

HOUSE FINANCE COMMITTEE
April 14, 2015
6:03 p.m.

6:03:59 PM

CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 6:03 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Paul Fuhs, Board Chairman, Marine Exchange of Alaska, Juneau; Ed Page, Executive Director, Marine Exchange of Alaska, Juneau; Carl Uchytel, Alaska Association of Harbormasters and Port Administrators, Juneau; Dave Donley, Hope Community Resources, Juneau; Alyse Galvin, Great Alaska Schools, Juneau; Deena Mitchell, Great Alaska Schools, Juneau.

PRESENT VIA TELECONFERENCE

Ann Arrisi, Hope Community Resources, Matsu; Chuck Kaucic, Wasilla Soil and Water Conservation District, Wasilla; Peter Williams, City of Bethel, Bethel; Brenda Akelkok, Bristol Bay Housing Authority (BBHA), Dillingham; Kevin Tennyson, Bristol Bay Housing Authority, Dillingham; Jason

Storter, Rilke Schule, Anchorage; Mariah Storter, Rilke Schule, Anchorage; Janeen Wilkins, Rilke Schule, Anchorage; Mitzi Barker, Rural CAP, Chugiak; Joel Neimeyer, Federal Co-Chair, Denali Commission, Anchorage; Dan Duane, Association of Alaska Housing Authorities, Anchorage; Erin Wilson, Deputy Director, Aleutian Housing Authority, Anchorage; Ulf Asplund, Parent, Anchorage; Gabe Layman, Cook Inlet Housing Authority, Anchorage; Brendan Wilkins, Student, Rilke Schule, Anchorage; Kristina Gwyn, Rilke Schule, Anchorage; David Dobler, Rilke Schule, Anchorage; Tonja Rambow, Hope Community Resources, Anchorage; Kjersti Von Wichman, Rilke Schule, Anchorage; Corrie Davis, Hope Community Resources, Kodiak; Bart Meyer, Executive Director, Baranof Island Housing Authority, Sitka; Reggie Joule, Mayor, Northwest Arctic Borough, Kotzebue; Elizabeth Cravalho, Nana Regional Corporation, Kotzebue; Joel Alowa, Maniilaq Association, Kotzebue; Samantha Mitz-Gentz, Direct Service Advocate, Standing Together Against Rape, Anchorage; Etta Kuzakin, President, Tribal Council of King Cove, King Cove; Rick Berns, Mayor, Old Harbor; Dan Winters, Director, Public Utilities, City of Unalaska; Kimberly Carlo, Chief Operations Officer, Interior Regional Housing Authority, Fairbanks; Paul Gill, Self, Fairbanks; Jack Hebert, CEO, Cold Climate Housing Research Center, Fairbanks; Scott Bell, Vice Chancellor, Facilities Services, University of Alaska Fairbanks, Fairbanks; Bruno Grunau, Self, Fairbanks; William Dushkin Sr., Aleutian Housing Authority, Sand Point; Dr. Ann Marie O'Brien, Superintendent, Northwest Arctic Borough School District, Kotzebue; Doug Bridges, Alaska Mobility Coalition, Juneau; Christopher Constant, Fairview Community Council, Anchorage; Nancy Anderson, Municipality of Anchorage, Department of Health and Human Services, Anchorage; Marilyn Houser, Self, Anchorage; Ray Oakley, Parent, Indian; Kjerstin Lastufka, Parent, Anchorage; Dean Ball, Principal, Rilke Schule, Anchorage; Carrie Longoria, Victims for Justice, Anchorage; Christopher Dyke, Self, Anchorage; Peter Brandorff, Rilke Schule, Anchorage; Emily Davies, Data Analyst, Alaska Domestic Violence and Sexual Assault Intervention Program, Anchorage; Vanessa Wise, Rilke Schule, Anchorage; Jack Walker, Self, Anchorage; Bryan Clemenz, Self, Anchorage; James Kurth, Parent, Anchorage; Joni Scharfenberg, Fairbanks Soil and Water Conservation District, Fairbanks; James Wileman, Parent, Anchorage; Molly Rettig, Self, Fairbanks; Daniel Blair, Mayor, Whittier; Carolyn Ramsey, Citizens for Responsible Development, Anchorage; Bryan Anderson, Rilke Schule,

Anchorage; Chantal Walsh, Self, Anchorage; Chris Turetes, Facilities Director, University of Alaska Anchorage, Anchorage.

SUMMARY

SB 26 BUDGET: CAPITAL

SB 26 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the agenda for the evening.

#hb26

CSSB 26(FIN)

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

[6:05:15 PM](#)

^PUBLIC TESTIMONY: STATEWIDE

[6:05:17 PM](#)

PAUL FUHS, BOARD CHAIRMAN, MARINE EXCHANGE OF ALASKA, JUNEAU, placed himself on record.

ED PAGE, EXECUTIVE DIRECTOR, MARINE EXCHANGE OF ALASKA, JUNEAU, provided background information about the Marine Exchange of Alaska, a non-profit organization. He explained that the exchange provided a portion of Alaska's vessel tracking system. He reported that in past years the State of Alaska provided approximately \$600 thousand per year. He furthered that the United States Coast Guard (USCG) contributed \$1.2 million per year and the marine industry contributed another \$1.5 per year to the system. He referred to a briefing packet provided to committee members. He stated that on page two of the handout the graphic showed 120 vessel tracking sites throughout Alaska built by the Marine Exchange to aid maritime safety. He pointed to another graphic which showed the marine traffic

in the Arctic. He asked the committee for the same funding support as provided in past years. He mentioned that the Marine Exchange met the qualifying criteria to receive cruise ship head tax funds set aside for services provided for the maritime industry. He asked for continued funding for the program.

Mr. Fuhs gave a brief description of the movement of the appropriation in the budget. He explained that the funds were matching federal funds and from designated funds in the operating budget. The finance subcommittee felt that the appropriation should come from the capital budget rather than the operating budget; therefore, it had been removed. However, the funds were not placed into the capital budget. He asked the committee to consider using money from the cruise ship head tax to fund the exchange.

