

SENATE FINANCE COMMITTEE

March 8, 2016

10:10 a.m.

[10:10:12 AM](#)

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 10:10 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Bill Tremblay, Board President, KFSK Community Radio, Petersburg; Christine Niemi, Self, Juneau.

PRESENT VIA TELECONFERENCE

Jenelle Everett, Self, Barrow; Chuck Herman, Self, Bethel; Lori Gregory, KUCB, Unalaska; Bob Metcalf, University of Alaska Fairbanks, Nome; Shauna Rudio, KUBC, Unalaska; Ann Capela, Manager, City of Bethel, Bethel; Mark Springer, Self, Bethel; Sue Steinacher, KUAC, Nome; Nelson Walker, City of Kiana, Kiana; Brad Reich, Northwest Arctic Borough, Kiana; Mary Nanuwak, Self, Bethel; Geoff Carol, Self, Barrow; Jeff Seifert, General Manager, KBRW, Barrow; Bryant Hammond, City Clerk, Nome; Donna Dennis, Self, Tok; Helen Olson, Self, Tok; Sharon Dunkin, Self, Tok; Betty Denny, Self, Tok; Michael Jeffery, Self, Barrow; Bob Harcharek, President, Alaska Municipal League, Barrow; George Koulus, Self, Tok; Richard Beneville Mayor, Nome; Erin Hollingsworth, Self, Barrow; Raymond Atos, Self, Barrow;

Mike Shults, Self, Barrow; Lee Sherwood, Self, Tok; Glenn Wilkinson, Self, Tok; Shawn Arnold, Superintendent, Nome Public Schools, Nome; David Martin, City of Ketchikan, Ketchikan; Ginger Fortin, Self, Ketchikan; Mary Deihl, Self, Ketchikan; Jeff Jabusch, Borough Manager, Wrangell City and Borough, Wrangell; Christie Jamieson, President, Wrangell Chamber of Commerce, Wrangell; Susan Stevens, Self, Wrangell; Aleisha Mollen, Self, Wrangell; Mark Jensen, Mayor, Petersburg Borough, Petersburg; Julie Hursey, Self, Petersburg; Craig Olson, Self, Petersburg; Tom Abbott, Self, Petersburg; Andy Donato, Division Manager, KPU Electric, Ketchikan; Melvin Charles, Self, Ketchikan; Kathleen Light, Executive Director, Ketchikan Area Arts and Humanities Council, Ketchikan; Deb Turnbull, Self, Ketchikan; Karen Hofstad, Self, Petersburg; Joe Stratman, Self, Petersburg; Sunny Rice, Self, Petersburg; Leo Luczak, Self, Petersburg; Christine Jenkins, Self, Wrangell; Patrick Mayer, Superintendent, Wrangell Public School District, Wrangell; Margaret Cloud, Self, Ketchikan; Sheila Miller, Volunteer, KRBD Radio, Ketchikan; Dennis Mann, Self, Ketchikan; Janalee Gage, Self, Ketchikan; Janice Walker, Self, Ketchikan; David Byrne, Self, Petersburg; Erica Kludt-Painter, Superintendent, Petersburg School District, Petersburg; John Havrilek, Petersburg Chamber of Commerce, Petersburg; Ted Howard, Board Member, KCAW, Sitka; Rich McClear, Self, Sitka; John Dull, Self, Sitka; Mark Gorman, City Administrator, City and Borough of Sitka, Sitka; Lauren Bell, Self, Sitka; Mary Wegner, Superintendent, Sitka School District, Sitka; Sandi Koval, Self, Sitka; Jon Stavig, CFO, City of Cordova, Cordova; Brent Davis, Self, Cordova; Gretchen Clarke, Self, Sitka; John Murray, Self, Sitka; Denny Weathers, Self, Cordova; John Anderson, KCHU, Valdez; Shane Kimberlin, Self, Valdez; Guy Bergstrom, Self, Valdez; Terry Simmons, Self, Valdez; Robert Berceli, Self, Cordova; Karen Allred, Volunteer, KCHU, Valdez; Lee Hart, Levitation 49, Valdez; Joan Kautzer, Board Member, KFSK, Kupreanof; John Bolling, City of Craig, Craig; Carl Berger, Self, Bethel; Glen Marunde, Northway Community, Northway; Julia Phelan, Self, Delta Junction; Jon Erickson, City Manager, City of Yakutat; Steve Alexander, Self, Elfin Cove; Todd Richards, Self, Elfin Cove; Margaret Friedenauer, Self, Haines; Anne Hanssen, Self, Haines; John Lamont, Self, Alakanuk; Albert Nigneulook, Self, Shishmaref; Elsie Vent, Huslia City Council, Huslia; James Squyres, Self, Rural Deltana; Fred Patterson, Self, Chiniak; Jeff Widdows, Self, Yakutat; Chris Widdows, Self, Yakutat; Mary Amaktoik, Self, Elim;

Deborah Potter, Self, Skagway; Jennifer Thuss, Self, Skagway; Melanie Lesh, Self, Gustavus; Dustin Craney, Self, Haines.

SUMMARY

SB 139 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 139 was HEARD and HELD in committee for further consideration.

SB 140 APPROP: MENTAL HEALTH BUDGET

SB 140 was HEARD and HELD in committee for further consideration.

#sb139

#sb140

SENATE BILL NO. 139

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

SENATE BILL NO. 140

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

[10:10:23 AM](#)

Co-Chair Kelly relayed that he would hand the gavel to Co-Chair MacKinnon to continue the meeting.

^PUBLIC TESTIMONY: BETHEL, NOME, KOTZEBUE, UNALASKA

[10:11:01 AM](#)

CHUCK HERMAN, SELF, BETHEL (via teleconference), urged the committee to restore funding for public broadcasting. He

spoke to the importance of public radio to the community. He explained the critical nature of the service to the rural community. He believed KYUK was particularly important for community engagement; the station aired local government meetings, news, and emergency response. He stressed that the station helped people with all sorts of things including finding jobs. He noted that the community had little internet access.

[10:13:38 AM](#)

LORI GREGORY, KUCB, UNALASKA (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she had lived in Unalaska since the 1970s. She relayed that the radio station provided news and other important programming. She relayed that the fishing industry relied on public radio for weather and road conditions and subsistence fishery closures. Cuts from the prior year had reduced the radio staff to one. She relayed that at the current staffing level the station was already struggling. She stressed that the station was a crucial service that provided emergency information to the local communities; with further cuts the station would be unable to provide the service. She asked the committee to preserve as much funding as possible for public broadcasting.

