

SENATE FINANCE COMMITTEE

April 6, 2016

1:05 p.m.

[1:05:34 PM](#)

CALL TO ORDER

Co-Chair MacKinnon called the Senate Finance Committee meeting to order at 1:05 p.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

Dave Donley, Hope Community Resources, Juneau; Eric Gurley, Senior Manager, Services and Support, Hope Community Resources, Juneau; Callie Conerton, Student Body President, University of Alaska, Southeast; Paul Fuhs, Marine Exchange, Juneau; Ed Page, Executive Director, Marine Exchange, Juneau.

PRESENT VIA TELECONFERENCE

Lois Epstein, Director, The Wilderness Society, Anchorage; Rick Koch, City Manager, City of Kenai, Kenai; Greg Meissner, Wrangell Port and Harbor Department, Wrangell; Anne Biberman, Self, Fairbanks; Katie Baxter, Chair, Library Advocacy Committee, Alaska Library Association, Kodiak; Jill Yordy, Self, Fairbanks; Steve Ribuffo, Director, Port of Anchorage, Anchorage; Paul Kendall, Self, Anchorage.

SUMMARY

SB 138 BUDGET: CAPITAL

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

#sb138

SENATE BILL NO. 138

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

[1:06:39 PM](#)

^PUBLIC TESTIMONY

[1:06:57 PM](#)

LOIS EPSTEIN, DIRECTOR, THE WILDERNESS SOCIETY, ANCHORAGE (via teleconference), shared that she was the author of many state transportation and mega projects. She testified against four projects: Knik Arm Bridge; Juneau Access Project; Ambler Road; and the Susitna Dam. She felt that there was substantial money in the capital budget allocated for those projects that could be used for other state infrastructure projects. She felt that the money could be considered "new revenue", and stressed that Alaskans could be put to work immediately.

Co-Chair MacKinnon encouraged Ms. Epstein to complete her testimony. Ms. Epstein felt that one or more of the projects should be cancelled to allow for state money to be used as match for federal transportation dollars.

[1:11:07 PM](#)

RICK KOCH, CITY MANAGER, CITY OF KENAI, KENAI (via teleconference), testified in support for SB 138. He shared that he had been a city manager and engineer working in large scale projects in the state. He did not feel that the budget would support a sustainable construction industry. He shared an anecdote from Kenai related to contracting. He urged the committee to create a long range healthy capital budget proposal. He thanked the committee for their efforts.

1:13:40 PM

GREG MEISSNER, WRANGELL PORT AND HARBOR DEPARTMENT, WRANGELL (via teleconference), testified in support of the Matching Grant Harbor Programs. He shared that he had attended a budget presentation, and he had conversed about the importance of harbors to a holistic state infrastructure. He stressed that ports and harbors enhanced community economies. He stated that the current funding would not fund the port in Wrangell, and urged the committee to provide more funding for the port projects. He shared that Wrangell had developed the projects, with the expectations of state funds.

1:16:25 PM

DAVE DONLEY, HOPE COMMUNITY RESOURCES, JUNEAU, spoke in support of the inclusion of \$115,000 to the capital budget. He stated that the request was included in the governor's amended request. He stated the housed individuals were entitled to the Medicaid services by law. He explained that, without the homes, the state would need to build new state facilities to house the individuals. He stressed that the request was intended to maintain the organization's basic functions.

1:18:54 PM

ERIC GURLEY, SENIOR MANAGER, SERVICES AND SUPPORT, HOPE COMMUNITY RESOURCES, JUNEAU, shared his experience working for Hope Community Resources. He stated that the additional funding of \$115,000 would keep the organization functioning. He thanked the committee for their previous support in years past.

1:20:46 PM

CALLIE CONERTON, STUDENT BODY PRESIDENT, UNIVERSITY OF ALASKA, SOUTHEAST, testified in support of funding for the University of Alaska (UA). She specifically spoke in support of the engineering building at the University of Alaska Fairbanks (UAF). She stressed that the project cost an additional \$3 million every year of delay of the project.

Co-Chair MacKinnon wondered whether the university had bonding authority to complete the engineering building. Ms. Conerton agreed to provide that information.