[6:08:25 PM](#)

Representative Munoz acknowledged that the Marine Exchange of Alaska had received \$600 thousand from the state every year for many years. She asked about the potential effects of the lost funding.

Mr. Page stated that there were currently gaps in coverage existing in the Arctic. The exchange was trying to fill gaps by expanding the vessel tracking system. He relayed that the USCG provided funding for the 24-hour operation center, but the state had been the builder of the vessel tracking sites throughout Alaska. He reported that the shipping traffic was increasing, and without filling the gaps important information would not be captured.

[6:09:44 PM](#)

CARL UCHYTIL, ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS, JUNEAU, testified in support of the Alaska Municipal Harbor Grant Program, a 50-50 match program. He represented 37 harbors throughout Alaska. He reported \$4.4 million in the program currently. He relayed that his membership asked for \$14 million. He explained that the grant program was worthwhile. He stated that, previously, harbors were state owned and were transferred to municipalities. He mentioned that the grant program was the only mechanism for many harbors to recapitalize the state's facilities over 50 years old. The association was requesting a \$250 thousand increment which would allow for

a \$1.2 million boat ramp to be in Anchorage. He commented that it was very rare that Anchorage had the opportunity to participate in the matching grant program.

[6:11:53 PM](#)

DAVE DONLEY, HOPE COMMUNITY RESOURCES, JUNEAU, spoke on behalf of Hope Community Resources. He detailed Hope's services in housing for Alaskan's with disabilities. He reported that Hope Community Resources had received funding in the state's capital budget for many years. He outlined the current budget request of \$361 thousand to pay for life-safety projects. He conveyed that \$125 thousand of the request was for projects mandated by the state in order to comply with licensing requirements. He reported that in 2013 the average operating budget savings was \$79,487 per individual housed by Hope Community Resources. He continued to provide statistics about additional savings to the state's operating budget, comparing Hope's cost of care to other institutional care. He informed the committee of the additional benefits and savings the state would realize by continuing to support Hope Community Resources. He also reported significant growth in the Medicaid waiver system creating greater demand for housing for the disabled. He urged the committee to continue its support for Hope Community Resources.

[6:14:08 PM](#)

ANN ARRISI, HOPE COMMUNITY RESOURCES, MAT-SU (via teleconference), urged support for a capital request in the amount of \$361 thousand. She reported that Hope Community Resources supported over 1,400 disabled Alaskans including children. She expressed her concern with significant quality of life challenges without state support. The funding included support for state mandated safety improvements. She communicated that without capital funding Hope would serve fewer Alaskans. She referred to a 2009 Legislative Research Services Report which indicated a cost savings of \$10 thousand per recipient between the home and community-based waiver and nursing homes. She concluded that the home or community-based waiver was the most fiscally responsible choice and encouraged the committee to offer its support.

[6:16:32 PM](#)

CHUCK KAUCIC, WASILLA SOIL AND WATER CONSERVATION DISTRICT, WASILLA (via teleconference), spoke on behalf of conservation throughout Alaska and particularly Wasilla. He provided a brief background regarding conservation districts. Conservation was manifested in Alaska through the Alaska Association for the Conservation Districts (AACD), formed in 1947. He relayed that without base funding the Wasilla Soil and Water Conservation District would be out of business or significantly diminished; AACD, as the blanket organization in Alaska, had submitted a capital request that would be distributed across the state. At the district level, Wasilla Soil and Water Conservation had made its capital request that would be applied to four specific projects which he detailed. He asked the committee to support conservation in Alaska and thanked the committee for its time.

[6:18:58 PM](#)

PETER WILLIAMS, CITY OF BETHEL, BETHEL (via teleconference), spoke in favor of the municipal harbor facilities grant. He reviewed the requirements of the grant and encouraged members to fund the grant program at the current level. He thanked the committee for its time.

[6:20:53 PM](#)

BRENDA AKELKOK, BRISTOL BAY HOUSING AUTHORITY (BBHA), DILLINGHAM (via teleconference), urged the committee to provide any amount of funding for the Alaska Finance Housing Corporation Supplemental Housing Development Program. She relayed that the supplemental housing grant leveraged 80 percent more funding from the U.S. Department of Housing and Urban Development (HUD). She stated that without the supplemental grant, BBHA would no longer be able to build 5 houses per year. A village may have to wait 30 years for a new home versus 15 years. She stated that BBHA would be losing experienced and trained crews with expertise in building energy efficient homes. She urged members to consider restoring any line items for any amounts for the Alaska Housing Supplemental Grant.

[6:22:50 PM](#)

KEVIN TENNYSON, BRISTOL BAY HOUSING AUTHORITY, DILLINGHAM (via teleconference), spoke in favor of the Alaska Housing Finance Corporation (AHFC) Weatherization Grant Program. He

communicated that in 2008 the budget for the program had been \$4 million, which had been utilized for 100 homes. Presently the budget was \$1.4 million, which would cover 43 homes. The weatherization targeted senior citizens on a fixed income. He detailed that energy bills were cut almost in half. He elaborated that weatherization targeted children under six years old to protect them from respiratory problems that were caused by black mold. The program provided jobs for plumbers, carpenters, electricians, and laborers in the Bristol Bay region. He implored the committee to support funding for the program.

[6:24:50 PM](#)

JASON STORTER, RILKE SCHULE, ANCHORAGE (via teleconference), testified in support of funding for the charter school Rilke Schule. He was gravely concerned by the direction the budget had taken regarding the school's finances. He relayed that if funds were not restored to the capital budget the school was headed in a crash and burn direction. He elaborated that the school had contractually obligated itself using funds designated to the program from the previous legislative session. He provided detail on the school. He asked if the legislature realized that the school operated on one-third less than Alaska's traditional schools, while outperforming nearly all of them. He stressed that the school's 480 students were counting on the legislature to do what was right to save their school.