[10:17:03 AM](#)

BOB METCALF, UNIVERSITY OF ALASKA FAIRBANKS, NOME (via teleconference), testified in support of funding for the University. He spoke in support of the many organizations and partners that worked to collaborate with the Northwest campus. He asked the committee to support K-12 education. He shared that the local school districts had engaged openly with communities, Alaska Native organizations, and business partners as part of the Norton Sound Education Workgroup, which was a region-wide effort to improve educational achievement. He requested support for the Department of Labor and Workforce Development funds for the Northwestern Alaska Career and Technical Center (NACTEC). He supported the Nome youth facility, behavioral health services, and the Cooperative Extension. He strongly supported Senator Olson's efforts on continuing Alaska Native languages. He thanked the committee for its time.

[10:19:33 AM](#)

SHAUNA RUDIO, KUBC, UNALASKA (via teleconference), urged the committee to restore funding for public broadcasting. She understood that the legislature had a difficult situation related to the budget. She echoed testimony from Ms. Gregory related to the community's dependence on the local public radio station (KUCB). She relayed that the station was the voice of Unalaska; it kept the community connected with news, emergency services, and local and state news. She communicated that local reporters provided news reports that were broadcast state and nationwide. She detailed that one of her high school students was using the radio station to broadcast news reports. She believed the service was very important for a democratic society.

10:22:33 AM

ANN CAPELA, MANAGER, CITY OF BETHEL, BETHEL (via teleconference), provided suggestions on how state government could enable local governments to make their own revenue. One of the larger issues was related to why sales tax could not be imposed on internet sales in Alaska. She noted that there were many states that allowed internet sales tax. She believed the legislature should take a hard look at the option. She relayed that it was a common practice nationwide to enable the local governments to negotiate franchise fees with the cable company providers, but it was prohibited in Alaska. She could not figure out why the state would protect giant providers of cable. She stated that the fees could bring \$150,000 to \$200,000 into local communities. She opposed cutting tax revenue to local governments. She hoped the committee would consider how to allow local governments to make money and adding costs. Particularly, in the Public Employees' Retirement System (PERS) area. She implored the committee to untie the hands of local government.

10:26:12 AM

MARK SPRINGER, SELF, BETHEL (via teleconference), urged the committee to restore funding for public broadcasting. He did not believe it was wise to zero out funding for the service. He discussed that the service had been a major effort by communities; the service was managed by hardworking professionals. He supported the governor's proposed budget that included a 27 percent cut to the service. He stated that the rural economy could not support

commercial radio. He noted that cutting the service at 100 percent would be extraordinarily unfair to rural Alaska.

[10:28:44 AM](#)

SUE STEINACHER, KUAC, NOME (via teleconference), spoke in strong opposition to cuts to behavioral health services. She was deeply concerned for rural Alaska. She stressed that the community was dying due to high costs of shipping to the region. She spoke to high fuel costs, alcohol problems, and very few resources. She spoke to generational trauma, substance abuse, and family violence. She urged the committee to restore funding for public broadcasting. She detailed that she would not have known about the current public testimony without public radio. She pointed to the high cost of internet services that prevented residents from paying for the service. She resented receiving expensive documents telling her how the state was in a financial crisis and how education and other critical services were at risk if the Permanent Fund Dividend system was not restructured. She stated that to go after the PFD would proportionately hurt the poor and rural Alaska far more than the wealthy. She supported a statewide income tax. She emphasized that sales taxes hurt the poor far more. She stressed that the state could not cut its way to prosperity. She could accept some restructuring of the Permanent Fund especially if savings were invested in affordable housing, education, and childcare in the poorest sectors of the state or if it was done on a needs basis.

[10:33:10 AM](#)

NELSON WALKER, CITY OF KIANA, KIANA (via teleconference), remarked that the state's smaller communities used a significant amount of state funds. One of the community's largest issues was related to insurance for its employees, buildings, and equipment. He stated that insurance costs had dramatically increased in recent years. He shared that the community used a lot of equipment on road maintenance and its sewer systems were over 20 years old. He detailed that the community was faced with replacing things with parts that were already broken. He pointed to issues related to the community's health and safety. There had recently been a large fuel spill in the community, which it was working to clean up.

[10:34:55 AM](#)

BRAD REICH, NORTHWEST ARCTIC BOROUGH, KIANA (via teleconference), spoke to the importance of revenue sharing for the borough. The borough tried to provide the best public safety as possible, but it was in need of additional public safety officers to provide sufficient service. He spoke to the high costs of fuel in the region. Revenue sharing helped to keep the communities moving. He detailed the costs between villages. He asked the committee to maintain revenue sharing for rural communities.

[10:37:47 AM](#)

MARY NANUWAK, SELF, BETHEL (via teleconference), shared that she had listened to a taped meeting between David Gottstein and David Cuddy from a bank in Anchorage; she stated that the meeting was very informative. She relayed that the individuals had talked about issues that the Senate had not yet discussed. She urged the Alaska Mental Health Trust Authority (AMHTA) to stop misusing money. She asked for the funds to be used for the appropriate things. She shared that she had sought help with housing in Anchorage from AMHTA and had been told by the authority to go to the Alaska Psychiatric Institute, which she believed was inappropriate. She stated that no matter who a person was, their needs were like everyone else's. She thanked the committee for its time.

Co-Chair MacKinnon noted the committee would reconvene at 11:15 a.m. or earlier if additional members of the public were ready to testify.

[10:41:55 AM](#)

AT EASE

[10:48:15 AM](#)

RECONVENED

[10:49:41 AM](#)

GEOFF CAROL, SELF, BARROW (via teleconference), spoke to the need to increasing income and reducing expenditures. He supported restructuring of the Permanent Fund to be of further use to the state. Additionally, he supported a statewide income tax. He understood that cuts were needed, but he urged the committee from cutting too deeply. He strongly supported a restoration of funding for public

broadcasting. He spoke to the important programs provided by the service including news, emergency broadcasting, and other. He relayed that there was great support provided to the station by the community, but it was not sufficient to run the station.

Senator Olson asked Mr. Carol to discuss the local contributions to radio. Mr. Carol replied that the community raised \$130,000 per year for the public radio station.

[10:53:29 AM](#)

JEFF SEIFERT, GENERAL MANAGER, KBRW, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. Shared that the station had survived a 20 percent cut from the last session. He believed 100 percent cuts to public broadcasting were not fair. He discussed that the Alaska Public Broadcasting Network was vitally important to keeping local stations on track; the cuts would eliminate the service. He stressed that the station was a vital link to villages and many times it was the only way to get information to the communities. He stated that for life, safety, and health, the service was critical. He hoped the committee would restore funding.

Senator Olson asked about the extent of the range of the radio station.

