

SENATE FINANCE COMMITTEE

April 6, 2015

9:01 a.m.

9:01:55 AM

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Peter Micciche, Vice-Chair
Senator Mike Dunleavy
Senator Click Bishop

MEMBERS ABSENT

Senator Lyman Hoffman
Senator Donny Olson

ALSO PRESENT

Carl Uchytel, Port Director, President, Alaska Association of Harbormasters and Port Administrators, Juneau; Ken Alper, Director, Tax Division, Department of Revenue; Tom Brice, Laborers 942, Juneau; Melanie Zahasky, Hope Community Resources, Juneau; Beth Handley, Hope Community Resources, Juneau; Doug Bridges, Catholic Community Services, Board Member, Alaska Mobility Coalition, Juneau; Ed Page, Executive Director, Marine Exchange of Alaska, Juneau; Lisa Mariotti, Policy Director, Alaska Network on Domestic Violence and Sexual Assault, Juneau; Jeff Weltzin, Tanana Chiefs Conference, Juneau; Tom Begich, Government Affairs Director, Citizens for the Educational Advancement of Alaska's Children, Anchorage; Dave Donley, Hope Community Resources, Juneau; Senator Cathy Giessel; Representative Dan Ortiz; Representative Louise Stutes.

PRESENT VIA TELECONFERENCE

Dan Duane, Association of Alaska Housing Authorities, Anchorage; Robert Scanlon, Chief Executive Officer, Blood Bank of Alaska, Anchorage; Robert Petersen, Board Chairman,

Blood Bank of Alaska, Anchorage; Rebecca Piersch, Shelter Manager, Abused Women's Aid in Crisis (AWAIC), Anchorage; Joel Renno, Case Manager, AWAIC, Anchorage; Erin Wilson, Deputy Director, Aleutian Housing Authority, Anchorage; Gabe Layman, Cook Inlet Housing Authority, Anchorage; Tonja Rainbow, Chief Operations Officer, Hope Community Resources, Anchorage; Kathy Tongsgard, Chief Financial Officer, Hope Community Resources, Anchorage; Lance Wilber, Director of Public Transportation, Municipality of Anchorage, Anchorage; Judy Eledge, Self, Anchorage; Regan Mattingly, Executive Director, Alaska Center for the Blind and Visually Impaired, Anchorage; Bryan Clemenz, University of Alaska Fairbanks (UAF) College of Engineering Advisory Development Council, Anchorage; Dale Nelson, Alaska Professional Design Council, Anchorage; Butch Moore, Self, Anchorage; Stacey McAson, Student Body President, University of Alaska Anchorage, Anchorage; Matthew Ostrander, Student Senator, University of Alaska, Anchorage; Holly Scott, Self, Kenai; Dennis Haas, Self, Kenai; Kathy Fitzgerald, Self, Kenai; Suzanne Fisler, Self, Kenai; David Anderson, General Manager, KBBI Public Radio in Homer and KDLL Public Radio in Kenai and Soldotna, Homer; Max Funk, Harbor Master, City of Seward, Seward; Amy Seitz, Alaska Farm Bureau, Soldotna; Abby Ala, Self, Soldotna; Heidi Chay, District Manager, Kenai Soil and Water Conservation District, Kenai; Steve Ashman, Division Manager, Municipality of Anchorage Department of Health and Human Services, Anchorage; Bryce Wrigley, Alaska Association of Conservation Districts, Delta Junction; Rebecca Wilburn, Delta Community School District, Delta Junction; Dennis McGlothlin Jr., Copper River Basin Regional Housing Authority, Glennallen; Gary Huntsinger, Self, Kenny Lake; Ann Arrisi, Hope Community Resources, Mat-Su; Ray Collins, Hope Community Resources, Mat-Su; John Moosey, Manager, Mat-Su Borough, Mat-Su; Naomi Nelson, Executive Director, Mat-Su Community Transit (MASCOT), Mat-Su; Carol Rushmore, Director of Economic Development, City and Borough of Wrangell, Wrangell; Steve Corporon, Alaska Association of Harbor Masters and Port Administrators, Ketchikan; Seth Brakke, Assistant Public Works Director, City of Ketchikan, Ketchikan; Kyan Reeve, Transit Manager, Ketchikan Gateway Borough, Ketchikan; Roxane Lee, Self, Petersburg; Dr. Tom Conley, Sitka School Board, Sitka; John David Ragan, Self, Fairbanks; David Withoff, Self, Fairbanks; Paul Gill, Self, Fairbanks; Jo Seamon, Self, Fairbanks; Joe Hardenbrook, Mayor's Office, Fairbanks North Star Borough, Fairbanks; Joni Scharfenberg, Fairbanks Soil

and Water Conservation District, Fairbanks; Russell Snyder, Grants Coordinator, Interior Regional Housing Authority, Fairbanks; Adam Barth, Fairbanks North Star Borough Transportation Department, Fairbanks; Dave Miller, Self, Fairbanks; Terry Duszynski, Self, Fairbanks; Aditi Shenoy, Invasive Species Specialist, Fairbanks Soil and Water Conservation District, Fairbanks; Dan LaBrosse, Denali Deaf Community Center, Fairbanks; Dr. Ann Marie O'Brien, Superintendent, Northwest Arctic Borough School District, Kotzebue; Kerry Boyd, Superintendent, Yukon Koyukuk School District, Fairbanks; John Sargent, Grant Manager, City of Bethel; Allan Joseph, Self, Bethel; John Owens, Self, Bethel; Brian Lefferts, Employee, Yukon Kuskokwim Health Corporation, Bethel; Millie Hawley, Kivalina IRA Council, Kivalina; Stan Hawley, Kivalina IRA Council, Kivalina; Dolly Foster, Tribe Secretary and Treasurer, Kivalina IRA Council, Kivalina; Shirley Marquardt, Mayor, City of Unalaska; Brenda Akelkok, Executive Director, Bristol Bay Housing Authority, Dillingham; Kevin Tennyson, Weatherization Director, Bristol Bay Housing Authority, Dillingham; Stanley Cole, Hope Community Resources, Dillingham; Carla Kimmel, Employee, Hope Community Resources, Kodiak; Glenda Fernandez, Hope Community Resources, Kodiak; Jackie Malutin, Hope Community Resources, Kodiak; Jeff Garcia, Hope Community Resources, Kodiak; Donna Mendigorin, Parent, Kodiak; Corrie Davis, Director, Community Support Services, Hope Community Resources, Kodiak; Pat Branson, Mayor, City of Kodiak; Corrine Ferre, Employee, Kodiak Soil and Water Conservation District, Kodiak; Sonia Clary, Employee, Hope Community Resources, Kodiak; Herman Morgan, Self, Aniak; Kara Groicher, Director, Standing Together Against Rape, Anchorage; Pinkey Tooyak, Volunteer, Alaska Center for the Blind and Visually Impaired, Barrow; Samantha Mintz-Gentz, Advocate, Standing Together Against Rape, Anchorage; Thomas McKenzie-Corbitt, Self, Clam Gulch; Karen Gonne-Harrell, Case Manager, Standing Together Against Rape, Anchorage; Soma Kliemann, Abused Women's Aid in Crisis, Anchorage; Richard Webb, Self, Fox; Chuck Kancic, Wasilla Soil and Water Conservation District, Wasilla; Rick Berns, Mayor, City of Old Harbor; Mike Wood, President, Board of Susitna River Coalition, Chase; Jeff Smeenk, District Manager, Palmer Soil and Water Conservation District, Palmer; Nancy Anderson, Department of Health and Human Services, Municipality of Anchorage; John Fulton, Manager, Bristol Bay Borough; Surge Kulikov, Service Advocate, STAR, Anchorage; Chris Reitan, Galena School District, Galena;

Louie Flora, Legislative Liaison, Alaska Center for the Environment and Alaska Conservation Voters, Juneau.

SUMMARY

SB 26 BUDGET: CAPITAL

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

SB 86 REFINED FUEL SURCHARGE; MOTOR FUEL TAX

CSSB 86(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN 1(REV); one new fiscal impact note from the Senate Finance Committee for the Department of Environmental Conservation; and one new fiscal impact note from the Department of Environmental Conservation.

#sb26

SENATE BILL NO. 26

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

[9:04:17 AM](#)

Co-Chair MacKinnon reviewed the balances of the Statutory Budget Reserve as well as the Constitutional Budget Reserve. She reviewed the testimony procedures.

^PUBLIC TESTIMONY: ANCHORAGE

[9:04:25 AM](#)

DAN DUANE, ASSOCIATION OF ALASKA HOUSING AUTHORITIES, ANCHORAGE (via teleconference), spoke in support of two capital budget programs funded through the Alaska Housing Finance Corporation (AHFC); the Weatherization Program and the Supplemental Housing Development Grant Program. He outlined the necessity and statewide benefits of the weatherization program. He relayed several correlating statistics and discussed the program's resulting cost savings. He urged the legislature not to defund and

dismantle the successful weatherization program. He understood the need for budget reductions. However, he suggested a 25 percent to 30 percent cut rather than a 75 percent to 80 percent cut that was currently proposed. He also urged support for the AHFC Supplemental Housing Development Grant Program and provided a list of benefits. He urged some sort of modest funding to keep the grant program going. He thanked the committee for the opportunity to testify.

9:07:20 AM

ROBERT SCANLON, CHIEF EXECUTIVE OFFICER, BLOOD BANK OF ALASKA, ANCHORAGE (via teleconference), urged support for the construction project for the Blood Bank building in Anchorage. He explained that the new building would better meet FDA requirements. He also indicated that the new building would allow the blood bank to provide additional services. He reported that the Blood Bank of Alaska was a first responder responsible for providing blood to the entire state in the event of a disaster or crisis.

