

HOUSE FINANCE COMMITTEE  
April 28, 2017  
2:04 p.m.

2:04:25 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 2:04 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Paul Seaton, Co-Chair  
Representative Les Gara, Vice-Chair  
Representative David Guttenberg  
Representative Scott Kawasaki  
Representative Dan Ortiz  
Representative Lance Pruitt  
Representative Cathy Tilton  
Representative Tammie Wilson

MEMBERS ABSENT

Representative Steve Thompson; Representative Jason Grenn.

ALSO PRESENT

Teresa Holt, Long Term Care Ombudsman - Alaska Mental Health Trust Authority, Department of Revenue, Juneau; Senator Click Bishop, Sponsor; Pete Fellman, Staff, Senator Click Bishop; Nina Kempel, CEO, Alaska Community Foundation, Anchorage; Sara Race, Director - Division of Administration, Department of Revenue, Juneau; Representative Andy Josephson, Sponsor; Rick Steiner, Professor, University of Alaska; Sean McGuire, Alaskans for Wildlife, Fairbanks.

PRESENT VIA TELECONFERENCE

Deborah Bitney, Vice President and Chief Administrative Officer, Rasmuson Foundation, Anchorage; Elizabeth Ripley, President of the Foraker group, Atlanta, GA; Daniel Lynch, Self, Soldotna; Joy Steward, Self, Homer; Tammy Smith, NEA Alaska, Anchorage; Bill Wright, United Way of Tanana

Valley, Fairbanks; Mike Coons, Self, Palmer; Al Barrette, Self, Fairbanks; Tim Lescmer, Self, Anchorage.

SUMMARY

HB 105 DENALI WOLF SPECIAL MANAGEMENT AREA

HB 105 was HEARD and HELD in committee for further consideration.

SB 78 PERM FUND DIVIDEND CONTRIBUTIONS/LOTTERY

SB 73 was HEARD and HELD in committee for further consideration.

SB 83 PROTECT: VULNERABLE ADULTS/LONG TERM CARE

CSSB 87(HSS) was REPORTED OUT of Committee with a "do pass" recommendation and with two previously published zero fiscal notes: FN1(HSS) and FN2(REV).

#sb83

CS FOR SENATE BILL NO. 83(HSS)

"An Act relating to the protection of vulnerable adults and residents of long term care facilities."

2:06:41 PM

TERESA HOLT, LONG TERM CARE OMBUDSMAN - ALASKA MENTAL HEALTH TRUST AUTHORITY, DEPARTMENT OF REVENUE, JUNEAU, explained the bill would bring the state into conformance with the federal regulations.

Representative Wilson referred to Section 11 AS 47.62.030(b), which allowed the state to step in when the state felt that the decision may adversely affect the safety, health, and welfare of the older person. She wondered whether the bill gave the state more power than was currently in statute.

Ms. Holt answered that Section B was about the office being able to make referrals and share information with other agencies that investigate the issue. She remarked that Section 1 only allowed the agency to share information, if that person was at risk and/or unable to give consent.

2:10:01 PM

Representative Wilson provided a hypothetical scenario regarding a situation where a person did have a guardian. She wondered whether the agency could report a fraud or request additional information.

Ms. Holt responded that it would occur, should the guardian not act in the best interest of the individual.

Representative Wilson stressed that she was talking about someone who was responsive, but chose to give the power of attorney to someone else. She wondered whether the program gave additional powers to the department.

Ms. Holt replied that the program only addressed the power to give a referral to another agency.

Representative Wilson surmised that the bill gave the authority to further investigate, based on the feeling of the ombudsman.

Ms. Holt provided an example of a situation that would give reason to utilize the provision outlined in the legislation.

Co-Chair Foster asked Vice-Chair Gara to review the fiscal notes.

Vice-Chair Gara discussed the fiscal notes.

Co-Chair Seaton MOVED to report CSSB 83(HSS) out of Committee with individual recommendations and the accompanying fiscal notes.