Mr. Seifert replied that the station's transmit power was 10,000 watts. He had been told that the station had been heard as far as Finland. There were public broadcasting transmitters in all of the region's village communities, which were in dire need of repair. He detailed that the station's entire infrastructure was aging. He discussed that costs kept rising. He stressed the importance of public broadcasting in the region.

[10:58:33 AM](#)

Mr. Seifert noted that others from public broadcasting were coming to testify.

Co-Chair MacKinnon noted that the committee would hear the testimony when they arrived.

[10:59:23 AM](#)

AT EASE

[11:01:11 AM](#)

RECONVENED

BRYANT HAMMOND, CITY CLERK, NOME (via teleconference), asked the committee to ensure that the Nome Youth Facility did not close. He spoke to spreading cuts to ensure the facility remained open. He stressed that there was not much "fat" to cut. He hoped for the return of increased oil prices, but he was not holding his breath. He detailed that it was time to diversify the state's revenue. He did not believe the state adequately taxed its residents. He advocated for the government to recognize that change was needed. He endorsed a budget that increased revenues rather than increasing cuts.

^PUBLIC TESTIMONY: BARROW, TOK, DELTA JUNCTION

[11:04:02 AM](#)

DONNA DENNIS, SELF, TOK (via teleconference), spoke in support of funds for the Tok Senior Center. She urged the committee to not cut funds for senior services that included transportation and physical therapy. The program encouraged seniors to engage with other community members. She spoke to the overwhelming number of seniors in need. She detailed that the center had been told that the transportation service would not be available in April and May; one of its staff would be required to take time off due to cuts. She urged the committee to strongly consider the cuts. She reminded the committee members that they too would become seniors at some point. She thanked the committee for its time.

[11:07:12 AM](#)

HELEN OLSON, SELF, TOK (via teleconference), urged support of funding for senior services and the Tok Senior Center. She discussed the Meals on Wheels service for the committee. She shared information the program provided. Some of the elders could not read or write; the staff went above and beyond for caring for the recipients. She implored the committee to continue to support the service.

[11:10:07 AM](#)

SHARON DUNKIN, SELF, TOK (via teleconference), shared that she is currently 81 years of age. She shared that she had an old vehicle that was currently in the shop and needed a new starter and rebuilt engine. She discussed her low income, which prevented her from paying for the repairs. She relayed that she only burned wood and understood that heating would be cut; her only heat source was a wood stove. She spoke to the high cost of groceries in the community.

[11:11:49 AM](#)

BETTY DENNY, SELF, TOK (via teleconference), relayed that she had worked for the Upper Tanana Development Corporation for the past 38 years, which received Title 3 grants. She detailed that the corporation served 16 communities discussed a transportation service provided in the region. She shared that the service provided meal sites in seven of the communities. Additionally, the corporation provided bus transportation for seniors between some of the areas. She relayed that the buses were aging and upkeep costs were high. She noted that the agency had been forced to lay staff off due to budget cuts. She was opposed to cuts to senior programs.

[11:13:27 AM](#)

MICHAEL JEFFERY, SELF, BARROW (via teleconference), discussed his prior employment and work as a superior court judge. He supported continued funding for public broadcasting. He supported continued funding for Adult Medicaid dental program, mental health grants, and the senior community based program.

[11:15:49 AM](#)

BOB HARCHAREK, PRESIDENT, ALASKA MUNICIPAL LEAGUE, BARROW (via teleconference), spoke in favor of maintaining the revenue sharing program. He believed the loss of the program would result in some placing having to close their doors. He suggested that three sets of keys would be made, sending one to the Senate President, one to the Speaker of the House, and one to the governor. He also spoke about the unfunded liability of PERS.

[11:19:51 AM](#)

GEORGE KOULUS, SELF, TOK (via teleconference), urged support of funding for senior services. He believed cutting senior benefits and centers was the wrong thing to do. He explained that many seniors depended on the check they received. He spoke against cutting heat assistance and food stamps. He shared that he tried to work in the summer as much as possible to avoid being dependent on the services. His benefits had already been cut by \$225 per month, which was difficult. He was a 74 year-old and spoke of living off of the land. He stated that some seniors depended on the service.

[11:21:25 AM](#)

RICHARD BENEVILLE MAYOR, NOME (via teleconference), testified against cuts to the Nome Youth Facility. He detailed that there were troubled youth in the region and closing the youth facility would be sad. He also spoke in favor of revenue sharing. He stressed that the community depended on revenue sharing. He understood that the legislature and the governor were faced with incredibly difficult decisions. He asked that the committee members to reconsider funding the youth facility.

[11:23:52 AM](#)

ERIN HOLLINGSWORTH, SELF, BARROW (via teleconference), testified in favor of the Online with Libraries program that provided increased bandwidth to the 97 rural libraries throughout the state. She detailed that the program provided educational and economic opportunities that would not otherwise be available to people on the North Slope. She provided examples of how the program had helped students to earn degrees. She opined that the program helped to encourage learning. She talked about the opportunities that online technology offered. She also supported early learning programs. Additionally, she urged the committee to restore funding for public broadcasting. She thanked the committee for its time.

Senator Olson asked Ms. Hollingsworth to expand on the services provided by the library in Barrow. He referred to outreach programs provided by the library. Ms. Hollingsworth responded that she provided public services including story times with a focus on early literacy and the Imagination Library program. The library also provided video conferencing through the OWL network, which allowed

the library to bring authors into the state from the Lower 48, sharing cultural programming, conducting job interviews, and other. The library had picked up the slack for many of the social welfare services. She also helped people fill out paperwork and their PFD applications.

11:28:50 AM

RAYMOND ATOS, SELF, BARROW (via teleconference), was a resident of Barrow for 33 years. He urged the committee to restore funding for public broadcasting. He spoke to the importance of the service that provided information on weather, which was vital information for the region's hunters. He opined that public radio was critical for providing emergency information.

11:30:15 AM

MIKE SHULTS, SELF, BARROW (via teleconference), urged the committee to restore funding for public broadcasting. He advocated for additional funding for the service. He discussed that currently the weather was very windy; it was also the time of year that whaling crews were starting to cut trails on the ice, which was a perfect example of the need for public radio. He stressed that without the radio announcing the upcoming storm there would be as many as 48 crews on the ice who would be stuck on the ice when the storm hit. He stressed that it was a dangerous situation. He emphasized that it was public radio was vitally important to the community.

11:31:57 AM

JENELLE EVERETT, SELF, BARROW (via teleconference), spoke in support of the restoration of funds to public radio. She mentioned that when she first started working at the station she had not realized the importance of public radio in terms of safety for community members. She stressed the unpredictable nature of the weather in the region and the importance of public broadcasting, which provided reports on the weather. She relayed that all residents did not have access to a computer or television, which meant they did not have access to events in the region and the state. Messages sent between communities kept residents informed. She detailed that hunters needed to be informed of the weather for safety reasons. She urged the committee to continue support of public broadcasting.