MARIAH STORTER, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in favor of the restoration of funds to Rilke Schule. She stated that the removal of the school's allocated state funds from the prior year had put it in a position of failure. She underscored that as the largest charter school, it already operated on a budget that was significantly lower than that of other schools. She expected the state to adequately fund the program, which outperformed on less. She urged the committee to save the program.

[6:27:45 PM](#)

JANEEN WILKINS, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of the restoration of funds to Rilke Schule. She communicated that the removal of funds designated the prior year had put the school in a crisis. She reasoned that other programs the legislature

could cut involved capable adults who could understand what was being taken. She stressed that children did not have the same ability; children would not understand why suddenly they did not have the tools or the people needed to succeed at school and in life. She reasoned that children were expected to grow and learn on a daily basis; adults were supposed to set an example on responsibility.

[6:29:14 PM](#)

MITZI BARKER, RURAL CAP, CHUGIAK (via teleconference), spoke in favor of the Low Income Weatherization Assistance Program. She detailed that the program warmed homes and decreased fuel costs for low income Alaskans. Additionally, the program provided economic benefits in the form of jobs and orders for materials and freight services. She stated that rural Alaskans commonly paid approximately 50 percent of their income for heating fuel. She elaborated that the program saved rural families more than \$2,300 annually on fuel. She reasoned that the investment continued to generate high returns year after year. She asked the committee to consider decreasing the proposed 76 percent cut to 27 percent, which would provide the program with \$20 million. She urged the committee members to support the program.

[6:31:49 PM](#)

JOEL NEIMEYER, FEDERAL CO-CHAIR, DENALI COMMISSION, ANCHORAGE (via teleconference), spoke in favor of the Denali Commission federal/state partnership grant. He relayed that a \$3 million grant had been authorized in 2011. He shared that there were still administrative barriers in transporting the state funding to the commission related in indemnification agreement issues. He elaborated that a workaround had been developed in FY 14 and \$1.64 million had been provided for a power project. The commission had identified a power project for cost-share match, but there were currently issues being worked on. He stated that the proposed action of cutting \$1.36 million would delay construction by a minimum of one year. He relayed that he would be in Juneau the following day and hope to speak to members personally about reinstating the funds.

[6:33:52 PM](#)

DAN DUANE, ASSOCIATION OF ALASKA HOUSING AUTHORITIES, ANCHORAGE (via teleconference), shared that the Association of Alaska Housing Authorities consisted of 14 regional housing authorities. He detailed that the authorities were conduits for significant federal and state funds and were the primary providers of affordable housing in rural and urban Alaska. He spoke in support of the Weatherization Program and the Supplemental Housing Development Grant Program funded through the Alaska Housing Finance Corporation (AHFC). He believed both programs warranted state investment even in difficult budgetary times. He relayed that both programs served beneficiaries throughout the state and provided short and long-term returns on investment. He shared statistics related to high energy costs and inadequate ventilation in homes throughout the state. He stated that approximately 18,000 units would have been weatherized by March 2016, which saved Alaskans close to \$50 million annually. He relayed that the Supplemental Housing Development Grant Program provided a 20 percent match to federal HUD funds for energy efficiency measures and other critical infrastructure needs. He urged the committee to support the programs.

[6:36:59 PM](#)

ERIN WILSON, DEPUTY DIRECTOR, ALEUTIAN HOUSING AUTHORITY, ANCHORAGE (via teleconference), spoke in favor of the AHFC Supplemental Housing Development Grant Program and the Weatherization Program. She detailed that the supplemental housing program had been developed in 1980. She elaborated that the program had been incredibly valuable in supplementing and leveraging federal, state, and private resources; it provided development gap funding that enabled projects to move forward. She stressed that without the funding the program and services would decrease significantly. She emphasized that rural communities would be particularly hard hit. She communicated that the supplemental grant program provided a 20 percent match for the total development cost for energy efficiency and other necessary infrastructure costs (e.g. water, sewer, electrical distribution, and access roads). She relayed that the program had a federal/state funding ratio of 5 to 1. She relayed that the program created hundreds of jobs and resulted in millions of dollars in new infrastructure and construction related purchases. She spoke to the governor's support of modest capital funding for the program. She shared that the Weatherization Program had

enabled her organization to provide energy efficiency upgrades to 280 homes in the region. She referred to reductions in the use of diesel fuel and increased savings.

[6:39:24 PM](#)

ULF ASPLUND, PARENT, ANCHORAGE (via teleconference), spoke in favor of funding for Rilke Schule, a public charter school. He relayed that the school was the only charter school without its own facility. He communicated that the removal of funding from the prior year had put the school into a crisis situation. He discussed that the legislature had removed the money after the school had entered into a contractually obligated lease for a new school. He stressed that it was a substantial problem for the 480 students who may not have a school in the upcoming fall. He urged the legislature to do the right thing to make things possible for the students.

[6:40:41 PM](#)

GABE LAYMAN, COOK INLET HOUSING AUTHORITY, ANCHORAGE (via teleconference), urged support for the Supplemental Housing Grant Program administered through AHFC. He reported that the program was designed to encourage safe, energy efficient housing throughout the state. He relayed that by statute the program could fund no more than 20 percent of the costs for any housing project. He reported that for every state dollar funded up to nine dollars was matched. He added that housing in Alaska used three times more energy per square foot than the national average; the high cost of energy combined with high consumption had put a financial squeeze on families and the state. He specified that families in Interior Alaska paid an average of \$8,000 annually for energy costs. He discussed that the program played a critical role in ensuring that the housing built and rehabilitated in rural Alaska was energy efficient. The program mandated compliance with AHFC's building energy efficiency standard. The program helped to fund some of the costs of energy efficient design and construction, which reduced long-term dependency on state-funded programs such as Power Cost Equalization and the Heating Assistance Program.

[6:42:54 PM](#)

BRENDAN WILKINS, STUDENT, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in favor of funding for Rilke Schule charter school [he provided a statement in German]. He implored the committee to save his school. He shared that he loved his school and loved speaking German.