There being NO OBJECTION, it was so ordered.

CSSB 87(HSS) was REPORTED OUT of Committee with a "do pass" recommendation and with two previously published zero fiscal notes: FN1(HSS) and FN2(REV).

#sb78

CS FOR SENATE BILL NO. 78(FIN)

"An Act creating the education endowment fund and the dividend raffle fund; authorizing donations from the permanent fund dividend for educational purposes and to enter the permanent fund dividend raffle; relating

to transfers from the dividend raffle fund and the education endowment fund; relating to the duties of the Department of Revenue; relating to the definition of 'gambling'; and providing for an effective date."

2:15:00 PM

Co-Chair Seaton MOVED to ADOPT proposed committee substitute for CSSB 78, Work Draft 30-LS0534\L (Martin, 04/15/17).

Representative Wilson OBJECTED for discussion.

Co-Chair Foster invited the testifiers to put themselves on the record.

SENATOR CLICK BISHOP, SPONSOR, introduced the legislation. He relayed that the bill was a creative way to fund education. He suggested that the bill would go a long way to funding education. He thought it was high time the legislature looked to other funding sources. The fund was completely voluntary. He had looked at other ways such as bring back the head tax - which did not have good reception.

Co-Chair Seaton had just received communication from folks in Homer asking about that legalizing gambling.

2:20:21 PM

PETE FELLMAN, STAFF, SENATOR CLICK BISHOP, amending the current gambling law to allow an additional raffle - to be exempt from the gambling laws in the state already in current law.

Vice-Chair Gara appreciated the senator thinking outside of the box. He could not tell how much of the bill the state would receive back. It was close to \$5 million.

Mr. Fellman responded that it would be difficult to know what would go directly into the education fund.

Vice-Chair Gara thought all good ideas should move forward. He expressed a concern about people donating part of their Permanent Fund Dividend (PFD). There was nothing in the bill stated that if a person donated their money education would go up.

Senator Bishop responded that he had another senator that initially did not like the bill but did end up like the bill once the name was changed from lottery to raffle. He commented that the legislature still had the power to appropriate.

Representative Guttenberg had a similar concern as Co-Chair Seaton. He wondered about the federal law even though the state already had its own law.

[2:26:42 PM](#)

Mr. Fellman was happy to review the changes to the committee substitute.

Representative Guttenberg stated that he wanted a "nod from the staff" about the changes.

Representative Kawasaki surmised that there were currently two options for donating within the PFD program. He wondered whether the legislation provided a third option.

Mr. Fellman responded in the affirmative.

Representative Kawasaki commented that the legislature had recently received a letter from Pick Click Give, which stated that there might have an unintended consequence of less money going to the charities.

Mr. Fellman responded that many people committed to charitable donations for belief in the organization and for the tax break.

Representative Kawasaki felt that the gambling was a tax on poor people and targeted to people who were "bad at statistics." He understood that people supported education and there were also people that wanted to win a lottery. He asked for comment regarding that concern.

[2:29:41 PM](#)

Mr. Fellman asked Representative Kawasaki to repeat his questions.

Representative Kawasaki repeated his question.

Mr. Fellman replied that the raffle was limited, and could only be played once a year from the PFD. He stressed that the limit was the maximum amount of the PFD.

Representative Kawasaki asked if it precluded a parent from using their child's PFD.

Mr. Fellman added that only adults 18 and older could participate.

2:34:30 PM

Representative Wilson noted that Pick Click Give had a sweepstakes.

Mr. Fellman responded in the affirmative.

Representative Wilson felt that the bill did the same thing as the sweepstakes.

Mr. Fellman agreed.

Representative Guttenberg clarified that the committee was referencing version L of the bill.

Co-Chair Foster responded in the affirmative.