11:33:47 AM

LEE SHERWOOD, SELF, TOK (via teleconference), shared that he had retired in Tok because there were no property taxes. He reviewed his expenditures and his limited income. He urged support of funding for senior services because of his personal need. He detailed that he needed free lunches at the senior center and he used the heating assistance program for oil. He stated that he needed the PFD to help him out in the fall. He stressed that if the budget reduced senior services it would increase suffering for individuals like himself.

11:35:41 AM

GLENN WILKINSON, SELF, TOK (via teleconference), indicated that he and his wife retired in Tok. He spoke of the expense of his utilities. He spoke in favor of maintaining the PFD; he did not want to see it reduced. He shared that he and his wife had both gone back to work in Tok. He provided personal information about his struggles.

11:38:10 AM

SHAWN ARNOLD, SUPERINTENDENT, NOME PUBLIC SCHOOLS, NOME (via teleconference), spoke in favor of full funding for broadband in schools early childhood education. He stressed that many of the cuts to the services were significant, which would impact staffing. He talked about the importance of being able to plan ahead related to staffing. If the goal was to determine innovative and collaborative solutions for education, the funding needed to be available.

Co-Chair MacKinnon asked Mr. Arnold if his school had qualified for an early learning grant from the Department of Education and Early Development, and if so, she wondered about the amount.

Mr. Arnold replied in the affirmative. The Nome School District had been one of the initial recipients of the grant in 2012; the district had received \$264,000 per year. He detailed that the district had received about one-quarter of the funding each year, which helped the district provide three full-time certified teachers to the local Head Start and one for Pre-K.

Co-Chair MacKinnon asked for verification that the district had used the grant funding to fund the Head Start Program.

Mr. Arnold replied that the district had collaborated with Head Start as part of the grant and it had provided two teachers from the school district to the Head Start program. She asked for verification that the district had used one-quarter of the funds. She asked if \$264,000 was the total amount the district had received over the four year-period.

Mr. Arnold clarified that it was about one-quarter of the amount that was allotted every year within the grant. He furthered that Nome Public Schools was a recipient of about one-quarter of the funds each year.

Co-Chair MacKinnon indicated that the committee would reconvene in 5 minutes.

[11:42:24 AM](#)

AT EASE

[11:46:51 AM](#)

RECONVENED

Co-Chair MacKinnon indicated that currently there was no one online to testify. She reviewed the agenda for the remainder of the day and noted the committee would reconvene at 12:55 p.m.

[11:48:28 AM](#)

AT EASE

[1:03:34 PM](#)

RECONVENED

Co-Chair MacKinnon handed the gavel to Co-Chair Kelly.

^PUBLIC TESTIMONY: KETCHIKAN, WRANGELL, PETERSBURG

[1:04:15 PM](#)

BILL TREMBLAY, BOARD PRESIDENT, KFSK COMMUNITY RADIO, PETERSBURG, urged the committee to restore funding for public broadcasting. He understood the current state budget situation, but felt that a 100 percent reduction would put

his station out of business within two years. He remarked that the federal grants required a minimum of \$// He stressed that there was a minimum level of employment that must be met in order to meet the federal matching grant. He remarked that the current public radio system was an effective way of communicating emergency and safety information. He spoke against the House proposed investment in alternative methods of communication. He provided written testimony.

Co-Chair Kelly stated that the written testimony would be distributed to the committee.

[1:07:26 PM](#)

DAVID MARTIN, CITY OF KETCHIKAN, KETCHIKAN (via teleconference), testified in support of funding for revenue sharing. He remarked that the City of Ketchikan had received an average of \$483,000 in revenue. He shared that revenue sharing funding approximately 2.4 percent of city's general fund annual budget. He stated that the city would stand to lose \$158,457, and may need to raise its mil rate by two-tenths of a mil to cover the projected loss, if the governor's proposed budget was not approved. The city's economy had become more seasonal as a result of the shutdown of the timber industry in Southeast Alaska. He stressed that revenue sharing had been a reliable and consistent source of revenue to help pay for the operations of general government.

[1:10:08 PM](#)

GINGER FORTIN, SELF, KETCHIKAN (via teleconference), testified in support of funding for Southeast Alaska Independent Living (SAIL), and other similar nonprofits. She urged support of funding for all senior services. She also testified in support of funding the Alaska Marine Highway, and hoped that the Kennecott would provide further service.

[1:11:32 PM](#)

MARY DEIHL, SELF, KETCHIKAN (via teleconference), testified in support of funding the Alaska Marine Highway. She shared that it was difficult to get car space on cross-gulf service on the ferry. She encouraged more cross-gulf ferry service.

1:12:23 PM

JEFF JABUSCH, BOROUGH MANAGER, WRANGELL CITY AND BOROUGH, WRANGELL (via teleconference), testified in support of funding for revenue sharing. He stated that the funding would provide support for the smaller communities. He remarked that the property tax exemption law made it difficult to fund services when 70 percent of the tax exemptions were directed at seniors. He remarked that many times the exemptions were directed at the wealthier in communities. He urged the committee to utilize a state sales tax. He also urged the committee to restore funding for public broadcasting. He stressed that the public radio was the only form of broadcasting in Wrangell.

1:14:52 PM

CHRISTIE JAMIESON, PRESIDENT, WRANGELL CHAMBER OF COMMERCE, WRANGELL (via teleconference), urged the committee to restore funding for public broadcasting. She shared that the proposed 100 percent reduction would eliminate the federal match for public radio. She stressed that the elimination of small stations in the state would eliminate the possibility for access to state and world news.

1:16:23 PM

SUSAN STEVENS, SELF, WRANGELL (via teleconference), urged the committee to restore funding for public broadcasting. She echoed Ms. Jamieson's remarks. She spoke against the tax exemption withholding. She testified in support of funding the Alaska Marine Highway. She shared that the poor communities would be greatly affected by the elimination of ferry service.

1:17:58 PM

ALEISHA MOLLEN, SELF, WRANGELL (via teleconference), urged the committee to restore funding for public broadcasting. She echoed the previous testifiers related to the public broadcasting funding. She shared that without the state funding, the local radio station would be eliminated. She shared that KSTK was Wrangell's only source for state and local news. She encouraged the committee to consider their own news sources when determining whether to fund public

radio. She urged the committee to provide the essential and worthwhile funding to the public radio stations.