9:09:15 AM

ROBERT PETERSEN, BOARD CHAIRMAN, BLOOD BANK OF ALASKA, ANCHORAGE (via teleconference), urged support for funding for the Blood Bank of Alaska's new building. He discussed the details of the project and reported that it was currently on schedule and under budget. The project was scheduled to be completed at the end of 2015. He reported that the project would be completed under budget by \$6 million if the project remained on schedule. He reported that there was a \$5 million gap and suggested that the blood bank could raise \$3 million of those funds. He asked that the state fund the remaining \$2 million to close the gap and complete the project. He thanked committee members for their time.

9:11:49 AM

REBECCA PIERSCH, SHELTER MANAGER, ABUSED WOMEN'S AID IN CRISIS (AWAIC), ANCHORAGE (via teleconference), urged support for additional monies for the program. She reported that AWAIC was the largest emergency shelter in Alaska and that it operated over capacity for 67 percent of the year in FY 14. She stated that the AWAIC Intervention Project was an evidence-based program and provided a number of

statistics supporting its benefits. She understood the severe budget constraints facing Alaska. She suggested that the program saved the state over \$2 million annually. The municipality of Anchorage contributed over half of the project's costs. She believed that everyone deserved to live in a community where response to and prevention of domestic violence and sexual assault was a priority. She urged legislators to continue funding for the critical program.

[9:14:32 AM](#)

JOEL RENNO, CASE MANAGER, AWAIC, ANCHORAGE (via teleconference), spoke in support of the Empowering Choices Housing Program (ECHP). He shared his personal experience witnessing the benefits of the program. He detailed some of the benefits resulting from victims securing independent housing. He conveyed the difficulty for victims to provide first and last month's rent to escape from abusive partners. The ECHP program provided the help needed to remove victims from their abusive environments and place them into a safe and stable home base. He continued to identify the positive effects of the program. He thanked the committee for its time and consideration.

[9:17:21 AM](#)

ERIN WILSON, DEPUTY DIRECTOR, ALEUTIAN HOUSING AUTHORITY, ANCHORAGE (via teleconference), spoke in support of two programs; AHFS Weatherization Program and the Supplemental Housing Development Grant Program. She outlined the importance of the weatherization program and reported that 280 homes received energy upgrades in her region. The recipients of the program had seen reductions in the use of diesel fuel and reported a cash savings of about 40 percent on average. She provided additional secondary benefits of the program. She relayed that ISER reported that implementing energy efficiency measures like the weatherization program was the single-most cost effective method of addressing significant rural energy issues. She urged the legislature to continue funding the weatherization program. She added her support for a modest capital request for the AHFC Supplemental Housing Development Grant Program. Federal dollars were leveraged for a minimal state investment. She thanked the committee for its time.

[9:19:21 AM](#)

GABE LAYMAN, COOK INLET HOUSING AUTHORITY, ANCHORAGE (via teleconference), spoke in support of the AHFC Supplemental Housing Development Grant Program. He provided a brief summary of the program. He specified that the program could not fund more than 20 percent of the cost for any housing project making it an important tool in attracting and securing non-state funding dollars. He discussed the challenges of energy efficiency, the high cost of energy, and high energy consumption in Alaska. He gave some statistics regarding the cost of energy per family per year. He continued to provide additional information about the benefits of the AHFC Supplemental Housing Development Grant Program and urged support by the legislature.

[9:21:48 AM](#)

TONJA RAINBOW, CHIEF OPERATIONS OFFICER, HOPE COMMUNITY RESOURCES, ANCHORAGE (via teleconference), asked for the inclusion of at least \$361 thousand in the capital budget for Hope Community Resources' budget to meet health and safety needs. She cited some statistics from a 2009 legislative research report that estimated the state's cost savings for having licensed homes serving Alaskans with disabilities. She urged the committee to grant Hope Community Resources' capital request.

[9:23:41 AM](#)

KATHY TONGSGARD, CHIEF FINANCIAL OFFICER, HOPE COMMUNITY RESOURCES, ANCHORAGE (via teleconference), indicated that \$361 thousand of the \$788 thousand initial request was imperative to pay for the licensing recommendations of significant health and safety items. She discussed the approximate 100 properties across the state that were inspected annually. The recommendations that resulted from the inspections had to be addressed in a timely fashion. Without a state subsidy rents would be increased. She urged support for the \$361 thousand capital request and thanked the committee for its time.

[9:25:29 AM](#)

LANCE WILBER, DIRECTOR OF PUBLIC TRANSPORTATION, MUNICIPALITY OF ANCHORAGE, ANCHORAGE (via teleconference), encouraged the committee's support for transit matching

funds of \$1 million. The Alaska Mobility Coalition offered a \$4 to \$5 return for every dollar of matching funds. The funds would be used statewide for a variety of purposes including capital or maintenance improvements. He provided some examples of the use of funds in previous years. He appreciated the committee's consideration and support.

[9:26:57 AM](#)

JUDY ELEDGE, SELF, ANCHORAGE (via teleconference), spoke about her concerns regarding the uncertainty of Alaska's economy. She opined that the state could no longer fund an out-of-control operating budget or a capital budget that was seen as a dream. She urged the legislature to complete the projects that the state had begun and only fund the projects that were necessary before considering a state income tax. She asked the committee to balance the state budget.

[9:28:59 AM](#)

REGAN MATTINGLY, EXECUTIVE DIRECTOR, ALASKA CENTER FOR THE BLIND AND VISUALLY IMPAIRED, ANCHORAGE (via teleconference), requested support for a \$188 thousand capital request. He reported that the center was the only vision rehabilitation agency in the state. He familiarized the committee about the facility and provided some background information. He relayed that deferred maintenance projects and energy efficiency upgrades were the center's top priorities. He asserted that the building needed a new roof and boiler. The center had raised \$100 thousand and was requesting \$188 thousand from the state's capital budget. He thanked the committee members for their time.

[9:30:42 AM](#)

BRYAN CLEMENZ, UNIVERSITY OF ALASKA FAIRBANKS (UAF) COLLEGE OF ENGINEERING ADVISORY DEVELOPMENT COUNCIL, ANCHORAGE (via teleconference), spoke in support of \$10 million in funding for the engineering or E-Life Building. He discussed the benefits of the new building and urged the committee's support. He closed by thanking the committee.

[9:32:24 AM](#)

DALE NELSON, ALASKA PROFESSIONAL DESIGN COUNCIL, ANCHORAGE (via teleconference), urged support for funding to complete the UAF Engineering facility. He expressed his appreciation for past funding and he hoped that there would be funds to complete the current building project. He would be submitting written testimony as well.

[9:33:42 AM](#)

BUTCH MOORE, SELF, ANCHORAGE (via teleconference), identified himself as Breanna Moore's father. He spoke in favor of funding the Council on Domestic Violence and Sexual Assault (CDVSA) intervention program and the Empowering Choice Housing Program (ECHP). He asserted the importance of both programs. He reported that on June 26, 2014, his daughter was murdered by her boyfriend. He stated that his family had been a victim of domestic violence. Since the loss of his daughter there were many things that had come to his family's attention. He relayed that Alaska led the nation reporting 3 times the amount of rape per capita, 2.5 times the murder rate, and 2 times the sexual assault rate. He concluded that Alaska was the most dangerous state in America. Alaska replaced Tennessee as the most dangerous state in the United States in 2015 based on the Federal Bureau of Investigation's four major crime categories; murder, aggressive assault, robbery, and incidences of forcible rape. Anchorage and Fairbanks rated number 2 and number 3 on the Forbes list of the most dangerous cities for women. He was astounded by the statistics. The two programs allowed women to leave and get away from sexual assault and domestic violence. He suggested that if the programs were cut, then victims would have nowhere to go. He revealed that one of his three daughters moved to Portland and was living there when her sister was murdered. She currently had two grandchildren and would not return to Alaska. He suggested that it was scary for women to live in Alaska. He restated his request for funding support for CDVSA's intervention program and for ECHP.

Co-Chair MacKinnon inquired about further testimony in Anchorage. She explained that she would be passing the gavel to Vice-Chair Micciche at 10:00 a.m. for testimony from Kenai, Seward, and Homer.

[9:38:36 AM](#)

AT EASE

9:47:18 AM

RECONVENED

STACEY MCASON, STUDENT BODY PRESIDENT, UNIVERSITY OF ALASKA ANCHORAGE, ANCHORAGE (via teleconference), expressed thanks for the state's previous support for maintenance and funding for some of the campus' larger buildings including the engineering building. She pointed out the benefits of being able to keep up with maintenance. She mentioned that postcards were in the mail to legislators. She thanked the committee again for its support.

9:48:14 AM

MATTHEW OSTRANDER, STUDENT SENATOR, UNIVERSITY OF ALASKA, ANCHORAGE (via teleconference), expressed his appreciation for capital funding of the university system. He reported that there were buildings in desperate need of maintenance and upgrades. He commented that maintenance of the Wells Fargo Sports Complex would be funded by the campus. Currently, the building had several problems. He thanked the committee for recognizing the importance of higher education in Alaska and asked for continued support. He commented that approximately one thousand postcards were sent to Juneau with individual student messages reminding lawmakers about the importance of access to education in Alaska.

9:50:04 AM

AT EASE

9:52:16 AM

RECONVENED

Vice-Chair Micciche switched to the Legislative Information office in Kenai to hear further public testimony.

^PUBLIC TESTIMONY: KENAI, SEWARD, HOMER

9:52:51 AM

HOLLY SCOTT, SELF, KENAI (via teleconference), asked the committee to support funding in the amount of \$361 thousand for Hope Community Resources. She gave information about Hope Community Resources and shared some of what she had witnessed as a former employee. She believed the capital

monies requested would result in a saving to the state in the long run and would provide safe and secure housing for the disabled.

