

HOUSE FINANCE COMMITTEE
May 11, 2018
3:44 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 3:44 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Rob Carpenter, Analyst, Legislative Finance Division;
Representative Gary Knopp; Representative Louise Stutes;
Representative Tiffany Zulkosky.

SUMMARY

CSSB 142(FIN) AM
APPROP: CAPITAL BUDGET

CSSB 142(FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the meeting agenda.

#sb142

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

[3:46:09 PM](#)

Representative Pruitt stated he had received a list of House Finance Committee Majority amendments that the committee would accept and the Majority amendments the committee would let pass. He asked if the process had been predetermined and whether the meeting was a waste of time. He found the list that had been found by staff on a copy machine disturbing. He hoped the committee would have a debate on the amendments and make decisions based on good policy, not on something that had been predetermined. He hoped the document was an error.

Representative Kawasaki relayed that he did not have a copy of the list. He asked if someone could provide a copy. [a committee member provided the list to Representative Kawasaki.]

Co-Chair Foster replied that the committee would have a debate and debate could sway people's minds. He believed all of the groups had met to discuss things they were interested in, but a debate would occur. He relayed that committee members were free to vote as they wished.

Representative Pruitt communicated he had wanted confirmation that the list was not something the co-chairs had distributed or that the voting had been predetermined. He expected the amendment process to be the amendment process and that members would listen to the debate and allow the discussion.

^AMENDMENTS

[3:48:32 PM](#)

Representative Guttenberg MOVED to ADOPT Amendment 1 (copy on file):

Insert Section 1:

Agency:
Department of Commerce, Community and Economic
Development/ Grants to Named Recipients (AS 37.05
.316)

Project:

Interior Alaska Land Trust - Goldstream Valley Public
Use Land Restoration

Amount: \$200,000

Funding Source: Unrestricted General Funds (code 1004-
UGF)

Explanation:

Funds would go to IALT to expand the Goldstream Public
Use Area (GPUA) and connect fragmented parcels to
ensure and provide additional multi-user recreational
opportunities.

Representative Wilson OBJECTED.

Representative Guttenberg reviewed the amendment pertaining
to the Interior Alaska Land Trust - Goldstream Valley
Public Use Land Restoration. He believed that the multiuse
area across the Goldstream Valley had been ongoing since
the mid-1980s. The effort had been to make access for
hunters, snow machines, skiers, trappers, and others using
the trail. He detailed the area was made up of a
conglomerate of checkerboard parcels. At times there was
restrictive crossing because of private property. The funds
would go towards parcels for sale that would continue to
enhance the area for public use.

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Representative Wilson spoke in opposition to the amendment.
She remarked that in the past legislators had been able to
take funds back to their districts when oil prices had been
higher. She understood what the funds would be utilized
for, but the state did not have money.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

OPPOSED: Thompson, Tilton, Wilson, Pruitt

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment 1 was ADOPTED.

[3:51:02 PM](#)

Representative Tilton MOVED to ADOPT Amendment 2, 30-GS2565\N.1 (Martin, 5/9/18) (copy on file):

Page 3, following line 20:

Insert new material to read:

APPROPRIATION ITEMS 75,000
GENERAL FUND 75,000

Fraternal Order of Alaska State Troopers, Inc. -
Community and Neighborhood Watch Grants (HD 1-40)

Adjust fund sources and totals accordingly.

Page 18, lines 10- 13:

Delete all material.

Adjust fund sources and totals accordingly.

Co-Chair Seaton OBJECTED for discussion.

Representative Tilton explained the amendment would transfer funding in the budget for community neighborhood allocated to the Department of Commerce, Community and Economic Development (DCCED) to the Fraternal Order of the Alaska State Troopers for administering. She elaborated that the Fraternal Order of the Alaska State Troopers already administered grants and was willing to administer the neighborhood watch program. She believed there was no better group to administer the program than retired troopers who were already involved in the state's neighborhoods and were aware of how to help communities combat crime.

