

HOUSE FINANCE COMMITTEE
May 16, 2016
6:07 p.m.

6:07:06 PM

CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 6:07 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

Representative Paul Seaton; Representative Sam Kito III

PRESENT VIA TELECONFERENCE

Bob Brodie, Self, Kodiak; Patrick Reinhart, Alaska Mobility Coalition, Anchorage; Rick Koch, City Manager, Kenai; Mark Schaefer, Municipality of Skagway, Skagway; Naomi Nelson, Mat-Su Community Transit, Wasilla; Tom Begich, Coalition for Education Equity, Anchorage; Paul Kendall, Self, Anchorage; William Reiner, Self, Anchorage; Gerry Hope, Alaska Mobility Coalition, Sitka; Kyan Reeve, Borough Transit Director, Ketchikan; George Smallwood, Self, Homer; Chris Turletes, University of Alaska, Anchorage.

SUMMARY

SB 138 BUDGET: CAPITAL

SB 138 was HEARD and HELD in committee for further consideration.

[6:07:34 PM](#)

#sb138

CS FOR SENATE BILL NO. 138(FIN)

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

[6:07:34 PM](#)

^PUBLIC TESTIMONY

Co-Chair Thompson indicated that the committee would be hearing public testimony which would be limited to 2 minutes per person. He also welcomed written testimony and provided the email address where it could be sent.

[6:08:24 PM](#)

BOB BRODIE, SELF, KODIAK (via teleconference), encouraged bonding for some of the smaller projects. He suggested implementing a personal income tax. He thought people would begin leaving the state. He thought it was necessary to increase taxes rather than kicking the can down the road. He thanked the committee.

[6:10:10 PM](#)

PATRICK REINHART, ALASKA MOBILITY COALITION, ANCHORAGE (via teleconference), explained that he was also the executive director of the Governor's Council on Disabilities. Years ago the group started the Alaska Mobility Coalition with an effort to improve transit services across the state for people with disabilities. He spoke in support the community match funding that was in the governor's original budget. He understood the funding was removed by the Senate. The transportation match fund supported a number of communities across the state. He listed all of the communities that

would benefit from the matching program. He spoke of federal transit funds that were accessible in the amount of about \$3 million. He thought that many smaller services would fail without the support. He thanked the committee.

[6:12:25 PM](#)

RICK KOCH, CITY MANAGER, KENAI (via teleconference), thanked the committee for its hard work. He spoke to the reappropriation to the City of Kenai in the amount of \$1.4 million for the Kenai River Bluffs Stabilization Project. The reappropriation did not change the scope but simply extended the time period by which the appropriation be available for the project. He explained that the project totaled about \$40 million and would help prevent further erosion of Old Town Kenai. He provided further details of the project. He thanked the committee for its time.

[6:15:03 PM](#)

MARK SCHAEFER, MUNICIPALITY OF SKAGWAY, SKAGWAY (via teleconference), mentioned that the conference committee on HB 256 [FY 17 Operating Budget] had failed to approve authorization for the Department of Revenue (DOR) to disperse a commercial passenger tax to the first 7 ports of call. He encouraged members to approve an amendment to SB 138 to provide such authority. He provided additional information about the passenger head tax and talked about the ramifications of failing to distribute the funds. He thanked the committee.

[6:17:59 PM](#)

NAOMI NELSON, MAT-SU COMMUNITY TRANSIT, WASILLA (via teleconference), encouraged the committee to support a \$1 million allocation for public and community state match. It allowed and helped the organization to leverage federal funds. She opined that public transportation was a wonderful service and provided a solid positive economic impact on the state and the community of Mat-Su. She thanked the committee.

