

SENATE FINANCE COMMITTEE

April 3, 2014

1:36 p.m.

1:36:41 PM

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Mike Wood, President, Susitna River Coalition, Juneau; Whitney Wolfe, Susitna River Coalition, Juneau; Doug Bridges, Southeast Senior Services, Juneau; Ron Somerville, Citizens Advisory Commission for Federal Areas, Juneau; James Sullivan, Southeast Alaska Conservation Council, Juneau; Alyson Cooper, Self, Juneau; Bonne Woldstad, Self, Juneau; Tom Brice, Self, Juneau; Corey Baxter, District 8 Representative, Operating Engineers Local 302, Juneau; Mike Miller, Self, Juneau; Merrill Sanford, Mayor, Juneau; Paulette Simpson, Self, Douglas; Mark Rorick, Self, Juneau; Cathie Roemich, Member, Juneau Chamber of Commerce, Juneau; Mary Becker, Self, Juneau; Joan O'Keefe, Director, Southeast Alaska Independent Living, Juneau; Nancy DeCherney, Executive Director, Juneau Arts and Humanities Council, Juneau; Annie Calkins, Self, Juneau; Peter Froehlich, Member, Advisory Council for Partners for Progress, Juneau; Marjorie Menzi, Self, Juneau; Nancy Waterman, Self, Juneau; Roman Motyka, Self, Juneau; Janet Kussart, Self, Juneau; Kirk Perisich, Self, Juneau; Wayne Jensen, Chair, Alaska Committee, Juneau; John Hughes, Practice Administrator, Juneau Urgent Care, Juneau; Saralyn

Tabachnick, Executive Director, Aiding Women in Abuse and Rape Emergencies, Juneau; Sandy Williams, Self, Juneau; Sue Ann Randall, Self, Juneau; Peggy Ann McConnochie, Self, Juneau; Lance Stevens, Self, Juneau; Paul Fuhs, Fairview Business Association, Anchorage; Representative Neal Foster; Senator Dennis Egan;

PRESENT VIA TELECONFERENCE

Shirly Marquardt, Mayor, City of Unalaska; Michael Williams, Partners for Progress, Adak, Bethel; Clement Richards, Mayor, City of Kotzebue, Kotzebue; Josie Bahnke, City Manager and Port Director, City of Nome, Nome; Cynthia Barrand, Bering Sea Women's Group, Nome; Preston Rookok, Native Village of Savoonga, Norton Sound Health Corporation, Savoonga, Nome; June Walunga, Norton Sound Health Corporation, Gambell; Matilda Hardy, Norton Sound Health Corporation, Shaktoolik; Bryant Hammond, Port Commission, City of Nome, Nome; Angie Gorn, President and Chief Executive Officer, Norton Sound Health Corporation, Nome; Sylvia Penetac, Self, Nome; Raymond Penetac, Self, Nome; Robert Lewis, Self, Nome; Mary David, Executive Vice-President, Kawerak Inc., Nome; Marguerite LaRiviere, Library Director, Kegoayah Kozga Library, Nome; Christine Klein, Calista Regional Corporation, Anchorage; Martin B. Moore, City Manager, City of Emmonak, Emmonak; Franklin Murphy, City of Emmonak, Emmonak; Wilbur Hootch, City of Emmonak, Emmonak; Kathy Morgan, Tok Community Library, Tok; Dawn Grossman, Interior of Alaska Hospital Foundation, Delta Junction; Mary Kaspari, President, Interior of Alaska Hospital Foundation, Delta Junction; Audrey Hudson, Mayor and City Manager, Metlakatla Indian Community, Metlakatla; Kelly Swihart, Chief of Police, Petersburg Borough, Petersburg; Mark Jensen, Mayor, Petersburg Borough; Trey Acteson, Chief Executive Officer, Southeast Alaska Power Agency (SEAPA), Ketchikan; Dan Bockhorst, Manager, Ketchikan Gateway Borough, Ketchikan; Lew Williams III, Mayor, City of Ketchikan, Ketchikan; Mary Wegner, Assistant Superintendent, Sitka School District, Sitka; Mark Gorman, Municipal Administrator, City of Sitka, Sitka; Chris Brewton, Electric Utility Director, Sitka; Steve Bradshaw, Superintendent, Sitka School District, Sitka; Gary White, Sitka Economic Development Association (SEDA), Sitka; Thad Poulson, Self, Sitka; Andrew Thoms, Director, Sitka Conservation Society, Sitka; Rowena Polamar, Executive Director, Advocates for Victims of Violence (AVV), Valdez; James Kacsh, Mayor, City of Cordova, Cordova; Nancy Bird,

Self, Cordova; Jennifer Gibbins, President, Cordova Chamber of Commerce, Cordova; Bret Bradford, Council Member, City of Cordova; Clay Koplín, Chief Executive Officer, Cordova Electric Cooperative, Cordova; Barclay Kopchak, President, Stage of the Tide, Cordova; Gerry Hope, Transportation Director, Sitka Tribe of Alaska, Sitka; Ginger Baim, Outgoing Director, SAFE Shelter, Dillingham; Nick Szabo, Treasurer, Kodiak Search and Rescue Association, Kodiak; Anjuli Grantham, Vice-president, Alaska Historical Society, Kodiak; Cheri Smith, Executive Director, Lee Shore Center, Kenai; Pat Branson, Mayor, Kodiak; Alana Tousignant, Director, Chiniak Public Library, Chiniak; Theresa Bonney, Employee, Chiniak School, Chiniak; Arwen Botz, Self, Chiniak;

SUMMARY

SB 119 BUDGET: CAPITAL

SB 119 was HEARD and HELD in committee for further consideration.

PUBLIC TESTIMONY:

BETHEL, NOME, KOTZEBUE, UNALASKA
BARROW, TOK, DELTA JUNCTION
KETCHIKAN, WRANGELL, PETERSBURG
SITKA, CORDOVA, VALDEZ
JUNEAU
KENAI, KODIAK, DILLINGHAM

#sb119

SENATE BILL NO. 119

"An Act making appropriations, including capital appropriations and other appropriations; making appropriations to capitalize funds."

[1:38:21 PM](#)

MIKE WOOD, PRESIDENT, SUSITNA RIVER COALITION, JUNEAU, spoke in against funding the Susitna-Watana Hydroelectric Project. He relayed that the coalition was not against hydro power and was aware of its benefits to the state. He opined that the scale of the Susitna-Watana Hydroelectric Project was not acceptable and that hydroelectric facilities were not recognized as renewable at the size of the Susitna-Watana project. The coalition believed that the

Susitna dam would not solve Alaska's energy problems and that the state could better spend its money elsewhere. He stated that the dam would be built in the location where he harvested his caribou and moose. He pointed out that he fished the river year round and set-netted at its mouth in the summers; he thought that it seemed crazy to spend billions to kill fish when you were spending millions to try and save them. He concluded that he and his family relied on the Susitna River for their way of life and that it was a healthy river that was abundant with Chinook, Sockeye, and Coho salmon.

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Co-Chair Meyer requested that public testimony be limited to around 2 minutes.

[1:42:39 PM](#)

WHITNEY WOLFE, SUSITNA RIVER COALITION, JUNEAU, spoke against funding the Susitna-Watana Hydroelectric Project. She related that as a small business owner, she depended on a thriving tourist recreation-based economy and related that currently 200,000 visitors were coming through her community every year, which created a lot of jobs. She pointed out that the current plan for the dam would remove large amounts of water from the river in the summer and pointed out that this would have a huge impact on the tourist and Alaskan visitors to the area. She relayed that the coalition felt that the funds could be better spent on other more deserving energy projects that helped with heating issues. She concluded that the project would not result in enough jobs to risk current economies of the region. She hoped that decision makers would make some very clear choices with the dwindling funds that the state had.

[1:44:46 PM](#)

Senator Dunleavy noted that often people were faced with contentious issues, but that the previous testifiers had always been very courteous and respectful in their testimonies.

^Public Testimony: Unalaska

[1:45:51 PM](#)

SHIRLY MARQUARDT, MAYOR, CITY OF UNALASKA (via teleconference), spoke in support of the City of Unalaska's \$4.5 million request for funding the final installation costs of the fourth engine for the city's new powerhouse; additionally, she spoke in support of the city's \$27.5 million request to expand and modernize the Port of Dutch Harbor's existing marine center. She related that in the past 5 years, the City of Unalaska had borne 95 percent of the costs of the new, more efficient powerhouse; the city would match the request with another \$4 million of its own. She stated that the request was responsible, justifiable, and supported the fishing and shipping industry. She pointed out that expansion and modernization of the Port of Dutch Harbor was in direct response to formal discussions with current users, new discussions with Eastern European shipping interests, and oil and gas support vessel needs. She pointed out that the Unalaska's 2 top projects were critical infrastructure projects that had proven track records of success.