[6:44:13 PM](#)

KRISTINA GWYN, RILKE SCHULE, ANCHORAGE (via teleconference), urged support for the Rilke Schule charter school. She associated herself with support for the school expressed by previous testifiers.

[6:44:31 PM](#)

DAVID DOBLER, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of full funding for education and for Rilke Schule. He believed the state's most importance resource was its children and that their education was of the utmost importance. He urged the committee to support funding for the school.

[6:45:06 PM](#)

TONJA RAMBOW, HOPE COMMUNITY RESOURCES, ANCHORAGE (via teleconference), asked the committee to support a minimum of \$125,000 for Hope Community Resources. She relayed that the requested funds reduced the capital and operating budget; without the Hope residences the budget would rise to pay for more expensive institutional care. She detailed that the request served the neediest Alaskans; residents were disabled and were entitled to Medicaid services. She elaborated that the state was directly responsible for costs the requested funding addressed. She reasoned that choosing to serve Alaskans with disabilities increased the demand for safe, supportive, and cost-effective housing. She added that the state licensing process required the upgrades to facilities. The organization raised approximately \$2 million per year to help pay for the costs.

[6:46:30 PM](#)

KJERSTI VON WICHMAN, RILKE SCHULE, ANCHORAGE (via teleconference), urged support for funding to assist with lease obligations for the school. She detailed that the school had entered a 20-year lease with a local contractor

based on funding granted by the legislature the previous session. Rilke Schule was a charter school and funds were used towards the cost of the facilities. She implored the committee to not pull the rug from underneath the school. She asked for a restoration of funds in the capital budget.

[6:47:24 PM](#)

CORRIE DAVIS, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), urged the committee to support a minimum of \$361,000 for Hope Community Resources. The funds would pay for upgrades to state-licensed residences for disabled Alaskans that the state had ordered Hope to make in addition to other life and safety improvements. She relayed that the capital funding would reduce the state's operating budget. She stressed that the organization needed state funds to comply with state and federal licensing requirements. She elaborated that without capital budget funding Hope would serve fewer Alaskans with disabilities; some of the individuals would then require much more costly institutional care. She underscored that the cost increase would be immediate if the residences closed.

[6:48:38 PM](#)

BART MEYER, EXECUTIVE DIRECTOR, BARANOF ISLAND HOUSING AUTHORITY, SITKA (via teleconference), spoke in favor of the Supplemental Housing Grant Program and Weatherization Program administered by AHFC. He was concerned that at the proposed funding level it was likely that the program would be restructured and any services coming to Sitka would be on a rotational basis from year to year (it had been the system in the past). He emphasized that the merits of the Weatherization program was real; it served primarily lower income individuals. He supported the \$20 million funding level. He communicated that the Supplemental Housing Grant Program was used in Sitka primarily for new development. The housing authority used the program as a match to its federal funding sources; it was used on every development project. He emphasized that the program was critical and requested funding at the \$5 million level.

[6:51:41 PM](#)

REGGIE JOULE, MAYOR, NORTHWEST ARCTIC BOROUGH, KOTZEBUE (via teleconference), relayed that a few years back former Governor Sean Parnell had included a \$2.5 million

appropriation in the capital budget for the planning of an evacuation route out of Kivalina for the purpose of providing safety to the community; the amount was part of a larger request for \$5.7 million. He expounded that Governor Walker had included \$2.5 million in the original capital budget to round out the request to complete the planning process of the road. He stressed that the people of the Northwest Arctic region were working hard to locate other funding sources. He relayed that the community of Kivalina was working to finalize its application for IRT assistance. He urged the reinstatement of \$2.7 million for the evacuation road planning.

[6:54:47 PM](#)

ELIZABETH CRAVALHO, NANA REGIONAL CORPORATION, KOTZEBUE (via teleconference), thanked the committee for its efforts to fund the Kivalina school and urged support for the evacuation road to the new school site. She detailed that the new school would alleviate significant overcrowding. Additionally, the new school would provide a safe haven from dangerous winter storms that continued to threaten the community annually. She relayed that regional partners had worked with the community and other agencies to evacuate the community three times in the past five years; evacuation was only possible by boat or airplane. The new school would provide a more accessible site. She encouraged the committee to include the governor's proposed \$2.5 million for the evacuation road and the school.

[6:56:46 PM](#)

JOEL ALOWA, MANIILAQ ASSOCIATION, KOTZEBUE (via teleconference), urged support of funding for construction of the new Kivalina school. He stated that without the funding to replace the current 40-year old dilapidated building the legislature would be condemning the children in Kivalina from receiving a quality education in a safe and healthy environment. He reminded the legislature that public school funding was a constitutional requirement.

[6:57:45 PM](#)

SAMANTHA MITZ-GENTZ, DIRECT SERVICE ADVOCATE, STANDING TOGETHER AGAINST RAPE, ANCHORAGE (via teleconference), spoke against the elimination of funding for the Alaska Domestic Violence and Sexual Assault Intervention Program.

She stated that the funds were necessary for the ongoing support on domestic violence and sexual assault survivors in Alaska. As an advocate at STAR she had seen the tragic repercussions that interpersonal violence has on a person's life. She relayed that the financial support provided by the state worked to alleviate the burden. She stressed that the program was necessary to ensure the safety and progress for survivors in the state. She provided examples of domestic violence and sexual assault that impacted individuals. She disputed the claim that there were other funding sources that would make up for the loss of state funds. She provided information about her personal experience searching for funds in the past. She shared that the Violent Crimes Compensation Board was not applicable to the majority of STAR clients; the program required, according to law enforcement, likelihood or actual prosecution and guilty verdict. She urged the committee to reinstate the funding.

