concrete slab that was poured as a shed in the 1960s. In 1964, it was made into the police department, by adding a second story. It was illegal for the building to be two stories, and immediately began to crack, because it was built on tie fills from the early 1900s.

Vice-Chair Fairclough wondered if Mr. Agner's request was included in the capital budget. Mr. Agner replied \$7 million was requested to the governor, but it was not included in the governor's proposed budget.

[2:37:36 PM](#)

SUE PAULSEN, SELF, PETERSBURG (via teleconference), testified in support of funding for the State Library Archives Museum. She stressed that the new facility would be the framework for a more realized library system for Alaska. She stated that the \$20 million was necessary for continued work on the construction of the building, and felt that \$30 million more would be necessary to complete the construction of the building. She urged the legislature to fully fund the project.

[2:38:55 PM](#)

SALLY DWYER, PUBLIC SAFETY BOARD, PETERSBURG (via teleconference), spoke in support of funding for a new police department in Petersburg. She reiterated Mr. Agner's request of the addition of \$7 million for a new police department in Petersburg. She explained that the doors do not close fully; the floor was uneven; and there were large gaps between the beams and the ceilings. She shared that Senator Lisa Murkowski declared the Petersburg Police Station as the worst police station in the state. She shared that modifications could not be made to meet the Americans with Disabilities Act (ADA) for over 22 years. She stressed that the building was not safe for both the clients and the staff. She stated that there was property near the new fire hall that would be adequate for a new police department.

[2:41:03 PM](#)

ELIZABETH UNION-JAKUBEK, CAPITAL CAMPAIGN COORDINATOR, FIRST CITY PLAYERS, KETCHIKAN (via teleconference), urged support of the \$1.8 million request for a performing arts

center in Ketchikan. She shared that the money would leverage private funding from large foundations. She felt that the request was a key economic opportunity for Ketchikan, in order to build on one of its strategic core strengths. She announced that Ketchikan was one of the top 100 art communities in the United States. The performing arts center would have five full time jobs and fifteen part time jobs. She stated that the First City Players and the Ketchikan Theatre Ballet would be the anchor tenants, so the operating costs would be covered. She shared that this request was the number one priority for the borough, and number four for the community.

[2:42:55 PM](#)

REBECCA VALENTINE, SELF, KETCHIKAN (via teleconference), testified in favor of funding for expanding public transportation. She shared that she is disabled, so she was not able to walk to the nearest bus stop two miles from her home. She stated that many senior citizens and parents would benefit by having the bus system extended as far north and south as possible. She urged the committee to add \$1 million or \$2 million for expanding the public transportation system in Ketchikan.

[2:44:15 PM](#)

KEVIN GADSEY, INDEPENDENT LIVING ADVOCATE, SOUTHEAST ALASKA INDEPENDENT LIVING, KETCHIKAN (via teleconference), testified in support of funding for expanding public transportation in Ketchikan. He agreed with Ms. Valentine's testimony, and felt that public transportation funding could be increased to \$3 million, in order to leverage \$14 million in a federal funds matching grant. He remarked that Alaska was one of three states in the nation that did not take advantage of federal funding, because the state did not provide the \$3 million match. He felt that the funding could help coordinated transportation issues and the public bus system to get better and more frequent services.

[2:46:19 PM](#)

LEW WILLIAMS, MAYOR, CITY OF KETCHIKAN (via teleconference), urged support of \$20 million funding to match a \$38 million local contribution to reconstruct the Ketchikan Medical Center. He stated that the project was the number one community priority for Ketchikan. He stated

that the Medical Center was owned by the City of Ketchikan, and was operated Peace Health, which was a not for profit voluntary private organization. He stated that revenue from existing local, municipal, health, and hospital sales was not adequate enough to fund the capital needs required to bring the 47-year-old facility to current regulatory and functional standards. He stated that the existing operating rooms and surgery were over 45-years-old; and the operating rooms were undersized for the types of procedures, equipment, and practice that occur on a daily basis. He explained that equipment updates and minor space modifications have kept the surgery space functional, it was not close to meeting the industry standards. He pointed out that room sizes and configurations result in inefficiencies and present challenges in accommodating advances technology and equipment.

[2:48:48 PM](#)

PETER RICE, MEDICAL DIRECTOR, KETCHIKAN MEDICAL CENTER, KETCHIKAN (via teleconference), reiterated Mayor Williams' comments. He urged support of additional funding for the Ketchikan Medical Center. He stated that he sees the negative effects of the aging surgical areas and extremely limited clinical space. He remarked that the current structure lacks the space and efficiencies that were needed to address the current access needs. He stressed that the project was critical to the retention and recruitment of physicians; especially surgeons and orthopedists. He stated that one of his primary roles as the medical director was recruiting, and it was extremely difficult to recruit to a rural community medical center that had outdated infrastructure. He remarked that Peace Health had consistently invested in state of the art equipment to offset the aging infrastructure; but there were too many structural limitations to continue to simply upgrade equipment. He feared that the medical center would lose critical staff that would ultimately result in a reduction of surgical services in southern Southeast Alaska.