^Public Testimony: Bethel

1:48:03 PM

MICHAEL WILLIAMS, PARTNERS FOR PROGRESS, ADAK, BETHEL (via teleconference), spoke in support to add \$600,000 to the second year of the grant for Partners for Progress for recidivism reduction at the re-entry center in Anchorage. He stated that as soon as the first year funds of the grant had become available, Partners for Progress, the Alaska Native Justice Center, and Nine Star Education and Employment Services had been working around the clock on the re-entry center; the group had been joined by numerous other community partners that provided re-entry services. He pointed out that the project had been proposed as a 3-year grant and that the achievements of last year's grant warranted continuation. He reported that in the 7 months that it had been opened, the re-entry center had served over 580 re-entrants with an evidenced based program that assisted them with becoming lawful, self-sustaining members of the community. He stated that on a typical day, the center assisted between 45 and 50 people. He observed that probation officers referred prisoners to Partners for Progress' re-entry center upon release and stated that the center offered the basics of successful re-entry, which were housing, employment, and sobriety support. He offered that the appropriation would save the state money and that

reducing recidivism increased public safety because of a reduction in new crime and victimization. He concluded that the re-entry center had a solid, well tested system for reducing crime and that he advocated for sobriety in all of Alaska.

^Public Testimony: Kotzebue

1:50:46 PM

CLEMENT RICHARDS, MAYOR, CITY OF KOTZEBUE, KOTZEBUE (via teleconference), appreciated the \$2.5 million that was already in the budget, but spoke in support of additional funding to finish the Swan Lake Small Boat Harbor Project. He related that the project was really needed to address displaced boats in the community and expressed appreciation for the time to testify.

^Public Testimony: Nome

1:53:00 PM

JOSIE BAHNKE, CITY MANAGER AND PORT DIRECTOR, CITY OF NOME, NOME (via teleconference), testified in support of \$3 million in funding for the construction of the Port of Nome's Causeway Middle Dock Project. She stated that the dock was critically needed to meet the rising demand for dock space and alleviate an escalating congestion problem that was occurring at the port. She stated that the significant rise in vessel traffic forced vessels to wait for dock space and reported that the prior year, 149 vessels had to wait to enter the port. She stated that the majority of the increased vessel traffic was driven by regional economic development that utilized the port for shipping throughout the region; the movement of fuel, cargo, and gravel supported all the Bering Strait villages, as well as points north of barrow and south of Bristol Bay. She stated that there were significant drawbacks to postponing the construction of the project, including increased shipping costs and pointed out that the project was a critical piece of infrastructure.

1:55:03 PM

CYNTHIA BARRAND, BERING SEA WOMEN'S GROUP, NOME (via teleconference), spoke in support of funding for renovations to the Bering Sea Women's Group's shelter. She

stated that safe shelter was the only one in the Bering Strait region and that the two story facility currently provided 14 beds for immediate safety. She stated that the shelter had been in the same location since 1990 and that it was in a single family residence that was built in 1959. She stated that 2 renovations had been conducted to the shelter in recent years in order to create a suitable shelter, but that there were still needs that had to be addressed. She reported that the floor tiles, carpeting, bunk beds, curtains, and kitchen counters needed to be replaced and that the wiring needed to be checked and updated. She stated that the Bering Sea Women's group did what it could on its own and had the assistance of other local organizations; however, the shelter was very expensive to keep the building running. She reported that the heating bill and utilities for the facility cost as much as a full time position in her agency. She reported that the last heating bill for the month of February was \$2,134 and that the utility bill for that month was \$1,500; furthermore, a one-way airfare from Gambell to Nome was as much as \$305. She was thankful for the \$1 million that the governor had put forward and pointed out that if the legislature committed to another \$1 million, the Rasmussen Foundation would match the entire \$2 million amount.

[1:57:35 PM](#)

PRESTON ROOKOK, NATIVE VILLAGE OF SAVOONGA, NORTON SOUND HEALTH CORPORATION, SAVOONGA, NOME (via teleconference), testified in support of \$5 million in funding for the construction of a new health clinic in Savoonga. He stated that the current clinic was built over 20 years ago and had only 2 exam rooms and 1 emergency room. He stated that Savoonga was one of the larger villages in the region and that the unpredictable weather conditions on St. Lawrence Island sometimes resulted in airplanes being unable to land for a week; getting a new clinic was critical on the island for seeing more patients. He reported that currently, the clinic saw about 250 to 310 patients per month, but that a 5,266 square foot clinic would result in a 1200 patient count per month. He related that the current facility was so small that some of the equipment was kept in the hallway and opined that the facility did not provide adequate healthcare service. He pointed out that the current facility was old was using 100 gallons of heating fuel per week and that a better clinic would help the community of Savoonga.

1:59:47 PM

JUNE WALUNGA, NORTON SOUND HEALTH CORPORATION, GAMBELL (via teleconference), testified in support of \$5 million in funding for a new health clinic in Gambell. She discussed the bad weather conditions on St. Lawrence Island as well as its isolated location. She stated that a new clinic in Gambell was on the North Sound Health Corporation's priority list and that the current clinic was very old and was falling apart. She stated that two years prior, the clinic had to be closed and that a triage center had to be temporarily setup at the high school; since then, there had been temporary renovations to the clinic. She related that Gambell was desperately in need of a replacement clinic and that during the winter, a frozen sewer line sometimes caused the clinic to close. She noted that there was already a lot of land designated for the larger clinic and that a 3 phase transformer had been installed on it 10 years prior. She stated that a design phase was scheduled in the upcoming summer, but that \$5 million was needed to construct the clinic.

2:02:50 PM

MATILDA HARDY, NORTON SOUND HEALTH CORPORATION, SHAKTOOLIK (via teleconference), spoke in support of \$2 million in funding for a new health clinic in Shaktoolik. She stated that Shaktoolik's clinic was close to the ocean tide and the fall storms that hit the area; furthermore, the region's population was growing, the clinic used too much fuel for electricity, and the sewer lines were freezing in the winter. She pointed out that the clinic only had 1 exam room and 1 emergency room.

2:03:53 PM

BRYANT HAMMOND, PORT COMMISSION, CITY OF NOME, NOME (via teleconference), spoke in support of \$3 million in funding for the City of Nome's Causeway Middle Dock Project. He stated that the project was important to Nome and the entire region. He stated that Nome was experiencing a mini gold rush and an increased interest in the Arctic; the commission saw all of the increased activity coming through the Port of Nome. He related that the city was working to keep pace with the demand and was conducting minor project

to improve the port facilities; additionally, it had recently increased tariffs in an effort to raise finances.

[2:05:19 PM](#)

ANGIE GORN, PRESIDENT AND CHIEF EXECUTIVE OFFICER, NORTON SOUND HEALTH CORPORATION, NOME (via teleconference), spoke in support of funding for new health clinics in Savoonga, Gambell, Shaktoolik, and one other unspecified village. She relayed that 75 percent of the patients that Norton Sound Health Corporation saw on an annual basis took place in the villages and that it was the corporation's goal to give those communities the same quality healthcare experience that could be provided in Nome. She was noted that the \$14 million needed to complete all 4 village clinics was a large amount, but hoped that the legislature could at least fund 1 of those clinics. She stated that the village clinics had been underfunded for years and that money for the clinics had been flat funded by Indian Health Services for the past 15 years; she stated that there was barely enough funding to maintain the clinics, let alone to build a new one.

[2:07:23 PM](#)

SYLVIA PENETAC, SELF, NOME (via teleconference), spoke in support of funding for a new library in Nome. She reported that the current library in Nome was very old and small and offered that a library was essential to the city's wellbeing, as well as the wellbeing of posterity. .

[2:08:16 PM](#)

RAYMOND PENETAC, SELF, NOME (via teleconference), testified in support of additional funding for the library in Nome. He related that he utilized the library in Nome and that it was important to the local community.

[2:08:42 PM](#)

ROBERT LEWIS, SELF, NOME (via teleconference), spoke in support of \$1.9 million in grant funding for the Nome library. He related that the current library was too small to house the children's books that it owned or provide adequate space for students to study. He pointed out that Nome was a hub for regional travelers, tourists, and summer workers and that these people came to the library to use

the facility; however, space was simply not available for people to use.