[9:53:49 AM](#)

DENNIS HAAS, SELF, KENAI (via teleconference), indicated his 34 year-old daughter was a recipient of Hope Community Resources for over ten years. He discussed the number of people it served and urged funding support for its \$364 thousand capital request. He mentioned that Hope Community Resources kept people in their communities and out of institutions. He provided additional information about the properties owned by Hope Community Resources. He relayed how important the capital monies were in maintaining the properties and providing additionally needed housing. He thanked the committee for listening to his testimony.

[9:54:57 AM](#)

KATHY FITZGERALD, SELF, KENAI (via teleconference), shared that she was a parent of a participant of Hope Community Resources. She urged support for the capital request to keep the facility funded. She explained how difficult it was for people with Medicaid waivers to find affordable housing. She emphasized how critical it was for Hope Community Resources to receive capital monies in order to maintain the safety and security of its homes. She asked that the legislature fund Hope Community Resources in the amount of \$361 thousand.

[9:56:24 AM](#)

SUZANNE FISLER, SELF, KENAI (via teleconference), spoke in support of funding the capital request for Hope Community Resources. She explained that her older son was a resident at one of Hope Community Resources' facilities which allowed him enough stability to successfully maintain employment. She attributed her younger son's active participation in his community to the help provided by Hope Community resources. She encouraged the committee's continued support.

[9:57:39 AM](#)

DAVID ANDERSON, GENERAL MANAGER, KBBI PUBLIC RADIO IN HOMER AND KDLL PUBLIC RADIO IN KENAI AND SOLDOTNA, HOMER (via

teleconference), urged support for the radio's capital request for \$10 thousand to assist with the purchase and installation of new audio control boards for an air studio and production studio. He explained that the current consoles were 13 years old, had failing components, and parts were no longer available. He identified the other funding sources that would make up the total project cost of \$51 thousand. He outlined the importance of public radio in emergency situations and was concerned about any lapse in service that could result from a failed console. He mentioned letters of support from the Kenai Peninsula Office of Emergency Management and the Homer Volunteer Fire Department. He appreciated the committee's support for the project.

[9:59:48 AM](#)

MAX FUNK, HARBOR MASTER, CITY OF SEWARD, SEWARD (via teleconference), urged support for the Department of Transportation and Public Facilities harbor matching grant program. The City of Seward applied for a grant through the program in the amount of \$5.6 million. He discussed the funding details. He indicated that the project was in the engineering design stage. He listed the many deficits of the current dock. He stated that the project would replace the old creosote-treated pilings with fewer and stronger galvanized steel pilings. He continued to outline the improvements that would be made to the dock and indicated that the first phase of the project was completed. The project could continue with the state's financial help. He closed by thanking the committee.

[10:02:26 AM](#)

AT EASE

[10:02:39 AM](#)

RECONVENED

AMY SEITZ, ALASKA FARM BUREAU, SOLDOTNA (via teleconference), testified in support of funding for the Alaska Association of Conservation Districts. She pointed out that there were over 350 members of the Alaska Farm Bureau statewide. She discussed projects that the Soil and Water Conservation Districts worked on, including GIS mapping of soils and watersheds, land capability surveys, conservation planning assistance for farmers, resource education at local schools, and control of invasive plants

around the state. She spoke to the costs of invasive plant control in the event that the conservation districts were not funded. She listed the ratio of federal to state funding for the districts as 10 to 1 and stated that it would be "devastating" for the districts not to receive the funding. She mentioned that the districts utilized private funding and volunteer labor.

[10:04:49 AM](#)

ABBY ALA, SELF, SOLDOTNA (via teleconference), testified in support of funding for the Alaska Association of Conservation Districts. She related that she was a second generation farmer from the Kenai area, and related that as a child she had attended soil and water conservation meetings with her father. She relayed that in previous years the Kenai area Soil and Water Conservation District had invested in farm equipment for vegetable growing. She related that she took part in a Community Supported Agriculture project that provided 100 families with boxes of vegetables every week. She commented that the Soil and Water Conservation District had aided with the growth and development of her farm through information support. She mentioned that she had served as a volunteer on the Kenai area board.

[10:06:36 AM](#)

HEIDI CHAY, DISTRICT MANAGER, KENAI SOIL AND WATER CONSERVATION DISTRICT, KENAI (via teleconference), testified in support of funding for the Alaska Association of Conservation Districts. She discussed invasive plants and pointed out that the Homer Soil and Water Conservation district had provided essential coordinating services through the cooperative weed management area to mitigate the propagation of Elodea, a harmful and costly invasive plant. She discussed programs that relied on state funding and worked on the important task of preventing the spread of invasive plants. She mentioned the importance of investing local food production, highlighting the \$1.8 million industry on the Kenai Peninsula and stressing the importance of the Kenai Soil and Water Conservation District to provide the infrastructure to support farm development.

[10:08:54 AM](#)

AT EASE

10:14:49 AM

RECONVENED

CARL UCHYTIL, PORT DIRECTOR, PRESIDENT, ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS, JUNEAU, testified in support of a capital request for matching funds for the Municipal Harbor Grant program. He relayed that the \$10.4 million matching grant program was critical for the membership of the Alaska Association of Harbormasters and Port Administrators. He explained that the association had \$14 million from the membership for tier 1 and tier 2 projects. He noted that he had delivered a letter on behalf of the association to each finance committee member, thanking them for past support and urging full support of the current request. He stated that the association had been formed when the harbors transitioned from state ownership to being owned by municipalities. He furthered that harbors in Juneau have benefitted from the program. He contrasted the recent work on Aurora Harbor with an older, state-owned harbor in disrepair.

10:17:54 AM

AT EASE

10:22:52 AM

RECONVENED

STEVE ASHMAN, DIVISION MANAGER, MUNICIPALITY OF ANCHORAGE DEPARTMENT OF HEALTH AND HUMAN SERVICES, ANCHORAGE (via teleconference), testified in support of funding for the Domestic Violence and Sexual Assault Intervention Program. He explained that the statewide program was a collaboration funded through the municipality of Anchorage and the Department of Health and Human Services. He added that there was also program collaboration with the Anchorage Police Department Domestic Violence Compliance Office, the Municipal Attorney's office, and three non-profit organizations. He discussed the success with offender accountability and victim protection as well as improved rates of recidivism, incidence, and arrests. He noted that arrests for violation of conditions of release increased by almost 500 percent, and the number of arrest warrants served increased by 78 percent. He added that the funding also went toward victim support including temporary housing and support. He clarified that the municipality was requesting \$850,000.

Co-Chair MacKinnon handed the gavel to Senator Dunleavy.

[10:26:17 AM](#)

AT EASE

[10:59:14 AM](#)

RECONVENED

^PUBLIC TESTIMONY: MAT-SU, GLENNALLEN, DELTA JUNCTION

[10:59:55 AM](#)

BRYCE WRIGLEY, ALASKA ASSOCIATION OF CONSERVATION DISTRICTS, DELTA JUNCTION (via teleconference), testified in support of a \$600,000 request for the Alaska Association of Conservation Districts (AACD). He shared that over the past five years \$3.1 million had been contributed by the state; the funding had enabled the districts to bring in an additional \$32.5 million. He communicated that the districts resolved local erosion problems, created and enhanced fish and wildlife habitat, perform land capability surveys, and managed invasive weeds. He detailed that in the Lower 48 over \$132 billion was spent annually on controlling invasive species. He stressed that without soil and water districts there was no one else with the capability or the will to provide the services. The increment would allow the 12 districts to keep their doors open and to continue seeking federal funding.

[11:01:51 AM](#)

REBECCA WILBURN, DELTA COMMUNITY SCHOOL DISTRICT, DELTA JUNCTION (via teleconference), testified against proposed reductions to the Base Student Allocation (BSA) and to one-time education funds. She shared that it was disappointing that state representatives had not contacted her district to inquire about potential impacts of reductions. She explained that the reduction would result in a \$500,000 decrease in the district's tight budget. The district had proposed cost savings initiatives to its representative that would eliminate unfunded mandates; however, she observed that the focus seemed to be on cuts rather than on reform. She stressed that a cut to the BSA would only put Rural Education Areas farther behind. She advised that education funding was mandated by the constitution.

11:04:20 AM

DENNIS MCGLOTHIN JR., COPPER RIVER BASIN REGIONAL HOUSING AUTHORITY, GLENNALLEN (via teleconference), testified in support of Copper River Basin Regional Housing Authority weatherization assistance program. He communicated that the program was more than beneficial to the state and its residents. He shared a letter from a client who had received a weatherization grant through the program. The client was very happy with the work and its rapid completion.

11:06:30 AM

GARY HUNTSINGER, SELF, KENNY LAKE (via teleconference), testified in support of funds for a home weatherization program. He shared that he had saved between \$200 and \$600 during the winter. He was grateful to the program and lauded its success.

11:07:23 AM

ANN ARRISI, HOPE COMMUNITY RESOURCES, MAT-SU (via teleconference), testified in support of \$361,000 for Hope Community Resources. The organization served the neediest Alaskans statewide, including over 1,400 Alaskans who experienced challenges with physical and/or mental wellness (many of the individuals had developmental disabilities and many were children). She stressed that without state help the individuals and their families would have significant reductions in their quality of life. The funding would pay state mandated upgrades to state licensed residences for disabled Alaskans to address other life and safety requirements. She detailed that without the capital budget funding Hope would serve fewer Alaskans; some of those Alaskans would require institutional services, which were costly and would increase the operating budget. She underscored that the increase would be immediate if the residences closed. She spoke to cost savings of over \$10,000 for recipients of home and community-based waivers compared to nursing homes. She detailed that capital funding stabilized housing for people with disabilities and had a direct impact on lowering Medicaid care costs.

