

HOUSE FINANCE COMMITTEE
March 3, 2016
1:04 p.m.

1:04:18 PM

CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting to order at 1:04 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

PRESENT VIA TELECONFERENCE

Kathy Hanson, Self, Bethel; Sally Russell, Self, Bethel; David Trantham, Self, Bethel; Barbara Bryson, Imagination Library, Valdez; Mollie Good, Valdez Consortium Library, Valdez; Kimberlee Michaud, Valdez Imagination Library, Valdez; Gayle Eastwood, Self, Petersburg; Stephen Todd, Self, Wrangell; Patrick Mayer, Superintendent, Wrangell Public Schools, Wrangell; Chris Hatton, Self, Wrangell; Kim Knudsen, Norton Sound Health Corporation, Nome; Doug Walrath, NACTEC, Nome; Steven Randall, Parent, Nome; Jon Stavig, CFO, City of Cordova, Cordova; Alexis Cooper, Cordova District Fishermen United, Cordova; Mike Mickelson,

Self, Cordova; Denny Weathers, Self, Cordova; John Anderson, KCHU Radio, Valdez; Betsy Jumper, Self, Bethel; Mary Nanuwak, Self, Bethel; Nikki Hoffman, Orutsararmut Native Council Senior Services, Bethel; Henry Hunter Sr., Alaska Village Council Presidents (AVCP), Bethel; Kristin Carpenter, Copper River Watershed Project, Cordova; Jeff Jabusch, City of Wrangell, Wrangell; Marvin Poyourow, Social Worker, Norton Sound Region, Nome; Tim Andrews, Self, Bethel; Stephen Alexander, Self, Elfin Cove; Gary E Williams, Organized Village of Kake, Kake; Ivan Ivan, City of Akiak, Akiak; James Squyres, Self, Rural Deltana; Pam Goode, Self, Rural Deltana; Albert Ningeuolk, Self, Shishmaref; Emily Gray, City Council Member, Allakaket; Mary Bryan, Self, Seward; Mary McMahon, President of Alaska Secondary School Principles, Palmer; Donald Hartmann, Self, Haines; Melissa Aronson, Self, Haines Library; Jeanne Gerhardt-Cyrus, Self, Kiana; Merilee Weyiouanna, Self, Nome; Geoff Widdows, Self, Yakutat; Melissa Lester, Self, Galena; Steve St Clair, Self, Wasilla; Arlene Soxie, XYZ Senior Group, Nome; Timothy Schuerch, Maniiliq Association, Kotzebue; Mayor Clay Walker, Denali Borough, Healy; T Frank Box, Access Alaska Head Injury Support Group, Anchorage; Dordie Carter, Hollis Public Library, Hollis; Debra Schnabel, Haines Chamber of commerce, Haines; Jan Hill, Mayor of Haines, Haines; Carl Kancir, Self, Anchorage; John Strassenburg, Self, Talkeetna; Ruth Wood, Self, Talkeetna; Joan McBeen, Self, Tenakee Springs; Galena Erickson, Self, Seward; Deborah Potter, Self, Skagway; Jennifer Thuss, Self, Skagway; David Stone, Self, Yakutat; Heather Powell, Raven Radio Board Member, Sitka; Mark Halber, Self, Fairbanks; Rosalind Attatayuk, XYZ Senior Group, Nome;

SUMMARY

HB 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 APPROP: MENTAL HEALTH BUDGET

HB 257 was HEARD and HELD in committee for further consideration.

#hb256
#hb257
HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and 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."

HOUSE BILL NO. 257

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

[1:04:22 PM](#)

Co-Chair Neuman discussed the meeting agenda.

^PUBLIC TESTIMONY: BETHEL, CORDOVA, KOTZEBUE, NOME, VALDEZ, WRANGELL

[1:05:51 PM](#)

KATHY HANSON, SELF, BETHEL (via teleconference), thanked the committee for its work. She urged the committee to restore funding for public broadcasting. She needed to ensure that the committee understood how important public broadcasting is to rural Alaska. She emphasized that public broadcasting was the only region-wide means of communicating emergency messages, search and rescue, weather, and public safety information. She stressed that even with local donations the station could not survive another round of deep cuts. She relayed that if the state did not fund public broadcasting, federal matching grants would be lost.

[1:07:23 PM](#)

SALLY RUSSELL, SELF, BETHEL (via teleconference), was willing to pay a state income tax and forgo her PFD to keep

money flowing to seniors, children, mentally ill, and public broadcasting. She shared that public radio ran the news daily in Yupik and in English; it was the community source for statewide, national, and international news. The rural/urban divide seemed to be stretching to a breaking point. She stated that the local station would be looking at closure in a couple of years if funding was cut so drastically.