[2:11:02 PM](#)

MARY DAVID, EXECUTIVE VICE-PRESIDENT, KAWERAK INC., NOME (via teleconference), spoke in support \$12.2 million in matching construction funding for the public libraries in the communities of Nome, Coffman Cove, Wasilla, and Thorne Bay. She stated that the public library project was a high priority in the region and that many positive and enriching programs that benefited the area were offered at the public libraries. He noted that all 4 of the communities had applied through the Public Library and Major Expansion Grant Program and had satisfied the highest ranked public library construction projects that had been identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development. She noted that since FY11, \$52.567 million of the 50 percent matching construction funds for the FY14 public library projects had been awarded; she hoped that this would continue and that funding for those proposed projects would continue to be a priority in the budget.

[2:12:52 PM](#)

MARGUERITE LARIVIERE, LIBRARY DIRECTOR, KEGOAYAH KOZGA LIBRARY, NOME (via teleconference), spoke in support of funding for the Library in Nome. She reported that the previous year, the Kegoayah Kozga Library had distributed over 17,000 library materials and had over 10,000 library computer sessions. She stated that the library also had new video conference equipment and had been able to provide many educational opportunities, as well as opportunities to conduct long distance meetings. She pointed out that one of the library's big focuses was on education and literacy and that the prior year, it had provided over 120 programs to the community; over 300 people had actually visited those programs. She thought that the library in Nome was too small.

^Public Testimony: Offnet

[2:14:58 PM](#)

CHRISTINE KLEIN, CALISTA REGIONAL CORPORATION, ANCHORAGE (via teleconference), spoke in support of \$10 million in

funding for the Emmonak port project at the mouth of the Yukon River. She stated that the project was shovel ready and that the corporation had supported the project every year since 2011; furthermore, there was not a truly engineered and constructed port currently in the location. She stated that the project had a cost of \$16.3 million and that \$3 million had already been previously appropriated; the request was for \$10 million to complete the public private partnership project. She referenced a report recently released a report by the Department of Commerce, Community and Economic Development regarding the positive impacts that could occur as a result of a Lower Yukon regional port project and noted that it also discussed the need for the project; the report also documented the increases in cargo shipping on the river. She pointed out that the project had been identified by the Army Corps of Engineers of 1 of the 35 priority barge landing and small port projects in Western Alaska and was in an ideal location for sub-regional distribution. She stated that the project was planned, engineered, was permitted and approved by the Army Corps of Engineers, and was bid ready. She concluded that many entities in and around Emmonak supported the project.

[2:18:55 PM](#)

MARTIN B. MOORE, CITY MANAGER, CITY OF EMMONAK, EMMONAK (via teleconference), spoke in support of \$10 million in funding for the Emmonak port project at the mouth of the Yukon River. He reported that Emmonak was the largest community at the mouth of the Yukon River and the Lower Yukon Delta was in need of port infrastructure. He stated that nearly 5,000 people resided on the delta and that the total regional population was closer to 9,500; this included 703 Commercial Fishing Entry Commission permit holders. He stated that the construction of a modern port facility in Emmonak would help alleviate the very high cost of living in the region. He pointed out that, currently, the nearest port facilities were in Bethel and Nome, both of which were more than 100 miles away from the Yukon Delta region. He pointed out the project was fully engineered, designed, and permitted and that in 2012, \$3 million had been appropriated to the project; the total project cost was estimated at \$16 million. He reported that the City of Emmonak's request was for \$10 million and that the city was confident it could raise the additional \$3 million through other funding sources. He concluded that the project would

benefit the entire region and its support businesses; he referenced the different letters of support for the project (copies on file). He pointed out that an Army Corps of Engineer's report recognized the need for a barge loading facility in Emmonak and had ranked the project as a high priority site. He also referenced a report that stated that investing in the Yukon barge dock in Emmonak was likely the best investment that could be made in the Yukon Delta.

[2:24:03 PM](#)

FRANKLIN MURPHY, CITY OF EMMONAK, EMMONAK (via teleconference), spoke in support of \$16 million in funding for the Emmonak port project at the mouth of the Yukon River. He stated that Emmonak was considered a hub for many of the villages along the Yukon River. He stated that other villages used Emmonak's health clinic and airport, but that that the current offloading area for barges was not a suitable size. He discussed the commercial fisheries around Emmonak and its importance to the other surrounding villages. He discussed the infrastructure that Emmonak had that supported the region around it.

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WILBUR HOOTCH, CITY OF EMMONAK, EMMONAK (via teleconference), testified in support of \$10 million in funding for the Emmonak port project at the mouth of the Yukon River. He related that Emmonak infrastructure served the Yukon Delta area and villages in the region. He relayed that the region was in dire need of a new dock and port and that the state had already appropriated \$3 million for the project. He stated that the community of Emmonak and its businesses were in need of lower rates of liquid natural gas and observed that the project would allow importing and exporting as needed in the future.

^Public Testimony: Tok

[2:29:28 PM](#)

KATHY MORGAN, TOK COMMUNITY LIBRARY, TOK (via teleconference), spoke in support of funding for the library construction matching grant requests in the capital budget for the current year. She noted that libraries were an important part of education and research, but also served as the centers of communities in many parts of

Alaska. She pointed out that in many communities in Alaska, libraries were the access point for the internet in order to file income tax returns, look for jobs, find owner's manuals, make airline reservations, file for permanent fund dividend applications, and interact with the government in many other ways. She pointed out that all of the requests had demonstrated that the libraries had tremendous local support, including financial support for the 50 percent matching portion. She stated that like education, funding for libraries was an investment in the state's future.

^Public Testimony: Delta Junction

2:30:51 PM

DAWN GROSSMAN, INTERIOR OF ALASKA HOSPITAL FOUNDATION, DELTA JUNCTION (via teleconference), spoke in support of funding the Interior of Alaska Hospital Foundation's request. She stated that Delta Junction had the only medical facility between Fairbanks and the Canadian border. She reported that the foundation had recently opened a new clinic and already had 100 clients since the 1st of March; however, the clinic did not have emergency services, after-hours urgent care, or a pharmacy. She pointed out that Delta Junction received a lot of tourism and hunting activity, had military residents, and had about 3,500 to 4,000 residents in the entire area; furthermore, the medical services were needed, but would not happen without additional financial help. She stated that if the foundation received its funding request, it hoped to put in a pharmacy, as well as urgent care services by the summer.

2:32:42 PM

MARY KASPARI, PRESIDENT, INTERIOR OF ALASKA HOSPITAL FOUNDATION, DELTA JUNCTION (via teleconference), spoke in support of the Interior of Alaska Hospital foundation's funding request for \$1.89 million. She stated that the foundation's service area covered 70,000 square miles and pointed out that there was no sustainable health care on the Alaska Highway between Fairbanks and the Canadian border; Delta Junction's clinic was 100 miles from the hospital and did not currently have any after hour or emergency services. She added that currently after hour or emergency needs had to be transported by ambulance to

Fairbanks. She stated that over the last 2.5 years, the foundation had secured over \$100,000 in financial and land donations and noted that through a recent grant, Delta Junction had recently constructed its community health center; however, without additional funding, work on the center would be unable to move forward any further. She concluded that the foundation still had to pay for the expansion of the clinic, open the pharmacy, and bring emergency and urgent services to the community of Delta Junction

[2:34:45 PM](#)

AUDREY HUDSON, MAYOR AND CITY MANAGER, METLAKATLA INDIAN COMMUNITY, METLAKATLA (via teleconference), spoke in support of Metlakatla's requests for \$1.4 million to complete phase two of the drainage system upgrade project, \$29,682 for the new air compressor station, \$95,390 for phase 2 of the restoration of the community's longhouse, \$27,500 for a feasibility study for the community's justice complex, and \$353,102 in funding for upgrades to the community's Head Start building. She stated that the drainage system upgrades would modify, enhance, and improve the existing residential storm drain system for 64 families that resided in the proposed upgrade area. She stated that the new air compressor station for the commercial diving fleet would also be used by the volunteer fire department; currently, the tanks were being filled by the local school district. She pointed out that Metlakatla had been able to secure local funding to complete phase 1 of the restoration of the long house, which was directly connected to the economic growth of the community through the tourism program; the long house also housed many events for the community's Native culture. She reported that Metlakatla's current justice complex was over 4 years old and did not meet current work and safety standards. She discussed safety and structural concerns with Metlakatla's Head Start building.