11:09:30 AM

RAY COLLINS, HOPE COMMUNITY RESOURCES, MAT-SU (via teleconference), encouraged the community to include at least \$361,000 for Hope Community Resources. He relayed that the organization served the neediest Alaskans statewide (over 1,400 Alaskans with physical and mental disabilities). He detailed that the majority of the individuals receiving services from Hope were dealing with a developmental disability; most dealt with a combination of mental and developmental challenges and many of the individuals were children. He stressed that without state help the individuals and families would have a significant reduction in their quality of life. He underscored that neglecting to provide funding would have a direct impact on the lives of individuals.

[11:11:12 AM](#)

JOHN MOOSEY, MANAGER, MAT-SU BOROUGH, MAT-SU (via teleconference), testified in support of a \$2.2 million request for a septage and treatment facility. He shared that the prior year the borough had been informed that it would be cut off from delivering its septic to Anchorage. Currently all septage was taken to Anchorage for treatment. Phase one of the project would cover engineering and design. He relayed that the work would benefit the vast majority of borough residents. The project was expected to be completed by 2020 if it received funding to move forward. He relayed that the project was the borough assembly's top priority.

Senator Dunleavy returned the gavel to Co-Chair MacKinnon.

[11:13:40 AM](#)

AT EASE

[11:32:22 AM](#)

RECONVENED

#sb86

SENATE BILL NO. 86

"An Act relating to a refined fuel surcharge; relating to the motor fuel tax; relating to a qualified dealer license; and providing for an effective date."

[11:32:54 AM](#)

Co-Chair MacKinnon relayed that public testimony had previously been heard on the legislation.

Vice-Chair Micciche relayed that the legislation would supplement the Spill Prevention and Response (SPAR) fund [under the Department of Environmental Conservation]. There was currently an inadequate amount of funding coming from the production of oil and gas. The legislation was a "user pays or spiller pays" bill that would take \$.0095 per gallon at the distribution level and provided adequate funding for the response fund. He detailed that the state had primacy for spill prevention and response and the bill would enable the state to continue with the level of service it had been delivering for many years.

[11:34:13 AM](#)

Co-Chair MacKinnon asked for verification that the cost was under one penny. Vice-Chair Micciche replied in the affirmative.

Senator Dunleavy asked for verification that the cost would be one penny per gallon. Vice-Chair Micciche clarified that it would be less than one penny per gallon.

Senator Dunleavy asked what the average cost would be for individuals using fuel oil to heat their homes.

Vice-Chair Micciche answered that the cost would equal approximately \$4.00 per year for the average Alaskan; however, the larger users such as mines and businesses would pick up the majority of the load. For example, if 500 gallons of oil was used per year, the cost would be under \$5.00.

Senator Dunleavy surmised that the surcharge would apply to everyone, including nonprofits such as schools. Vice-Chair Micciche replied that there were some exemptions in the bill, but the surcharge would apply to everyone other than the state.

[11:35:47 AM](#)

AT EASE

[11:36:02 AM](#)

RECONVENED

Vice-Chair Micciche relayed that the hope was that the cost would not be passed down, but it was not possible to guarantee that the surcharge would go to the distributors. However, there were five exemptions in the legislation including fuel sold to a federal or state government agency for official use, fuel refined and used outside of the United States, liquefied petroleum gas (propane and aviation fuel), and fuel sold or transferred between qualified dealers.

Senator Dunleavy wondered if school districts fell under the state agency category. Vice-Chair Micciche did not know [Note: answer was provided after the following "at ease"].

[11:36:51 AM](#)

AT EASE

[11:40:03 AM](#)

RECONVENED

Vice-Chair Micciche, in response to a question from Senator Dunleavy, stated that the surcharge went to the dealer level; however, fuel sold to a federal or state government did not include local governments as an exemption.

Co-Chair MacKinnon asked for detail on the bill's fiscal notes.

Vice-Chair Micciche spoke to the bill's fiscal notes, beginning with a zero fiscal note from the Department of Environmental Conservation (FY 16 through FY 21). He relayed that there would be no fiscal impact to the Division of Spill Prevention and Response for implementation of the legislation.

Senator Bishop communicated that the legislation would alleviate the projected revenue shortfall for FY 16 at approximately \$7 million.

Vice-Chair Micciche addressed a zero fiscal note from the Department of Revenue (DOR)(FY 16 through FY 21). There would be a change in revenue, at an expected \$.0095; the change would bring in \$7,600,000 million in FY 16 with a 2 percent increase across FY 17 through FY 21 (\$7,750,000, \$7,900,000, \$8,050,000, \$8,200,000, and \$8,350,000 respectively). The estimated supplemental in FY 15 was \$50,000; there was no estimated capital in FY 16. He

relayed that the \$50,000 would cover the costs of updating systems, form, and draft regulations for the new surcharge.

[11:43:24 AM](#)

Co-Chair MacKinnon asked if DOR had anything to add to the fiscal analysis of the bill.

KEN ALPER, DIRECTOR, TAX DIVISION, DEPARTMENT OF REVENUE, confirmed that there were no continuing costs; any changes would be absorbed within the department's operations and excise tax group under the Tax Division. There was a relatively small startup cost to adapt some of the documents and systems to the new surcharge.

Co-Chair MacKinnon wondered if the projected revenue would be recurring into the future. She asked for verification that the bill did not include a sunset clause. Mr. Alper replied in the affirmative. He explained the expectation that as long as fuel was consumed in Alaska it would be subject to the surcharge.

Co-Chair MacKinnon asked if the fund was currently solvent. Mr. Alper replied that the SPAR fund was anticipated to have shortfalls in the current fiscal year. He added that under the legislation the money would be deposited into the general fund and subject to appropriation it would be transferred into the SPAR fund. He remarked that a fiscal note from the Legislative Finance Division described some of the mechanisms; the issue was outside the scope of the Tax Division.

[11:45:40 AM](#)

Vice-Chair Micciche relayed that the fund was \$800,000 short in the current fiscal year and the shortfall became substantial in following years. He did not believe the state should pay for the solvency of the fund.

Vice-Chair Micciche stated that the last fiscal note was from the Legislative Finance Division for the Senate Finance Committee. The note addressed the need for a supplemental appropriation and appropriated the revenue generated in FY 16 to the ONH fund, resulting in a net zero impact on the fiscal gap. He commented that currently the note included a .8 percent surcharge, which had been changed to .95 percent to factor in exemptions provided for

aviation fuels. He noted that currently the DOR numbers were more accurate. He detailed that FY 16 through FY 21 showed \$7.5 million, which would be the amount for the fund to remain solvent. The change in revenues showed \$7.5 million per year with a 2 percent increase through FY 21.

Co-Chair MacKinnon asked what would happen if the fund was over funded. She understood there were outstanding settlements the fund was waiting to receive. Vice-Chair Micciche responded that all of the money would be deposited into the prevention account, which funded all of the smaller spills. He referenced dry cleaning fluid spills and old gas stations that were no longer in operation and had no one to pay for the cleanup. The surcharge had been kept at a lower level to avoid funding more than required.

[11:49:08 AM](#)

AT EASE

[11:49:43 AM](#)

RECONVENED

Vice-Chair Micciche relayed that all funds were subject to appropriation. He stated that in the event the SPAR fund was over funded the goal was to provide only the amount needed to adequately fund the agency.

Vice-Chair Micciche MOVED to REPORT CSSB 86(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 86(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN 1(REV); one new fiscal impact note from the Senate Finance Committee for the Department of Environmental Conservation; and one new fiscal impact note from the Department of Environmental Conservation.

[11:50:44 AM](#)

AT EASE

[11:51:51 AM](#)

RECONVENED

#sb26

SENATE BILL NO. 26

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

^PUBLIC TESTIMONY: MAT-SU

11:52:19 AM

NAOMI NELSON, EXECUTIVE DIRECTOR, MAT-SU COMMUNITY TRANSIT (MASCOT), MAT-SU (via teleconference), testified in support of funding for the public and community transportation state match. She relayed that state match was vital funding that enabled the organization to leverage federal funds. She discussed the role of public transportation to take people to work, to the doctor, to the store, etc. She communicated that supporting public transit supported other health and human services agencies, built a stronger community, lead to better health, and saved money.

11:54:17 AM

RECESSED

1:36:17 PM

RECONVENED

^PUBLIC TESTIMONY: BARROW, KETCHIKAN, WRANGELL, PETERSBURG

1:37:53 PM

CAROL RUSHMORE, DIRECTOR OF ECONOMIC DEVELOPMENT, CITY AND BOROUGH OF WRANGELL, WRANGELL (via teleconference), testified in support of \$1.5 million for the upgrade and repair of the city's pool and recreational facility. She detailed that the borough and the state had already invested in the assessment and emergency repairs needed to move the project forward. She shared that the repair and upgrades represented long-term community health and benefit issues. She relayed that the signing of the project was critical to keeping the existing facility open.

STEVE CORPORON, ALASKA ASSOCIATION OF HARBOR MASTERS AND PORT ADMINISTRATORS, KETCHIKAN (via teleconference), spoke in support of Ketchikan municipal harbor facility grant funding of \$10.4 million. He recounted how the state had originally built and maintained the harbors before

ownership was transferred to local municipalities; however, municipalities did not have the rate structures in place. He added that wooden harbors were designed for a 30 to 35-year service life; the harbors were currently 45 to 50 years old. He described the deteriorated status of the Ketchikan harbor. He shared that the local communities scraped together 50 percent of funding through rate increases and bond initiatives (the community was on its third rate hike in three years). He stated that the funding would cover four projects in Sitka, Seward, and Ketchikan. He stressed that the harbors were not ADA compliant and were barely able-bodied compliant.

[1:43:00 PM](#)

SETH BRAKKE, ASSISTANT PUBLIC WORKS DIRECTOR, CITY OF KETCHIKAN, KETCHIKAN (via teleconference), spoke in support of funding for the Water Street Bridge Number 2 and the Front Mill and Stedman Street Reconstruction Project. He detailed that the Water Street Bridge project was an ongoing collaboration between the city and the Department of Transportation and Public Facilities for bridge repairs. He stressed that the project was critical to transportation needs. He relayed that the project was about to go out for bid. He communicated that the Front Mill and Stedman Street project involved the city's key route through the community and would provide for overdue repairs.