[2:50:49 PM](#)

PENNY PEDERSEN, KETCHIKAN MEDICAL CENTER, KETCHIKAN (via teleconference), echoed Mr. Rice and Mayor Williams' testimony. She urged support of funding for the Ketchikan Medical Center.

[2:51:27 PM](#)

RICHARD HAUVER, SELF, KETCHIKAN (via teleconference), urged support of funding for the building of a trail from where the proposed bridge never was built. He explained that the trail would stretch to the Black Sands Beach. He remarked that some people had boats to visit the State Park, but most people did not have boats. He felt that the trail would benefit active and local people seeking to visit the State Park.

[2:52:21 PM](#)

MIKE HOUTS, FINANCE DIRECTOR, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN (via teleconference), urged support of community revenue sharing, specifically \$630,000 directed at the Ketchikan Gateway Borough. He explained that the funding would be used towards increased energy costs. He pointed out that the federal funding was not reliable, so the reliability of the revenue sharing was necessary to the comfort of the community.

[2:53:41 PM](#)

JIM POMPLUN, MEMBER, STATE PARKS ADVISORY BOARD, KETCHIKAN (via teleconference), testified in support of funding the trail to Black Sands Beach. He remarked that the beach was currently only accessible by boat. He explained that the trail would provide increased recreation opportunities, and the potential to expand tourism and related services to that area. He pointed out that the request would result in jobs for one year while the project is under construction. He stated that the Advisory Board hoped to use the trail for foot traffic, equestrian, non-motorized bikes, and cross country skiing. He remarked that some local groups had invested in the park. In 2010, the Rotary Club rebuilt the picnic shelter; which was one of the first steps into utilizing Black Sands Beach.

[2:55:07 PM](#)

BONNIE NEWMAN, HOUSING DIRECTOR, KETCHIKAN INDIAN HOUSING AUTHORITY, KETCHIKAN (via teleconference), urged support of the \$6 million for the Alaska Housing Finance for the Senior Citizen Housing Development Fund; \$16.72 million for the supplemental Housing Development Grant that helps with

infrastructure and new planning for housing; \$101.5 million for the Weatherization and Energy Rebate program.

[2:56:10 PM](#)

BOB BERTO, CHAIRMAN, KETCHIKAN MEDICAL CENTER GOVERNING BOARD, KETCHIKAN (via teleconference), urged support of funding for the Ketchikan Medical Center, and echoed comments made by prior testifiers Dr. Rice and Mayor Williams.

[2:56:40 PM](#)

BRYANA HOMAN, PRESIDENT, KETCHIKAN HEALTH OCCUPATION STUDENTS OF AMERICA, KETCHIKAN (via teleconference), testified in support of funding for the Ketchikan Medical Center.

[2:57:30 PM](#)

KYAN REEVE, TRANSIT MANAGER, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN (via teleconference), spoke in support of the Alaska Mobility's Coalition's request for \$3 million. He remarked that funding for transit supports economic development and quality of life in the communities. He felt that one dollar invested in transit capital projects could yield as much as nine dollars to the State. He shared that Ketchikan received \$163,000 in state match funds, which yielded more than \$4 for every dollar of state match. He shared that the money had funded more than \$850,000 for the upcoming purchase of the transit center; and the purchase of the radio base station in the Thomas Basin transit hub, which included a much needed addition of a restroom. He remarked that the projects helped sustain the transit system; provided important tools for safety; and create jobs in the community. He stressed that public transportation in Ketchikan was a vital force economic development.

[2:59:12 PM](#)

AT EASE

[3:03:28 PM](#)

RECONVENED

SITKA, CORDOVA, VALDEZ

MIM MCCONNELL, MAYOR, CITY AND BOROUGH OF SITKA (via teleconference), stated that costs continued to increase and revenue sources were disappearing. She stated that local fees and taxes discouraged economic development. She pointed to the importance of school funding. Federal sequestration had impacted the school district's funding, which put additional pressure on general governmental revenues. The loss in revenues would cause debilitating reductions in service levels unless other revenues replaced them. She stated that municipal and supplemental revenue sharing was critical to small communities. She stressed that the legislature had a duty to ensure that prosperity was available to all Alaskans. She urged the committee to include supplemental revenue sharing.

[3:06:09 PM](#)

KRISTIN CARPENTER, MEMBER, CORDOVA CITY COUNCIL, CORDOVA (via teleconference), urged support for the Cordova center appropriation in the capital budget. She stated that phase one of the building had been completed. She furthered that the building would be the cultural hub of the town when completed. She stressed that the facility would be a strong economic driver for the town's economy throughout the year. She pointed to a building that would increase the town's capacity for performing arts. She discussed benefits that would be obtained through tourism. She hoped the legislature would provide full funding.

[3:07:41 PM](#)

JOEL AZURE, EXECUTIVE DIRECTOR, NATIVE VILLAGE OF EYAK, CORDOVA (via teleconference), spoke in support of the Cordova center that would allow opportunities for local businesses and the expansion of visitors in the area. He spoke in favor of the Native Village of Eyak community health center improvements. The project would increase access to affordable health care. The health center had been relocated to a renovated facility. Currently the village needed approximately \$393,000 to upgrade electrical and mechanical systems and emergency egress lighting. The center served the majority of residents who could not afford primary care.