1:09:30 PM

DAVID TRANTHAM, SELF, BETHEL (via teleconference), stated that during the hard financial times it was time for "us" to start paying a little more. He spoke in support of public broadcasting. He shared that the radio station provided news to rural communities. Any support the committee could give to restore a portion of the funds for public broadcasting would be appreciated. He stressed that it was incredibly important for the region; it kept residents informed of emergencies and news. He did not want to lose federal funding.

1:12:05 PM

BARBARA BRYSON, IMAGINATION LIBRARY, VALDEZ (via teleconference), thanked the committee for its work. She spoke in support of funding for the Imagination Library and Best Beginnings. She stated that unfortunately there were many communities in the state that needed the financial help that Best Beginnings supported. She shared that research showed that kids were more successful in school when they read regularly at home. Alaska ranked lower than 41 other states based on fourth grade testing results. She discussed the high number of kids enrolled in Imagination Library in Alaska. She stated that about 7,000 kids repeated a grade in Alaska. She detailed that it was much more cost efficient to make an early financial investment to start children on track than to be forced to intervene during K-12 years in order to keep a child on track.

1:15:00 PM

MOLLIE GOOD, VALDEZ CONSORTIUM LIBRARY, VALDEZ (via teleconference), testified in favor of the Online with Libraries program and early literacy training. She shared that the early literacy training that had been provided to the Valdez library staff would not have been possible

without OWL video conferencing. She discussed that OWL leveraged federal e-rate funds. She stated that OWL broadband support and video conferencing supported internet costs for 43 of the smallest Alaskan public libraries. She spoke in favor of full funding for broadband.

[1:16:15 PM](#)

KIMBERLEE MICHAUD, VALDEZ IMAGINATION LIBRARY, VALDEZ (via teleconference), spoke in support of the Imagination Library. She shared that the program had provided invaluable early literacy through its book delivery program to over 300 children in the community. She testified in favor of full funding for Best Beginnings and Parents as Teachers. She spoke to the importance of early learning. She encouraged the committee to solve the fiscal issues facing the state and to support its children.

[1:17:54 PM](#)

GAYLE EASTWOOD, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She explained that public radio was the only means of hearing the news in the bush. She discussed that public radio was essential in keeping individuals in the bush connected. She understood that cuts must be made somewhere, but she did not support cuts to public radio. She stated that money could be saved in other areas. For example, she did not believe that the Department of Fish and Game needed vessels for seasonal use. She suggested contracting for vessels from the commercial fleet for the stock assessment surveys and other. She asked for the elimination of the fast ferries, but supported Alaska Marine Highway System (AMHS). She stressed that AMHS was the road in Southeast. She stated that removing the bars from the ferries was a mistake because they had made money.

[1:20:29 PM](#)

STEPHEN TODD, SELF, WRANGELL (via teleconference), spoke in favor of sustainable funding for public broadcasting. He did not support a 100 percent cut, which would cause the local station to shut down. Without the funds the station would lose its federal funding. He stressed that public radio was crucial for the region; it informed the community about emergencies, government issues, kids' sports, news, and other. He stated that without public broadcasting the

community would not be connected. The community did not have the resources to recoup the extensive loss.

1:22:48 PM

PATRICK MAYER, SUPERINTENDENT, WRANGELL PUBLIC SCHOOLS, WRANGELL (via teleconference), urged the committee to keep education in the forefront of budget discussions. He supported the increase of \$50 to the Base Student Allocation (BSA). He discussed that costs continued to escalate. He shared that monies in the Wrangell School District and others across the state were put to good use for the students. He was concerned about the significant proposed cuts to Department of Education and Early Development. He emphasized that districts relied on support they received from the department. He believed that if the department's budget was cut any further it would not be able to adequately address compliance issues that supported the state's ongoing receipt of federal dollars for programs like Title 1. He spoke against the cuts that would reduce personnel.

1:24:29 PM

CHRIS HATTON, SELF, WRANGELL (via teleconference), urged the committee to restore funding for public broadcasting. She relayed that the local public radio station kept the community informed of local, regional, and national news. She shared that living in small town Alaska afforded her the luxury in choosing whether to engage in the broader issues; she chose to be informed. She stated that public broadcasting kept the community connected about local events and updates related to safety and emergency services. Without the radio station she would have little information about state government.

1:26:44 PM

KIM KNUDSEN, NORTON SOUND HEALTH CORPORATION, NOME (via teleconference), testified in support of funding for behavioral health services. She had worked for a youth residential program early in her career, but it had been shut down due to a lack in state funding. The goal had been to keep the region's children in the communities without sending them out. After the program had closed kids had been sent out of the region and some had never returned. She was concerned that it would happen again. She had heard

that the Nome youth facility may have to shut down due to cuts. She stated that sending kids out of the region was costly and inefficient. She stressed the importance of maintaining services for families, adults, and children in rural Alaska. She spoke to Medicaid expansion and stated that the revenue increase had not yet been realized. The cuts to behavioral health grants would dramatically impact rural Alaska.