[1:44:30 PM](#)

KYAN REEVE, TRANSIT MANAGER, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN (via teleconference), testified in favor of \$1 million in state match for transit in Alaska. He relayed that receiving the state support had been critical in the development of a successful transport system in Ketchikan; the system served over 400,000 people per year. The state match had enabled the community to bring in over \$1 million in federal grants over the past three years. He testified in support of \$8 million for the Front Mill and Stedman Street Reconstruction Project and the replacement of the Water Street Bridge. He supported the Tongass Highway rehabilitation and reconstruction project and funding for the Alaska Marine Highway Ketchikan Ferry Terminal project.

Co-Chair MacKinnon welcomed Representative Dan Ortiz to the committee room.

[1:47:19 PM](#)

AT EASE

[1:57:01 PM](#)

RECONVENED

ROXANE LEE, SELF, PETERSBURG (via teleconference), testified in support of public radio. She detailed that prior to public radio access in Petersburg the community had been cut off from news, emergency information, and other state issues. She related the memorable experience of the development of the first radio station in Wrangell. She gathered that the majority of the state legislators did not live in rural Alaska and therefore could not realize the full effect of the proposed cuts to public radio. She understood that some cuts were necessary. She mentioned alternative revenue sources such as the Permanent Fund or state income tax. She stressed the importance of radio connection in rural Alaska.

[1:59:49 PM](#)

AT EASE

[2:11:18 PM](#)

RECONVENED

TOM BRICE, LABORERS 942, JUNEAU, testified in support of funding for the Juneau Access road project. He related that once the record of decision was made on the project within the upcoming 12 to 18 months, a \$4 million investment would enable the state to capture the remaining \$574 million in federal funds; the total state funds would be approximately \$52 million. He referred to the project as a major piece of transportation infrastructure for Alaska. He addressed jobs the project created and the importance of bringing Juneau closer to the road system. He thanked the legislature for its historical support of the project.

Co-Chair MacKinnon relayed that she may have a conflict of interest related to the project given that her husband's family owned a piece of property on the project route.

[2:14:06 PM](#)

AT EASE

[2:31:12 PM](#)

RECONVENED

Co-Chair MacKinnon noted that the committee was hearing public testimony on SB 26. There were no testifiers online or in the room at the time.

[2:32:00 PM](#)

AT EASE

[3:02:34 PM](#)

RECONVENED

^PUBLIC TESTIMONY: SITKA, CORDOVA, VALDEZ

[3:02:45 PM](#)

DR. TOM CONLEY, SITKA SCHOOL BOARD, SITKA (via teleconference), expressed his interest in testifying on the operating budget (HB 72).

Co-Chair MacKinnon relayed that HB 72 may be heard by the Senate Finance Committee on Tuesday.

[3:03:56 PM](#)

AT EASE

[3:07:58 PM](#)

RECONVENED

^PUBLIC TESTIMONY: JUNEAU

[3:08:04 PM](#)

MELANIE ZAHASKY, HOPE COMMUNITY RESOURCES, JUNEAU, testified in support of \$361,000 in funding for Jeffrey's Hope, a licensed residential home that housed four individuals with disabilities. She introduced Gloria Costello, a resident at the home, and her service provider Beth Handley. She communicated that the deck at the residence was in need of repair. She detailed that access to the backyard was difficult due to the disrepair of the back deck. She discussed the correlation between stable housing and lowered Medicaid costs.

BETH HANDLEY, HOPE COMMUNITY RESOURCES, JUNEAU, spoke in support of funding for Hope Community Resources. She shared that the residence was full of activity.

3:13:52 PM

AT EASE

3:15:20 PM

RECONVENED

DOUG BRIDGES, CATHOLIC COMMUNITY SERVICES, BOARD MEMBER, ALASKA MOBILITY COALITION, JUNEAU, testified in support of Department of Transportation and Public Facilities matching funds in the amount of \$1 million to support transportation services statewide. He emphasized that the funds would help leverage federal funding at a 4 to 1 or 5 to 1 ratio. He communicated that the Juneau transit system had accessed \$130,812 during the current fiscal year. Additionally, there was support for the dialysis transportation provided by Catholic Community Services in conjunction with the City and Borough of Juneau. He discussed that transit represented support for economies. He spoke to the role of transit in supporting hospitals and medical services. There was an accessible taxi in Juneau that was funded through the same grant process.

Co-Chair MacKinnon relayed that several testifiers had spoken in support of the \$1 million matching funds.

3:20:46 PM

ED PAGE, EXECUTIVE DIRECTOR, MARINE EXCHANGE OF ALASKA, JUNEAU, testified in support of the maritime safety net used by communities along the state's coastline. He relayed that the program had most recently been partially funded by the state cruise ship head tax. The state's contribution was currently around 15 percent of the safety net that had saved lives and aided efficiency and environmental protection. He relayed that the industry supporting the marine safety program recognized that if maritime operations in the state were expanded they needed to be done safely in an environmentally responsible way. He stressed that state funding was instrumental in the program's long-term success. He believed the capital budget was the appropriate fund source because currently additional vessel tracking sites were being built through the Arctic and Northwest Alaska Aleutian Islands.

3:23:40 PM

LISA MARIOTTI, POLICY DIRECTOR, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, JUNEAU, testified in support of a \$2 million request for the Alaska Housing Finance Corporation (AHFC) Empowering Choice Housing Program. She explained that the program helped victims rebuild their lives after leaving violent homes. She detailed that the program was a public-private partnership. She relayed that the shelter programs and participants did not directly receive the funds; the money went with parental assistance directly to private landlords in the 12 communities that offered the program. She elaborated that participants paid a portion of their rent depending on their income and ability to pay. The program had replace an inefficient program four years earlier. She shared that over 400 people had been assisted in the four-year period; currently there were 186 program participants (74 percent were female heads of households with children). She provided further information about program participants. She emphasized that the program saved money by breaking the cycle of violence. She discussed that children with adverse experiences had difficulties with school, interacted with juvenile justice systems, and later in life with the criminal justice systems.

[3:26:41 PM](#)

JEFF WELTZIN, TANANA CHIEFS CONFERENCE, JUNEAU, thanked the committee for the past five years of support. He shared that the conference had used \$4.2 million of capital money in the past four years to leverage over \$22 million for the construction of seven new primary healthcare clinics in rural Alaska. Additionally, over the past five years the conference had used \$1.6 million in capital funds to leverage \$6.5 million of federal foundation funds. He stressed that without the past support the conference would not have had the ability to leverage other funding resources.

[3:28:20 PM](#)

AT EASE

[3:31:08 PM](#)

RECONVENED

Co-Chair MacKinnon welcomed Senator Dennis Egan in the room.

[3:31:51 PM](#)

AT EASE

[4:31:33 PM](#)

RECONVENED

^PUBLIC TESTIMONY: FAIRBANKS, TOK

[4:31:39 PM](#)

Co-Chair MacKinnon handed the gavel to Senator Bishop.

JOHN DAVID RAGAN, SELF, FAIRBANKS (via teleconference), asked the committee to make smart choices related to the budget. He addressed the Juneau Access road. The state was supposed to put \$4 million into the project in the current year. He relayed that in return the state would receive \$574 million in federal matching funds. He believed the state would be required to pay back \$27 million to the federal government if it did not put the \$4 million into the project. He stressed that the state was not saving money by not spending \$4 million. He stressed that the state funds like the \$4 million increment primed the pump to bring in massive amounts of matching funds. He stated that making the cuts risked throwing the state into a major recession. He stated that the budget gap was so substantial that the cuts did not really solve the problem.

[4:34:31 PM](#)

DAVID WITHOFF, SELF, FAIRBANKS (via teleconference), testified in opposition to a proposed \$1.8 million for the Alaska Center for Unmanned Aircraft systems integration. He hoped that unmanned aircrafts had a bright future. He relayed that if the state had a significant amount of money he would heartily support spending public money to research ways to make the systems profitable; however, the state did not have a lot of money. He reasoned that if non-military applications of unmanned aircrafts were profitable, private businesses would already be using them. He did not believe it was appropriate to use public funds for what amounted to a small startup company that had not shown any profit. He hoped the legislature would consider restoring language that encouraged the University of Alaska to cut programs and positions that had little interaction with students rather than cutting low paid employees such as adjunct faculty.

4:36:16 PM

PAUL GILL, SELF, FAIRBANKS (via teleconference), spoke in support of funds for the Alaska Center for Unmanned Aircraft systems integration. He detailed that the University of Alaska Fairbanks (UAF) had recently approved an aerospace minor. He encouraged funding for the new engineering building at UAF. He discussed a lack of lab space. He continued that new technology kept coming in, but the university continued to use the old technology as well. He believed that if construction was frozen it would cost more to restart construction in the future. He stated that \$31.3 million would complete the building, but \$10 million would enable construction to continue for one year.

4:38:29 PM

JO SEAMON, SELF, FAIRBANKS (via teleconference), asked the committee to continue funding existing jobs to keep maintaining the state's schools.

4:39:09 PM

JOE HARDENBROOK, MAYOR'S OFFICE, FAIRBANKS NORTH STAR BOROUGH, FAIRBANKS (via teleconference), asked for a restoration of funding for phase four of four of the Barnette Magnet School renovations. He reasoned that putting off the final phase would increase cost would increase the amount of time to complete the project. He detailed that the project was item 4 on the major maintenance and renovation list; unfortunately only items 1 through 3 were funded in the governor's budget. Additionally, he asked for funding for the UAF engineering building. He reiterated that every year that projects were put off meant that costs would increase to wrap them up. He asked the committee to up the governor's \$8 million request to \$10 million.