Vice-Chair Fairclough asked for a dollar amount related to the projects. Mr. Azure replied that the Cordova center request totaled \$7.738 million and the community health

center request was \$393,000, which would cover electrical upgrades and other.

3:10:40 PM

JIM KACSH, MAYOR, CITY OF CORDOVA (via teleconference), spoke in favor of the Native Village of Eyak community health center upgrade request. He supported funding for the Cordova community center. He stated that the Cordova center was the city's number one priority; funding was needed to help finish interior portion of the building. He relayed that the legislature had built up a reserve fund savings of \$15.7 billion; he recommended using some of the funds to finish projects that had been started. He stressed that the work would reduce future costs and would maintain a strong economy.

3:12:09 PM

BRET BRADFORD, MEMBER, CORDOVA CITY COUNCIL, CORDOVA (via teleconference), spoke in favor of full funding for the Cordova Center. He shared that the center represented economic diversity. He furthered that the center would bring in tourism dollars; he stated that Alaska ferries would transport many of the tourists to Cordova. He communicated that the completion of phase two should take approximately 18 months after funding had been received.

Vice-Chair Fairclough asked about finishing stages of the project. Mr. Bradford replied that phase two and three were related to electrical, mechanical, and other. He detailed that the total project cost was \$25.5 million; the community had secured a \$17.7 million had been obtained. The project needed an additional \$7.738 million for completion. He added that the project that would house city offices, a museum, library, theater, and other. He stated that the current system was inefficient.

3:14:51 PM

BARCLAY JONES KOPCHAK, STAGE OF THE TIDE, CORDOVA (via teleconference), spoke in favor of funding for the Cordova center. She relayed that the roof of a storage facility had collapsed the prior winter costumes had been ruined. She stressed the importance of a performance space and the positive impacts the theater had on the town.

[3:16:19 PM](#)

KATRINA HOFFMAN, PRESIDENT AND CEO, PRINCE WILLIAM SOUND SCIENCE CENTER, CORDOVA (via teleconference), spoke in support for full funding of the Cordova center. She shared that the science center was the administrator of two multi-year research programs funded by the Exxon Valdez Oil Spill Trustee Council. She furthered that the programs were slated to receive up to 20 years of funding. She stated that Cordova center would enable the science center to hold conferences and other. She relayed that the organization would relish the opportunity to provide conferences and teacher training at the center. She stated that the ability to raise support for research and education in the region was about getting people to understand some of the most compelling ecosystems on earth. She stated that the community was a hub and the demand exceeded what the current facility space could provide.

[3:19:21 PM](#)

RJ KOPCHAK, SELF, CORDOVA (via teleconference), spoke in support of the Cordova center. He spoke to broad community support and involvement in the center. [Technical teleconferencing difficulties occurred during the testimony.] He stated that the center would replace a city hall that was in disrepair. He asked the legislature to provide \$7.7 million for the project.

[3:20:53 PM](#)

TIM JOYCE, COUNCIL MEMBER, CORDOVA CITY COUNCIL, CORDOVA (via teleconference), spoke in support for funding to complete the Cordova center. The community was solidly behind the completion of the facility that had been funded through a variety of sources that required a funding match by December of 2014. The funds would enable the completion of the facility. He spoke to the immediacy of the need.

[3:22:25 PM](#)

ERIN COOPER, CORDOVA ARTS, CORDOVA (via teleconference), spoke in support of the Cordova Center. She stated that the performing arts were a lively part of the community, which brought outside individuals into the town. She believed the center would increase residents' desire to remain in the

community. The center provided life blood in the town in the winter and a higher quality of living.

[3:24:24 PM](#)

DAVE COBB, MAYOR, CITY OF VALDEZ (via teleconference), spoke in support of supplemental revenue sharing funds. He stressed that revenue sharing was paramount to the operation of many communities throughout the state. He pointed to increased energy costs. He asked the committee to find a long-term funding source for municipal revenue sharing.

[3:26:51 PM](#)

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[3:35:00 PM](#)

RECONVENED

JUNEAU

PAT BRANSON, MAYOR, CITY OF KODIAK, KODIAK, testified in support of the replacement of a pump house that was deteriorating; it provided the community's entire water supply for residents and the fishing community. The total project was \$6.8 million, but the community had secured matching funds from various areas. The community needed \$4.531 million for the project. She stated that the parts for the pump house were no longer available. Additionally, there was a bat infestation in the facility. She asked for support for the emergency 911 replacement system; the request was \$350,000. She understood that funds were tight; the community had been resourceful. She asked the committee to support supplemental revenue sharing that had been provided for the past two years. She emphasized that municipalities relied heavily on the funding for school districts, community projects, and other. She stated that \$25 million had been allocated the prior year.