[1:28:36 PM](#)

DOUG WALRATH, NACTEC, NOME (via teleconference), supported more time spent on revenue generation for the state. He was opposed to the cuts to pre-K grants and education. He was concerned that the cuts would hamper children at the expense of the state's future workforce. Cuts made today were not true budget reducing measures; a dollar saved today was not a savings if it cost the state \$3 in 10 years. He stressed that one way or another the state would pay for services. He thanked the committee for its work.

[1:30:46 PM](#)

STEVEN RANDALL, PARENT, NOME (via teleconference), testified in opposition to education cuts. He had seen how pre-K education had enhanced his child's growth mentally, physically, and socially. He did not believe that his daughter would be ready to apply herself without the education. He believed education should be the forefront of a child's life. He stressed that preschool gave children the ability to move forward.

[1:32:45 PM](#)

JON STAVIG, CFO, CITY OF CORDOVA, CORDOVA (via teleconference), asked the legislature to not make budget cuts the sole purpose. He spoke to the importance of getting beyond the difficult financial times. He voiced opposition to funding cuts to the Alaska Marine Highway System. He referred to a study showing that for every dollar the state put into the AMHS, \$2 was generated into the economy. He stated that the budget removed the fast ferry funding; he appreciated the service, but using the slower vessels would result in decreased economic activity. He relayed that Cordova was facing its own budget challenges; fisheries tax receipts had been well under projected estimates in recent years and federal timber

receipts had steadily declined over the past several years and may sunset after the coming year. Additionally, contract jails funding had been cut by \$100,000 the preceding year. He thanked Representative Edgmon for maintaining funding at the \$7 million level in the current year. Cordova provided the maximum allowable local contribution to its schools. He wanted to continue supporting the schools at the current level. He asked the committee to remember the health of the local governments and economy.

[1:34:51 PM](#)

ALEXIS COOPER, CORDOVA DISTRICT FISHERMEN UNITED, CORDOVA (via teleconference), spoke in support of the commercial fishing industry. The success of the businesses relied on the Department of Fish and Game's ability to provide responsive in-season management. Management that ensured the sustainability of the resource and maximized opportunity to harvest the surpluses. She discussed that existing commercial fisheries taxes generated revenue that benefitted rural and urban communities. Continued cuts to DFG would threaten its ability to maintain its core management functions and the revenue it generated for Alaska. She stressed that commercial fisheries were one of the state's most sustainable industries and with proper funding it would generate opportunity and revenue for the state and its residents in perpetuity.

[1:36:52 PM](#)

MIKE MICKELSON, SELF, CORDOVA (via teleconference), urged the committee to restore funding for public broadcasting. He testified against cuts to the Department of Fish and Game. He relayed that cuts to the department directly impacted his bottom line and the amount of fish taxes coming into the state. He discussed that if fishing was not open because Fish and Game did not have the budget to fly and do stream counts, it would directly impact all participants' revenue stream. He opined that it would be much better to implement an income tax than to cut the budget further. The number of people he employed could directly be impacted by DFG management decisions. He supported a restructuring of the PFD or the elimination of the dividend to bring in revenue.

[1:38:45 PM](#)

AT EASE

[1:50:34 PM](#)

RECONVENED

Co-Chair Neuman noted that there were currently no additional testifiers online.

[1:51:00 PM](#)

AT EASE

[2:00:53 PM](#)

RECONVENED

DENNY WEATHERS, SELF, CORDOVA (via teleconference), spoke in opposition to the operating and mental health budget. She stated that oil revenue may be a part of the state's shortfall, but the real problem was due to government overspending. She stated that politicians had created a debt. She was opposed to the use of the Permanent Fund Dividend as a source of revenue. She discussed that Alaskans depended on the PFD. She stressed that Alaskans did not need any new taxes. She supported cutting government and end to over spending.

[2:03:41 PM](#)

AT EASE

[2:17:37 PM](#)

RECONVENED

Co-Chair Thompson noted that there were currently no additional testifiers online.

[2:17:59 PM](#)

AT EASE

[2:34:58 PM](#)

RECONVENED

Vice-Chair Saddler noted that there were currently no additional testifiers online.

[2:35:30 PM](#)

AT EASE

[2:50:13 PM](#)

RECONVENED

Vice-Chair Saddler noted that there were currently no additional testifiers online.

[2:50:36 PM](#)

AT EASE

[3:10:59 PM](#)

RECONVENED

JOHN ANDERSON, KCHU RADIO, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. He thanked the committee for its work. He was opposed to the zeroing out of the budget for public radio. He stated that even a cut of 50 percent was better than a cut of 100 percent. He relayed that federal funds were contingent on state funding. He relayed that the Valdez station would close if it lost all of its state funding. He thought that the foundation of democracy was a well-informed public.