Mr. Fellman reviewed the changes in the CS:

Explanation of Changes CS CSSB78 (30-LS0534\L):

Proposed House Finance CS reduces the raffle fund cap from \$500 million to \$300 million. The change will allow the fund to start funding education sooner and reduce the maximum prizes payouts.

Page 5, line 17:

Delete "\$500,000,000"

Insert "\$300,000,000"

Page 5, line 18:

Delete "\$500,000,000"

Insert "\$300,000,000"

The second change proposed is to reduce the prize payout percentages so more money stays in the raffle fund.

Page 6, line 5:  
Delete "10"  
Insert "eight"

Page 6, line 7:  
Delete "five"  
Insert "four"

Page 6, line 9:  
Delete "three"  
Insert "two"

Page 6, line 11:  
Delete "two"  
Insert "one"

Representative Wilson WITHDREW her OBJECTION.

There being NO OBJECTION, the proposed committee substitute, CSSB 78(FIN) was adopted.

Mr. Fellman shared that there was a concern about securing the raffle. Therefore, the cap was reduced, so it would put money into the endowment fund sooner. He stated that the cap was now at \$300 million, so everything above that amount would be put into the fund. He shared that the payouts were also reduced by a few percentages.

[2:39:47 PM](#)

Vice-Chair Gara wondered whether someone would expect an increase in education funding, should they participate in the program.

Mr. Fellman replied that education funding was already seen as being reduced, and felt that the public would expect more cuts in the time of oil price. He hoped that the price of oil would increase, so the budget could secure. He remarked that there were other measures that would add more money to education.

Vice-Chair Gara thought the positive portion of the bill was that more money would be put into the education fund.

Mr. Fellman was happy to work with the committee to develop a plan.

Vice-Chair Gara could be wrong as well.

Representative Wilson suggested that a disclaimer would not necessarily be because of the application for a PFD.

Mr. Fellman answered that it would be added to the previous year's funding.

[2:44:48 PM](#)

Representative Wilson asked Mr. Fellman how much would likely be gained in the first year.

Mr. Fellman stated that the prize would be \$5 million.

[2:51:56 PM](#)

Representative Wilson asked if the state was starting at 50 percent, but it would grow up to 65 percent as the donations increased.

Mr. Fellman replied in the affirmative.

Co-Chair Seaton noted that the fund started at \$10 million. He queried the annual receiving for Pick Click Give.

Mr. Fellman replied that it was between \$2.5 million and \$3 million. He remarked that Pick Click Give distributed the money to over 600 organizations. He did not know their administration costs.

Co-Chair Seaton remarked that queried an analysis that determined that there would be three times the amount of donations in the new program than the donations to Pick Click Give.

Mr. Fellman replied that Pick Click Give was a complicated program. He stated that the proposed program was not connected to Pick Click Give.

[2:57:14 PM](#)

Co-Chair Seaton asked if any study showed the impact of Pick Click Give, with the inducement to pull out \$10 million.

Mr. Fellman answered that the bill had only been introduced 40 days earlier and a study would be costly. He elaborated that their own costs had been built in.

Representative Ortiz felt the kind of people interested in gaming may not be the same as those interested in donating.

Mr. Fellman believed that when the Permanent Fund Dividend had been reduced the past year it had a large impact. He had received many phone calls received from individuals who sent money to relatives out of state for them to play Power Ball

Representative Ortiz asked if Mr. Fellman saw the bill as a way to augment current obligations made to education or as a supplement.

Mr. Fellman answered that he could not speak for future legislatures. The bill would create another pot of money that could help children. The sponsor hoped it would be the case, but there was not a guarantee.

Representative Guttenberg agreed that it was a group of individuals interested in gaming, which was different from individuals interested in donating.

[3:01:42 PM](#)

Mr. Fellman replied that the larger the prize, the more people wanted to play.

Representative Guttenberg love Mr. Fellman's enthusiasm. The only raffle tickets he typically only bought raffle tickets he sold himself. He wondered how realistic the numbers were in terms of participation.