1:20:06 PM

MARK JENSEN, MAYOR, PETERSBURG BOROUGH, PETERSBURG (via teleconference), testified in support of funding for revenue sharing. He felt that SB 21 should be revisited in order to balance the state's budget situation. He shared that the Petersburg Borough had a lower proposed balanced budget than in years prior. He would like to decrease the municipality contribution to Public Employees' Retirement System (PERS). He also spoke in support of full funding for education.

1:22:24 PM

JULIE HURSEY, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She felt that the elimination of funding would cause the radio to go out of business. She shared that the radio had recently provided information about an escape inmate, but the radio was able to provide information about the safety of children and citizens. She stressed that public radio was a lifeline. She announced that there were many people in Petersburg who did not have cell phones or internet. Public radio was available to everyone regardless of their ability to pay.

1:24:19 PM

CRAIG OLSON, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He encouraged the reinstatement of the governor's proposed budget related to public radio. He remarked that the public radio provided timely safety information. He stressed that the public radio station in Petersburg provided news and information to many outlying communities. He stressed that the budget reduction would eliminate federal funding availability.

1:26:03 PM

TOM ABBOTT, SELF, PETERSBURG (via teleconference), spoke in support of capping the Permanent Fund Dividend, and urged the committee to utilize a state income tax. He also urged the committee to restore funding for public

broadcasting. He felt that the governor's proposed cut was more reasonable than the House proposed 100 percent cut. He stressed that public radio provided access to local Alaskans to entertainment, news, and community information.

[1:28:24 PM](#)

ANDY DONATO, DIVISION MANAGER, KPU ELECTRIC, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. He shared that there had been a situation that had eliminated power for most of Ketchikan. He remarked that the public radio in Ketchikan was able to announce the situation and encourage the community to lower their lights and heat to "skirt" the shortage to make adequate power repairs. He stressed the importance of the public radio station in Ketchikan.

[1:30:20 PM](#)

MELVIN CHARLES, SELF, KETCHIKAN (via teleconference), urged the committee to utilize a state income tax. He remarked that the majority of state fishermen in Alaska were nonresidents in Alaska. He felt that all of the employed nonresidents should pay taxes in Alaska. He remarked that the tax would pay for education. He spoke in support of reducing funding for food stamps. He felt that a person who makes over \$2000 should pay taxes. He did not feel that seniors should pay taxes. He felt that there should be a large tax on alcoholics. He remarked that he had many additional comments.

Co-Chair MacKinnon handed the gavel to Senator Bishop.

[1:32:50 PM](#)

KATHLEEN LIGHT, EXECUTIVE DIRECTOR, KETCHIKAN AREA ARTS AND HUMANITIES COUNCIL, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She stated that the public radio provided a valuable service in providing information. She stated that a 100 percent cut to public radio would cause a negative ripple effect across the community.

[1:34:14 PM](#)

DEB TURNBULL, SELF, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She understood that the committee had a difficult budget decision. She stated that the public radio in Ketchikan provided service to many communities surrounding Ketchikan. She stressed that the budget cuts would cause a loss of jobs that would cause a loss of service. She stressed that the local public radio station provided various types of information to the residents of Ketchikan.

[1:36:16 PM](#)

KAREN HOFSTAD, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She remarked that there were many safety issues that required the information produced by public radio. She understood that there should be funding for essential services including public radio communication.

[1:38:23 PM](#)

JOE STRATMAN, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He remarked that the rural communities relied on public radio for the sole source of news and information. He shared that the public radio in Petersburg provided information about a major earthquake in 2013. He announced that the public radio provided access to emergency information. He felt that a 100 percent cut to public radio would be detrimental to the local station. He also urged the committee to utilize a state income tax to support public radio funding.

[1:40:11 PM](#)

SUNNY RICE, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She also testified in support of funding for the University. She shared that the research in paralytic shellfish poisoning would be eliminated, and stressed that the research was important to the safety of the citizens. She urged the committee to utilize a state income tax, and testified in support of using Permanent Fund earnings.

[1:42:15 PM](#)

LEO LUCZAK, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He supported the governor's proposed budget for public broadcasting. He remarked that a 100 percent cut would cause many of the rural stations to lose funding for their own stations.

[1:43:44 PM](#)

CHRISTINE JENKINS, SELF, WRANGELL (via teleconference), supported the senior citizen tax exemption. She also urged support of funding for senior services.

[1:44:31 PM](#)

PATRICK MAYER, SUPERINTENDENT, WRANGELL PUBLIC SCHOOL DISTRICT, WRANGELL (via teleconference), spoke in favor of full funding for broadband in schools. He spoke in support of the scheduled \$50 increase to the base student allocation. He testified against the cuts to travel, personnel, and phones. He also supported enhanced revenue measures.

[1:46:46 PM](#)

MARGARET CLOUD, SELF, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She spoke in support of full funding for public television and radio. She shared a personal story about her daughter. She stated that her daughter was given the opportunity to have a radio show, and allowed her to grow and develop. She stressed that her son would watch valuable educational programming on public television. She shared that her son felt that he did not need to attend kindergarten, because he felt that he was receiving adequate education from public television.

[1:49:17 PM](#)

SHEILA MILLER, VOLUNTEER, KRBD RADIO, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she was able to access state and national news and information through the local public radio station in Ketchikan. She stressed that she received most of her information from public radio, because she did not have internet or phone access in her home.

[1:51:05 PM](#)

DENNIS MANN, SELF, KETCHIKAN (via teleconference), urged the committee to utilize a state income tax, rather than accessing the Permanent Fund. He also urged support of funding for senior services.

[1:52:13 PM](#)

JANALEE GAGE, SELF, KETCHIKAN (via teleconference), shared that she was a working disabled person. She remarked that she had seen the disregard of disabled citizens. She urged the committee to utilize a state income tax. She also urged the committee to restore funding for public broadcasting. She stressed that the public radio station provided news and important emergency information.

[1:54:04 PM](#)

JANICE WALKER, SELF, KETCHIKAN (via teleconference), urged the committee to restore funding for public broadcasting. She remarked that there was no cable television, internet access, or cell phone service in many of the rural communities. The rural communities often relied on the local public radio station to access needed community information. She shared that the budget cut would lead to the layoff of many public radio personnel. She stated that the layoffs would result in decreased public content and quality information. She felt that the cut would also result in the loss of federal funding. She stressed that the Ketchikan public radio was the source of emergency services in Ketchikan and the surrounding communities. She also spoke in support of alternate revenue sources.

[1:57:06 PM](#)

DAVID BYRNE, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He stressed that the radio provided local real time information and news to the community. He was opposed to any further budget cuts to the radio.

[1:58:08 PM](#)

ERICA KLUDT-PAINTER, SUPERINTENDENT, PETERSBURG SCHOOL DISTRICT, PETERSBURG (via teleconference), testified in support of enhanced revenue measures. She felt that the

governor had provided a reasonable budget and revenue proposal. She also urged the committee to utilize a state income tax, and testified in support of using Permanent Fund earnings. She also urged the committee to restore funding for public broadcasting.