[3:13:02 PM](#)

BETSY JUMPER, SELF, BETHEL (via teleconference), urged the committee to restore funding for public broadcasting. She stated that public radio was vital for rural Alaska, and it was sometimes a matter of life and death. She communicated that not everyone had electronics and fancy computers or cell phones. She related that people depended on public radio to get messages and relay very important information.

[3:14:11 PM](#)

MARY NANUWAK, SELF, BETHEL (via teleconference), testified in support of funding for mental health services. She spoke to mental health and people who became discouraged and turned to alcohol and drug use. Often time's people ended up doing things they should not do as a result. She believed that money remaining in the Alaska Mental Health Trust Authority (AMHTA) should be going to the regions or the villages, which would do more good. She stated that everyone in the villages worked together and understood what the problems were. She testified in support of funding for public radio because many times it was the only way villages could keep up with news. She relayed that many village residents did not have access to computers.

3:16:29 PM

NIKKI HOFFMAN, ORUTSARARMIUT NATIVE COUNCIL SENIOR SERVICES, BETHEL (via teleconference), testified against cuts to senior services. She asked the committee to consider prudence when cutting the operating budget for the program. She detailed that the senior services program in Bethel served approximately 60 plus elders. The program had two primary state funding grants including the nutrition, transportation, and support service grant and the adult day service grant. She stated that the funds were used to provide vital services to meet the basic needs of older Alaskans living in Bethel. She pointed out that the elder population was increasing, and discussed the importance of nutrition. She discussed the expense of nutrition in rural parts of the state, and stated that the seniors in the region relied heavily on the food that was provided. She discussed that many clients relied on the senior services program for transportation to the adult day center. She encouraged the committee to increase the funding for senior services.

3:20:21 PM

AT EASE

3:34:47 PM

RECONVENED

HENRY HUNTER SR., ALASKA VILLAGE COUNCIL PRESIDENTS (AVCP), BETHEL (via teleconference), testified in support of the Power Cost Equalization program (PCE). He shared that the program helped families in the AVCP region. He related that the Secretary of Energy had visited the area and understood the hardship associated with the high cost of energy in the region and the low income of the majority of the 56 villages in the Yukon Kuskokwim Delta. He thought it would pose a hardship for low income families if the state cut into the PCE program. He supported funding for veterans programs. He discussed that there was a high percentage of older veterans living in the region who lived on a fixed income.

3:37:36 PM

KRISTIN CARPENTER, COPPER RIVER WATERSHED PROJECT, CORDOVA (via teleconference), encouraged the committee to consider

new revenues for the state. She expressed concern about cuts to the Department of Fish and Game; Cordova relied heavily on sound fisheries management to ensure that its fishery was sustainable. She believed there were many places where proposed cuts had the potential to really hurt the fishing industry in Cordova. She discussed potential cuts to research, fish weirs, and other areas. She voiced opposition to funding cuts to the Alaska Marine Highway System. She discussed the importance of the ferry system to communities. She referenced a McDowell group study related to the generation of funds for the Alaska economy by the ferry system. She mentioned a recent presentation by fiscal analyst Gunnar Knapp and discussed the importance of diversification of revenue. She did not see a way to cut enough from the budget. She would rather have her Permanent Fund Dividend taken than see all of the proposed cuts.

[3:40:55 PM](#)

AT EASE

[3:46:37 PM](#)

RECONVENED

JEFF JABUSCH, CITY OF WRANGELL, WRANGELL (via teleconference), expressed support for funding the budget at the governor's proposed level that included some funding of revenue sharing, which accounted for 10 percent of the community's general fund budget. He stated that the cut would come at a cost of reduced services, especially in smaller communities that did not seem to have the revenue generating options and tax base of larger communities. He observed that there may be other ways to assist local governments if the cuts were necessary. For example, he stated that a good look at the property tax exemption law would be an option. He specified that Wrangell had the highest percentage of senior exemptions in the state. He stated that it was hard to fund services when a large percentage of the property was exempt for seniors. He had no problem for seniors in need receiving the exemption, but in many cases the exemption was for the wealthier. He urged the committee to restore funding for public broadcasting. He pointed out that public radio was essential to the community. He supported a balanced budget.

[3:49:22 PM](#)

MARVIN POYOUROW, SOCIAL WORKER, NORTON SOUND REGION, NOME (via teleconference), testified in support of funding for behavioral health services. He addressed the Nome Youth Facility and stated that it would be very difficult for the youths to have a life if they had to go to a community that was far away from their own and in a system where they had less chance of making it and returning home. He discussed his work coordinating psychiatric emergency services in the region. He stated that the program had so few resources that it was almost outsourcing 8 out of 10 patients. He estimated that the region had the highest suicide rate in the state. There was significant prevention work underway to try to prevent more suicides. He appealed to the committee to look to Medicaid as a revenue source, and worried that opportunities would be lost while the public was waiting.