[3:38:47 PM](#)

CHRIS ROSE, EXECUTIVE DIRECTOR, RENEWABLE ENERGY ALASKA PROJECT (REAP), JUNEAU, spoke in support of the Alaska Housing Finance Corporation (AHFC) weatherization program. He stated that the program saved a significant amount of money annually and provided jobs for Alaskans; he asked for \$100 million for the project. He stated that there

continued to be a high demand for the program. He was in favor of Renewable Energy Grant Fund; the program had been extended to 2023. He encouraged increasing the governor's proposed increment to \$56 million annually for ten years. He spoke to the success of the program. He supported the governor's \$2 million request for the Emerging Energy Technology Fund that provided funding for small projects. He was in favor of a \$3.5 million request for the Alaska Center of Energy and Power.

[3:41:29 PM](#)

ROBERT BARR, DIRECTOR, JUNEAU PUBLIC LIBRARY, JUNEAU, spoke in support of the State Library Archives Museum (SLAM) project. The governor's request was \$20 million; the total project would cost \$50 million. He stated that excluding the \$50 million the project was currently 62 percent funded. The project currently had a guaranteed maximum price that would increase if the project was not fully funded in the current year. The building would free up space in the State Office Building for use. He stated that the facility represented a doubling of space for the state library. He furthered that operational costs were expected to remain the same due to the consolidation of multiple offsite locations. He stated that energy costs could decrease 10 percent to 15 percent if alternative energy goals were met.

[3:43:41 PM](#)

KATHIE WASSERMAN, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL LEAGUE, JUNEAU, spoke in support of \$25 million in supplemental revenue sharing. She touched on a past revenue sharing allocation. She furthered that the cost totaled 1 percent of the general fund. She mentioned that the federal government would sequester communities on their timber receipts at a total of 10 percent; the governor would have the option to pay the bill or take the money out of timber receipts, which were currently slim. She noted that the receipts funded schools and roads throughout the state.

[3:45:05 PM](#)

MARIE DARLIN, MEMBER, ALASKA HISTORICAL SOCIETY, JUNEAU, spoke in support of the SLAM project. The project needed an additional \$30 million; around \$5 million would be added to the cost if the project was not funded in the current year.

She recommended against piecemealing the project. She urged the committee's support.

Co-Chair Meyer noted that the legislature hoped to finish many projects statewide. He welcomed Representative Cathy Munoz to the room.

[3:46:55 PM](#)

PAUL BROWN, ALASKA LEADER SERIES, ANCHORAGE, shared that a television project on former Governor Wally Hickel had been completed and would begin in the spring; 42 percent of the project had been state funded. The group was currently working on a film on former Senator Ted Stevens. He spoke in support of state funding for 42 percent of the project. He stressed that funding the project at present was important because when individuals passed away a piece of history was lost. He pointed to films underway that were hiring Alaskans. He invited members to the premier of the Wally Hickel film in Anchorage on May 2, 2013.

[3:49:08 PM](#)

MERRILL SANFORD, MAYOR, CITY AND BOROUGH OF JUNEAU, vocalized support for revenue sharing. The funds were some of the only basic funds received by some of Alaska's smaller communities. He urged the committee to provide \$25 million in supplemental revenue sharing that had been provided in the past two years. He stressed that revenue sharing represented 1 percent of the state general fund. Juneau would receive \$2 million from the base and would receive an additional \$850,000 if supplemental funds were provided. He stated that a loss of revenue to CBJ would require the city to make up the funds. He emphasized that any additional loss of revenue could only be made up by reducing services.

[3:51:57 PM](#)

JAMES MARCUS, DISTRICT MANAGER, SOUTHEAST SOIL AND WATER CONSERVATION DISTRICT, JUNEAU, asked for support of the Alaska Association of Conservation Districts and the 13 Soil and Water Districts throughout Alaska. He shared that the Southeast district was new and fell under the purview of the Department of Natural Resources. He spoke to the organization's mission related to food security,

mariculture, and the prevention of invasive species. He thanked the legislature for its past support.

[3:54:16 PM](#)

CHARLES CLEMENT, SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM (SEARHC), JUNEAU, voiced support for the Hoonah Clinic. The project cost would total approximately \$8 million; SEARHC had secured approximately \$6 million of the needed funds. He asked the committee to fund \$1.9 million for the clinic. He shared that the current clinic was in two trailers and provided services in less than ideal conditions. He stated that the Denali Commission would no longer provide funding to clinics in the near future. He stressed that the matching funds would expire in the fall of 2013 and would be lost without the state funding. The funds would allow the clinic to go into construction in the summer of 2013. He pointed to jobs associated with the clinic.

[3:56:59 PM](#)

CASEY ANDERSON, MEMBERSHIP ASSISTANT, ALASKA MOBILITY COALITION, JUNEAU, testified in favor of maintaining a \$2 million state match for public transportation. The coalition was aware of the state's need to restrain spending. The funds had enabled the coalition to leverage \$12 million that covered projects in various regions throughout the state. He noted that the funding would require dollar for dollar match. He reiterated his request for the legislature to maintain the \$2 million increment from the prior year.

Senator Bishop complemented Mr. Anderson on his testimony.