Senator Bishop handed the gavel to Co-Chair MacKinnon.

[2:00:24 PM](#)

JOHN HAVRILEK, PETERSBURG CHAMBER OF COMMERCE, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He stated that the local public radio had provided adequate information about an escape inmate, and was able to keep the community of Petersburg safe.

[2:01:32 PM](#)

AT EASE

[2:01:50 PM](#)

RECONVENED

^PUBLIC TESTIMONY: SITKA, CORDOVA, VALDEZ

[2:02:13 PM](#)

TED HOWARD, BOARD MEMBER, KCAW, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. He felt that the budget reduction would cause a problem in educating children. He felt that the radio station could not handle any further budget cuts.

[2:03:38 PM](#)

RICH MCCLEAR, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. He stressed that the local public radio station could no longer provide the expensive news services. He stressed that the state needed to know the activities of the state.

[2:05:54 PM](#)

JOHN DULL, SELF, SITKA (via teleconference), testified against all funding for education. He also testified against funding for all senior citizens and public broadcasting. He did not feel that the Medicaid funding

should be in incremental. He encouraged the committee to make adequate budget decisions. He urged the committee to utilize a substantial state income tax, and a state sales tax.

[2:07:48 PM](#)

MARK GORMAN, CITY ADMINISTRATOR, CITY AND BOROUGH OF SITKA, SITKA (via teleconference), felt that moving too quickly in the budget reductions would result in a recession. He testified in support of funding for revenue sharing. He also spoke about the PERS contribution. He spoke in support of the community sharing programs.

[2:09:49 PM](#)

LAUREN BELL, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she was 27-years-old, and had relied almost exclusively on public broadcasting for local, state, and national news. She stressed that she often depended on the public radio for health, emergency, and safety information. She remarked that many people did not have access to internet, and relied on the radio for all information. She felt that the budget reduction would degrade the value of Alaska communities.

[2:11:34 PM](#)

MARY WEGNER, SUPERINTENDENT, SITKA SCHOOL DISTRICT, SITKA (via teleconference), spoke in support of funding Pre-K through University. She also spoke in support of the scheduled \$50 increase to the base student allocation. She stressed that the funds allowed for a quality education for students. She remarked that, without the funding, there would be a drastic negative impact on students and communities. She also testified in support of funding the Alaska Marine Highway. She opposed the proposed cut to Department of Education and Early Development (DEED).

[2:14:55 PM](#)

SANDI KOVAL, SELF, SITKA (via teleconference), urged support of funding for senior services. She stressed that many services provided dignity to the senior citizens of the state. She stressed that the elders of the state were pioneers who contributed to the community. She felt that

the cuts were devaluing the seniors. She stressed that every senior services provided priceless human contact for many citizens. She hoped that the state would continue to value the existence of the state's senior population.

[2:17:22 PM](#)

JON STAVIG, CFO, CITY OF CORDOVA, CORDOVA (via teleconference), testified in support of funding the Alaska Marine Highway. He remarked that there was a study that showed that for every dollar spent on the ferry service, the state saw a two dollar return in the economy. He felt that the ferry reduction would see a reduction in economic activity. He also testified in support of funding for revenue sharing. He stated that Cordova had consistently provided the maximum allowable contribution to the schools.

[2:19:23 PM](#)

BRENT DAVIS, SELF, CORDOVA (via teleconference), urged the committee to restore funding for public broadcasting. He shared that he did not own a television, and received their information from the public radio station.

[2:20:05 PM](#)

GRETCHEN CLARKE, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She also testified in support of funding for public health nursing. She felt that the cuts would result in detrimental health issues across the state. She remarked that many radio stations utilized membership support, but could not fully rely on local support.

[2:22:20 PM](#)

JOHN MURRAY, SELF, SITKA (via teleconference), testified in support of funding the Alaska Marine Highway. He agreed with the outlook of Vice-Chair Micciche. He also urged the committee to restore funding for public broadcasting. He felt that public radio and television helped to adequately inform the citizens of the state. He stressed that it was important for him to have a connection to the state through public radio. He thanked the committee for not proposing cuts to the Board of Fish and Game.

Vice-Chair Micciche requested written comments from Mr. Murray. He shared that he attempted to reflect the concerns of Sitka in the current budget. Mr. Murray agreed to provide that information.

[2:25:44 PM](#)

DENNY WEATHERS, SELF, CORDOVA (via teleconference), testified against SB 139 and SB 140. She felt that the government overspending had caused the current budget shortfall. She spoke against accessing the Permanent Fund, and also spoke against capping the Permanent Fund Dividend. She spoke against additional taxes. She spoke in support of reducing government funding.

Co-Chair MacKinnon shared that the budget did not access the Permanent Fund or new taxes. She stressed that the bills were the operating and mental health budgets. Ms. Weathers agreed. She felt that public radio, and other public services were not necessities.

[2:29:36 PM](#)

JOHN ANDERSON, KCHU, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. He felt that public television and radio were essential services to rural Alaska. He felt that a cornerstone to a democracy was a well-informed public. He remarked that zeroing out the budget for public broadcasting would cause a loss of federal funds.

[2:31:23 PM](#)

SHANE KIMBERLIN, SELF, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. He stressed that public radio was not owned by the corporations. He shared that he was a bartender and had heard many peoples' problems. He felt that local programming provided hope and solutions to many Alaskans.

[2:34:01 PM](#)

GUY BERGSTROM, SELF, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. He stated that he received most of his news from the local public radio station in Valdez. He shared that he has a friend with a serious disability who was able to volunteer

as a disk jockey on the local public radio station in Valdez.

[2:35:48 PM](#)

TERRY SIMMONS, SELF, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she was physically and mentally handicapped. She remarked that the radio station had worked with her to become a disk jockey on the local public radio station. She stressed that she had serious dementia, and the radio station provided her with essential information to increase her memory.

[2:38:38 PM](#)

ROBERT BERCELI, SELF, CORDOVA (via teleconference), urged the committee to restore funding for public broadcasting. He shared that the emergency broadcasting system provided important storm warnings such as high tide and blizzards that could block the road to Thompson Pass. He shared that the public radio provided information about terrorist groups in the world. He also urged the committee to utilize a state income tax. He felt that the state income tax should never have been eliminated. He stressed that commercial fisheries was a major life force of the community. He also spoke in support of education funding.