^Public Testimony: Petersburg

[2:37:55 PM](#)

KELLY SWIHART, CHIEF OF POLICE, PETERSBURG BOROUGH, PETERSBURG (via teleconference), spoke in support of funding for the renovation of Petersburg's municipal building. He spoke to the deficiencies of the current

municipal building as an adequate police and jail facility. He reported that the existing building was constructed in 1958 and had originally housed the public works maintenance garage; it had later been renovated into a police station, but the process had not been completed adequately. He reported that during the renovation, the foundation had not been properly tied in to the existing structure and that a second story was added to the poorly conceived foundation; as a result, the foundation was sinking in the middle from the weight of the second floor. He stated that the current jail facilities did not have adequate visiting room and required inmates to be moved out of secure areas for showering, visiting, and to receive medical and other treatment; the lack of security routinely put the public and employees in less than safe conditions. He discussed structural problems with the current municipal building and noted that when inmates showered, backed up water from the drain ran down the hallway towards the front door; as a result, employees and visitors had to walk past the contaminated water that was traversing a sloped floor to access other parts of the building. He stated that the building was not weatherproof in certain places, which potentially endangered critical public safety systems such as the internal radio system, the enhanced 911 equipment, and the connectivity to the Alaska Public Safety Information Network. He explained that the building had interior walls that were buckling and that as a result, multiple doors could not be closed. He continued to discuss the deficiencies in the building and noted that the project would assist in keeping public, inmates, and employees safe.

MARK JENSEN, MAYOR, PETERSBURG BOROUGH (via teleconference), spoke in support of \$5.7 million in funding for the Petersburg police station and jail facility, as well as Ketchikan's request for \$12.3 million in funding for the Swan Lake Reservoir Expansion Project. He related that the police station and jail facility had been Petersburg's number one priority capital project for the last 2 years and that it had been vetted through the public process and approved by the assembly 2 years in a row. He thanked the legislature for its previous appropriations and reappropriations to the project and noted that the total project cost was \$9.7 million, which left a \$5.7 million shortfall. He noted that the City of Ketchikan's \$12.3 million request to raise the Swan Lake Dam would help the 3 intertied communities of Ketchikan, Wrangell, and

Petersburg by offsetting the diesel fuel costs; raising the dam 12 feet would offset \$1.9 million in annual diesel fuel costs.

^Public Testimony: Ketchikan

2:42:51 PM

TREY ACTESON, CHIEF EXECUTIVE OFFICER, SOUTHEAST ALASKA POWER AGENCY (SEAPA), KETCHIKAN (via teleconference), spoke in support of the funding request for \$12.3 million for the Swan Lake Reservoir Expansion Project. He stated that the existing reservoir had volatile inflows and that it had spilled water almost every year since its construction in the early 80s; additionally, spill water over the dam was energy that was lost forever. He stated that raising the dam would allow SEAPA to capture the clean renewable energy and use it to displace expensive diesel generation. He observed that one of the key findings in the Southeast Integrated Resource Plan was the lack of energy storage and noted that the Swan Lake project would address that need by providing an additional 25 percent in active storage to the reservoir; the storage increase would be achieved by raising the crest of the dam by 6 feet. He reported that the project would effectively raise the overall reservoir height by 15 feet and that it was an easy choice for his region because the power house, transmission lines, and other expensive infrastructure were already in place. He noted that the excess hydro in the SEAPA system had been rapidly consumed by space heating conversions that resulted from high fuel prices and stated that the Swan Lake project was a quick enhancement that would provide immediate relief by reducing the need for supplemental diesel generation; if funded, the project would be constructed and in service by the end of 2016 and would provide significant benefit by adding up to 12,000 megawatt hours of annual energy, which was the equivalent of approximately 800,000 gallons of diesel. He concluded that the Swan Lake Reservoir Expansion Project had brought regional support from the SEAPA's 3 member utilities in Petersburg, Wrangell, and Ketchikan and was designated as Ketchikan's number one community priority; additionally, the project would have an immediate and long lasting positive financial impact on SEAPA's consumers by reduction the financial burden of diesel generation.

2:45:39 PM

DAN BOCKHORST, MANAGER, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN (via teleconference), testified in support of \$12.3 million for the Swan Lake Reservoir Expansion Project and related that it was the Ketchikan Borough's number 1 priority. He stated that the project was essential to the continuing recovery of Ketchikan's economy, which had taken a huge blow from the loss of timber related jobs in the 1990s. He discussed the lingering impacts of the closure of the Ketchikan pulp mill and pointed out that the current school enrollment in Ketchikan was 25 percent below the peak of when the borough suffered the loss of the mill. He stated that it was important to Ketchikan that it helped support its own projects and observed that the Ketchikan Gateway Borough and the City of Ketchikan had levied and collected more than \$35 million on local taxes annually; additionally they had incurred more than \$190 million in debt. He offered that Ketchikan residents were willing to make significant investments in public facilities for schools, hospitals, utilities, airports, fire stations, libraries, harbors, recreation facilities, and hydroelectric facilities. He pointed out that SEAPA had also incurred significant debt for its public facilities and urged the addition of funding for the project.

[2:48:32 PM](#)

LEW WILLIAMS III, MAYOR, CITY OF KETCHIKAN, KETCHIKAN (via teleconference), testified in support of \$12.3 million for the Swan Lake Reservoir Expansion Project. He explained that the project had undergone a vigorous public vetting process and had emerged as the city's number one community priority; furthermore, the city had also passed a separate formal resolution that strongly supported the development of the project. He reported that Ketchikan considered the hydroelectric power enhancement to be critical infrastructure that was vital to the city's economic growth and prosperity; currently, the city was supplementing its hydroelectric production with diesel-power generation to meet its growing energy requirements. He stated that the cost of diesel generation was approximately 24 cents per kilowatt hour and was shouldered by the city's rate payers. He noted that the Swan Lake Expansion Project would alleviate Ketchikan's diesel dependence and provide rate stability; the project would also increase storage that would enhance the city's ability to maximize use of existing hydroelectric facilities. He stated that it was

essential for Ketchikan's long-term stability to secure its energy supply to compete with alternative northwest locations and attract key anchor tenants industries such as seafood processing, shipyard fabrication, and mining; the project was critical to Ketchikan's long-term stability. He spoke about the importance of abundant and affordable energy and pointed out that that the Swan Lake Reservoir Expansion Project was the best near-term solution to ensuring that Ketchikan remained competitive.

[2:50:47 PM](#)

Co-Chair Meyer inquired what the request to the state was for the Swan Lake Reservoir Expansion Project. Mr. Williams replied that the request was for \$12.3 million. Co-Chair Meyer further inquired if that was the total cost or the request from the state. Mr. Acteson responded that the request of the state was \$12.3 million and that whole project construction would cost about \$13.5 million.

^Public Testimony: Sitka

[2:51:36 PM](#)

MARY WEGNER, ASSISTANT SUPERINTENDENT, SITKA SCHOOL DISTRICT, SITKA (via teleconference), testified in support of the Sitka School Districts capital requests, particularly for its top 2 requests related to the implementation of new curriculum and \$250,000 in funding to support the implementation of the new Alaska teacher evaluation system. She stated that the Sitka School District had spent \$105,000 since the new standards had been adopted by the state school board and that the funds had gone to support teachers as they learned about the new standards and developed curriculum maps to implement them; the funding also went towards helping teachers research new instruction materials to support to the new standards and beginning to look to at changing the reporting resources to provide clear expectations for students, parents, and teachers regarding how students were progressing in their mastery of the new standards. She stated that the new Alaska standards were about 1.5 grade levels higher than the current ones and that the significant differences in content not only required teachers to receive training in the new content, but also required instructional materials to support the new content. She pointed out that although the new Alaska standards were in English and Math, it was

explicit that the standards would be implemented and assessed in the additional content areas of science and social studies. She stated that the district was willing to do its part to implement high quality learning experiences for its students; however, it was unreasonable to ask it to shoulder the cost related to the purchase and implementation of instructional materials in 4 content areas within a limited time period. She added that students would be assessed on the new Alaska standards in the next school year and that the Sitka School District estimated that the 4 content areas would cost a total of \$1,648,800. She stated that the Sitka School District supported improvement, but that it was unreasonable to ask it to fully assume the costs required by the mandate of the new teacher evaluation requirements; if the district did not get assistance with this, it would result in higher class sizes as teaching staff was reduced. She pointed out that higher class sizes would impede the process of increasing student scores, which was a component of effective teachers as identified in the new teacher evaluation standards.

[2:55:08 PM](#)

MARK GORMAN, MUNICIPAL ADMINISTRATOR, CITY OF SITKA, SITKA (via teleconference), spoke in support of Sitka's loan application to the Alaska Energy Authority's (AEA) Power Project Loan Fund for the city's Blue Lake Hydroelectric Project. He related that Sitka understood that the state had limited funds and was not asking for a grant; it was requesting that \$18.6 million be included in the AEA Power Project Loan Fund to allow Sitka's loan request to be funded. He stated that the city had met with the governor, the Office of Management and Budget, AEA, as well as many legislators, all of which were very supportive of Sitka's efforts to go forward with the loan.