Representative Guttenberg asked if the neighborhood watch was a specific organization or generalized. He reasoned that \$75,000 was not a significant amount to spread statewide.

Representative Tilton responded that the \$75,000 in the line item was meant to go to the neighborhood watch program throughout the state. She did not know how long the program had been in existence.

Co-Chair Seaton asked if the amendment would insert the appropriation on page 3, line 20 of version N of the bill.

[3:53:31 PM](#)

Representative Tilton answered the appropriation would move from page 18, lines 10 through 13 (under grants administered by DCCED) to grants to named recipients on page 3, line 20 (to the Fraternal Order of the Alaska State Troopers for community and neighborhood watch). The dollar amount would remain the same.

Co-Chair Seaton spoke to his objection. He believed there was accountability through DCCED, whereas a private organization had a different kind of accountability.

Vice-Chair Gara stated he had always supported neighborhood watch. He had not seen state money to fund it in the past. He asked the amendment sponsor to address the issue in closing remarks.

Representative Kawasaki spoke in support of the first part of the amendment. He had been in contact with the Fraternal Order of the Alaska State Troopers about how the organization would distribute the funds statewide. The organization was statewide and had a chapter in Fairbanks. He did not support the bottom half of the amendment. He believed there was accountability through DCCED.

Representative Tilton asked Vice-Chair Gara to repeat his question.

Vice-Chair Gara replied that he had never seen state funding for neighborhood watch in the past. He thought it had been a volunteer program in the past.

Representative Tilton replied that the neighborhood watch program had been a volunteer program administered through the Alaska State Troopers by a particular person receiving support from the troopers. She explained that it was no longer the case. The increase in community crime had resulted in an outcry for increased patrol from constituents. The \$75,000 had originally been included in the budget by the Senate under grants administered by DCCED. The amendment would transfer the grant administration from DCCED to Fraternal Order of the Alaska State Troopers. She elaborated that the organization was comprised of retired troopers and already administered grants. The organization was willing to administer the funds to help neighborhoods get signage and to get their watch programs up and running.

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Co-Chair Seaton MAINTAINED his OBJECTION.

Co-Chair Foster also objected to the amendment. He asked for clarification from Representative Kawasaki.

Representative Kawasaki answered that he thought the amendment would come in a different form. He supported the Fraternal Order of the Alaska State Troopers and reiterated there was a chapter in Fairbanks that was a reliable nonprofit. He did not support the bottom portion that transferred the grant from DCCED.

Co-Chair Foster noted that he had spoken with Representative Neuman who supported the amendment.

Representative Wilson MOVED to AMEND Amendment 2 to delete lines 11 and 12. She did not believe it mattered whether the budget increment appeared under the grants to named recipients or under DCCED. She believed it was more important to have the right organization administering the grant to ensure it was utilized in the proper way.

Representative Pruitt stated the proposed amendment to Amendment 2 would double the funding. He did not believe that was the intent.

Representative Wilson requested an "at ease."

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AT EASE

[4:07:32 PM](#)

RECONVENED

Co-Chair Foster noted the committee was addressing Amendment 2.

Representative Wilson WITHDREW conceptual Amendment 1 to Amendment 2.

Representative Tilton WITHDREW Amendment 2.

Representative Tilton MOVED conceptual Amendment 2.

Representative Wilson OBJECTED for discussion.

Representative Tilton explained the amendment would change the name from Community and Neighborhood Watch Grants for Named Recipients to Fraternal Order of the Alaska State Troopers and Community and Neighborhood Watch Grants on page 18, lines 10 through 13.

Co-Chair Foster asked Representative Kawasaki if the proposed amendment met his intent.

Representative Kawasaki replied in the affirmative.

Co-Chair Seaton asked whether the Fraternal Order of the Alaska State Troopers would be administering the grants through all districts (1-40) or whether it would be specific to a couple of areas where the organization had headquarters.