[6:19:18 PM](#)

TOM BEGICH, COALITION FOR EDUCATION EQUITY, ANCHORAGE (via teleconference), mentioned that Alaska's children were responsible for bringing forth the successful Kasayulie

lawsuit. He thanked members for their hard work. He also thanked the committee for removing the intent language in the House Finance Committee version. He stressed Kivalina School funding was in the governor's version of the capital budget, SB 138, and was the last of the funding required under the Kivalina consent to create which followed the successful litigation of the Kivalina Lawsuit. Including the intent language in the final version of SB 138 could risk reopening the litigation and returning to square one. He emphatically encouraged members not to include the intent language and to include the governor's original amount for the Kivalina School in the current version of the budget. It was critical to finally resolve the 16 year litigation. He thanked committee members for their time.

[6:21:18 PM](#)

PAUL KENDALL, SELF, ANCHORAGE (via teleconference), referred to the Constitution. He read from the constitution in Article 1, Section 2. He was critical of the legislature remaining in Juneau. He thought members should move back to Anchorage and finish their job. He encouraged greater cuts to the budget rather than maintaining the status quo. He also thought legislators should reestablish their priorities. He suggested that the legislature let go of all state employees and start over.

[6:23:51 PM](#)

WILLIAM REINER, SELF, ANCHORAGE (via teleconference), spoke in opposition of SB 138. He thought it was over budget. He believed that many of the expenses should have been addressed and removed by senior management. He believe that many capital projects did not end up benefiting the state. He spoke in support of preserving the Permanent Fund (PF). He talked of the benefits of the PFD. He appreciated the committee's hard work.

[6:26:42 PM](#)

GERRY HOPE, ALASKA MOBILITY COALITION, SITKA (via teleconference), thanked the committee for \$1 million in match dollars. He expressed the importance of the service in Sitka. He really appreciated the committee's support.

Co-Chair Thompson indicated no one else was online and the meeting would take a 10 min. break.

[6:28:36 PM](#)

AT EASE

[6:42:05 PM](#)

RECONVENED

Co-Chair Thompson relayed that there was no one online to testify. The committee would be taking a 15 minute at ease.

[6:42:29 PM](#)

AT EASE

[7:01:46 PM](#)

RECONVENED

Co-Chair Thompson indicated an additional testifier online.

[7:02:06 PM](#)

KYAN REEVE, BOROUGH TRANSIT DIRECTOR, KETCHIKAN (via teleconference), spoke in support of \$1 million for the state's match program for transit. In the current year the intent was to purchase a bus. He made the point that any dollar left in the program typically leveraged other dollars. He thanked the committee.

Co-Chair Thompson reported that there was no one online. He suggested that anyone that was not available to testify in person or online could submit written testimony. He stated that the committee would be taking another at ease until 7:20 pm.

[7:04:23 PM](#)

AT EASE

[7:21:11 PM](#)

RECONVENED

GEORGE SMALLWOOD, SELF, HOMER (via teleconference), spoke in favor of occupying the Atwood Building for the Anchorage Legislative Information Office. He thought the finances were too tight and that moving into the Atwood Building was the Legislature's best option.

Co-Chair Thompson indicated that the committee would stand at ease until 7:30 pm.

[7:22:49 PM](#)

AT EASE

[7:28:54 PM](#)

RECONVENED

CHRIS TURLETES, UNIVERSITY OF ALASKA, ANCHORAGE (via teleconference), urged support for the \$10 million funding for deferred maintenance for the university. He explained what type of maintenance would be conducted with the receipt of the funds. He reviewed the benefits of completing the deferred maintenance. He also asked for funding for the completion of the new engineering building which would make it usable. He claimed that the investment was an investment in Alaska's children. He thanked the committee for the opportunity to testify.

Co-Chair Thompson indicated there was no one else available for public testimony.

Co-Chair Thompson CLOSED public testimony.

SB 138 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson relayed that amendments for SB 138 would be taken up the following morning at 10:00 am. He remarked that the committee would meet the following day on the bill. The meeting would be at 10:00 a.m. The meeting was recessed to a call of the chair [Note: the meeting never reconvened].

[7:33:17 PM](#)

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ADJOURNMENT - Recessed to the Call of the Chair

[7:33:17 PM](#)

The meeting was adjourned at 7:33 p.m.