[2:56:32 PM](#)

CHRIS BREWTON, ELECTRIC UTILITY DIRECTOR, SITKA (via teleconference), spoke in support of Sitka's loan application to AEA's Power Project Loan Fund for the city's Blue Lake Hydroelectric Project. He reported that to date, Sitka had bonded over \$82 million towards the \$145 million project and had a lot of skin in the game. He stated that Sitka's power rates had increased 28.4 percent since September and that there was a rate increase plan for July 1st of an additional 10 percent; if Sitka did not get the

loan, there would be an additional 10-18 percent rate increase during the fall. He stated that the loan was imperative and that it would really help the city's constituents. He encouraged the funding of worthwhile energy projects throughout the state.

2:58:07 PM

STEVE BRADSHAW, SUPERINTENDENT, SITKA SCHOOL DISTRICT, SITKA (via teleconference), testified in support of the Sitka School Districts' top 2 capital funding requests related to the implementation of new curriculum and the implementation of the new Alaska teacher evaluation system. He thought that what the state had done the last 2 years regarding teacher evaluations and the Alaska state standards was putting education on the right path; however, the critical issue facing school districts was in finding ways to implement the changes, purchase the new curriculum, and setup the evaluation system. He thought that teacher evaluation and better curriculum were the foundation of a great education and would get Alaskan students ready for college. He noted that these types of requests might be viewed as inappropriate in the capital budget, but offered that Sitka's top 2 requests built more in school districts than a lot of the other projects in the budget. He thought that all of the school districts in the state were faced with the same situation of having to find a way to provide the professional development for teachers with the new curriculum, as well as needing help to setup the new evaluation system.

GARY WHITE, SITKA ECONOMIC DEVELOPMENT ASSOCIATION (SEDA), SITKA (via teleconference), testified in support of Sitka's loan application to AEA's Power Project Loan Fund for the city's Blue Lake Hydroelectric Project. He related that SEDA felt that the loan was critical to the economic development picture for Sitka and that if the power rates continued to increase, Sitka would not be able to attract businesses and industry to the community. He stated that the loan would help Sitka secure its energy future and be able to provide power for economic development.

3:01:24 PM

THAD POULSON, SELF, SITKA (via teleconference), spoke in support of Sitka's loan application to the AEA's Power Project Loan Fund for the city's Blue Lake Hydroelectric

Project. He related that the citizens of Sitka had proved that they would step up to meet community challenges. He pointed out that Sitka was not asking for handout, but simply a loan to help makes its electric rates more affordable. He urged the committee to add an additional \$18.6 million to AEA's Power Project Loan Fund.

[3:02:38 PM](#)

ANDREW THOMS, DIRECTOR, SITKA CONSERVATION SOCIETY, SITKA (via teleconference), spoke in support of the \$18.6 million request for Sitka's loan application to AEA's Power Project Loan Fund for the city's Blue Lake Hydroelectric Project. He stated that the community was behind the project for a number of reasons and that Senator Lisa Murkowski had taken a tour of the project of the project in 2013. He recalled that Senator Murkowski had stated at the time that Alaska needed to deal with energy needs in order to make its communities sustainable. He recalled that the project had been started about 6 years prior during a spike in oil prices; furthermore, the project was being conducted for economic and environmental reasons. He pointed out that Sitka was not looking for a handout, but was asking for a loan that had favorable rates.

^Public Testimony: Valdez

[3:04:46 PM](#)

ROWENA POLAMAR, EXECUTIVE DIRECTOR, ADVOCATES FOR VICTIMS OF VIOLENCE (AVV), VALDEZ (via teleconference), spoke in support of funding for renovation and repairs to the heating system and security system in the Advocates for Victims of Violence's shelter; additionally, the flooring and beds needed replacement. She related that AVV's security system was so old that most of the time it did not work well and that it represented a safety concern for the women and children staying at the shelter. She stated that 7 months out of 12, most of the bedrooms, living rooms, and staff offices were very cold due to the insufficient supply of heat and pointed out that it had been over 15 years since the flooring and beds had been replaced in the shelter. She thanked the governor for the inclusion of \$1 million in funding and noted that if the legislature included an additional \$1 million, the Rasmussen Foundation would match the full \$2 million amount; this would result

in total funding of \$4 million and would be a rare opportunity for AVV.

^Public Testimony: Cordova

3:06:57 PM

JAMES KACSH, MAYOR, CITY OF CORDOVA, CORDOVA (via teleconference), spoke in support of \$6.5 million in funding for the Cordova Center. He discussed the slow recovery of Cordova after the Exxon Valdez oil spill and pointed out that the loss of herring and crab fisheries in the area had left families and businesses struggling in the winter months. She stated that the Cordova Center was at the core of an economic development plan to include to winter tourism, conventions, and meetings to Cordova's economy. He stated that the Cordova Center could bring over \$500,000 in new money every winter to Cordova. He stated that the Exxon Valdez Oil Spill Trustee Council had committed \$8.3 million to the project and that Cordova was asking \$6.5 million in matching funds. He concluded that the project would help keep Cordova's residents employed and businesses open during the long winter months.

3:08:00 PM

NANCY BIRD, SELF, CORDOVA (via teleconference), supported the \$6.5 million funding request for the Cordova Center. She pointed out that the project exterior was complete and that along with other funding, the request from the state would finish the project. She pointed out that the City of Cordova had paid its own way on the project and that it had already contributed \$1.5 million in construction dollars, as well almost \$500,000 of in-kind services. She related that Cordova was ready to contribute more to the project, but it could not reach completion without some assistance from the state. She stated that the city government was committed to the long-term operation and maintenance of the project and pointed out that the facility would be LEED certified; it would replace two old and very inefficient municipal buildings, which would be critical for the city's continued support of the services provided by the buildings. She spoke about the leveraged funding for the project and related that the project would bring new seasons of increased economy to the Cordova and the region. She stated that the completion of the center would provide

a place for educational meetings, as well as scientific meetings to occur on a regular basis.

3:10:42 PM

JENNIFER GIBBINS, PRESIDENT, CORDOVA CHAMBER OF COMMERCE, CORDOVA (via teleconference), testified in support of \$6.5 million in funding for the Cordova Center. She stated that a bump of 20 or 30 percent in sales that was associated with a group coming to town meant that a shop owner was in the black; this was vitally important to Rural Alaska and indicated jobs, kids in school, and a vibrant company. She related that the increased business that the Cordova Center could provide meant that the local sales taxes could continue to provide services and would help the small businesses continue to exist. She stated that the Cordova Center would add to the quality of life of Cordova's residents; however, from the standpoint of the chamber of commerce, the center was a vitally needed economic development project. She relayed that the goal for the center was to keep the fishing fleet in Cordova, as well as to keep community's local small businesses strong and its economy growing.

3:12:06 PM

BRET BRADFORD, COUNCIL MEMBER, CITY OF CORDOVA (via teleconference), spoke in support of \$6.5 million in funding for Cordova's capital requests. He related that the funding would address Cordova's needs for a new city hall, a library and museum facility, and would help provide economic diversity. He stated that Cordova's current city hall was very inefficient and was located in the tsunami zone. He pointed out that the existing library/museum facility leaked and was also inefficient. He stated that the Cordova Center would help with economic diversity by bringing conventions and winter business to the city and that the project was currently 50 percent complete.

3:13:20 PM

CLAY KOPLIN, CHIEF EXECUTIVE OFFICER, CORDOVA ELECTRIC COOPERATIVE, CORDOVA (via teleconference), testified in support of \$6.5 million in funding for the Cordova Center. He recalled that when local ferry routes had been shortened and were kept inside of Prince William sound between Whittier, Valdez, and Cordova, much of Cordova's economy

had started running through anchorage, most of which had previously gone through Seattle; this had hurt Cordova's Main Street a little bit, but had been really good for Alaska. He stated that Cordova needed some of that economy to come back. He stated that the Prince William Sound route had been the most successful route in the ferry system and that Cordova wanted to keep the momentum going and have a place where the multi-purpose Cordova Center could be utilized.