Co-Chair Foster asked to hear from the Legislative Finance Division.

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ROB CARPENTER, ANALYST, LEGISLATIVE FINANCE DIVISION, asked for clarification on the question.

Co-Chair Seaton complied. He explained that DCCED had criteria for issuing the grants statewide. He did not know if the Fraternal Order of the Alaska State Troopers had the same kind of criteria and whether it was statewide or had headquarters in several communities that would receive the

money. The language specified districts 1 through 40, but he did not know whether the organization administered grants in all of the districts the way the department did. He wondered if the language change would drastically change the number, the amounts, and the way the grants were administered.

Mr. Carpenter answered that he did not know how the Fraternal Order of the Alaska State Troopers would manage the funds. The intent of the original appropriation was to allow all organizations within the state to apply for the grants including municipalities and nonprofits. Based on testimony he believed the Fraternal Order of the Alaska State Troopers would manage it that way, but he did not know that for a fact.

Representative Tilton added that the Fraternal Order of the Alaska State Troopers currently administered grants throughout the state. She believed they would be able to administer the grant statewide.

Co-Chair Seaton was uncertain the grant criteria used by DCCED would be the same criteria used by the Fraternal Order of the Alaska State Troopers. He stated the amendment would change the complexity and possible qualifications of different organizations and community neighborhood watch programs. He was not willing to change the complexity of the entire grant program by adopting the amendment.

Representative Wilson WITHDREW her OBJECTION.

Co-Chair Seaton OBJECTED.

A roll call vote was taken on the motion to adopt conceptual Amendment 2.

IN FAVOR: Grenn, Kawasaki, Pruitt, Thompson, Tilton, Wilson, Gara, Foster

OPPOSED: Guttenberg, Ortiz, Seaton

The MOTION PASSED (8/3). There being NO further OBJECTION, conceptual Amendment 2 was ADOPTED.

[4:14:26 PM](#)

Co-Chair Seaton MOVED to ADOPT Amendment 3 (copy on file):

Page 4, Line 10-11:
Delete: Berth 4 Dock Expansion
Insert: Berths Expansion

Representative Wilson OBJECTED.

Co-Chair Seaton explained that the amendment would remove the reference to berth 4, pertaining to a dock expansion in Ketchikan. The change would allow the funds to be used for any of the berths instead of only berth 4.

Representative Wilson MOVED to ADOPT conceptual Amendment 1 to Amendment 3. The amendment would insert the numbers 1, 2, and 3.

Co-Chair Seaton OBJECTED.

Representative Wilson stated that berth 4 was privately owned. She did not know why the state would contribute funding to a privately owned berth. She stated that berths 1, 2, and 3 were owned by the community. She had no issue with state money going towards the community owned berths. She believed the privately owned berth charged the community a per passenger fee, which she found strange if the state was providing expansion funds. She did not want to begin putting money into private hands in order for someone to profit versus helping out the municipality.

Representative Ortiz shared that the appropriation came from the other body. The intent of the conceptual amendment addressed docks 1, 2, and 3. He reported that the city manager would have control of the funds and he had learned in discussions with the manager that dock 3 was not in the ballgame in terms of an expandable dock. He believed it was a nonworkable conceptual amendment.

Representative Thompson needed clarification. He stated that berth 4 was privately owned, and the City of Ketchikan owned berths 1, 2, and 3. He asked for verification the funds would be given to a private company.

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Representative Ortiz responded the original amendment would remove the specific berth 4 expansion language and would replace it with "berths expansion." He stated the appropriation was under city grants meaning the city

manager would have control over the funds. He could not speak to how the funds would be allocated by the manager. He believed the original amendment addressed the concerns of the conceptual amendment sponsor.