[3:52:23 PM](#)

TIM ANDREWS, SELF, BETHEL (via teleconference), urged the committee to restore funding for public broadcasting. He stated that he was a beneficiary of the local radio station KYUK, and relayed that it important programs for the community. For example, he spoke to fisheries regulations and explained that public radio was the only source of any kind of information when people were out at fish camps. He discussed utilization of public radio for information related to game harvest parameters. He mentioned that many people did not have internet services or other means of communication beyond public radio. He stated that the station also provided weather alerts to the community.

[3:55:02 PM](#)

Co-Chair Thompson discussed the afternoon schedule for public testimony.

[3:55:31 PM](#)

AT EASE

[4:16:17 PM](#)

RECONVENED

^PUBLIC TESTIMONY: OFF-NETS

[4:16:17 PM](#)

STEPHEN ALEXANDER, SELF, ELFIN COVE (via teleconference), urged the committee to restore funding for public broadcasting. He was the local tsunami liaison in Elfin Cove. He indicated how important public radio was in providing emergency notifications to the rural areas of Alaska. He relayed that internet service was sporadic in the area where he lived and, therefore, felt that losing funding would be a significant hit to the area's emergency alert system. He urged members to support public radio and thanked the committee for allowing him to testify.

[4:18:58 PM](#)

GARY E WILLIAMS, ORGANIZED VILLAGE OF KAKE, KAKE (via teleconference), urged the committee to restore funding for public broadcasting. He spoke about the importance of public radio because of emergency communications stressing its critical role in his community. He also noted other benefits such as having access to world news and entertainment. He thanked the committee members for their time and urged the continuation of funding for public radio.

[4:21:12 PM](#)

IVAN IVAN, CITY OF AKIAK, AKIAK (via teleconference), urged the committee to restore funding for revenue sharing. He commended Governor Walker for proposing extra funding for the program. He spoke about the removal of \$35 million by the House Finance Committee on February 29, 2016. He felt that a community should never be ignored or forgotten because of its distance or citizenship. He asked committee members to consider continued funding for a very important program. He suggested that cities of Alaska were common voices of reason for the governor and legislators as they guide government. He mentioned the high cost of living in rural areas of Alaska. He thanked members for the opportunity to testify and asked for their support for the revenue sharing program.

[4:24:20 PM](#)

JAMES SQUYRES, SELF, RURAL DELTANA (via teleconference), urged members to make deeper cuts to the budget. He disagreed with the governor's vision of a state income tax or slicing off a portion of the PFD. He endorsed the judicious use of the earnings reserve and the power of the

Majority under the caucus rule. He suggested lowering the overall budget to \$4.5 billion in the current year. He furthered that after achieving a \$4.5 billion budget legislators should look at funding sources such as the PCE fund and the Higher Education Fund. Had these measures been taken in the prior year a valuable precedence in the crisis as many had advised. He relayed having attended the governor's 3 day tax workshop held in the previous summer. He disagreed with the governor's suggested plan. He provided several examples of how the fiscal crisis could be resolved. He concluded his testimony urging the legislature to roll back the size of government.

[4:26:21 PM](#)

PAM GOODE, SELF, RURAL DELTANA (via teleconference), expressed her concern hearing testimonies from others from around the state encouraging additional taxes and the use of PFD's. She had never met one person who said they wanted to be taxed, nor had her husband who was an accountant. She spoke against the governor's fiscal plan and implored the legislature to make additional cuts.

[4:28:26 PM](#)

ALBERT NINGEUOLK, SELF, SHISHMAREF (via teleconference), testified that he supported what the Alaska Commission on Aging was advocating for to help Alaska's elders. He relayed that living in rural Alaska was very expensive particularly for elders living on a fixed income. He argued on behalf of the continuation of funding for senior services such as the senior benefits program and the home heating program. He cited examples of the high cost of living in Shishmaref. He voiced his support for programs that help the elders. He invited the governor to his village to stay for a week to provide perspective. He thanked the committee for the opportunity to provide his testimony.

[4:30:18 PM](#)

ROSALIND ATTATAYUK, XYZ SENIOR GROUP, NOME (via teleconference), testified against cuts to senior services, services for the disabled, and mental health services. She relayed her concerns about the high costs of living in rural Alaska. She emphasized the importance of facilities like XYZ Senior Group. She invited one of the members to

live in a rural village for a year to have a better perspective of village life. She mentioned having to skip meals because of the high cost of food, sleeping without heat, and using honey buckets.

[4:33:53 PM](#)

EMILY GRAY, CITY COUNCIL MEMBER, ALLAKAKET (via teleconference), spoke in support of maintaining the revenue sharing program. She opined that without the program her community would lose many services. For every second class city the monies were used for basic services such as administration costs, road maintenance, street lights, garbage disposal, and maintaining proper cleaning and sanitizing of the health clinic. The city greatly appreciated the revenue sharing funding. She believed that without the funding all of the basic services would not be met. She relayed the negative impacts that would potentially result with the loss of services. She urged committee members to restore this vital funding. She thanked the committee for listening to her testimony.