[3:15:17 PM](#)

BARCLAY KOPCHAK, PRESIDENT, STAGE OF THE TIDE, CORDOVA (via teleconference), expressed support for \$6.5 million in funding for the Cordova Center. She related that the center would provide a real community space and offered that it was a need and not a want; the city needed a place that would not require excessive repairs and maintenance to house a city hall. She stated that the facility would also provide a museum and library space where employees would not have to wear coats and boots indoors, have buckets on their desks, or tarp off areas of their collection. She stated that the multi-use Cordova Center would not only allow access for residents, but would be a destination for conferences, symposiums, and anyone who wanted to travel the real off-road Alaska. She discussed the different uses of the facility and related that was already interest for the use of the facility; people had already scheduled conferences that had to be put aside and divided into small rooms due to delays in construction.

^PUBLIC TESTIMONY: JUNEAU

[3:18:08 PM](#)

DOUG BRIDGES, SOUTHEAST SENIOR SERVICES, JUNEAU, testified in support of \$500,000 request for the Alaska Mobility Commission state match for public and community transportation. He appreciated the governor's efforts, and stressed that the project was historically successful. He explained that the funding helped to support local matches for grant funds, and was not given directly. Transportation throughout Southeast Alaska was important for communities. He represented Southeast Senior Services, which was a division of Catholic Community Services. Southeast Senior Services operated in 12 communities in Southeast Alaska, and stressed the importance of transportation in rural

Alaska and small cities. Transportation was important support for economic development, and made helped to keep the communities vital. Transportation supported the elders and individuals with disabilities in the communities of their choice.

[3:20:59 PM](#)

RON SOMERVILLE, CITIZENS ADVISORY COMMISSION FOR FEDERAL AREAS, JUNEAU, testified in support of funding for CAPFA extension with the addition of \$100,000. He stated that the Citizens Advisory Commission for Federal Areas (CAPFA) conducted a federal overreach project during the most recent CAPFA summit. As a result of the summit, a comprehensive report that outlined many of the major problems with federal overreaches. He explained that CAPFA received \$100,000 to continue with the project. He stated that the funding request for \$100,000 that was not included in the current operating budget, so he requested that it be included in the capital budget. He explained that the money would be used for additional CAPFA summits, which would develop alternatives and educating the public regarding federal overreach. He remarked that the Integrated Arctic Management Plan was crucial to the state, and felt that CAPFA was important to develop alternatives.

[3:23:59 PM](#)

JAMES SULLIVAN, SOUTHEAST ALASKA CONSERVATION COUNCIL, JUNEAU, testified in opposition to funding the Juneau Access Project. He requested that the proposed funding be postponed until the Environmental Impact Study (EIS) is completed. He felt that the project would not be useful to the people of Juneau. He felt that the legislature was being asked to fund a project that did not have a legitimate plan about tunnels, bridges, and the overall cost. He also pointed out that there was no management or operational plan for the unmanned ferry terminal. He stressed that there were many questions and problems with the project, and felt that Department of Transportation and Public Facilities (DOT) had not adequately addressed the issues. He felt that Alaska could not afford this "boondoggle" in its current fiscal situation. He hoped that the committee would examine Alaska's other needs, because the project had very little payback.

[3:25:57 PM](#)

GERRY HOPE, TRANSPORTATION DIRECTOR, SITKA TRIBE OF ALASKA, SITKA (via teleconference), testified in support of \$1 million for public transportation. He encouraged the addition of \$500,000, which would help to leverage an additional \$1.5 million to \$2 million in federal funds. He explained that Sitka would combine the public transit system funds from the state and the tribal transit funds. He remarked that the current tribe organizations that managed the tribal transit funds were experiencing budget cuts. He stated that the additional funding would maintain the current level of public transit service in Sitka.

[3:28:21 PM](#)

ALYSON COOPER, SELF, JUNEAU, testified in support of funding the Alaska Development Corporation's Science, Technology, and Engineering (STEM) programs. She specifically spoke the capital request number 62349, Alaska Development Corporation STEM Talent for Alaska's Economic Competitiveness. She remarked that there was a tremendous need for high school graduates, who were well-educated in the science, technology, engineering, and math fields. She pointed out that the education was important, even if those students did not pursue careers in related fields. She felt that life in the current century required comfort in technology and problem solving. She felt that the STEM programs in Alaska encouraged that technology education and problem solving. She stated that her children were beneficiaries of the STEM program: they designed robots, tracked ocean currents, tested for paralytic shell fish poisoning, experimented with electrical circuits, and built underwater gliders. She stressed that the STEM program not only educated, but inspired participants. Her children had become problem solvers, and felt they could work with and lead a team to solve complex problems and devise creative solutions.

Senator Bishop thanked Ms. Cooper for her volunteer work.

[3:32:43 PM](#)

BONNE WOLDSTAD, SELF, JUNEAU, testified in support of additional funds for the Public Vessel Woldstad. She stressed that Alaska was experiencing anticipated pressures on the Arctic coastal villages, so it was imperative that Alaska maintain its two high endurance patrol vessels. She

remarked that fisheries were tied to the existence of the state, and the Alaska's constitution was about maintaining control of its natural resources. She felt that there needed to be a clear vision for Alaska's future for the marine section's high endurance vessels. Alaska needed to be competitive and ready for Arctic exploration by being proactive rather than reactive. The proposed replacement for the Woldstad vessel was not a high endurance vessel. The Woldstad was specifically designed and built to provide public safety, and fishery patrol to all Alaskan waters. The vessel was also capable to conduct inshore fishery patrols; search and rescue; firefighting; and resource-user contacts.

[3:34:20 PM](#)

TOM BRICE, SELF, JUNEAU, testified in support of the Juneau Access Project. He felt that the project was a vital piece of transportation infrastructure that would help connect Juneau to the national highway system. Road access between the Lynn Canal communities would be a substantial economic multiplier for Juneau, Skagway, and Haines. He felt that it would be nice to travel to Haines and Skagway in just a couple of hours. He announced that he had been a supporter of the project for over 20 years.

[3:36:01 PM](#)

COREY BAXTER, DISTRICT 8 REPRESENTATIVE, OPERATING ENGINEERS LOCAL 302, JUNEAU, spoke in support of the \$35 million for the Juneau Access Project. He felt that the road would provide the region with short-term and long-term economic benefits that would help sustain the communities well into the future. The road would help the state and travelers enough money to finance the entire project.

[3:36:54 PM](#)

MIKE MILLER, SELF, JUNEAU, testified in opposition to Juneau Access Project. He stated that he had climbed and explored the proposed area for the project, and announced that there were many hazardous environmental issues with the proposed project. He felt that the maintenance cost of the road would exceed the maintenance of the ferry system. He announced that in 22.2 miles of the proposed road there were 112 geological hazards including 54 rock fall hazard areas, 42 debris flows, 31 avalanches, and 2 landslides. He

felt that it may require the National Guard to keep the road operating. He felt that the \$35 million could be better used to maintain the ferry system.

[3:38:12 PM](#)

MERRILL SANFORD, MAYOR, JUNEAU, expressed support for the Juneau Access Project. He is a lifelong citizen of Juneau, and had been a part of the debate regarding the Juneau Access Road and the ferry system. He announced that he wanted both the road and ferry system to be supported. He stated that he spent 20 as chief of some of the fire departments in Juneau, served on the borough assembly, and was currently the mayor. He had experience working with balancing various budgets regarding needs and affordability. He announced that the official position of the City and Borough of Juneau was firmly in support of the Juneau Access Project. He also stressed the critical importance of the Alaska Marine Highway System (AMHS) to all of Southeast Alaska. He understood that there were places that were only accessible by boat, and those locations needed better services.

Co-Chair Meyer thanked the mayor and Juneau for the hospitality to the legislature.

Co-Chair Kelly echoed Co-Chair Meyer's gratitude.

[3:40:50 PM](#)

PAULETTE SIMPSON, SELF, DOUGLAS, testified in support of the Juneau Access Project. She stated that the project should be considered a "continuation", because the state legislators had continued to show support to keep the project on tract. She pointed out that materials were purchased and work was ongoing to prepare for construction. She stated that there was a joint meeting for the House and Senate Transportation Committees, and Senator Egan had opined that the Juneau Access Project should have been built twenty years prior. She felt that looming deficits required conservative spending decisions, and felt that the most lopsided appropriation was the AMHS. The AMHS operating subsidy was currently \$120 million, so the status quo must change by funding the Juneau Access Project. She felt that the road could be maintained for a fraction of the cost of ferries, because the projected operating costs of the ferries were unsustainable. She understood that

island communities would always require ferry service, and their future could be preserved if the roads were built and ferry runs were shortened.

[3:44:04 PM](#)

MARK RORICK, SELF, JUNEAU, testified against the Juneau Access Project{ testified against the Juneau Access Project. He announced that he had migrated from California in the 1980s, because he wanted to live in a location without a road. He stated that he had been an active opponent of the Juneau Access Project since its inception. He felt that the money could be better used to maintain the ferry system.