Co-Chair Seaton relayed a list of testifiers available for questions.

Mr. Fellman relayed that 95 percent of the money would go towards education, and benefitted Alaska's children.

Co-Chair Seaton invited Nina Kempel to testify.

[3:07:00 PM](#)

NINA KEMPEL, CEO, ALASKA COMMUNITY FOUNDATION, ANCHORAGE, stated that Pick Click Give was part of a larger partnership with other organizations. She stated that it was a natural partnership to support the program for nonprofits in the state.

Co-Chair Seaton asked that her written testimony be provided.

Vice-Chair Gara thanked the organization for all it did for the state.

Representative Wilson asked how much was donated to the charity and how much it received.

Ms. Kempel responded that that the organization received 93 percent.

[3:13:57 PM](#)

Representative Wilson was confused. She remarked that there was an administration fee of 15 percent.

Ms. Kempel clarified that 7 percent of the administration fees came from the voluntary participation of organizations. The remaining 8 percent came from the private partnership with organizations across the state from donors.

Representative Wilson surmised that \$7 dollars of \$100 would be utilized for the administrative fee, and the other \$93 would go to the organization. Ms. Kempel agreed.

Representative Wilson stressed that losing the private donations, would result in the state covering the additional cost to cover the 15 percent. Ms. Kempel agreed, and stated that the hope was that the 7 percent would eventually support the program. She stressed that the state did not pay any portion of the funding.

Co-Chair Seaton relayed the testifiers available online.

[3:16:49 PM](#)

Representative Pruitt asked about the administrative costs to the state.

Ms. Kempel deferred to Ms. Race.

Representative Pruitt asked if the money came from the private donations.

Co-Chair Seaton thought the committee was going too far into the weeds. He wanted members to refocus on the bill before the committee.

Representative Pruitt was trying to understand the long-term impacts and the fall back for the Pick Click Give program

Ms. Kempel answered that it was not a part of the 15 percent.

Representative Guttenberg queried preliminary analysis of the impacts program.

Ms. Kempel responded that the organization had not been involved in a research and wanted to be part of the effort.

[3:24:00 PM](#)

DEBORAH BITNEY, VICE PRESIDENT AND CHIEF ADMINISTRATIVE OFFICER, RASMUSON FOUNDATION, ANCHORAGE (via teleconference), stated that the Rasmuson Foundation invested \$3 million in Pick Click Give. She shared that over ten years, Pick Click Give had raised approximately \$20 million for nonprofit service providers across the state. She felt that the lottery deduction would have a direct affect on the Pick Click Give program, and felt that the legislation had not been properly examined to assess the impact of the dividend application process, the nonprofit sector, or the people that it served. She stressed that the addition to the application process required time, resources, and expensive testing. She felt that short notice mandated adjustments to the applications can fail. She stated that the failure of the application had a direct negative impact on the associated programs and the department.

Representative Wilson wondered how often a charitable organization was added to the Pick Click Give list.

Ms. Bitney did not know the answer to that question.

Ms. Kempel announced that each organization must meet standards when wanted to be added to the Pick Click Give list.

[3:28:06 PM](#)

Representative Wilson felt that there were already ongoing adjustments to the application.

Ms. Kempel responded that there were not constant changes to the process. She stated that there were updates to the modifications to the website and technology. She stressed that the process was understood by the participating nonprofits, and would continue in the same historic manner.

Representative Wilson relayed that there was a concern that adding a charity or program would be costly. She understood that the Pick Click Give list was already adjusting.

Co-Chair Seaton stated that the issue was about adding a factor into the PFD application process, and not related to the list that was assigned to Pick Click Give.

Ms. Bitney agreed.

Co-Chair Seaton stressed that the issue was related to the addition of the PFD technical system.

Representative Wilson surmised that the program would be more affordable, if it were integrated in Pick Click Give.