[3:58:59 PM](#)

MARY HAKALA, COORDINATOR, SCIENCE TECHNOLOGY ENGINEERING MATH (STEM) ALASKA, JUNEAU, requested a strategic investment in STEM education for Alaskan children. She pointed to the First Robotics and other programs that had historically been funded by the U.S. Department of Defense; the federal funds were no longer available. She shared that in 1950 there were 82,000 science and engineering workers in the U.S.; the number had increased to 5.5 million by 2007. She pointed to the increasing importance of STEM applied abilities. She encouraged the committee to think

about what the nonprofit sector could provide in terms of education. She stated that the sector provided efficiency, value, and innovation; the sector could advocate for specific items that were proven to work. She pointed to the capital budget reference number 60701. She mentioned a t-shirt that read "NERD a four letter word with a six figure income"; she stressed that the state needed more innovators who could take the state into the 21st century.

[4:02:18 PM](#)

PAUL FUHS, MEMBER, FAIRVIEW BUSINESS ASSOCIATION, ANCHORAGE, spoke in favor of a social service program and the expansion of the Karluk Manor facility in Anchorage. He stated that the business community had been overrun by homeless inebriates due to a concentration of social services in the area. He furthered that the association had initially been against the Karluk Manor; however, it had come to realize that the facility was part of the solution. He detailed that without housing people would continue to live on the streets. The project for a new facility totaled approximately \$11 million; a business in Fairview was willing to buy and renovate the existing facility for a worker training housing. He stressed that the population cost the state and municipality a significant amount of money; some individuals were going to the emergency room up to 200 times per year.

KENAI, KODIAK, DILLINGHAM

[4:04:20 PM](#)

CHARLES BUD CASSIDY, KODIAK ISLAND BOROUGH, KODIAK (via teleconference), spoke in support funding for the final phase of the wastewater treatment plant in Kodiak. The plant would be located at the Kodiak landfill. He pointed to the treatment of water quality standards that had increased project costs. The request was for \$4.5 million to complete the project. He also requested water and sewer extensions to 256 residential subdivisions with a request of \$500 thousand. He spoke in support of supplemental revenue sharing that was funded last year for \$300 thousand. He added support for two rural projects addressing damn restoration.

[4:08:36 PM](#)

ANDREW SCHROEDER, ISLAND TRAILS NETWORK, KODIAK (via teleconference), discussed the thousands of tons of tsunami debris that was washing up on the community's shores. He asked for support for a \$5 million request to fund the cleanup effort. He stressed that the community was seeking federal aid to pay for the majority of costs. He asked the committee to help fund the cleanup effort and protect Alaska's coastal communities.

[4:10:31 PM](#)

JEROME SELBY, KODIAK ISLAND BOROUGH, KODIAK (via teleconference), spoke in support for funding of a landfill project with the increased costs generated by federal regulations. He relayed that the city required a change from a grey water quality to drinking water quality because of the regulations and the costs increased as a result. He echoed the testimony of Mr. Cassidy regarding the need for damn reconstruction, which would ultimately improve the drinking water quality for rural residents. He encouraged the committee to support the full funding of \$25 million supplemental for revenue sharing. Without the funding, a \$300,000 cut to the community's budget was inevitable. He spoke to high heating costs in Kodiak and surrounding villages.

[4:13:42 PM](#)

JODY SEITZ, CITY PLANNER, CITY OF DILLINGHAM (via teleconference), spoke to several projects including the self-contained breathing apparatus project, emergency 911 funding, and the proposed supplemental revenue sharing. She stated that the Alaska Fire Chiefs Association had brought forward a \$1.6 million request for critical upgrades to safety equipment. The Department of Public Safety required funding for a back-up emergency 911 warning system for \$200,000. She urged the committee to fully fund the \$25 million in supplemental revenue sharing. She appreciated the committee's support for revenue sharing that was vital for funding needed items.

[4:16:12 PM](#)

CAROLYN SMITH, CITY OF ALEKNAGIK (via teleconference), spoke in support of the supplemental revenue sharing for communities. She pointed to the struggle faced by small communities paying high fuel heating bills. Her community

considered raising their sales tax to 9 percent, without any other viable options for balancing their budget. The community required the revenue sharing in order to continue needed services.

4:17:31 PM

TAMMY HANSEN, VICE PRESIDENT, KODIAK AREA NATIVE ASSOCIATION, KODIAK, spoke in support of a \$3.5 million project that would enable the community to expand and renovate its existing health center. The next phase would allow the clinic to expand upon existing services while adding new ones, providing cost savings to the community and state. The increased services would allow a shift in Federal Medical Assistance Percentage (FMAP). In addition to the cost savings provided, the association would extend services to a population of veterans on Kodiak Island.

4:20:19 PM

KATHY NIESSBAUM, DIRECTOR, BEHAVIORAL HEALTH DEPARTMENT, KODIAK AREA NATIVE ASSOCIATION, KODIAK, spoke in support of funding for the community health center expansion. She explained the process at the clinic and stressed the need for collaboration of behavioral health and medical services. She pointed to studies in suicide and mental health services; less than 50 percent made an appointment after being discharged from emergency services. The center expansion would enable the behavioral health clinicians to reach the individuals immediately after leaving the emergency evaluation.

Vice-Chair Fairclough asked how much the project cost. Ms. Hansen replied that the project requested \$3.5 million.