[2:41:34 PM](#)

KAREN ALLRED, VOLUNTEER, KCHU, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting. She stated that she volunteered because of her dedication to the underserved in her area. She stressed that information was not available to everyone in the private sector. She stressed that the state of Alaska had a population of a major urban area across a vast area of land. She stated that information was the cornerstone to democracy. She stressed that most of the listeners of public radio stated that it was the lifeline to access to information. She encouraged the committee to reach out to the constituents who depend on public radio.

[2:44:26 PM](#)

LEE HART, LEVITATION 49, VALDEZ (via teleconference), urged the committee to restore funding for public broadcasting.

She stated that Levitation 49 was an organization that was dedicated to the diversification of information about sports services. She stressed that the local station in Valdez was the only source of media that covered news and information. She stressed that the commercial radio could not provide in depth stories about the community and state. She shared that the ferry service in Valdez had seen dramatic cuts, so further cuts to information eliminated access to the outside world.

2:47:49 PM

CHRISTINE NIEMI, SELF, JUNEAU, spoke in support of the scheduled \$50 increase to the base student allocation. She stressed that many schools and families were in crisis. She also urged the committee to utilize a state income tax. She shared that there was an income tax in the 1970s, when she first moved to Alaska. She shared that there was a tremendous amount of state funding from rural Alaska. She appreciated the people in rural Alaska. She stressed that the urban centers of the state had greater access to resources, and hoped that the people of rural Alaska would be considered in the operating budget drafting.

2:49:35 PM

AT EASE

3:03:02 PM

RECONVENED

Co-Chair MacKinnon stated that the committee would go into RECESS until 3:45 p.m.

3:04:00 PM

RECESS

3:40:32 PM

RECONVENED

^PUBLIC TESTIMONY: OFF-NET SITES

JOAN KAUTZER, BOARD MEMBER, KFSK, KUPREANOF (via teleconference), urged the committee to restore funding for public broadcasting. She appreciated the difficult financial decisions faced by the legislature, and understood the inevitability of budget cuts. She thought zeroing out funding for public radio would be

irresponsible. She recounted that KFSK reviewed its budget at every board meeting, and the budget was very tight despite robust listener support and non-stop fundraising events. She thought that a hundred percent cut would set off a bad chain reaction resulting in loss of federal grant money that relied on matching funds, and silencing the local public radio service on July 1. She discussed the time it had taken to build up the radio station. She described public radio as fundamental infrastructure that was the sole provider of daily local, regional, and state news. She discussed other functions of local radio such as emergency information dissemination. She called public radio a lifeline to the outside world. She recounted the many important pieces of news she had heard from the radio. She thought that a hundred percent funding cut to public radio disproportionately discriminated against Alaskans in the bush. She asked the committee to reinstate a rational level of funding for public broadcasting.

[3:42:38 PM](#)

JOHN BOLLING, CITY OF CRAIG, CRAIG (via teleconference), testified in support of funding for revenue sharing at the level of the governor's proposed budget. He reminded the committee that the governor's budget had included a reduction in funding for revenue sharing. He stated that the City of Craig understood the need for reduced state programs when state revenues declined. He thought that an abrupt one-third cut to the revenue sharing program was too great of a reduction for a single year. He thought the governor's proposal struck a good balance between the need to reduce state spending and giving communities time to adjust to any further incremental cuts. He encouraged the committee to maintain the 22 percent employer match to the Public Employees' Retirement System (PERS).

[3:44:12 PM](#)

CARL BERGER, SELF, BETHEL (via teleconference), urged the committee to restore funding for public broadcasting. He stated that the 100 percent cut would have a drastic effect on the public broadcasting system throughout the state. He discussed federal funding that required a state match, and noted that additional revenue would be lost if the proposed cuts went in to effect. He referred to the many individuals in the state that consistently supported public broadcasting. He discussed regions where there was only one

radio station. He encouraged the committee to reconsider the cuts to public broadcasting.

3:46:11 PM

GLEN MARUNDE, NORTHWAY COMMUNITY, NORTHWAY (via teleconference), testified in opposition to cuts to the Department of Transportation and Public Facilities. He shared that he was born and raised in the Upper Tanana Valley, and was testifying on behalf of the community of Northway and the residents of the section of Alaska Highway that would be affected by SB 139. He disclosed that he was a 23-year state employee with DOT. The Northway community was greatly opposed the proposed cuts that would result in the closure of the Northway DOT Maintenance Station. His biggest concern was the safety of the travelling public and the deterioration of the road surface due to no maintenance or delayed maintenance. He was concerned about the economic hardship and future opportunities that would be lost as a result of the proposed cuts. He thought it was time to utilize the permanent fund for the purpose for which it was created. He thanked the finance committee for listening to the concerns of the Northway community.

3:47:25 PM

JULIA PHELAN, SELF, DELTA JUNCTION (via teleconference), spoke in support of reinstating funds for Best Beginnings and the Cooperative Extension Service. She observed positive outcomes in children as a result of early childhood education. She referred to studies that indicated a child's personality was largely determined by the age of five years. She had met many parents who did not understand the significance of the early stage of child development, and did not know how to engage their children. She discussed Imagination library referenced a study that revealed economic benefits from every dollar spent on early childhood education. She spoke in support of funding for the Cooperative Extension Service. She recounted that her family had started a homestead in the 1970s and had learned about many necessary food harvest and preservation skills from the service. She discussed her current use of the service, and referenced research done by the service that was used as a resource by her community. She urged the committee to reinstate funding for the Cooperative Extension Service, and for Best Beginnings.

[3:49:46 PM](#)

JON ERICKSON, CITY MANAGER, CITY OF YAKUTAT (via teleconference), testified in support of funding for revenue sharing. He pointed out that Yakutat was probably one of the smallest boroughs in population but one of the largest boroughs in acreage. He shared that the City of Yakutat had received \$390,000 in revenue sharing the previous year. The proposed \$130,000 cut was the same amount as the entire administration budget for the borough. He discussed possible job loss, rising cost of PERS, and wondered if he would have any full-time employees. He thanked the committee and urged them to reinstate funding to the governor's proposed level.

[3:51:24 PM](#)

STEVE ALEXANDER, SELF, ELFIN COVE (via teleconference), urged the committee to restore funding for public broadcasting. He discussed the importance of public radio to the community in Elfin Cove. He stated that he was the tsunami "go-to guy" in Elfin Cove, and wanted to make it clear that severe weather could impact communications. He discussed the unreliability of other types of communication and emphasized the importance of radio in the event of an emergency. He acknowledged the extreme budget crisis but thought that there were some things that were very important. He added that he was a Viet Nam veteran and retired commercial fisher who had lived in Elfin Cove for many years.