Ms. Bitney responded that the statement was accurate. She furthered that she was concerned with adding a process to the application.

Representative Wilson wondered whether there was another part of state government, besides the University, that was part of Pick Click Give.

Ms. Kempel replied that only nonprofit organizations could participate in Pick Click Give, so there were no organizations that were part of Pick Click Give.

[3:32:32 PM](#)

Vice-Chair Gara queried the cost of running the program. He

Ms. Kempel responded that she was not familiar with the \$275,000 fiscal note. She stated that she had seen an inaccurate fiscal note for \$8000. She stressed that implementing a new program required a robust system for dealing with questions, and did not see that system in the plan. She also wanted to know how that cost would be covered.

Co-Chair Seaton relayed that Ms. Race could answer the question.

Vice-Chair Gara felt that the proceeds from the cost would pay for the administration.

Co-Chair Seaton was going to get the other invited testimony online.

[3:34:45 PM](#)

ELIZABETH RIPLEY, PRESIDENT OF THE FORAKER GROUP, ATLANTA, GA (via teleconference), shared that the Foraker Group helped to implement Pick Click Give.

Representative Wilson asked if Ms. Ripley was concerned with the addition of the income tax being part of the process.

Ms. Ripley was not familiar with what she was asking.

Representative Wilson suggested that advertising frequently "ate up costs."

Ms. Ripley thought some of the advertising could be coordinated.

Representative Wilson felt that the level of awareness would help bring more people to Pick Click Give.

[3:43:42 PM](#)

Co-Chair Seaton stated that some testifiers were concerned with how the programs would interact.

Representative Wilson thought there was the same problem with Alaska Seafood Marketing Institute (ASMI) and tourism. He felt that there may be competition in the programs. She

did not know how a study would be done to determine how the programs might interact.

Representative Ortiz spoke to the uniqueness of the Permanent Fund and the Pick Click Give program. He asked if there was confidence in how to study the impact of the program.

Ms. Ripley answered they would like to have much more communication about SB 78 to work through concerns.

Co-Chair Seaton had no idea whether there were examples around the country about locations that had started a lottery or Power Ball.

[3:46:19 PM](#)

Co-Chair Seaton OPENED public testimony.

DANIEL LYNCH, SELF, SOLDOTNA (via teleconference), complimented the House to find real solutions to the problems facing the state. He stated the bill was no more than a gimmick or diversion to distract from finding real solutions. He provided further detail about living in another state in the past. The model would never be profitable in Alaska; however, there was potential in limited casinos. He expounded on the idea, which he believed would create employment and diversification. He thought it would bring in revenue. He spoke to empty buildings in Kenai and Anchorage that would work as casinos. He knew what manure smelled like - like SB 78.

[3:49:23 PM](#)

JOY STEWARD, SELF, HOMER (via teleconference), spoke to her concerns about the bill. She applauded all legislators who were working hard to find a way to balance the state's budget. She did support finding increased funding for education. She thought the bill could negatively impact nonprofits. She referred to earlier testimony that had cited concerns.

[3:52:07 PM](#)

TAMMY SMITH, NEA ALASKA, ANCHORAGE (via teleconference), spoke in support of SB 78. She was currently serving as a director for NEA Alaska. She suggested that although SB 78

was not a total solution but was a sort-term fix. She had received an email that non-tenured teachers would be receiving layoff notices, which ultimately would hurt Alaska's students. She advocated for a long-term solution. It was not the solution for the large fiscal gap. She highlighted the necessity of passing a total fiscal plan along with a broad-based tax. SB 78 was a supplemental effort to a larger plan. She thanked the committee.

[3:55:33 PM](#)

BILL WRIGHT, UNITED WAY OF TANANA VALLEY, FAIRBANKS (via teleconference), stated that his agency relied on donations from Pick. Click. Give. He advocated for further study of the raffle although he was not speaking against it.