[7:00:42 PM](#)

ETTA KUZAKIN, PRESIDENT, TRIBAL COUNCIL OF KING COVE, KING COVE (via teleconference), spoke in support of the Weatherization Program administered by the Alaska Housing Finance Corporation. She stated that the program was amazing. She detailed that 61 homes had been weatherized in King Cove since the program's inception. Many of the homes had received new energy efficient heating systems, doors, windows, improved ventilation, and air sealing. She highlighted improved health and safety resulting from the upgrades. Additionally, she spoke to the importance of the Supplemental Housing Development Grant Program, which provided a 20 percent match to federal HUD funds. She communicated that the program had strong support from AHFC, the Walker Administration, and many legislators. She urged the legislature to support the modest level of funding for the programs.

[7:02:58 PM](#)

RICK BERNS, MAYOR, OLD HARBOR (via teleconference), testified in support of funds for the Old Harbor Airport safety and expansion project. He elaborated that the project would extend the current airfield from 2,700 feet to 4,700 feet and would provide side slopes for safety purposes. The community used a private-public partnership to advance the project; it had secured federal and private

contributions totaling above \$9 million. The largest portion of the federal match had been the construction support from the Innovative Readiness Training program; the program provided training opportunities for service members and units to prepare them for wartime missions while supporting the needs of underserved communities. All but 40,000 cubic yards of material had been moved to the site. He relayed that the project had not received state funding the prior year; \$4 million would complete the drilling and blasting for the project and a minimum appropriation of \$2.5 million in FY 16 would provide sufficient funding for construction oversight, monitoring, and drilling and blasting.

[7:05:53 PM](#)

DAN WINTERS, DIRECTOR, PUBLIC UTILITIES, CITY OF UNALASKA (via teleconference), testified in support of a reappropriation of \$1.5 million Unalaska geothermal project to the Unalaska fuel conservation project. The fuel conservation project consisted of pyramid water plant inline microturbines and the installation of the fourth ElectraTherm waste heat recovery unit. The total cost of the projects was \$1.7 million. The community had no problem funding the remainder of the project. The project would save the community 57,000 gallons of fuel per year.

[7:07:15 PM](#)

KIMBERLY CARLO, CHIEF OPERATIONS OFFICER, INTERIOR REGIONAL HOUSING AUTHORITY, FAIRBANKS (via teleconference), spoke in support of the Alaska Housing Finance Corporation Weatherization Program. She shared that Interior Regional Housing Authority served 31 tribes. She relayed that gas was \$10 per gallon in the community. She detailed that clients received energy efficient heating systems; clients need for fuel deliveries decreased and wood for heating lasted longer. She discussed that the organization was able to train residents in communities under the Weatherization Program. She communicated that there were still homes in the Interior and statewide that were in need of weatherization upgrades. For example, weatherization upgrades had been made in Arctic Village where gas cost \$10 per gallon. She requested the reinstatement of funding at the \$20 million level. Additionally, she spoke in support of the AHFC Supplemental Housing Development Grant Program.

7:09:26 PM

PAUL GILL, SELF, FAIRBANKS (via teleconference), spoke in support for funding of the engineering building at the University of Alaska Fairbanks (UAF). He stated that \$31 million was the cost of the entire building; \$10 million was needed to fund the coming year. He believed that if construction was frozen it would cost more to restart construction in the future. He noted that the current building was lacking space. He relayed that the Alaska Center for Unmanned Aircraft Systems Integration organization was located across town from UAF due to a lack of space. He continued that new technology kept coming in, but the university continued to use the old technology as well. He encouraged funding for the new engineering building at UAF.

7:11:23 PM

JACK HEBERT, CEO, COLD CLIMATE HOUSING RESEARCH CENTER, FAIRBANKS (via teleconference), spoke in support of funding for the Cold Climate Housing Research Center. The center developed programs, techniques, and technologies working with housing authorities and AHFC to reduce energy costs by as much as 80 percent and to reduce the cost of buildings by as much as 50 percent. The center was facing a very difficult situation financially; it was looking at a 66 percent decrease in funds from the state. He mentioned federal and private fund sources. The center had been recognized by the Federal Emergency Management Agency as a leader in the effort in cold climate housing. The reduction from \$1.5 million to \$500,000 would be devastating to the organization.

7:13:36 PM

SCOTT BELL, VICE CHANCELLOR, FACILITIES SERVICES, UNIVERSITY OF ALASKA FAIRBANKS, FAIRBANKS (via teleconference), testified in support of funds for the UAF engineering building. The project had been allocated approximately \$70 million thus far, which would be spent by August 2015. He relayed that the building would look beautiful from the outside, but would have no usable space on the inside. He supported a request for \$10 million that would enable classrooms to be finished and other. The number of enrollees in the engineering program had doubled in the past 10 years; the program was really serving a need

in the state. He spoke to building infrastructure in Alaska that served the entire state. He reiterated his request for \$10 million. He spoke in support of funding for the Cold Climate Housing Research Center.

[7:15:38 PM](#)

BRUNO GRUNAU, SELF, FAIRBANKS (via teleconference), testified in support of funding to \$1 million for the Cold Climate Housing Research Center. He recalled that about 10 years earlier the housing authority on the North Slope built a duplex in Anaktuvuk Pass that had cost \$750,000. He opined that rural Alaska was sunk if the cost of housing was that high. He shared that in 2009 the research center had met a goal to build a 1,000 square foot home for about \$200,000; the home used about one-sixth the energy of an average home in the area. He stressed that Alaska needed the organization. He relayed that since 2009 the organization had played a powerful role in providing critical energy saving guidance to homeowners, builders, housing authorities, AHFC, and legislators. Additionally, the center had worked with emergency services to provide relief to disaster communities. He shared that due to the work by the organization home owners could make informed choices about cost-effective upgrades. He asked the committee to restore funding to the governor's proposed level.

[7:18:19 PM](#)

WILLIAM DUSHKIN SR., ALEUTIAN HOUSING AUTHORITY, SAND POINT (via teleconference), testified in support of the Alaska Housing Finance Corporation Weatherization Program. He spoke to the benefits the program had provided to the community. He shared that 51 homes had been taken care of in the community; he was currently on the list for future improvements. He emphasized that the work represented money well spent and cut down on fuel costs by 40 percent. He relayed that the reduction in heating costs had benefit people statewide. He stated that the AHFC program had a 20 percent federal match.