Co-Chair MacKinnon understood the importance of completing the engineering building.

[1:23:34 PM](#)

PAUL FUHS, MARINE EXCHANGE, JUNEAU, spoke in support of \$600,000 to maintain the antenna sites using cruise ship head tax funds.

[1:24:04 PM](#)

ED PAGE, EXECUTIVE DIRECTOR, MARINE EXCHANGE, JUNEAU, stated that there back up documents to highlight his testimony.

[1:25:33 PM](#)

AT EASE

[1:25:55 PM](#)

RECONVENED

Mr. Page stated that the cruise ship representatives were in support of the use of the funds.

Mr. Fuhs looked at a slide in a presentation.

Co-Chair MacKinnon explained that public testimony was not typically a presentation.

Mr. Fuhs shared that the system was used for a variety of reasons.

[1:29:00 PM](#)

AT EASE

[1:29:45 PM](#)

RECONVENED

Co-Chair MacKinnon stated that she would take a recess until 1:45pm.

[1:30:39 PM](#)

AT EASE

[2:08:16 PM](#)

RECONVENED

[2:08:19 PM](#)

ANNE BIBERMAN, SELF, FAIRBANKS (via teleconference), testified in support of the completion of the new engineering building at UAF. She stressed that the building only became more expensive with each year that the building remained unfinished. She also pointed out that the building cost \$500,000 per year to maintain. She also spoke in support of implementing a state income tax. The project was originally intended to educate and create new engineers to contribute to Alaska's economy. She stressed that completion of the building would be a positive move for Alaska's fiscal future. She stated that UAF graduates continually get jobs in the state to enhance the state's engineering-related industries.

[2:11:35 PM](#)

AT EASE

[2:32:46 PM](#)

RECONVENED

[2:33:15 PM](#)

KATIE BAXTER, CHAIR, LIBRARY ADVOCACY COMMITTEE, ALASKA LIBRARY ASSOCIATION, KODIAK (via teleconference), requested full funding for the Online with Libraries (OWL) program. She stated that the OWL program provided dependable internet to Alaskans. She stated that the funding was not included in the operating budget, so she was requesting that the funds be included in the capital budget. She stated that \$325,000 would be enough to keep the library internet through OWL intact. She stated that OWL was a primary critical program.

[2:36:06 PM](#)

JILL YORDY, SELF, FAIRBANKS (via teleconference), testified against funding for the Ambler Road.

Co-Chair MacKinnon queried the road Ms. Yordy was referencing. Ms. Yordy replied that it was the Ambler Road.

[2:38:27 PM](#)

STEVE RIBUFFO, DIRECTOR, PORT OF ANCHORAGE, ANCHORAGE (via teleconference), testified in support of funding the \$290 million for the completion of the Anchorage Port Modernization Project. He stressed that the Port of Anchorage was essential and beneficial to the surrounding communities. He stressed that the current facility had no prevention against a significant earthquake. He stated that the project was currently in phase 1, and explained that there needed further funding to complete the entire project.

Co-Chair MacKinnon stated that the meeting would recess until 2:55pm

[2:41:17 PM](#)

AT EASE

[2:55:09 PM](#)

RECONVENED

[2:55:35 PM](#)

PAUL KENDALL, SELF, ANCHORAGE (via teleconference), testified in support of a \$2 billion budget model.

Co-Chair MacKinnon CLOSED public testimony.

[3:00:25 PM](#)

Senator Dunleavy remarked that the OWL program testimony was proper testimony. He echoed the remarks of Mr. Kendall about the time that it takes to fix the state's budget problems. He stressed that the state needed to fully examine the state's budget.

Co-Chair MacKinnon shared that there were 24,000 current state employees, and the committee had reviewed the contracts. She stated that that the state was allowed to proceed without a constitutional amendment. She stressed that the committee had engaged in conversations related to the concerns from Mr. Kendall, and those numbers were available to committee members.

Co-Chair MacKinnon discussed the following meeting's agenda.

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

#

ADJOURNMENT

3:03:15 PM

The meeting was adjourned at 3:03 p.m.