[3:58:12 PM](#)

MIKE COONS, SELF, PALMER (via teleconference), spoke in opposition of the bill. He thought the bill would have a huge impact on the senior programs. He agreed with Representative Wilson that giving to charity would be greatly impacted with the reduction of the dividend. He opposed the bill as well as an income tax. He provided the example of the lottery in the state of Ohio. He gave kudos to the house Minority for standing against the income tax.

Co-Chair Seaton CLOSED Public Testimony.

[4:01:40 PM](#)

Representative Wilson wondered if it was an appropriate time to hear from Ms. Race.

SARA RACE, DIRECTOR - DIVISION OF ADMINISTRATION, DEPARTMENT OF REVENUE, JUNEAU, introduced herself.

Representative Wilson wondered whether the division set up Pick Click Give, and would that same management be in place for the program outlined in the legislation.

Ms. Race replied that there were some administration procedures with Pick Click Give. The proposed program would add a question to the PFD application that would allow an individual to participate in the raffle, and select in \$100 increments. She stated that it would be the last priority order item to pay out, after approval. She stated that the

portion would return to the applicant, should there not be \$100 available for payment.

Representative Wilson queried the added cost for the PFD application.

Ms. Race answered that most infrastructure was already built into the program, but there was an addition of a question to the application and the creation of the venter in the venter table.

[4:03:39 PM](#)

Representative Wilson queried the anticipated ongoing costs to the program.

Ms. Race replied that there was a one-time additional cost. She furthered that the outgoing years would not be too great. She stated that there needed to be creative solutions to advertise the program. She stated that the following years allowed for 2 percent available after the first year for advertising.

Representative Wilson queried the accounting costs to Pick Click Give.

Ms. Race responded that there were accounting costs, but did not necessarily come from the state. She stated that there was a \$250 application fee for businesses that wished to participate in Pick Click Give. She stated that United Way vetted the applications.

Co-Chair Seaton wondered who advertised and administrated the program.

Ms. Race replied that after the first year of the program, 2 percent was dedicated to administration and advertising.

Co-Chair Seaton asked wondered whether the division would absorb the work.

Ms. Race responded that there were no additional personnel needed for the program, and the 2 percent would be used for advertising and administration costs.

SB 73 was HEARD and HELD in committee for further consideration.

4:08:32 PM

AT EASE

4:13:41 PM

RECONVENED

#hb105

HOUSE BILL NO. 105

"An Act establishing the Gordon Haber Denali Wolf Special Management Area."

4:13:47 PM

REPRESENTATIVE ANDY JOSEPHSON, SPONSOR, provided some background for the bill. The legislation aimed to create the Gordon Haber Denali Wolf Special Management Area which would be a buffer zone near the border of Denali National Park where wolves may not be hunted. The area would be named for Gordon Haber, who was a biologist that had done wolf-prey research in Denali National Park and other areas of Alaska from 1966 to 2009. While doing the work that he loved, Gordon tragically died in a plane crash in Denali National Park on October 14, 2009. For many years Denali National Park had been known as one of the best places in the world to view wild wolves. In 2013, Denali had 530,921 visitors, who contributed \$513,355,000 to Alaska's economy. The opportunity to view wolves is a big incentive to visit the park. Unfortunately, wolf viewing success has declined dramatically. A buffer zone previously established in 2000 on the park's eastern boundary to protect the wolves was removed by the Board of Game in 2010. In 2014, less than 6% of park visitors were able to see wolves, down from 45 percent back in 2010. Wolf population has declined from 116 in spring 2006 to 50 in spring 2014. House Bill 105 helps to correct these trends.

Representative Kawasaki referred to the map in member files (copy on file). He asked why the blue area was not part of the area and black.

Co-Chair Seaton wanted to ensure that invited testimony had a chance to get on record.

4:28:54 PM

RICK STEINER, PROFESSOR, UNIVERSITY OF ALASKA, read from a prepared statement (copy on file):

I appreciate the opportunity to provide comment in support of HB 105, and look forward to any questions you may have afterward.