4:23:07 PM

HEIDI CHAY, DISTRICT MANAGER, KENAI SOIL AND WATER CONSERVATION DISTRICT, KENAI (via teleconference), shared information about her organization. She spoke in support of the organization, which partnered with private landowners on various projects that protected soil and clean water. She noted that AS 41.10 specified the role of districts in developing, monitoring and updating state farm conservation plans. The Kenai district monitored 950 acres under permanent state agricultural covenants. The district promoted education in schools related to agriculture and

would host a food safety conference. She thanked the committee for its past support and urged it for a continuation of funds.

Vice-Chair Fairclough asked individuals to relay the amount of funding needed for a project. Ms. Chay replied that there was not a separate request on behalf of the district. The total request included \$1.2 million for multiple districts.

[4:26:14 PM](#)

STEVE ALBERS, FARMER, KENAI (via teleconference), spoke in support for the Kenai Soil and Water Conservation District funding. He shared his personal story related to the farming business. He stated that the region was challenging for agriculture, but had potential. The Kenai Water and Soil Conservation District helped growers by providing information on marketing, conferences, and growing tips. He added that the district rented out farming equipment at reasonable rates.

[4:28:46 PM](#)

MICHELLE MARTIN, KENAI SOIL AND WATER CONSERVATION DISTRICT, KENAI (via teleconference), spoke in support of the organization. She pointed out that her community received food from thousands of miles away. She appreciated the effort related to local food security in the region. She stressed that the resources were needed by small-scale local farmers. She asked for the committee's support of the increment in the capital budget and appreciated past years' funding.

PAUL SHADURA, BOARD MEMBER, KENAI PENINSULA FISHERMAN'S ASSOCIATION, KENAI (via teleconference), asked the committee for support of the regional aquaculture association. He advocated for a focus on efforts to enhance the properties experiencing declines. He spoke about hatcheries and their expansion needs. He pointed out the sportfish and recreational boating request for \$3 million.

STATEWIDE OFFNET SITES

[4:34:06 PM](#)

MAYOR O'HARA, BRISTOL BAY (via teleconference), spoke to a considerable increase in production in the processing capability of the Naknek River. He stated that the community septic system could handle approximately 175 thousand gallons per day. With further community expansion, the system handled 500 thousand gallons per day, which challenged the system. He stated the request of \$3.8 million for the capital project. He spoke in favor of the additional \$25 million in supplemental revenue sharing.

[4:36:14 PM](#)

CARL MARRS, CEO, OLD HARBOR NATIVE CORPORATION, OLD HARBOR (via teleconference), testified in support of an airport extension in the amount of \$6.6 million. He stated that the prior year's request included \$4 million, but the governor's FY 14 capital budget request did not include funding for community projects. The funds would continue blasting and removal of rocks. He stated that the Department of Transportation and Public Facilities estimated that the estimated the cost of the runway at \$38 million. He added that a portion of last year's funding was used to help local community members become operators and truck drivers for the project.

[4:40:36 PM](#)

MARY MATTHIAS, MAYOR, NIGHTMUTE (via teleconference), voiced support or increased public safety including improvements to streetlights near roads and housing areas. She voiced the need for funding for public health facilities maintenance. She noted that the community's sewage needs were unmet due to lack of maintenance, which led to illegal sewage waste dumping. She voiced the need for a community GED program to youth and adults achieve a high school diploma before 2014. She requested help creating additional jobs in the fields of public health and safety.

[4:42:38 PM](#)

CLARENCE BAYSINGER, SELF, NENANA (via teleconference), asked the legislature to refrain from funding a bridge access project for Nenana. He pointed to a \$6.5 million grant for a bridge; there was an estimated need for an additional \$10.5 million in the future. He did not believe the city was capable of administering grants for a project

of this size. He spoke about oil and gas exploration and the lack of a commercial opportunity in his area. He disagreed with state spending of \$17 million for a bridge without the prospect of finding oil and gas.

[4:45:45 PM](#)

BRUCE MEGARR, CITY MANAGER, PILOT POINT (via teleconference), encouraged the support of state revenue sharing funds. He stated that currently there were approximately 1,300 fishing boats stored between Dillingham and Port Heiden; boat owners paid up to \$3,000 per year for storage that was many miles from the fishing grounds. The city hoped to provide storage for the fisherman and boats; it could be offered at a lower cost for boat owners of various communities. He furthered that the state's investment would bring \$32,000 to city and tribal coffers. He discussed the storage plan for the next several years. He added that funding would provide power and security for the s.

[4:49:50 PM](#)

PETER STOKES, PETROLEUM ENGINEER, UAF COLLEGE OF ENGINEERING AND MINES ADVISORY AND DEVELOPMENT COUNCIL (via teleconference), spoke in support of funding for the completion of the engineering facilities at the University of Alaska Anchorage and Fairbanks campuses. The facilities were needed for the continuation of the engineering program. He pointed to the expense of bringing engineers into the state; the engineering programs would put Alaskans to work. He pointed to various industries needing engineers. He understood the need to budget in the presence of declining revenues. He thanked the legislature for funding of engineering projects the prior year.