4:40:49 PM

JONI SCHARFENBERG, FAIRBANKS SOIL AND WATER CONSERVATION DISTRICT, FAIRBANKS (via teleconference), spoke in support of funding for the Alaska Association of Conservation Districts. She detailed that conservation districts worked with state and federal agencies to promote natural resource development. She provided additional detail about the

districts. The Fairbanks Soil and Water Conservation District had leveraged over \$400,000 of non-state dollars utilizing \$40,000 of state money in 2014. She detailed that the districts saved the state money and brought money into the state. She mentioned a project in need of funding that worked to eradicate aquatic invasive elodea, which had the potential to spread throughout the state's waterways. She elaborated that money had been allocated to Kenai and Anchorage to work on the 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. She stressed that the more time that went by, the harder it would be to control.

Senator Bishop asked if the elodea was present in Mat-Su. Ms. Scharfenbreg replied that elodea was present in the Kenai, Sand Lake in Anchorage, Cordova, and in the Interior. She did not know whether it was in Mat-Su.

[4:44:00 PM](#)

RUSSELL SNYDER, GRANTS COORDINATOR, INTERIOR REGIONAL HOUSING AUTHORITY, FAIRBANKS (via teleconference), testified on behalf of Alaska Housing Finance Corporation (AHFC) and other regional housing authorities. He asked for continued funding for the supplemental housing development grant that provided a 20 percent match of all federal Indian housing block grants. He stressed that the program was vital for rural communities that had limited funds. The agency employed over 90 staff with the supplemental funding and the weatherization program. He detailed that the weatherization program helped weatherize homes and saved Alaskans money on heating bills. He relayed that cash was saved in rural communities as a result of the program. He thanked the legislature for funding the Alaska Energy Authority (AEA) renewable energy grant.

[4:46:20 PM](#)

ADAM BARTH, FAIRBANKS NORTH STAR BOROUGH TRANSPORTATION DEPARTMENT, FAIRBANKS (via teleconference), testified in support of community transportation matching funds that the state had funded the past few years to help transit agencies fund operations in their communities. Fairbanks received about \$113,000; it was able to fund a portion of its transit system. He detailed that the district's blue line had provided approximately 170,000 rides in the past

year; the funding would cover 26 percent of the rides. He stated that the blue line would operate more frequently and would enable more people to get around town. He thanked the committee for its past support.

[4:48:14 PM](#)

DAVE MILLER, SELF, FAIRBANKS (via teleconference), requested funds for the Cold Climate Housing Research Center. He spoke to the successes of the center. He detailed that the center taught homebuilders and commercial contractors the importance of energy efficient and sustainable building practices statewide. He reasoned that the energy efficiency and sustainability would benefit future generations as well. Additionally, he testified in support of homeless assistance grants. He volunteered for an organization providing shelter for homeless teenagers. He emphasized the importance of the individuals who were preyed upon and frequently had no place to go but the hospital or the police station. The grant enabled the organization to provide safe shelter and to help individuals get on their feet to head down the right path.

[4:50:19 PM](#)

TERRY DUSZYNISKI, SELF, FAIRBANKS (via teleconference), spoke in favor of funds for the Cold Climate Housing Research Center. He stated that the work conducted by the research center over the past 15 years was vital to the Alaska housing industry. He spoke to the high costs of home heating in Fairbanks. He detailed that the center had come up with ways to help make houses less expensive to operate in rural Alaska. He also thanked the committee for funding for public broadcasting.

[4:52:08 PM](#)

AT EASE

[4:59:57 PM](#)

RECONVENED

ADITI SHENOY, INVASIVE SPECIES SPECIALIST, FAIRBANKS SOIL AND WATER CONSERVATION DISTRICT, FAIRBANKS (via teleconference), communicated that elodea was an aggressive aquatic invasive species that could transform native habitats. She discussed the potential impact on grayling, salmon, and other commercially important species for sport

and commercial fishing. She discussed impacts on fish habitat; the plant increased sedimentation and degraded water quality. She discussed the importance of acting quickly on the infestation in Chena Slough; the slough fed directly into Chena River where plant fragments could be washed downstream into the Tanana and Yukon River drainages. She shared that a recent infestation had been located in Alexander Lake in Mat-Su. She stressed the importance of eradicating the species in Interior Alaska in order to prevent from spreading it to other areas in the state. She spoke to federal matching funds available for the eradication in Chena Lakes and Slough; legislative money would help to begin the eradication program.

[5:03:34 PM](#)

DAN LABROSSE, DENALI DEAF COMMUNITY CENTER, FAIRBANKS (via teleconference), asked for support for a \$995,000 request that would enable the center to purchase its current building. He spoke to the Navigator program that serviced deaf and hard of hearing individuals statewide; it helped individuals secure employment and living situations. He communicated that deaf individuals in Alaska were marginalized. He shared that the first two years of the project had been funded by the legislature; the \$995,000 was the third and final increment. He stated that without the funding there was a good chance the center would not survive another year. He noted that there was a heavily used facility in Anchorage. He stressed that the services were vital to the community.

[5:05:36 PM](#)

AT EASE

[5:11:29 PM](#)

RECONVENED

DR. ANN MARIE O'BRIEN, SUPERINTENDENT, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), spoke in support of funding for the Kivalina school. She detailed that it was in the community's interest to provide students with a suitable facility in which to enrich their education. She sincerely recognized the difficulty facing the state budget. She shared that Kivalina was the last school remaining on the list of schools in the Kasayulie settlement; on January 5, 2010 the community of Kivalina had voted overwhelmingly in favor of a site for a new

school. She provided information about the elected site. Governor Walker's proposed capital budget included \$2.5 million for the Kivalina evacuation and access road and \$4.6 million for the planning and design of the replacement school. She asked the committee to consider that the school was operating at 220 percent capacity; there were 132 children attending school in Kivalina. She continued that the school had used every available space possible to make room for classrooms. She thanked the committee for its consideration.

[5:15:47 PM](#)

KERRY BOYD, SUPERINTENDENT, YUKON KOYUKUK SCHOOL DISTRICT, FAIRBANKS (via teleconference), requested support for the governor's proposed increment for Nulato's Andrew K. Demoski School in the Department of Education and Early Development major maintenance capital budget. She shared that the school had been on the major maintenance list for eight years; it had ranked number 2 out of over 100 applications for the past two years. She detailed that the school was part of a Regional Education Attendance Area; the only funding source the district had for new construction and major maintenance was through the state's major maintenance list.

[5:17:13 PM](#)

TOM BEGICH, GOVERNMENT AFFAIRS DIRECTOR, CITIZENS FOR THE EDUCATIONAL ADVANCEMENT OF ALASKA'S CHILDREN, ANCHORAGE, spoke in support of funding for the Kivalina school. He relayed that the school had been an integral part of the Kasayulie lawsuit; it was a last piece of the negotiated settlement. He spoke in support of the capital budget proposed by the governor for major maintenance and capital construction for the Kivalina road and school. He stressed that the funding of the school was critical Kasayulie consent decree.

[5:18:56 PM](#)

AT EASE

[5:39:53 PM](#)

RECONVENED

^PUBLIC TESTIMONY: BETHEL, NOME, KOTZEBUE, UNALASKA

[5:39:53 PM](#)

JOHN SARGENT, GRANT MANAGER, CITY OF BETHEL (via teleconference), testified in support of funding for the statewide transit system. He relayed that the prior year the state had allocated \$1 million to the program. He remarked that the program received matching federal funds. He detailed that the transit system in Bethel had been running for six years. The local tribe was not able to afford the match; therefore, the state match had been very beneficial the prior year. The city had used its portion of the money to obtain a grant for 15 permanent bus shelters.

Senator Bishop handed the gavel to Co-Chair MacKinnon.

[5:42:48 PM](#)

ALLAN JOSEPH, SELF, BETHEL (via teleconference), testified in support of \$5 million for the Alaska Village Council Presidents (AVCP) Regional Housing Authority program. He shared that the grant program was primarily used for green projects (e.g. energy efficient doors, windows, etc.) and infrastructure costs (i.e. water and sewer connections). He detailed that green projects helped prevent runaway heating costs; fuel costs were hovering around \$7 per gallon in many villages. He elaborated that AVCP housing served Bethel and other surrounding regions, which had some of the highest rates of poverty, unemployment, and energy costs in the state. He stressed that many residents could not afford to renovate their homes to make them energy efficient. He noted that supplemental grant funds provided up to 20 percent match for federal Housing and Urban Development funds. He further discussed the need for housing in the region. He urged the legislature to continue investing in programs that saved money for Alaska residents.

[5:45:09 PM](#)

JOHN OWENS, SELF, BETHEL (via teleconference), spoke in support of funding for ACVP Regional Housing Authority weatherization grants. He communicated that the region consisted of 26,000 residents and 8,100 homes. He detailed that the program had conducted weatherization services in 36 villages from 2008 to 2014. He provided further statistics related to the program. He discussed that weatherization work was beneficial to the local economy; the organization had hired 1,324 village workers from 2008

to present. He reasoned that weatherization had already proven to lower energy costs in the region by approximately 35 percent. He hoped the program would continue far into the future.

[5:47:32 PM](#)

BRIAN LEFFERTS, EMPLOYEE, YUKON KUSKOKWIM HEALTH CORPORATION, BETHEL (via teleconference), spoke in support of funding for the village safe water and wastewater infrastructure state match for federal funding. He relayed that much of the federal money had already been awarded to the communities, but a state match was required in order for projects to move forward. The federal grant funding had a limited window; therefore, construction schedules were tight. He detailed that there would not be time for completion of new and ongoing projects if the state funds were not provided. The corporation was concerned that an absence of state funding would hurt the communities' chances of receiving the federal funds again in the future. He communicated that in 2014 water and sanitation was the top priority identified at the annual Tribal Unity gathering in Bethel. He detailed that nearly half the homes in the Yukon-Kuskokwim Delta lacked indoor plumbing. He discussed the high rate of chronic respiratory infections in children living in homes without plumbing.