[4:35:41 PM](#)

MARY BRYAN, SELF, SEWARD (via teleconference), spoke of being an elderly person of 80 years old who had lived in Alaska since 1944. She advocated on behalf of people living in the rural areas as well as for seniors. In Seward the Independent Living Center, slated for a 5 percent decrease in funding, was accessible to seniors. She also urged the committee to restore funding for public broadcasting. She felt that the state had to do something for the elderly. She thanked the committee.

[4:38:22 PM](#)

MARY MCMAHON, PRESIDENT OF ALASKA SECONDARY SCHOOL PRINCIPLES, PALMER (via teleconference), spoke in favor of funding education. She also stated that she was willing to do her part. She encouraged members to think of Alaska's students as the future of Alaska. She also supported enhanced revenue measures. She encouraged the restoration of the broadband assistance grant for rural Alaska, as it was a critical component for districts to be able to provide innovative ways of advancing student learning through technology. Shae asked that the statewide mentoring program be restored in order to retain teachers in rural

areas. She was concerned with cuts made to Department of Education and Early Development because of the potential impact on support to districts throughout the state. She asked legislators to hold the Base Student Allocation (BSA) steady. She thanked the committee for the work it did and for its time.

[4:40:49 PM](#)

DONALD HARTMANN, SELF, HAINES (via teleconference), testified against cuts to senior services. He understood the necessity of cutting the budget. He did not think it made sense to cut programs that actually saved the state money. He relayed a personal story about being handicapped. He was depended on an electric wheel chair for mobility and had spent most of his life in and out of nursing homes. The last time he had lived in a nursing home was about 8 years prior. He was able to live independently though Southeast Alaska Independent Living (SAIL) which changed his life. He had home support allowing him to live independently and SAIL helped in in applying for home modification grants to get a chair lift installed and to make his bathroom wheelchair accessible. If he had not had the help of SAIL he would still be living in a nursing home paid for by Medicaid costing the state significant money. He urged legislators to reconsider their decision. He thanked the committee.

[4:43:07 PM](#)

MELISSA ARONSON, SELF, HAINES LIBRARY (via teleconference), indicated she was willing to do her part including paying taxes. She urged the committee to restore funding for public broadcasting. The state funds that went to public radio were used to match federal funds and funds for other grants. She felt that the service was necessary in the rural areas especially for emergency notification purposes. She also testified in favor of the Online with Libraries program. She thanked the committee.

[4:44:35 PM](#)

JEANNE GERHARDT-CYRUS, SELF, KIANA (via teleconference), was concerned with funding cuts for lower-level services available in rural communities. In particular, community developmental disability grants which allow people with disabilities to remain in their own community around their

family and culture. She support behavioral health grant funding as well. She felt that without on-the-ground supports programs could not meet the level of needs leading to a rise in the level of crisis and ultimately additional costs to the state. She added that cutting certain services would sabotage prison reform and increase recidivism of people with disabilities. She also opposed closing the Nome Youth Facility. Removing youth out of region to a city did not bode well for them taking them away from family and culture. She urged members to restore funding for community-based services. She thanked the committee for its time.

[4:46:52 PM](#)

MERILEE WEYIOUANNA, SELF, NOME (via teleconference), urged support for the XYZ senior group. The program helped provide meals for people such as herself. She would otherwise to struggle to cook for herself to be able to eat. She thanked the committee for listening.

[4:47:55 PM](#)

GEOFF WIDDOWS, SELF, YAKUTAT (via teleconference), urged the committee to restore funding for public broadcasting. He stressed the importance of public radio in his small community. Although the community had cell service and internet, they were both Raven Radio had been a tremendous asset to the community of Yakutat and other communities. He asked the legislature to fund public radio as much as possible. He appreciated the opportunity to testify.

[4:49:15 PM](#)

MELISSA LESTER, SELF, GALENA (via teleconference), called in reference to the possible closure of the Northway Department of Transportation Facility. She and her husband had lived in Northway for 3.5 years while he was stationed there as an Alaskan State Trooper. She contended that the Northway DOT provided construction, road maintenance, and trooper vehicle maintenance. She defined his previous territory, which consisted of thousands of miles, and commented on the importance of road and vehicle maintenance. The DOT facility provided safety for the trooper who, in turn, provided safety for citizens. She wanted to support the funding for the Northway DOT facility. She thanked the committee members for their time.