[4:52:42 PM](#)

EVELYN THOMAS, TRIBAL COUNCIL PRESIDENT, CROOKED CREEK TRADITIONAL COUNCIL, CROOKED CREEK (via teleconference), testified in support of a \$4.5 million increment for the installation of wells and septic systems; currently residents were still using honey buckets. She expounded that the master plan was complete and was pending approval; the village was ineligible for village safe water funding until the plan was approved. She stated that a garage facility to provide storage for septic system maintenance

equipment was included in the request. She stated that the project would be broken down into phases if partial funding was the only option. She furthered that the project would provide residents with clean drinking water and safe sewage disposal. She asked for the committee's support of the project.

[4:55:04 PM](#)

EUGENE PAUL, TRIBAL CHIEF, HOLY CROSS (via teleconference), testified in favor of the \$300,000 for the Holy Cross Community Center. He relayed that the project had received federal Housing and Urban Development (HUD) funds totaling \$600,000, state funds totaling \$150,000, and U.S. Department of Energy funds. He shared that the community center was 60 percent complete; the proposed increment would allow for the completion of the project in 2013. He stated that the building would allow for the consolidation of social services programs. He shared that the building would be energy efficient and would reduce costs.

[4:57:07 PM](#)

RONALD HELGESEN, CEO, ALASKA NATIVE TRIBAL HEALTH CONSORTIUM (ANTHC), ANCHORAGE (via teleconference), testified in support of funding for the expansion of the Kodiak Area Native Association (KANA) health center. He detailed that the expansion would provide space for behavioral health services, a radiology suite, a lab, and other specialty clinics. The local services would greatly improve access to care for tribal members and veterans in the Kodiak area; it would subsequently reduce associated with travel. He pointed to savings that would result in the Medicaid program.

[4:58:37 PM](#)

JAMES BEYLUND, CITY OF SELAWIK (via teleconference), vocalized support for the supplemental revenue sharing that would allow the community to fund payroll taxes, administration payroll, public safety, and maintenance. He pointed to increased costs that resulted in reducing employee hours. He furthered that the funding would enable the city to employ full-time workers. He discussed water and sewer issues. He thanked the committee for funds related to the landfill and other items.

[5:00:20 PM](#)

DAN CLARION, SELF, OUZINKIE (via teleconference), spoke in support for funds for the Ouzinkie water and hydroelectric plant replacement project. The project had two phases; the request was for \$1.8 million for finalized design, engineering, and construction of a new permanent concrete and steel dam and access road for the community. He relayed that the current dam was in danger of collapsing. He pointed to a grant that was contingent upon receiving state funds. He shared that the project would increase efficiency to meet current needs; currently the community experienced constant outages. He pointed to other fund sources. The project would be shovel-ready by July 2013. He stated that the school was operating on a backup generator. Power costs had increased approximately 150 percent. The project would help the school district to cut costs and would remove the community from the state subsidized Power Cost Equalization (PCE) program, which would save approximately \$100,000 per year.

[5:03:36 PM](#)

LARSON HUNTER, CITY MANAGER, SCAMMON BAY (via teleconference), encouraged funding of the \$25 million supplemental revenue sharing increment. Past supplemental funding had enabled the community to expand services for its 500 residents. The funding would help communities facing hardships and high costs. He pointed to important services including public safety and water/sewer utilities. He stated that services that were not adequately funded were subject to decreases or elimination. He listed benefits that the funding would provide. He shared that without the funds the community would be unable to fund all needed items. He urged the committee to add the supplemental funding back into the budget.

[5:07:16 PM](#)

ALEXIE TEMPLE, MAYOR, NAPAKIAK (via teleconference), spoke in support of \$25 million in supplemental revenue sharing funds. He stated that the funds would help with road maintenance and other required services. He spoke about other community needs.

[5:10:14 PM](#)

STEVE ANDRESEN, MAYOR, CITY OF PORT LION (via teleconference), testified in support of funds for a new ferry dock; the current dock was in disrepair. He shared that \$1 million had been appropriated from the state for design; \$11 million had been appropriated for construction, but \$3.5 million more was needed. He stated that construction had begun and the city was partnering with a regional native corporation on the project. The corporation was opening a large granite rock quarry across the bay. He furthered that the quarry had potential to provide a substantial number of jobs. He spoke in favor of the restoration of supplemental revenue sharing funds; he stressed that the revenue sharing made up 37 percent of the city's operating budget. He relayed that the city did not have a source of income that would cover the loss in funding.

[5:13:30 PM](#)

TIM DILLON, CITY MANAGER, SELDOVIA (via teleconference), spoke in strong support of the \$25 million in supplemental revenue sharing. He urged the committee to restore the funding. He asked for funding for a generator that would service multiple communities; the area had been without power on several days. He asked for support of an equipment request. He appreciated the legislature's support on multiple items.

[5:15:10 PM](#)

CINDY ARNOLD, CITY ADMINISTRATOR, NUIQUSUT (via teleconference), spoke in support of funding for the community center and city hall. The facilities provided a location for city meetings and other. She stated that water had saturated the building's insulation and had compromised its electrical system. There was also a mold problem due to the water damage. She relayed that the project could cost above \$500,000.