[3:48:29 PM](#)

CATHIE ROEMICH, MEMBER, JUNEAU CHAMBER OF COMMERCE, JUNEAU, spoke in support of the \$35 million for the continued funding for the Juneau Access Project. She stated that the Juneau Chamber of Commerce represented 400 small and medium sized Alaska businesses, and stated that the member business overwhelmingly supported the project. She felt that the road would benefit Juneau, Haines, Skagway and other state businesses. The road would significantly address the long-term operating costs of AMHS, by reducing Juneau's reliance on the ferry system. Transportation was a core function of government, and commerce depended on transportation infrastructure that was cost effective, reliable, and provided frequent travel options to move people and products. She stated that the \$35 million appropriation would build the road to the Kensington Mine, so over 200 workers could drive home every day. She stressed that she wanted to keep the Kensington Mine workers as residents of Juneau.

[3:50:32 PM](#)

MARY BECKER, SELF, JUNEAU, spoke in support of the Juneau Access Project. She echoed the other supporters of the project. She stated that she served on the Juneau Assembly, and there was an assembly resolution that supported the road. She served four years in the assembly, and in that time it reaffirmed its goal to support the Juneau Access Project. She shared that her husband was a fisherman, and he felt that a road would enhance his business, because he could get fresh fish to a broader market.

[3:52:41 PM](#)

JOAN O'KEEFE, DIRECTOR, SOUTHEAST ALASKA INDEPENDENT LIVING, JUNEAU, testified in support of the public transit match funding. She stressed that public transportation was extremely important for the independence of more than 1300 elders and people with disabilities that the Southeast Alaska Independent Living (SAIL) served. She shared that the \$1 million appropriation would help to leverage and additional \$3 million to \$4 million in state, local, and federal funds. She understood that the legislature was facing difficult fiscal decisions, but encouraged the addition of \$500,000 to leverage another \$1.5 million to \$2 million to invest in state infrastructure. Transit match dollars allowed local communities, tribal agencies, and non-profit organizations to match the local investment in public transportation with a state match. Transit match dollars helped SAIL provide a variety of transportation services in Southeast Alaska.

[3:55:01 PM](#)

NANCY DECHERNEY, EXECUTIVE DIRECTOR, JUNEAU ARTS AND HUMANITIES COUNCIL, JUNEAU, testified in support of the additional funds for the Willoughby Arts Complex. She explained that the project was collaboration between Perseverance Theatre and the Juneau Arts and Humanities Council. She stated that the project fits into the city's Willoughby District plan. She remarked that the project was gaining national interest, and would enhance Juneau's already vibrant performing arts culture.

Co-Chair Meyer remarked that he had recently seen a production at Perseverance Theatre. Ms. DeCherney commented that it was a wonderful production. She furthered that, given Perseverance Theatre's operating costs and infrastructure, they produce an incredible product.

[3:57:40 PM](#)

ANNIE CALKINS, SELF, JUNEAU, testified in support of the Willoughby Arts Complex. She stated that she was the former assistant superintendent for the Juneau School District, an employee of the Department of Education and Early Development (DEED), a member of the state school board, and the Governor's Commission on Children and Youth. She

stressed the importance of the education and training component of the proposed complex. She stated that there were many conversations regarding the availability of the facility to host classes, workshops, and on the job training for high school students as the arts and communication career pathway; theatre training for university students; and institutes for teachers to incorporate, STEM, and the arts across the curriculum in their core subjects.

3:59:58 PM

PETER FROEHLICH, MEMBER, ADVISORY COUNCIL FOR PARTNERS FOR PROGRESS, JUNEAU, testified in support of second year funding for recidivism reduction at the Partners for Progress multi-agency reentry center in Anchorage. He stated that he was a former judge, and he had sentence thousands of people to serve jail time. He felt that the motivation for an individual to change their life was what occurred in their life after they were released from jail. He stated that the Anchorage reentry center worked with the individual within hours of their release from jail. The center helped people to secure and monitor their maintenance of housing, employment, substance abuse treatment, and sober support. The people were held accountable by ensuring that they had a job within a week of release. He stated the center had only been operational since the previous summer, and there was a data sheet that reflected that the center was serving approximately 50 people per day.

4:02:26 PM

MARJORIE MENZI, SELF, JUNEAU, encouraged support of the funding for the Willoughby Arts Complex. She felt that the arts community in Juneau was world class, and needed a place to foster that creativity. Two factors made Juneau special: 1) Juneau was privileged to host the important state work, because it was the capital of Alaska; and 2) Juneau was a strong innovator in the arts, including drama, music, dance, visual arts, and cultural opportunities. Juneau's excellence in the arts was recognized nationally and in Alaska by business donors and organizational funders. The arts were also recognized as an economic force in Juneau. She felt that a strong arts presence provided a high quality of life. She pointed out that the two most effective and dynamic arts organizations were the Juneau

Arts and Humanities Council and Perseverance Theatre, and those two organizations had formed a partnership to build the new arts complex.

[4:05:47 PM](#)

NANCY WATERMAN, SELF, JUNEAU, testified against the funding for the Juneau Access Project. She felt that the proposed funds should be used for other capital projects, and specifically requested that \$5 million be used for the State Library Archives and Museum (SLAM) project. Completing SLAM, fully funded, was a priority for Juneau and the state. Juneau Access Project funding could wait, because the EIS had not been released. It was difficult to forecast from where an additional \$400 million for completion of the project would be taken. She felt that the Juneau Access Project was not a high priority. Juneau had reasonable transportation connections through the airport; docks and harbors; and telecommunications. Those three systems needed state capital dollars. In the long-term, the state would need to improve, operate, and maintain an efficient AMHS in the Lynn Canal.

[4:08:10 PM](#)

ROMAN MOTYKA, SELF, JUNEAU, spoke against the Juneau Access Project. He felt that the term "Juneau Access" did not accurately describe the project. The current DOT plan for the project was two stages: 1) build the road to Comet, which was the location of the Kensington Mine; and 2) build the road along 22 miles of coast line across a gauntlet of geo-hazards. He announced that DOT had hired a firm which identified over 111 geo hazards, included 67 avalanche shoots. He stressed that road would be geo-technically challenging, and extremely expensive. He felt that the ferry system should be improved, because it offered a safe and effective system. He pointed out that the ferry system would still need to be maintained, if the road were built. He felt that there were going to be major incidents that would close the road for a substantial period of time, so the ferry system must be maintained. He pointed out that the proposal built the road to another ferry terminal. He felt that the project would only save one or two hours of travel time.

[4:10:58 PM](#)

JANET KUSSART, SELF, JUNEAU, spoke in opposition to the Juneau Access Project. She moved to Juneau with the understanding that there was no road connecting Juneau the national highway system. She felt that the ferry system was service to the public as Southeast Alaska's only "highway." She felt that the ferry was the safest way to travel, because there were many avalanche shoots along the proposed road. She remarked that the road would be built to serve Kensington Mine, which was a private entity, and took issue with using public funds to serve a business. She urged the committee to be used for current road repairs, complete SLAM, be put toward education, and maintain the current ferry system. She felt that the road was too dangerous, and was 90 miles of road to nowhere.

[4:13:00 PM](#)

KIRK PERISICH, SELF, JUNEAU, urged support of continued funding for the State Libraries and Archives Museum (SLAM). He felt that funding would keep many Juneau residents and carpenters employed. He was a lifelong resident of Juneau, and would like to see the completion of the project.

Co-Chair Meyer stated that it was the legislature's priority to complete SLAM.

[4:13:53 PM](#)

WAYNE JENSEN, CHAIR, ALASKA COMMITTEE, JUNEAU, testified in support of the Juneau Access Project. He stated that the Alaska Committee formed in 1995 to be a proactive group to enhance Juneau as Alaska's capital city. He stated that the committee was governed by a 22-member board, which represented a cross-section of the Juneau community. He stated that the focus of the Alaska Committee included infrastructure improvements, communication improvements, and access improvements. He pointed out that the Alaska Committee supported the renovations of the Terry Miller and Tom Stewart building; improvements to Main Street and Seward Street; the development of the parking garage at the bottom of Main Street; and the improvements to the municipally owned and operated airport. He stated that he was proud of the Alaska Committee's development of Gavel to Gavel, and the continued support. He reminded the committee that Gavel to Gavel was 50 percent paid for by Juneau. He announced that the Alaska Committee supported both water

and road access to Juneau. He felt that the continuation of the road would benefit all Alaskans.