For the record, I am a conservation biologist with Oasis Earth (www.oasisearth.com) in Anchorage, and I was a professor with the University of Alaska from 1980 - 2010, stationed in Kotzebue, Cordova, and Anchorage.

As legislators, you all face many difficult decisions this session, but HB 105 is not one of them. This bill should be an easy and unanimous "YES."

1. One simple standard with which to decide bills in front of you is: does it hurt, or help the Alaska economy? And regarding HB 105, it is an overwhelming economic positive.

In these challenging economic times the state needs to do everything possible to support the Alaska economy.

One of the easiest and most cost-effective measures lawmakers can take to enhance our economy is to do everything possible to enhance the wildlife tourism industry - a \$2.7 billion/year industry in Alaska (I will elaborate more on that a bit later).

2. Another critical standard to base your decisions on is the principle of fairness and common ownership of all resources (including wildlife) by all Alaskans, embodied in the State Constitution, Article 8, Section 3: "Common Use":

Wherever occurring in their natural state, fish, wildlife, and waters are reserved to the people for common use.

All of us own and have equal access to the wolves in Denali, including the 70,000 Alaskans who visit the

park each year -- not just the 2 or 3 individuals who hunt and trap them along the NE boundary.

and this month marks the 100th anniversary of Alaska's most iconic tourism destination. This would be the perfect time

to finally resolve the century-old problem of conserving park wildlife along the park's eastern boundary. HB 105 goes a long way toward doing just that.

[The only friendly amendment I would respectfully suggest is to include, in addition to wolves, a prohibition on take of all park predator species -- bears, lynx, wolverine, coyote, etc., as these are valuable watchable wildlife for the park as well.]

Wolf Townships History In 1906, when east coast hunter-naturalist Charles Sheldon explored the Denali area, he noted that commercial hunters selling Dall sheep meat to railroad workers and miners were decimating local wildlife populations. Sheldon went to Washington D.C. and, along with the Boone and Crockett Club, advocated establishment of Mt. McKinley National Park as a "game refuge." President Woodrow Wilson signed the original 2 million acre park into law on Feb. 26, 1917. But the precise boundaries necessary to protect park wildlife were unclear, imperfect, and continued to be debated.

In particular, lands northeast of the original park boundary, where park wildlife migrate seasonally, were considered by many to need park protection as well.

According to Fairbanks historian Ed Davis, since the initial establishment of the park, there have been many unsuccessful attempts to add lands along the northeast boundary, now known as the "Wolf Townships" and "Stampede Trail," into the park to protect park wildlife:

1922 - AK Railroad proposes to include Wolf Townships in McKinley Park to protect Park wildlife. 1965 - State selects Wolf Townships, but cites need to expand Park to protect caribou, and that existing Park boundary is "an arbitrary line." 1969 - Johnson administration considers, but declines, to add Wolf Townships into Park 1978 - Wolf Townships found worthy for inclusion in Denali National Monument, but lands had been selected by State. 1980 - The original version of ANILCA included the Wolf Townships within the new park boundaries because this area provides critical habitat for park wildlife. Although this area was removed from the final bill, the Senate report accompanying ANILCA made it clear the expectation was for the wolf townships to become part of Denali: The prime resource for which the north addition is established is the critical range necessary to support populations of moose, wolf, and caribou as part of an integral ecosystem. Public enjoyment of these outstanding wildlife values would thus be assured.

[4:38:07 PM](#)

Representative Ortiz noted that the buffer was eliminated in 2010. He queried the reason for that decision.

Mr. Steiner replied that it derived from the Park Service ideology from various interest groups. He remarked that there were several proposals asking that the existing buffer be expanded, because it was too small. He remarked that there were as many as 19 park wolves in that small buffer. He remarked that 15 to 20 percent of the total park population was killed after the wolves crossed the buffer.