[7:21:17 PM](#)

DR. ANN MARIE O'BRIEN, SUPERINTENDENT, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), testified in support of the school access and village

evacuation road from the community of Kivalina. She noted that Kivalina was the last on the list of schools in the Kasayulie settlement. She thanked the legislature for its efforts towards the construction of the new school. She relayed that the Kivalina school site was approximately 8 miles from the community, which was far away from erosion problems. She provided information about the elected site. She asked the committee to consider that the school was operating at 220 percent capacity; there were 132 children attending school in Kivalina. She thanked the committee for its consideration.

[7:23:32 PM](#)

DOUG BRIDGES, ALASKA MOBILITY COALITION, JUNEAU (via teleconference), testified in support of statewide public and community transportation funding. He relayed that the Senate Finance Committee had decreased the increment from \$1 million down to \$750,000. The increment was extremely important and covered communities throughout the state. He detailed that the Alaska Mobility Coalition had over 150 members; he reasoned that the money was not a handout, but a hand up. He shared that the money had a federal match of 20 percent to 50 percent and higher. He communicated that the Juneau transit system received over \$130,000 from the increment; it also was used as a dialysis transportation system. He discussed that transit represented support for economies. He spoke to the role of transit in supporting hospitals and medical services. The money was administered through the Department of Transportation and Public Facilities. He encouraged the committee to support the funding.

[7:26:08 PM](#)

CHRISTOPHER CONSTANT, FAIRVIEW COMMUNITY COUNCIL, ANCHORAGE (via teleconference), testified against a reappropriation of funds from the Alaska Housing Finance Corporation parking lot near the Gamble Street Gateway Element in Anchorage. He explained that the project was very important to the community and to the roadway through Anchorage. He spoke to time consuming challenges; one of the issues was that the gateway element incurred into the right-of-way onto the federal highway; therefore, the Department of Transportation and Public Facilities had been concerned that safety factors would block the project. He explained that the council had worked with DOT and had received

permission from the Federal Highway Authority for the project to move forward. He stressed that the project had begun moving into construction when he had been notified that the funds were targeted for reappropriation by the municipality. He elaborated that the municipality had communicated to the Department of Commerce, Community and Economic Development that it would like to see the funds continue on the project. He relayed that the project could be constructed within the upcoming four to six months. He asked for a one-year extension; there was \$77,000 remaining in the project.

Representative Munoz asked Mr. Constant to provide the project name.

Mr. Constant responded that the project was called the Gamble Street Gateway Element. He stressed that the project was very important to the road system; it would put a cap on major upgrades that had happened in the past five years. He reiterated that the project was close to completion.

[7:28:56 PM](#)

NANCY ANDERSON, MUNICIPALITY OF ANCHORAGE, DEPARTMENT OF HEALTH AND HUMAN SERVICES, ANCHORAGE (via teleconference), testified in support of funding for the Alaska Domestic Violence and Sexual Assault Intervention Program. She asked the committee to consider an increment for \$850,000 to continue to fund the program that partnered with agencies including STAR, AWAIC, Victims for Justice, the Alaska Police Department, and the municipal prosecutor's office. She discussed that the program gave a message to offenders that the state took sexual assault and domestic violence seriously. She relayed that one out of two women in Alaska reported being sexually assaulted or a victim of an intimate domestic violence interaction. She provided further statistics. The funds supported providing assistance to women and children and getting them into a safe and secure place. The program provided an opportunity for rental assistance. She shared that the program served 38 communities in the state. The program was unique and had existed since 2002; administrators had been looking at expanding and had applied for additional federal funds. She emphasized that partners matched state funds by 54 percent. She urged the committee to continue funding the program.

[7:31:42 PM](#)

MARILYN HOUSER, SELF, ANCHORAGE (via teleconference), spoke against cuts to education funding. She was sickened by the decisions of the current legislature to make deep cuts to education, but to find an additional \$20 million for an unpopular and unneeded road for access to Anchorage's northern district. She emphasized that nine or ten Anchorage community councils opposed construction of the road. She was not surprised that many people had lost faith in the democratic process when so many voices were ignored. She urged the committee to reappropriate the \$20 million in general fund money from the road project to education funding for Anchorage. She stressed that children were the state's future and most important resource.

[7:32:56 PM](#)

RAY OAKLEY, PARENT, INDIAN (via teleconference), referred to testimony by a 12 year-old boy who provided testimony in support of the Rilke Schule charter school in German and English. He testified in support of funds for education. He shared that Rilke Schule was growing; it currently had 450 students and was on track for 500 students. He stressed that the bane of charter schools was facilities; charter schools had the same student funding as other public schools, but they additionally paid for rent. He elaborated that the school had outgrown its current building and had undertaken the construction of a modest new building. He explained that the depended on the funds promised by the legislature the prior year; construction was currently underway.

[7:35:08 PM](#)

KJERSTIN LASTUFKA, PARENT, ANCHORAGE (via teleconference), spoke in support of education funding. She asked the committee to keep funds from HB 278 intact. She stressed that for the Rilke Schule charter school the cuts would mean that 480 students plus teachers and staff could be without a school. She detailed that the school had outgrown its current leased facility two years earlier. She shared that in the current year 57 fourth graders and three teachers were housed in a separate facility due to a lack of space. She explained that in December the school had entered into a legal agreement to construct a facility large enough to house the entire student body. She emphasized that the project had begun; the land had been

cleared and work had started. She stressed that the prefabricated building was due to arrive in May in order to open in the fall. She stated that the school needed a minimum of \$250,000 to keep the project alive. She implored the committee to leave education funding intact.

7:37:00 PM

DEAN BALL, PRINCIPAL, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of education funding. He spoke to the accolades received by the school from a multitude of sources. He was concerned that the program may be in jeopardy. He communicated that the school had entered into a lease to build a facility that would accommodate all of its students. He relayed that the school's current lease was up and the Anchorage School District did not have facilities available for the school. He highlighted that construction was currently underway; \$250,000 was needed to continue.