[5:16:54 PM](#)

MARTIN MOORE SR., CITY MANAGER, CITY OF EMMONAK (via teleconference), shared information about the community. He stated that the Yukon River was the community's lifeblood related to fishing and transportation. He pointed to unsafe port conditions. He spoke in support of a modern and efficient port that would serve commerce in the region; the

port cost was estimated at \$16 million. He urged the committee to fund the remaining \$7 million to complete stage one of the port.

Co-Chair Meyer passed the gavel to Co-Chair Kelly.

[5:22:37 PM](#)

WILBUR HOOTCH, MAYOR, CITY OF EMMONAK (via teleconference), mentioned current legislation including SB 21 and SB 23. He stated that the first SB 21 proposal did not provide sufficient tax breaks; therefore oil companies would not promise investment in Alaska. He discussed SB 23. He mentioned economic development, education and other items. He stressed that a safe and efficient port was essential. He asked the legislature to consider a project to provide liquid natural gas to Interior Alaska. He urged the committee to focus funding on job-ready projects.

[5:26:13 PM](#)

LORRY BROOKS, SELF, NENANA (via teleconference), spoke in opposition to a \$6.5 million bridge project. She stated that an additional \$10 million would be needed for the project's completion. She recommended waiting on the project. She referred to a proposed agriculture project that was cited as one of the reasons to build the bridge. She opined that until the state became involved in improving the situation for farmers there was no reason to start a new agriculture project. She listed existing agriculture projects; the farmers had been required to fund their own work. She stated that one of the main problems facing farmers was a lack of market for the goods. She asked the state to fund profitable projects for current farmers. She noted that if the bridge was built the maintenance of the road was a concern of Nenana residents.

[5:30:33 PM](#)

ESTHER HUGO, CITY COUNCIL, ANAKTUVUK PASS (via teleconference), asked for support of supplemental revenue sharing funds for the city's operating costs. She asked the legislature to maintain the funding. She pointed to school renovation and bridge projects that were incomplete. She referenced the high cost of fuel. The city wanted future funding for a renovated community center and a building to attract tourists in the summer months.

[5:32:58 PM](#)

RUTH FITKA, MAYOR, CITY OF MARSHALL (via teleconference), spoke in favor of funding for public safety; the city had been without any public safety for the past couple of years. She pointed to high rates of alcohol and domestic violence. Funding was also needed to pay high workers' compensation and insurance costs. She encouraged support of funding for a new dump truck.

[5:34:12 PM](#)

CHRIS KALERAK, CITY OF ELIM (via teleconference), testified in support of increased firefighting needs in the amount of approximately \$1.5 million for a hydrant system to ensure proper way to fight fires.

[5:35:43 PM](#)

DIANE WOODRUFF, FINANCE MANAGER, CITY OF AKUTAN (via teleconference), testified in support of funding for upgrades to the city dock. The city supported the funding for an installation of harbor floats; without floats the harbor would not be functional for the fishing fleet and harbor use would be limited. The improvements would allow for increased activity and employment. She urged the committee to support the \$25 million in supplemental revenue sharing.

[5:38:04 PM](#)

ELSIE VENT, CITY COUNCIL, HUSLIA (via teleconference), asked for support for the \$25 million in supplemental revenue sharing. The community needed the money for water, sewer, and high energy and electricity costs.

Co-Chair Kelly passed the gavel to Co-Chair Meyer.

[5:38:50 PM](#)

CAROLYN OQUILLUK, CITY OF TELLER (via teleconference), spoke in favor of supplemental revenue sharing funds. She shared that funds were used to cover high energy and fuel costs for city buildings. She asked for funding that would enable the city to maintain its buildings. She mentioned a fuel shortage that put a strain on the entire community.

Supplemental funds were used to support daily operations of administration, washateria, honey bucket, and bathhouse services. The city was currently working on village safe water. She discussed water and sewer needs.

[5:43:49 PM](#)

CECIL GATES, FARMER, NENANA (via teleconference), spoke against the proposed \$17 million increment for the bridge. He stated that state financing of agriculture problems had been dismal; he pointed to existing projects. He believed the increment was a waste of money until more information was known about gas and oil.

[5:45:31 PM](#)

STANLEY TOCKTOO, MEMBER, CITY COUNCIL OF SHISHMAREF (via teleconference), spoke in favor of supplemental revenue sharing in the amount of \$25 million. He stated that the majority of the funds would go to high energy costs. He pointed to a budget shortfall. He spoke to needs including water, sewage, public safety, heating fuel for operation of buildings, and other.

[5:49:07 PM](#)

RHONDA PITKA, CHIEF, BEAVER VILLAGE COUNCIL, BEAVER (via teleconference), spoke in support for funding to renovate the washateria. She stated that the facility was fundamental to the public health and safety of the village; there was currently only one working washer, dryer, and shower for 80 residents. She asked for support of the \$25 million supplemental revenue sharing funds. She pointed to high fuel costs. She thanked the legislature for funding past pre-paid metering project.

Co-Chair Meyer relayed that the committee would continue public testimony beginning at 6:00 p.m. that day.

[5:51:06 PM](#)

AT EASE

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ADJOURNMENT

[5:59:31 PM](#)

The meeting was adjourned at 5:59 p.m.