[5:50:52 PM](#)

MILLIE HAWLEY, KIVALINA IRA COUNCIL, KIVALINA (via teleconference), requested \$2.5 million for the Kivalina evacuation road project. The funds would enable the community to continue studies that would lead towards providing an evacuation road; the road would provide life safety for residents. The community was interested in putting in a new school at the end of the road. She pointed to various studies that had been done or were underway. She relayed that the Native Village of Kivalina had committed no less than \$1 million to the evacuation road. The road was needed due to increased sea storms that were eroding the community's shoreline.

[5:53:58 PM](#)

STAN HAWLEY, KIVALINA IRA COUNCIL, KIVALINA (via teleconference), encouraged the committee to appropriate funds for new school in Kivalina. He relayed that residents

needed an opportunity for work, expansion, and to provide infrastructure to support the health and welfare of tribal members. The school would provide youths with access to increased educational opportunities.

[5:55:13 PM](#)

DOLLY FOSTER, TRIBE SECRETARY AND TREASURER, KIVALINA IRA COUNCIL, KIVALINA (via teleconference), spoke in support of the Kivalina evacuation road and a new school. She noted that the new school was part of the [Kasayulie] settlement. She asked the committee to consider the eroding island of Kivalina and its need for the projects. She urged support of \$4.6 million for the school planning.

[5:56:56 PM](#)

SHIRLEY MARQUARDT, MAYOR, CITY OF UNALASKA (via teleconference), spoke in support of the reappropriation of \$1.5 million from the Unalaska geothermal project to the Unalaska fuel conservation project. [Note: much of the testimony was indecipherable due to a poor phone connection.] She spoke in support of projects that did not have significant road blocks in order to decrease the community's energy costs.

Co-Chair MacKinnon commented on the poor phone connection. Ms. Marquardt reiterated the request to reappropriate \$1.5 million to the Unalaska fuel conservation project for its new powerhouse and water utility. She noted that with the two projects combined the city would still need to pay approximately \$400,000 to \$500,000; the community believed the cost was worth it and would be able to pay off the projects within 10 years. She spoke to cost savings.

Vice-Chair Micciche asked that Ms. Marquardt submit an email with her testimony.

[6:01:15 PM](#)

AT EASE

[6:23:11 PM](#)

RECONVENED

^PUBLIC TESTIMONY: KODIAK, DILLINGHAM

BRENDA AKELKOK, EXECUTIVE DIRECTOR, BRISTOL BAY HOUSING AUTHORITY, DILLINGHAM (via teleconference), spoke in support of the Alaska Housing Finance Corporation supplemental housing development grant that leveraged a significant amount of federal HUD funding. She communicated that the primary source of HUD money was derived through the Native American Housing Assistance and Self Determination Act. She detailed that without the grant fewer homes would be constructed to meet homelessness and overcrowding conditions. The funds would enable the community to build to the statewide energy efficiency standard.

[6:25:53 PM](#)

KEVIN TENNYSON, WEATHERIZATION DIRECTOR, BRISTOL BAY HOUSING AUTHORITY, DILLINGHAM (via teleconference), spoke in support of Bristol Bay Housing Authority grant fund. He relayed that the housing authority had fixed 400 homes and had increased the energy ratings from one-star up to a four-stars. He noted that the budget was down from \$4 million in 2008 to \$1.4 million at present. He discussed that the organization had created jobs in the rural areas and had provided much needed training for residents. He stressed that the program was cost-effective. He underscored that the improvements saved an average of 40 percent for rural homeowners.

[6:27:25 PM](#)

STANLEY COLE, HOPE COMMUNITY RESOURCES, DILLINGHAM (via teleconference), interviewed a Hope Community Resources recipient in Dillingham. He spoke in support of a funding request that would enable the organization to remodel its deck for use. He detailed that Hope provided services to 1,400 individuals with physical and mental disabilities. He relayed that without continued state help the individuals and their families would see significant quality of life reductions. He shared that a person's ability to live where they called home had a direct impact on lowering Medicaid healthcare costs. He asked the committee to support the inclusion of a minimum of \$361,000 for the organization.

[6:29:10 PM](#)

DAVE DONLEY, HOPE COMMUNITY RESOURCES, JUNEAU, spoke in support of funding for Hope Community Resources. He relayed that the money would help keep the Hope homes open throughout the state. He discussed that the state licensed the facilities; the request had been reduced to include only the projects the state had ordered the organization to do. He communicated that a portion of the funding request had been identified by the organization for projects effecting safety in the homes. He shared that Hope raised approximately \$2 million annually to pay for the costs. He elaborated that a 2009 legislative research study indicated significant operating budget savings that occur from individuals living in the homes instead of in institutions. Additionally, the legislative research report identified billions of dollars in savings in potential capital budget expenses. He stressed that the costs would exist one way or another; Hope's strategy represented a much more efficient way of providing services.

Co-Chair MacKinnon noted that Representative Louise Stutes was present in the committee room.

[6:32:19 PM](#)

CARLA KIMMEL, EMPLOYEE, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), spoke in support of funding for Hope Community Resources. The organization believed the funding would help improve the lives of its recipients. She relayed that the grants went to housing and group homes. She questioned where the residents would go if the funds were not provided. She stressed that the recipients worked and volunteered in the community. The grants provided means to improve homes, provide individuals with equipment, and other. The organization worked with the state and tried to save money. Her program helped children with disabilities improve their lives. She stressed that failing to provide the funds would mean residents would end up on the street or in institutions. She stressed that it would not be fair.

[6:34:33 PM](#)

GLENDA FERNANDEZ, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funding for Hope Community Resources. She asked the committee to support the inclusion of at least \$361,000 in the capital budget. She communicated that the funds would help the neediest Alaskans statewide. She elaborated that the majority of the

organization's recipients had a developmental and/or physical disability; many of the individuals were children. She stressed that without the state's help the individuals and their families would see substantial reductions to the quality of life. She implored the committee to provide the funding.

6:35:54 PM

JACKIE MALUTIN, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), spoke in support of funding for Hope Community Resources. She shared some of the activities that she participated in on a recent trip with the Hope Community Resources Center. She relayed that Hope had helped her grow.

6:37:20 PM

JEFF GARCIA, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of funding for Hope Community Resources. He shared that the organization had helped him with his needs. He thanked the organization.

6:38:15 PM

DONNA MENDIGORIN, PARENT, KODIAK (via teleconference), spoke in support of funding for Hope Community Services. She shared that Hope was able to help her family. She was very thankful for the services provided by the organization.

6:39:37 PM

CORRIE DAVIS, DIRECTOR, COMMUNITY SUPPORT SERVICES, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of a minimum of \$361,000 for Hope Community Resources. She detailed that the funding would pay for upgrades to state-licensed residences for disabled Alaskans that the state had ordered. The capital funding for Hope reduced the operating budget; funds were needed to comply with state and federal licensing requirements. She stressed that without capital budget funding Hope would serve fewer Alaskans; some of the Alaskans would require much more costly institutional services that would increase the operating budget. She underscored that the increase in Medicaid cost would be immediate if the residences closed. She spoke to research showing the savings of services

provided in-home. She emphasized that stable housing increased health for people.

6:42:03 PM

PAT BRANSON, MAYOR, CITY OF KODIAK (via teleconference), spoke in support of \$3.5 million for the building road pavement rehabilitation project in Kodiak. She explained that there were over 10,000 vehicle trips per day. She noted that the funding would help make the road drivable. She urged support of funding for state transit money. She detailed that the transit system used state matching funds to operate. She relayed that the transit system provided transportation for many Hope Community Resources Center recipients.

6:44:07 PM

CORRINE FERRE, EMPLOYEE, KODIAK SOIL AND WATER CONSERVATION DISTRICT, KODIAK (via teleconference), spoke in support of funds for the Kodiak Soil and Water Conservation District. She highlighted that the district worked with state agencies to provide cost-effective soil and water management. Additionally, the soil and water districts worked towards eradicating invasive plants. She relayed that the districts brought in millions of dollars in federal funds; the small amount of funds received in the capital budget were necessary matching funds. She declared that the districts used funds to help develop the state's resources including agriculture, mining, reclamation, and habitat. She shared the districts had used \$51,000 in state funds to support projects that brought in an additional \$110,000 in grant funds to the community. She spoke to other efforts supported by the districts.

6:46:00 PM

SONIA CLARY, EMPLOYEE, HOPE COMMUNITY RESOURCES, KODIAK (via teleconference), testified in support of a minimum of \$361,000 for Hope Community Resources. She shared that one of the largest benefits of working for the organization was getting to meet and know its recipients. She spoke to the benefits added to the community by the individuals served by the organization; she could not imagine life without the individuals. She stressed the importance of looking at the "human face" of the cuts. She asked the committee to think

about its neighbors. She emphasized the importance of embracing people and their differences.

6:48:08 PM

AT EASE

7:04:54 PM

RECONVENED

^PUBLIC TESTIMONY: STATEWIDE TELECONFERENCE - OFFNET SITES

7:05:38 PM

HERMAN MORGAN, SELF, ANIAK (via teleconference), testified in support of funding for the Mid-Yukon Soil and Water Conservation District. He stated that there were various types of plant life that were getting contaminated. He referred to challenges with invasive weeds. [Note: much of the testimony was indecipherable.]

7:07:17 PM

KARA GROICHER, DIRECTOR, STANDING TOGETHER AGAINST RAPE, ANCHORAGE (via teleconference), testified in support of funding for sexual assault and domestic violence prevention. She shared that the funding helped to provide the most basic needs; without the funding vulnerable members of the community would be in crisis and in dire need for services. She detailed that the funding provided a replacement pair of jeans for a woman hoping evidence would be recovered from the ones she had to leave behind. Additionally, it provided counseling services, a track phone, and airfare for a family in crisis needing a safety plan and a new start in order to lead a life free of interpersonal violence.