7:38:25 PM

CARRIE LONGORIA, VICTIMS FOR JUSTICE, ANCHORAGE (via teleconference), testified in support of funding for Victims for Justice. She detailed that the nonprofit organization had supported surviving family members of homicide for over 30 years. The organization also served and advocated for victims of other crimes such as assault, robbery, arson, kidnapping, bullying, and drunk driving. She asked for reinstatement of \$850,000 under the Department of Public Safety for the Alaska Domestic Violence and Sexual Assault Intervention Program. The program had proved effective in coordinative partnerships that emphasize public safety. She elaborated that the program provided emergency funds to assist families and individuals throughout the state; the money was used for urgent necessities such as housing, security, transportation, and relocation. The program partners included Victims for Justice, the Anchorage Department of Health and Human Services, the Department of Law, the Anchorage Police Department, Standing Together Against Rape, and Abused Women's Aid in Crisis. She stressed that Victims for Justice had assisted 167 victims of crime from September 1, 2014 through March 30, 2015. A reinstatement of the funds would enable the important services to continue.

7:40:22 PM

CHRISTOPHER DYKE, SELF, ANCHORAGE (via teleconference), spoke in support of Rilke Schule charter school. He associated himself with testimony provided by his Rilke colleagues throughout the meeting. He spoke to the transformational potential of charter school programs he had seen in the past year. He had experienced parents dedicating countless hours towards making the school community better. He spoke to the new facility under construction and relayed that the efforts had not been without oversight by key members such as the Anchorage School Board and other. He stated that the school's budget depended on funds provided under HB 278 from the previous session; the loss of the funds made the school vulnerable. He requested a reinstatement of two annual increments of \$250,000 for the current and subsequent year. He stressed that \$250,000 was critical to open the school in the fall.

7:42:33 PM

PETER BRANDORFF, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of funds for the charter school's building project that was currently under construction. He remarked that he was fiscally conservative and owned a small business. He was aware of the budget issue in Alaska, but disagreed with the proposed remedy to cut school funding. He was concerned that Rilke Schule would fail based on a lack of funding from the state. He believed including education in the cuts was an oversight and deserved further consideration. He could not believe that balancing the state's budget at the expense of students was the right thing to do. He hoped that through education in the future the current students could prevent situations like the one at hand.

7:43:58 PM

EMILY DAVIES, DATA ANALYST, ALASKA DOMESTIC VIOLENCE AND SEXUAL ASSAULT INTERVENTION PROGRAM, ANCHORAGE (via teleconference), spoke in support of funding for the Alaska Domestic Violence and Sexual Assault Intervention Program. She commented that everyone was aware that Alaska's rates of domestic violence, sexual assault, and child abuse were epidemic. She stressed that the program was the only one in Alaska that provided offender accountability and increased victims' safety. She spoke to the program's success;

recidivism had declined over 50 percent since 2006 and arrests for violations of bail conditions had increased over 481 percent. Additionally, compliance with bail conditions had increased over 100 percent. She detailed that currently the program only addressed misdemeanor domestic violence offences throughout the state (primarily in Anchorage); however, the reduced recidivism and incarceration had saved the state over \$2 million per year. She relayed that the program had applied for federal funding to increase its scope and impact by including felony cases, which would further increase cost savings to the state. She supported parents from the Rilke Schule as well; she believed children were the state's most important resource. She spoke in support of education and a reduction in violence.

[7:46:25 PM](#)

VANESSA WISE, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of funding for the charter school. She agreed that the state needed to balance its budget, but also believed it was important to honor commitments made in HB 278. She stressed that losing funding for the school building would be devastating. She opined that investing in the state's children should be a priority. She urged the committee to maintain funding.

[7:47:35 PM](#)

JACK WALKER, SELF, ANCHORAGE (via teleconference), requested funding to complete the UAF engineering, learning, and innovation facility. He shared that details on the project were located in the academic facilities section of the University of Alaska capital budget request under the title engineering building completion. He relayed that the facility was two-thirds complete. He urged the committee to approve funding to complete the project.

[7:48:39 PM](#)

BRYAN CLEMENZ, SELF, ANCHORAGE (via teleconference), testified in support of funds for the UAF engineering facility. He stressed that Alaska needed engineers; students who graduate in Alaska tend to stay in Alaska. He detailed that in order to attract talented engineers, the state needed the appropriate programs, infrastructure, and facilities. He communicated that the facility was close to

completion. He requested funds for the completion of the project.

7:49:41 PM

JAMES KURTH, PARENT, ANCHORAGE (via teleconference), testified in support of funding for Rilke Schule. He explained that the emersion school was half in German and half in English. He reported that the school's test scores were great and that the school did less with more. He relayed that the school had become so popular it had a lottery process for enrollment. He stressed the creative nature of the school. He requested funds totaling \$250,000 for building construction. He reasoned that there would be a big problem in Anchorage if the 450 students lost their school and had to be incorporated into the Anchorage School District. He underscored that the lack of funding could cripple the school and impacted its current construction project. The funding was needed for the school to continue to thrive. He implored the committee to provide the funding for Rilke Schule.

7:52:00 PM

JONI SCHARFENBERG, FAIRBANKS SOIL AND WATER CONSERVATION DISTRICT, FAIRBANKS (via teleconference), spoke in support of funds to work towards the eradication of the aquatic invasive species elodea in Interior Alaska. She highlighted the state mandate to eradicate the invasive species. The Fairbanks Soil and Water Conservation District had received \$400,000 towards eradication. Currently, the Department of Natural Resources was working to eradicate elodea in Anchorage lakes. She explained that Interior Alaska had first discovered the invasive plant in 2010 and had been compiling piecemeal funding towards control (with little success at eradication). The elodea infestation in the Chena Slough, Chena Lakes, and Chena River posed a grave threat to the state fisheries economy and recreational activities. The invasive traveled by float plane, boat, and trailers to other bodies of water. She stressed that the more time that went by, the harder it would be to control. She stated that there was federal and private funding available if there was state match. She asked the committee to consider the consequences of no funding for elodea eradication. Additionally, she asked for funding for Alaska Soil and Water Conservation Districts.