Representative Wilson stated that the conceptual amendment was workable because the city could spend the money on berths 1 through 3; without the conceptual amendment funds could be allocated to berth 4. She had verified by email that the berth was co-owned by several Ketchikan families and the Ketchikan Dock Company, which was a private corporation. She believed the amendment was necessary if the legislature wanted to ensure the funds would go to berths 1 through 3. Otherwise there would be nothing stopping DCCED from allocating funds to berth 4. She did not want to go down a road where the state put money into a private entity that charged money to the municipality for use.

Representative Ortiz clarified that the funds were cruise ship passenger vessel funds.

Representative Wilson noted that the dedicated funds would go towards helping a private owner become more profitable.

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Vice-Chair Gara asked if the funds were cruise ship head tax funds.

Representative Ortiz replied in the affirmative.

Vice-Chair Gara asked for verification that the funds had to be used for port projects.

Representative Ortiz replied yes.

Representative Ortiz MAINTAINED his OBJECTION to conceptual Amendment 1 to Amendment 3.

A roll call vote was taken on the motion.

IN FAVOR: Kawasaki, Pruitt, Thompson, Tilton, Wilson
OPPOSED: Guttenberg, Ortiz, Gara, Grenn, Foster, Seaton

The MOTION to adopt conceptual Amendment 1 to Amendment 3 FAILED (5/6).

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Representative Wilson spoke to her objection to Amendment 3. She did not care about the fund source, but that the funds were coming through the state. She did not want to start a precedent to give private companies money. She was concerned the amendment would put Ketchikan at a disadvantage because the funds could go towards a private entity. She speculated that the city also had work needed on berths 1 through 3. She MAINTAINED her OBJECTION to Amendment 3.

A roll call vote was taken on the motion.

IN FAVOR: Kawasaki, Ortiz, Pruitt, Thompson, Gara, Grenn, Guttenberg, Seaton, Foster

OPPOSED: Tilton, Wilson

The MOTION PASSED (9/2). There being NO further OBJECTION, Amendment 3 was ADOPTED.

[4:23:37 PM](#)

Representative Wilson WITHDREW Amendment 4 (copy on file).

Representative Grenn MOVED to ADOPT Amendment 5 (copy on file):

By: Representative Jason Grenn
Representative Les Gara

Insert Section 1:

Agency:
Department of Commerce, Community and Economic
Development
Grants to Municipalities (AS 37.05.315)

Project: Anchorage - Port of Anchorage (HD 12-28)

Amount: \$20 million

Funding Source: 1004 Gen Fund (UGF)

Project: Nome - Support for Design of an Arctic Deep
Draft Port at Nome to -40 MLLW (HD 39)

Amount: \$1.6 million

Funding Source: 1 004 Gen Fund (UGF)

Explanation:

Port of Anchorage: This project reconstructs the Port of Anchorage's aging infrastructure. The Port is a vital asset in Alaska's economy. It handles more than 3.5 million tons of food, materials, vehicles, clothing, fuel and other goods annually. Half of the cargo that moves through the Port is delivered to final destinations outside of Anchorage and directly benefits 85 percent of all Alaskans. The Port is Alaska's only U.S. Commercial Strategic Seaport, one of 16 nationwide. Phase one of this reconstruction project is scheduled to begin in 2018. This state project is contingent on the Municipality of Anchorage providing the remaining necessary funding to complete Phase one, estimated to be \$87,000,000.

Port of Nome: Supports the design of an Arctic Deep Draft Port at Nome, as part of a larger maritime infrastructure system in the U.S. Arctic. There are 54 communities in Norton Sound and the Bering Strait region that rely heavily upon the Port of Nome as a transshipment point for fuel, equipment and supplies. As the only existing marine trade center for the Arctic, expansion is critical to ensure timely development of the Nation's first Arctic access deep draft port, as a support facility for military assets. Based on existing infrastructure, construction could begin as soon as 2023.

Representative Wilson OBJECTED.