[4:15:48 PM](#)

JOHN HUGHES, PRACTICE ADMINISTRATOR, JUNEAU URGENT CARE, JUNEAU, spoke in support of the Juneau Access Project. He remarked that Juneau had one of the highest transportation costs and health care costs. He felt that the project would lower transportation costs, and allow patients to access other health facilities in the state. He remarked that the road would enhance the economic development of Southeast Alaska.

[4:17:01 PM](#)

SARALYN TABACHNICK, EXECUTIVE DIRECTOR, AIDING WOMEN IN ABUSE AND RAPE EMERGENCIES, JUNEAU, testified in support of funding for domestic violence safe shelters across the state, included the Aiding Women in Abuse and Rape Emergencies (AWARE) shelter. She stated that AWARE was built as a wonderful facility, but was facing infrastructure issues, because it was over 20 years old. The funds would help to improve the heating and pipe system, to provide a comfortable haven for those individuals who need it.

[4:19:39 PM](#)

SANDY WILLIAMS, SELF, JUNEAU, testified in support of the Juneau Access Project. He stated that he had lived in Juneau for 55 years, and had recently retired from DOT. He was a member of Citizens Pro Road (CPR). He had worked on a proposed road in the 1960s, but the earthquake happened and forced the suspension of the project. He stated that the Environmental Protection Agency (EPA) formed shortly thereafter, which caused even greater issues with the project. He felt that the project needed to be complete, because it was never intended that Juneau be without a road.

[4:23:22 PM](#)

SUE ANN RANDALL, SELF, JUNEAU, testified against the Juneau Access Project. She stated that she lived in Juneau for 40 years, and part of the reason that she decided to move to Juneau was because there was no road out of town. She

stated that her children chose to live in Juneau, because they like that there is no road out of Juneau. She also spoke in support of the Willoughby Arts Center. She felt that there were world class artists who lived and visited Juneau, and performed in high schools and gymnasiums. She wanted to extend the educational opportunities by having a world class performing arts complex.

[4:25:14 PM](#)

PEGGY ANN MCCONNOCHIE, SELF, JUNEAU, spoke in support of the Juneau Access Project. She understood that the legislature was facing a fiscal crisis, and new that difficult decisions were in order. She felt that the project was important, because the money that was used for the ferry system was not fair to the rest of the state. She remarked that the ferry system was not an economic driver, and the ferries were currently misused. She pointed out that one of the most difficult things for people moving to Juneau was the cost of living due to the lack of road. She felt that the road would be beneficial to the entire state.

[4:27:11 PM](#)

LANCE STEVENS, SELF, JUNEAU, spoke in support the Juneau Access Project. He grew up in Eagle River and Homer, and he spent many family vacations travelling the roads of Alaska. He stated that five of those roads end at a ferry terminal: Haines, Skagway, Homer, Valdez, and Seward. He felt that a road out of Juneau to a ferry terminal would enhance access to the rest of the state. He remarked that it was \$600 for his family to board the ferry in Juneau to Skagway to begin their road trip south to Washington. He felt that the access was critical to Juneau's economy and the mentality of the rest of the state about the availability and accessibility of Alaska's state capital.

[4:29:28 PM](#)

PAUL FUHS, FAIRVIEW BUSINESS ASSOCIATION, ANCHORAGE, testified in support of requested \$5 million for a three year program for controlling the chronic inebriates in Anchorage. He remarked that many of the chronic inebriates began drinking in the morning, by the afternoon they were vomiting anywhere they could find, exposing themselves, passing out, and continuing with the same behavior the next day. He stated that the Fairview Business Association hired

some of the best social service providers in Anchorage, who agreed to divert people from prison. He stated that there was current development of a case-managed coordinated system to enhance accountability. He stressed that the alcohol tax should be used to fund substance abuse treatment.

^PUBLIC TESTIMONY: KENAI, KODIAK, DILLINGHAM

[4:32:38 PM](#)

GINGER BAIM, OUTGOING DIRECTOR, SAFE SHELTER, DILLINGHAM (via teleconference), spoke in support of the funding for domestic violence safe shelters. She specifically urged support of the Rasmussen Foundation partnership with the state. She explained that the Rasmussen Foundation offered a match dollar for dollar capital improvement appropriation to assist domestic violence and sexual assault safe shelter facility improvements and repairs. She encouraged the addition of another \$1 million that the Rasmussen Foundation could match. She stated that the facility in Dillingham was better than most shelters in the state, in part, because it was a new facility. She pointed out that the facility was built in 1972, and some of the pipes had pin holes. She stressed the importance of improving and repairing the safe shelters across the state.

[4:35:33 PM](#)

NICK SZABO, TREASURER, KODIAK SEARCH AND RESCUE ASSOCIATION, KODIAK (via teleconference), testified in support of funding for the Alaska Search and Rescue Association (ASRA). He stated that ASRA was a statewide 48-volunteer organization. The volunteers answered emergency calls. He explained that ASRA covered the entire state. He noted that there were no paid employees in ASRA. From 2007 to 2012, there were 1800 volunteer search and rescue missions, 3500 people were saved, at over 116,000 expended volunteer hours. There was a certain amount of turnover each year, consequently new and advanced training was required. He stressed that the program training was essential to the life of the program. He remarked that the Alaska State Troopers would require 20 times more funding that ASRA funding.

Vice-Chair Fairclough queried the amount of the request. Mr. Szabo replied that the request was \$200,000.

[4:38:13 PM](#)

ANJULI GRANTHAM, VICE-PRESIDENT, ALASKA HISTORICAL SOCIETY, KODIAK (via teleconference), testified in support of SLAM. The project required \$37.215 million in the FY15 budget to support completion. If the full funding was not allocated, the project needed to go out for rebid. Mothballing and demobilizing would cost the state over \$9 million. She felt that fully funding the current project was fiscally prudent. She stressed that SLAM was important for communities across the state. She explained that SLAM preserves the treasures from all of Alaska's communities. She also stated that the professional guidance of the SLAM staff to SLAM professionals improved the quality and capacity of Alaska's cultural institutions. Alaska's cultural history was world-renowned, and the state deserved a world class institution to showcase its history.

[4:40:03 PM](#)

CHERI SMITH, EXECUTIVE DIRECTOR, LEE SHORE CENTER, KENAI (via teleconference), testified in support of funding for domestic violence safe shelters. She echoed the remarks from Ms. Tabachnick. She stated that the Kenai facility was 29-years-old and a 32 bed facility. She remarked that it was difficult to get adequate maintenance and repair through operational funds. Historically, funds were only sought for emergencies. She stated that the facility averaged 6000 to 8000 bed-nights per year for 150 to 250 women and children. She urged the addition of \$1 million, because it was a safety and security concern for the domestic violence safe shelters.

[4:42:22 PM](#)

PAT BRANSON, MAYOR, KODIAK (via teleconference), spoke in support of the \$2.57 million for the Monashka pump house replacement. She explained that her staff wrote and Alaska municipal matching grants to fund part of the project. She stated that local funds and a low interest drinking water loan were going to be used. She stated that the pump house supplied the entire water supply for the City of Kodiak's public water system, averaging more than 4.7 million gallons of water per day. During fishing season, the canneries use up to 10 million gallons of water per day.

She also urged support for the Aleutian Homes water and sewage replacement.

Co-Chair Meyer handed the gavel to Vice-Chair Fairclough.

[4:44:24 PM](#)

ALANA TOUSIGNANT, DIRECTOR, CHINIAC PUBLIC LIBRARY, CHINIAC (via teleconference), spoke in support of funding that could be used for playground repairs in the Chiniak School.

[4:45:07 PM](#)

THERESA BONNEY, EMPLOYEE, CHINIAC SCHOOL, CHINIAC (via teleconference), testified in support of funding that could be used for playground repairs in the Chiniak School. She stated that the playground had a gravel base, and several pieces of rusted older equipment. There was a leather post that used to be a bench. The playground was built with treated wood, and felt that the equipment was not appropriate for children to use.

[4:46:18 PM](#)

ARWEN BOTZ, SELF, CHINIAC (via teleconference), spoke in support of funding that could be used for playground repairs in the Chiniak School. She stated that she currently drove 45 miles to the closest, most decent playground. She remarked that the roads were often not passable, but wanted her children to understand the importance of physical activity in the outdoors.

Vice-Chair Fairclough queried the cost of the playground. Ms. Tousignant responded that the estimated cost would be roughly \$40,000.

Vice-Chair Fairclough handed the gavel to Co-Chair Meyer.

#

ADJOURNMENT

[4:50:49 PM](#)

The meeting was adjourned at 4:50 p.m.