7:08:54 PM

PINKEY TOOYAK, VOLUNTEER, ALASKA CENTER FOR THE BLIND AND VISUALLY IMPAIRED, BARROW (via teleconference), spoke in support of \$188,000 for repairs and upgrades to the Alaska Center for the Blind and Visually Impaired. She shared that in 1983 the legislature had appropriated funds that enabled the organization to purchase a building. The center needed a roof replacement in addition to energy efficiency repairs.

[7:10:59 PM](#)

SAMANTHA MINTZ-GENTZ, ADVOCATE, STANDING TOGETHER AGAINST RAPE, ANCHORAGE (via teleconference), spoke in support of reinstating funds for the Alaska Domestic Violence and Sexual Assault Intervention Program. She stressed that the funds were necessary for ongoing support of domestic violence and sexual assault survivors. She spoke to the tragic repercussions that interpersonal violence had on a person's life. The financial support offered by the program worked to alleviate the burden. She relayed that the program was necessary to ensure the safety and progress for survivors in Alaska. She provided examples of women benefitting from the program. She implored the committee to reinstate funds.

[7:14:20 PM](#)

THOMAS MCKENZIE-CORBITT, SELF, CLAM GULCH (via teleconference), expressed support of the budget decisions of the committee. He recognized that budget planning was always difficult.

[7:15:14 PM](#)

KAREN GONNE-HARRELL, CASE MANAGER, STANDING TOGETHER AGAINST RAPE, ANCHORAGE (via teleconference), spoke against proposed cuts to the Alaska Domestic Violence and Sexual Assault Intervention Program. She communicated that STAR had assisted close to 500 people since the past September. The program had paid for immediate, safe housing and had developed a safety plan. Once the individuals were stable they could begin to heal, gain employment, and other. The program helped relocate and transport clients, paid rent, installed security systems, and other. She urged the committee to not cut the funding.

[7:18:01 PM](#)

SOMA KLIEMANN, ABUSED WOMEN'S AID IN CRISIS, ANCHORAGE (via teleconference), spoke in support of funds for the Alaska Domestic Violence and Sexual Assault Intervention Program. She shared that the program provided hope to people in the community; it gave people the opportunity to become and stay safe. Additionally, it provided people with the chance to find themselves in a place where they were no longer in fear and running from an abuser. The program provided court

advocacy, relocation, safety devices, increased home security, rent, and other. She communicated that since 2002 the program had provided 16,000 individuals with safety and resources in 38 communities. She emphasized that the program covered the entire state. She underscored that a loss of the program would be devastating. She asked the committee to restore the funds.

[7:19:41 PM](#)

RICHARD WEBB, SELF, FOX (via teleconference), testified in support of \$188,305 for capital upgrades for the Alaska Center for the Blind and Visually Impaired facility. He shared that he had lost his vision just before his forty-first birthday; he had believed his life was over and that he could not do anything without vision. He was very grateful that he had found the Alaska Center for the Blind and Visually Impaired. The center had showed him that he could continue to do the things he loved to do. He stressed that the facility was the only comprehensive vision rehabilitation center in Alaska. He had traveled 370 miles to the facility to obtain the training he had desperately needed. He urged the committee to support the capital appropriation. He added that matching funds had been raised. He stressed that the facility roof should have been replaced three years earlier.

[7:23:16 PM](#)

CHUCK KANCIC, WASILLA SOIL AND WATER CONSERVATION DISTRICT, WASILLA (via teleconference), spoke in support of funds for the Wasilla Soil and Water Conservation District. He detailed that the district in Wasilla was established in 1948 to advise residents and neighbors on the best conservation management practices. He relayed that in the past year the district had been at a critical crossroads due to the lack of funding that had been exacerbated by the current funding situation for the upcoming year. He communicated that the district budget leveraged a high level of federal funds. He stressed that without state operating funds the district would not have the ability to qualify for federal, state, and local funds. The district served the Wasilla area as a leader in community-based salmon restoration projects and public conservation outreach. He stated that the district typically operated at a 25 percent more efficient level than the government when planning, implementing, and completing projects. District

capital projects included an ATV crossing construction project, Lake Lucile Park trails upgrade, salmon education in elementary schools, and a fall and winter conservation series.

[7:25:21 PM](#)

RICK BERNS, MAYOR, CITY OF 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 remove 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.

[7:28:24 PM](#)

MIKE WOOD, PRESIDENT, BOARD OF SUSITNA RIVER COALITION, CHASE (via teleconference), spoke against the Susitna Hydroelectric Project. He did not believe the project was necessary to solve Alaska's energy needs. Additionally, he stated that the project would endanger a viable salmon river. He asked the committee to reappropriate the remaining funds from the project for use on more important items. He noted that federal matching money needed to be returned. He opined that much better solutions [to the state's energy problems] existed.

[7:30:34 PM](#)

JEFF SMEENK, DISTRICT MANAGER, PALMER SOIL AND WATER CONSERVATION DISTRICT, PALMER (via teleconference), advocated for funding for the Alaska Association of Conservation Districts. He stressed that funding the

organization was an incredible investment of state funds. He relayed that the organization was lean. The organization focused on the sustainable development of Alaska's resources; it had a great knowledge base. He communicated that on agricultural related issues many times the districts were the "go-to" organization for the Division of Agriculture and the University's Cooperative Extension Service. He noted that the districts were relatively autonomous and focused on the issues important to each region. The Palmer district had elected to make a significant investment in the technology of precision agriculture. He believed the work would help the community and the Department of Transportation and Public Facilities' mission to control invasive weeds along the roadsides. He relayed that the organization used state funds as a multiplier for federal grants.

[7:32:59 PM](#)

NANCY ANDERSON, DEPARTMENT OF HEALTH AND HUMAN SERVICES, MUNICIPALITY OF ANCHORAGE (via teleconference), spoke in support of funding for domestic violence prevention programs. She asked the committee to consider an increment for \$850,000 to continue to fund the program that partnered with agencies such as STAR, AWAIC, Victims for Justice, the Alaska Police Department, and the municipal prosecutor's office. She detailed that the program had decreased recidivism by almost 50 percent. As a result, it had a significant cost savings. She discussed that the program gave a message to offenders that the state took sexual assault and domestic violence seriously; if an offender was arrested and convicted they would be held accountable for following conditions. She noted that the state funds accounted for approximately 46 percent of the program; the other 54 percent was provided by the police department, Municipality of Anchorage prosecutor's office, STAR, AWAIC, and Victims for Justice. She urged the committee to continue funding the program.

[7:36:07 PM](#)

JOHN FULTON, MANAGER, BRISTOL BAY BOROUGH (via teleconference), testified in support of the bill in its current form. He explained that Naknek was located 297 miles Southwest of Anchorage and is the heart of the Bristol Bay Sockeye fishery. He relayed that the community's sewer system served a large population increase

in the summer months as a result of the salmon fishery. He detailed that the community owned and operated the sewer system that was over 30 years old. He spoke to the increased demand on the system over the years. He elaborated that in 2007 there had been a major break in the sewer system; had it occurred during the fishery season it would have been disastrous. The current bill provided the necessary funding to address the borough's needs. He urged the committee to maintain the funding at its current level.

[7:38:12 PM](#)

SURGE KULIKOV, SERVICE ADVOCATE, STAR, ANCHORAGE (via teleconference), spoke in support of funding for the Alaska Domestic Violence and Sexual Assault and Prevention Project. He stressed that the project helped many victims of sexual assault and domestic violence; he had witnessed how the project had changed and saved lives. He discussed that it was difficult to get out of abusive and violent situations and the project helped the victims get their lives back. He elaborated that the project helped create new lives; its continuous funding would continue to help victims and their families. He shared that the funding would help the recipients become participating members of the community. He implored the committee to continue funding the project.

[7:39:34 PM](#)

CHRIS REITAN, GALENA SCHOOL DISTRICT, GALENA (via teleconference), spoke in support of funding for school construction and major maintenance. He commended the job done by the legislature and former governor during the 2014 legislative session related to education funding. However, one area that had not been addressed was the Department of Education and Early Development's major maintenance grant fund. He noted that the four-year funding average for major maintenance from FY 11 to FY 14 was \$22.9 million. He elaborated that no money had been appropriated during the FY 15 budget cycle. He explained that \$13.49 million had been included for the item in the governor's amended capital budget. He requested that the FY 16 capital project budget contain some money for the major maintenance grant fund in order to begin addressing major maintenance needs of school districts. He detailed that the fund provided school districts with a credible and viable way to address

infrastructure needs to support core academic program needs.

[7:41:33 PM](#)

LOUIE FLORA, LEGISLATIVE LIAISON, ALASKA CENTER FOR THE ENVIRONMENT AND ALASKA CONSERVATION VOTERS, JUNEAU (via teleconference), spoke in support of the inclusion of funds for the Alaska Housing Finance Corporation Weatherization and Energy Rebate Program. Additionally, he requested consideration of the inclusion of Renewable Energy Fund projects. The organizations appreciated the work that had gone into the budget and understood that Alaskans would be asked to tighten their belts collectively. He relayed that the energy efficiency programs had assisted many Alaskans at many income levels to achieve upgrades to their residences; as a result the work had decreased home heating usage. He stated that the programs were good for the environment and for the economy. The Renewable Energy Fund had been a successful model and had displaced millions of gallons of diesel generation per year. The organizations would like to see the programs continue in order for projects in phased completion could work towards final completion.

Co-Chair MacKinnon CLOSED public testimony. She discussed the agenda for the following day.

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

#

ADJOURNMENT

[7:45:02 PM](#)

The meeting was adjourned at 7:45 p.m.