4:52:08 PM

STEVE ST CLAIR, SELF, WASILLA (via teleconference), thanked certain legislators for recognizing that Alaska was in a fiscal crisis. He specifically thanked Representative Gattis for her hard work. He did not agree with funding non-profit organizations if the state offered the same services. He thought a matrix should be established for non-profits to measure success and failure. He favored the United for Liberty Plan, a road map to a sustainable budget. He recommended that legislators used it as a tool to attain a sustainable budget. He also suggested that the state should not fund anything that was not constitutionally mandated. He suggested that one university rather than three was mandated in the constitution. He encouraged anyone that supported paying additional taxes or donating a portion of their PFD could send a check to Department of Revenue. He wished the committee well.

4:54:11 PM

ARLENE SOXIE, XYZ SENIOR GROUP, NOME (via teleconference), was willing to pay a small tax for education, as it was vital for the future of the children of Alaska. She referred to a previous state tax. She spoke against cuts to senior services. She also supported the funding of behavioral health programs and believed heating assistance was necessary for those living in rural Alaska. She encouraged legislators and sympathized with the job they had ahead of them. She thanked the committee.

4:56:08 PM

TIMOTHY SCHUERCH, MANIILIQ ASSOCIATION, KOTZEBUE (via teleconference). The Maniiliq Association was the tribal health organization that provided health and social services to about 8 thousand people in the Northwest part of the state. The association understood the challenge legislators faced and was supportive of their efforts. He spoke of having met with President Obama about expanding payment of the federal share of Medicaid in an amount that totaled about \$100 million in savings to the state Medicaid budget each year. There were some cuts he did not favor, He encourage restoring funding to the following programs: The senior and community based grants, the community development and disability grants, the adult Medicaid

dental program, and the behavioral health and recovery grants. The 4 grant programs enabled the provision of critical services to some of Alaska's most vulnerable individuals (Low income elders and children, and the disabled). He did not believe it was right to balance the budget on the backs of the poorest and most venerable Alaskans. The grant program funding levels did not meet the needs. The state had to subsidize these programs with other federal funds despite major cuts to administrative overhead. In his region and in much of Alaska there was some of the highest suicide, alcoholism, drug abuse, domestic violence, and sexual assault rates in the nation. Although the state needed to meet its budget goals, cutting these program was not the way to do so.

[4:58:38 PM](#)

MAYOR CLAY WALKER, DENALI BOROUGH, HEALY (via teleconference), testified in support of the governor's budgetary contribution of \$35 million to the Community Revenue Sharing Program. The importance of community revenue sharing to the state's municipalities could not be overstated. He reported that a number of smaller communities relied on the program to provide essential services. The Denali Borough used the funds to support services such as fire and emergency medical service which help support the health and safety of those that live and visit the borough. He believed it was imperative for the state to work in partnership with the municipalities through the revenue sharing program. The municipalities were born of Title 29 [Statute reference]. He opined that the state's responsibilities would increase of municipalities were to shut down. He strongly urged support of the Community Revenue Sharing Program.

[5:00:32 PM](#)

T FRANK BOX, ACCESS ALASKA HEAD INJURY SUPPORT GROUP, ANCHORAGE (via teleconference), reported being a facilitator of the support group. They had a discussion at the beginning of March 2016 about the budget shortfalls. Everyone agreed that they depended on their PFD for co-pays and school supplies for their children. They thought the state should only touch PFD's as a last resort. Everyone supported a broad-based income tax. The net effect would be that PFD monies would be used to pay the taxes. He relayed some of his personal experience. He recalled the budget

shortfalls felt in the 80s. He could appreciate the task at hand for legislators. However, some of the proposed cuts would penny-wise and pound foolish. He mentioned a durable medical equipment program at Access Alaska that helped support Medicaid. He thought it would be a good idea to drop the lawsuit against Governor Walker, and stop the litigation against Medicaid expansion. He thank the committee.

[5:03:19 PM](#)

DORDIE CARTER, HOLLIS PUBLIC LIBRARY, HOLLIS (via teleconference), testified in favor of the Online with Libraries Program, the eRate program, and internet service. The library had been using the OWL eRate supported internet since the beginning of the program. Internet access under the program revolutionized the library and brought what it could offer to its patrons in line with their needs. She provided other examples of the benefits of the programs. She urged the committee to restore funding of the OWL program.

[5:05:50 PM](#)

DEBRA SCHNABEL, HAINES CHAMBER OF COMMERCE, HAINES (via teleconference), spoke against a statewide income [Sales] tax. She relayed that a state sales would add a burden for lower income residents for essential goods. She also mentioned that local retailers were already at a huge disadvantage when competing with internet based suppliers. She opined that a state sales tax would drive more purchases to the internet and discourage local commerce. She also urged the committee to restore funding for public broadcasting. She thought it was an important industry. She ended by saying thank you.