Representative Ortiz came from Southeast Alaska and could certainly understand the benefits of an area with wildlife viewing, and felt that tourism to view wildlife had a greater effect on the economy than hunting.

Representative Guttenberg suggested that the area had been his previously in his district. He felt that the buffer change did not have to do with biological certainty.

Mr. Steiner agreed. He stated that the Denali wolf was a political pawn in the process.

Vice-Chair Gara noted that the opposition letters were focused on the impact of subsistence and other hunting.

Mr. Steiner responded that the trapping and hunting of wolves in the area was non-subsistence, rather it was sport hunting.

Vice-Chair Gara commented that the letters probably were referring to more wolves and less moose.

Mr. Steiner stated that there were complaints about the high number of moose in the area. He remarked that the closed area would be 340,000 acres. He stressed that most of the moose hunting took place to the east of the area. He stressed that there would be millions of dollars from the tourism industry as a result of the legislation.

[4:43:40 PM](#)

SEAN MCGUIRE, ALASKANS FOR WILDLIFE, FAIRBANKS, agreed with the previous speaker's statement that Denali was the crown jewel for the area. People went to Denali to see the mountain and wildlife including wolves. He suggested that the land management for the skinny He relayed that people were baiting wolves to go outside of the boundary.

Mr. McGuire objected profusely people baiting wolves and removing the opportunity for tourists to see wolves. He recalled Cecil the lion that was lured out of the park and gunned down. He thought the state was allowing people to bait the wolves out of the park.

[4:49:40 PM](#)

AL BARRETTE, SELF, FAIRBANKS (via teleconference), spoke in favor of the legislation.

Co-Chair Seaton noted committee members had his written testimony in their packets.

Representative Wilson asked about page 3, lines 20 and 21. She surmised that the interpretation would be that accidentally shooting a wolf could result in a misdemeanor.

Mr. Barrette responded that the issue was related to trapping, not hunting.

[4:55:36 PM](#)

Representative Guttenberg noted that the area west of Healy was the bus from "Into the Wild." He stressed that people should never go in that area.

Mr. Barrette asked if it was a question.

Representative Guttenberg stated that it was an observation.

TIM LESCER, SELF, ANCHORAGE (via teleconference), worked with grey wolves and took care of them at the zoo in town. He spent more time around wolves than 90 percent of the population. He thought what was getting lost was the intelligent of the animals and the centurion nature of the animals. He invited members to come meet the wolves personally. He applauded Representative Josephson. He spoke in support of HB 73.

Co-Chair Seaton CLOSED Public Testimony for HB 105.

Co-Chair Seaton remarked that he wanted some questions about subsistence addressed at the next hearing on the bill.

[4:59:23 PM](#)

Representative Wilson asked that the department address the indeterminate fiscal note.

Representative Josephson responded that the fiscal note related to the original version of the bill.

Representative Wilson responded that there were 3 fiscal notes and it was possible that some of them were not related to the current version of the bill.

Co-Chair Seaton clarified the version before the committee.

Representative Wilson requested the fiscal note clarification at the next hearing.

Vice-Chair Gara asked about the misdemeanor issue in the bill.

Co-Chair Seaton asked to put the question off until the next bill hearing.

Co-Chair Seaton announced that amendments were due by Thursday, May 6, 2017 at 5:00 p.m.

HB 105 was HEARD and HELD in committee for further consideration.

[5:03:34 PM](#)

Representative Ortiz asked about amendments for SB 78.

Co-Chair Seaton conveyed that that amendments for SB 78 were also due by Thursday, May 6, 2017 at 5:00 p.m. He relayed the agenda for the following meeting. He indicated the following week would be focused on general fiscal impact.

Co-Chair Seaton recessed the meeting to a call of the chair. He recessed the meeting to a call of the chair [Note: the meeting never reconvened].

#

ADJOURNMENT

[5:05:18 PM](#)

The meeting was adjourned at 5:05 p.m.