[7:54:00 PM](#)

JAMES WILEMAN, PARENT, ANCHORAGE (via teleconference), testified in support of the restoration of education funding for the charter school Rilke Schule. He stressed that education, social services, and infrastructure were all extremely important. He urged the committee to restore the \$250,000 that had been removed from the budget. He drew the committee's attention to the number of people in support of the school and the wide footprint the school had. He thanked the committee for its service. He underscored that the school and community had worked very hard to be good stewards. He stressed that the school, parents, and others were counting on the legislature to provide the funding. He urged the committee's support.

[7:55:44 PM](#)

MOLLY RETTIG, SELF, FAIRBANKS (via teleconference), spoke in support of the Cold Climate Housing Research Center. She detailed that the funding had been reduced from \$1 million in the governor's proposed budget to \$500,000. She shared that the house she lived in used a wall system designed by the center. She relayed that it would not be possible to use the innovative designs without the center. She believed energy efficiency was one of the best investments the state could make. She reasoned that spending \$1 million per year on research was a good deal when the research helped to save tens of millions of dollars annually. She stated that she and other Alaskans were saving thousands of dollars per year on energy bills. She detailed that prototype houses across the state were reducing energy costs by up to 80 percent. She discussed further attributes of the center. She emphasized that cutting funding so dramatically would hurt Alaska homeowners.

[7:57:23 PM](#)

DANIEL BLAIR, MAYOR, WHITTIER (via teleconference), testified in support of funding for the design and engineering stage of six launch ramps and a 150-foot boat harbor located at the head of Passage Canal. The project was funded 90 percent by federal dollars; a \$300,000 state contribution would be matched by \$3 million in federal funds. He detailed that the construction of the breakwater and turning basin was also funded at the 90 percent federal level. He discussed that construction of the launch ramps

would improve recreational access to Prince William Sound for the Southcentral boaters, would reduce congestion at the ferry terminal, increase tunnel traffic, and provide much needed capital improvement to Whittier's limited infrastructure base.

[7:58:32 PM](#)

ALYSE GALVIN, GREAT ALASKA SCHOOLS, JUNEAU, spoke in support of funding for education. She shared that there were schools statewide that were doing wonderful, innovative things. She believed it would behoove the committee to provide funding to education. She pointed to hands on learning and all kinds of ways to bring good choices to parents. She understood that Alaska was in difficult fiscal times. She urged the committee to put education first because without it when the state was really struggling it would not have the mind set and the brain power to innovatively solve the problem. She emphasized that there were great things happening in public education that were very important.

[8:00:44 PM](#)

DEENA MITCHELL, GREAT ALASKA SCHOOLS, JUNEAU, spoke in support of education funding. She stressed that there were many great schools statewide that were doing wonderful work. She emphasized that it made no economic sense to take money from education. She encouraged the committee to take \$32 million to put it back in the education system. She stressed that every dollar spent was an investment. Additionally, she spoke in support of early learning programs. She underscored that children only went through school once; there was no do over. She thanked the committee for its time.

[8:02:28 PM](#)

CAROLYN RAMSEY, CITIZENS FOR RESPONSIBLE DEVELOPMENT, ANCHORAGE (via teleconference), testified against the northern access to Bragaw Street did not represent responsible development. The organization asked for the funding to be repealed and returned to the general fund to assist the state in its current financial crisis. The previous year former Governor Parnell had proposed an unallocated cut to the university system of \$14.9 million. She detailed that the cut was from the university's bottom

line and was made to give \$14.9 million of right-of-way land to the northern access road. She stated that as of February the road had decreased to a two-lane road with \$20 million from the legislature and the \$14.9 million from the university. She continued to speak against the costly project. She spoke to increased traffic that would result in the area due to the project. She stressed that the state had much better uses for \$35 million than to build a road that was less than one mile long.

8:05:20 PM

BRYAN ANDERSON, RILKE SCHULE, ANCHORAGE (via teleconference), spoke in support of funding for Rilke Schule. He stated that the quality school options in Anchorage were a major benefit to living in Alaska. He relayed that charter schools like Rilke continued to be responsible stewards of funds they received. He communicated that Rilke needed financial stability to enable long-term financial planning of its capital projects. The charter school needed \$250,000 for the construction of its new facility.

8:05:59 PM

CHANTAL WALSH, SELF, ANCHORAGE (via teleconference), spoke in support of funding for the university engineering building in Fairbanks. She spoke in support of the University engineering programs in Fairbanks and Anchorage. She stated that in the last decade the programs had more than doubled the number of graduating engineering students. The state had allocated capital funds to build on the Anchorage and Fairbanks campuses. She requested funds to complete the engineering building on the UAF campus. She stressed that the \$10 million request was critical to nourish the continued growth and innovation the engineering program offered to Alaska's future.

8:07:30 PM

CHRIS TURETES, FACILITIES DIRECTOR, UNIVERSITY OF ALASKA ANCHORAGE, ANCHORAGE (via teleconference), asked for the restoration of a minimum of \$8 million in the governor's proposed budget for deferred maintenance and renewal for the university. He detailed that the funding helped the university to maintain and renew existing facilities. He asked the committee fund the increment of \$8 million to \$10

million for the UAF engineering building; the building was currently under construction. He spoke to deferred maintenance funding that allowed the university to plan and accomplish work in a deliberate manner. He spoke to various improvements. Without the funding the university was unable to conduct the deep infrastructure renewal and repair work (e.g. roof replacements, boilers, and other). He stated that an absence of the funds would bring the university back 10 to 12 years when many building systems had not functioned properly. He relayed that there was still a large backlog of maintenance needs. He asked for continued support.

Co-Chair Thompson CLOSED public testimony.

HB 26 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the schedule for the following day.

ADJOURNMENT

[8:11:05 PM](#)

The meeting was adjourned at 8:11 p.m.