[5:07:36 PM](#)

JAN HILL, MAYOR OF HAINES, HAINES (via teleconference), spoke in favor of the revenue sharing program. Cutting the program could lead to the imposition of sales or property taxes. She asked legislators to reconsider maintaining the funding for revenue sharing. She also testified in favor of the Online with Libraries program. She mentioned the other services that OWL provided. She further urged the committee to restore funding for public broadcasting, a service

heavily relied on. She also supported funding for the ASMI program.

[5:10:16 PM](#)

CARL KANCIR, SELF, ANCHORAGE (via teleconference), testified against cuts to senior services. He did not support an income tax or a sales tax. He also recommended moving the capital.

Co-Chair Thompson noted that there were no additional testifiers online currently.

[5:13:29 PM](#)

AT EASE

[5:26:02 PM](#)

RECONVENED

JOHN STRASENBURG, SELF, TALKEETNA (via teleconference), urged the committee to restore funding for public broadcasting. He spoke of its importance in providing community events, educational announcements, news, meeting dates for local organizations, and emergency announcements. He pointed to various examples of emergency situations where public radio had been very important. He was concerned with the youth facility closing in Nome. He stressed that Department of Transportation and Public Facilities was refusing to fund maintenance for an underpass associated with Susitna Valley High School that would enable students to safely cross the Park's Highway. He testified in support of funding for the University and testified against cuts to senior services. He encouraged implementing an income taxes. He thanked the committee.

[5:28:48 PM](#)

RUTH WOOD, SELF, TALKEETNA (via teleconference), opposed only making cuts. She believed everyone needed to help in different ways. She believed some people would have to pay a bit more in taxes. She also urged the committee to restore funding for public broadcasting. She stressed the importance of being able to hear about emergencies. She testified in support of funding for the University and mentioned the importance of research especially the cold weather research program. She favored capping the PFD as

well. She ended with thinking beyond just cutting the budget.

[5:30:51 PM](#)

JOAN MCBEEN, SELF, TENAKEE SPRINGS (via teleconference), urged the committee to restore funding for public broadcasting. She had been in Tenakee since 1977; the community did not have public radio at that time and had realized how important the service was for emergency information, communications, safety, information, and news. She encouraged the reinstatement of an income tax. She supported fuel, alcohol, and tobacco taxes. She wanted to stop subsidizing the oil companies. She believed Alaskans could work together to solve the problem. She was willing to do some sacrificing, but did not want to completely give up some of the important services that were necessary for remote community living.

[5:32:52 PM](#)

GALENA ERICKSON, SELF, SEWARD (via teleconference), [note: testimony indecipherable].

[5:33:40 PM](#)

DEBORAH POTTER, SELF, SKAGWAY (via teleconference), urged the committee to restore funding for public broadcasting. She communicated that in many rural communities public radio was as the only link to the outside world and to vital local news events. Public radio was Skagway's only source for critical information like weather alerts, road closures, and changes to ferry service. She implored the committee to restore funding to the vital service.

[5:35:00 PM](#)

JENNIFER THUSS, SELF, SKAGWAY (via teleconference), urged the committee to restore funding for public broadcasting. She stressed that public radio built a sense of community. The most important thing about public radio was that it provided fastest way to share information on the national, state, and local level. She thanked the committee for the opportunity to testify.

[5:36:12 PM](#)

DAVID STONE, SELF, YAKUTAT (via teleconference), urged the committee to restore funding for public broadcasting. He shared that the community only had one radio station that provided state, national, and international news. Additionally, the station provided emergency service warnings about weather events and other. He relayed that many residents could not afford commercial television via satellite. He suggested that many people would be disenfranchised if they did not have access to public radio. He strongly opposed a 100 percent cut to public radio.

Co-Chair Thompson noted that there were currently no additional testifiers online.

[5:38:27 PM](#)

AT EASE

[5:47:17 PM](#)

RECONVENED

[5:47:25 PM](#)

HEATHER POWELL, RAVEN RADIO BOARD MEMBER, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She was an educator and spoke in support of public radio stations. She referred to KCAW, Sitka's radio station. She addressed the importance of receiving health and safety information provided via public radio. She detailed that the station provided local broadcasts, covered cultural events, and other. She stressed the essential nature of receiving the information and relayed that it could not be replaced by a non-local service. She remarked that the radio station was at the heart of the local community. She looked forward to seeing the legislature fund public radio.

[5:49:48 PM](#)

MARK HALBER, SELF, FAIRBANKS (via teleconference), discussed a personal experience with an Office of Children Services case that had been ongoing for three years. He remarked that the agency had spent over \$10,000 to administer random drug tests. He stated that the money the agency spent on foster care and other services amounted to over \$250,000 on the unresolved case. He addressed costs of taking children out of their homes.

Co-Chair Thompson reviewed the agenda for the following meeting scheduled on Monday, March 7th.

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 was HEARD and HELD in committee for further consideration.

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

#

ADJOURNMENT

[5:51:47 PM](#)

The meeting was adjourned at 5:52 p.m.