[3:53:46 PM](#)

TODD RICHARDS, SELF, ELFIN COVE (via teleconference), urged the committee to restore funding for public broadcasting. He supported funding public radio at the governor's proposed level. He thought that the value of dollars spent on public broadcasting outweighed the benefit of savings that would be gained from cutting the service.

[3:55:37 PM](#)

MARGARET FRIEDENAUER, SELF, HAINES (via teleconference), urged the committee to restore funding for public broadcasting. She stressed that public broadcasting provided her a job, so she could remain in the community and state. She reiterated that cutting funding for services

resulted in cutting jobs in the state and communities. She noted that the lawmakers were still discussing ways to cut spending rather than discussing ways to pay for the budget. She felt that revenue producing legislation was important.

[3:57:11 PM](#)

ANNE HANSSSEN, SELF, HAINES (via teleconference), urged the committee to restore funding for public broadcasting. She highlighted the importance of the local radio station in Haines. She relayed that the public radio in Haines (KNHS) had worked hard in the recent years to raise money to enhance the local news.

[3:58:06 PM](#)

JOHN LAMONT, SELF, ALAKANUK (via teleconference), urged the committee to restore funding for public broadcasting and early childhood education. He also supported alternate forms of revenue for the state. He was willing to pay an income tax, and thought that every citizen should pay for the services in the state. He referred to teachers being hired from out of state, and felt that there should be a focus on employing teachers from inside the state. He spoke in support of a state income tax. He thought cuts needed to be made on high administrative positions, and thought many state employees made more money than the governor. He mentioned federal funds that were leveraged by state funding for state funding would be lost as a result of the proposed budget cuts.

[4:01:35 PM](#)

ALBERT NIGNEULOOK, SELF, SHISHMAREF (via teleconference), urged support of funding for senior services. He mentioned the heating assistance program and senior benefits. He highlighted the importance of senior benefits to many elders in the state. He also urged the committee to restore funding for public broadcasting.

[4:03:15 PM](#)

ELSIE VENT, HUSLIA CITY COUNCIL, HUSLIA (via teleconference), testified in support of funding for revenue sharing. She stressed the importance of the fund as a lifeline to provide services in Huslia.

4:03:50 PM

JAMES SQUYRES, SELF, RURAL DELTANA (via teleconference), thought there should be additional cuts to the budget. He spoke against the governor's proposed state income tax and cap of the permanent fund. He shared that he had observed testimony in the Senate State Affairs related to continued budget cuts. He endorsed the judicious use of the earnings reserve, and the power of the majority under the caucus rules to lower the overall budget to \$4.5 billion or lower in the current year. He felt that there should be an examination of funding sources like the PCE and higher education fund. He felt that the legislature did not set a precedent. He called the governor's plan "diabolical." He shared some thoughts about the inflation proofing of the Permanent Fund. He felt that the legislature should reduce the size of government to the 2006 level.

Co-Chair Kelly announced that the budget was at 2003 levels.

Senator Dunleavy asked if Mr. Squyres had mentioned a \$4.5 billion for the current year. Mr. Squyres replied in the affirmative. He clarified that there should be a \$4.5 billion budget before the PCE or higher education funds were maneuvered.

Senator Dunleavy asked if Mr. Squyres supported the use of the earnings reserve. Mr. Squyres replied in the affirmative.

4:06:38 PM

FRED PATTERSON, SELF, CHINIAC (via teleconference), urged the committee to restore funding for public broadcasting. He stated that public radio was critical to his community, because they had limited internet at cell phone service.

Co-Chair Kelly handed the gavel to Co-Chair MacKinnon.

4:07:18 PM

JEFF WIDDOWS, SELF, YAKUTAT (via teleconference), urged the committee to restore funding for public broadcasting. He discussed the inaccessibility of his area, and shared that many people did not have internet or phone access. He thought public radio was important for emergency services.

4:08:35 PM

CHRIS WIDDOWS, SELF, YAKUTAT (via teleconference), urged the committee to restore funding for public broadcasting. She shared that the community in Yakutat was struggling financially. She furthered that there were not resources to fill the monetary gap that would be left by the cuts in state funding. She discussed federal matching funds that would be lost if funding was cut. She thanked the committee for their efforts.

4:09:59 PM

MARY AMAKTOIK, SELF, ELIM (via teleconference), testified in support of funding for revenue sharing. She supported funding revenue sharing as proposed in the governor's budget. She discussed municipal expenses for Elim, and stressed that the revenue sharing enhanced Elim's ability to provide essential services to the community. She thanked the committee for the work they had done.

4:11:31 PM

AT EASE

4:29:17 PM

RECONVENED

Co-Chair MacKinnon handed the gavel back to Co-Chair Kelly.

4:29:17 PM

DEBORAH POTTER, SELF, SKAGWAY (via teleconference), urged the committee to restore funding for public broadcasting. She discussed the many isolated rural communities in the state, and thought that they were dependent upon public radio to get timely and important information. She shared that her community depended on the radio for potential lifesaving information such as weather alerts, road closures, and last minute changes to the ferry schedule. She stressed that there was no other way for the community to receive the important information in a timely manner. She thought that the cuts to public broadcasting would affect many vulnerable people. She asked that cuts to public radio would not exceed the level proposed by the governor.

4:31:37 PM

JENNIFER THUSS, SELF, SKAGWAY (via teleconference), urged the committee to restore funding for public broadcasting. She thought public radio was vital to small communities of Haines, Skagway, and Klukwan. She considered it the fastest way for the community to share national, state, and local information in real time. She echoed the remarks of Ms. Potter.

4:32:41 PM

AT EASE

4:56:01 PM

RECONVENED

MELANIE LESH, SELF, GUSTAVUS (via teleconference), urged the committee to restore funding for public broadcasting at the level proposed by the governor. She thought public broadcasting to be critical for individuals in rural Alaska. She relayed that many communities did not have access to internet or phone service, and relied on the information provided by public radio. She thought that public broadcasting connected the state.

4:58:28 PM

DUSTIN CRANEY, SELF, HAINES (via teleconference), testified in support of funding the Alaska Marine Highway. He relayed that he was a business owner, and relied on the ferry service. The current marine highway schedule was making his business operations difficult. He was unsure that a planned road would happen in the near future, and considered planes to be an uncertain mode of transport. He urged the committee to restore funding for public broadcasting. He was a regular listener to local radio, and discussed federal matching funds that would be lost if the proposed cuts were to happen. He also spoke in support of a cap to the Permanent Fund Dividend.

5:01:34 PM

AT EASE

5:33:51 PM

RECONVENED

Co-Chair Kelly relayed that public testimony had concluded for the day. He communicated that the committee would meet the following morning.

SB 139 was HEARD and HELD in committee for further consideration.

SB 140 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

5:34:11 PM

The meeting was adjourned at 5:34 p.m.