Representative Grenn reviewed the amendment. The amendment included \$20 million for the Port of Anchorage and \$1.6 million for the for the design of an Arctic deep draft port in Nome. He referred to the Port of Anchorage as the Port of Alaska and explained that the \$20 million would be used for the reconstruction of the aging infrastructure surrounding the port. Phase one of the reconstruction project was scheduled to begin later in the year. He noted it was remarkable the port functioned and operated as it did, given the docks aging pilings that had lost three-quarters of their original thickness. He had been told the

reduced load capacity was expected to cause existing docks to close with ten years regardless of repairs. Phase one of the project involved reconstruction, not expansion. The Port of Alaska delivered 3.5 million tons of food, materials and other items and impacted 85 percent of all Alaskans. The funding would be matched by the Municipality of Anchorage. Like the state's airports, he believed the port was vital to the state's economy.

Representative Grenn explained the second part of the amendment pertaining to the Port of Nome. The funds would go towards the design of a deep draft port starting in the next few years. He urged support for the amendment.

Representative Wilson asked how many grants or bonds had been issued through the state for the Port of Anchorage. She could not recall if state funding had been utilized for construction. She thought there had been an issue with a contractor installing pilings incorrectly. She wondered if some of the money would go to correct the problem.

Representative Grenn clarified it was the Port of Alaska [facetiously]. He confirmed there had been an expansion project in the past ten years that had some faulty design based on the surrounding waters and environment. There had been state funds allocated, but he did not have the information.

[4:27:16 PM](#)

Vice-Chair Gara shared that he referred to the port as the Port of Anchorage because it did not serve the entire state. He acknowledged the importance of the project. Historically he had questioned when the project cost had ballooned up to \$1.2 billion, but the current scope had been scaled back to an affordable amount. The reconstruction was necessary to prevent the docks from crumbling. The port would not exist in its current form in ten years' time if new dock space was not constructed. He reported there had been prior state grants of \$10 million and \$20 million back when he thought there had not been a plan. He remarked that there was now a plan. He did not know if the state had bonded for the project in the past. The port issued revenue bonds but had limited capacity.

Representative Wilson asked about the [Port of Anchorage reconstruction] fee structure the committee had heard about

in a previous meeting. She wondered how much money the port had set aside over the years to take care of reconstruction needs.

Representative Grenn did not have the information. He had learned from speaking with the port director that they would need to raise money somehow as the project moved forward. The state's investment would help offset any tariff and shipping fee increases that may occur. The proposed appropriation was the state's investment to help limit fees to Alaskans.

Representative Wilson understood the funds would help. She acknowledged that a plan could exist, but she had not yet seen one. She wondered how the situation would not recur in the future if the dock reached a certain state of disrepair. She believed tariffs and fees should be set aside by the port with the understanding that any infrastructure aged (e.g. roads and ports). She was trying to understand how the port could have prevented the situation in the first place.

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Vice-Chair Gara replied that the port had a plan. The amendment represented a tiny portion of the overall reconstruction cost needed to ensure the docks did not degrade beyond repair. He emphasized that the pilings were eroding. The total project was roughly \$350 million in addition to settlement money the Municipality of Anchorage was receiving for the faulty construction. The money would go towards helping a project that would otherwise be passed on to Alaskans in housing, grocery, and other costs.

Representative Wilson countered there would have to be additional fees. She reasoned the \$20 million was a band aid to get closer to the overall cost. She asked for the total cost and wondered if it was \$1.2 billion.

Representative Grenn replied that phase one would cost about \$80 million. The entire project would cost about \$700 million and was expected to begin in the summer (2018) and last seven to eight years. Funding sources were a combination of port revenues, state funds, federal funds, private funds, and litigation proceeds from the past expansion project.

4:32:44 PM

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Ortiz, Pruitt, Gara, Grenn, Guttenberg, Foster, Seaton

OPPOSED: Thompson, Tilton, Wilson, Kawasaki

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment 5 was ADOPTED.

4:33:34 PM

Representative Wilson MOVED to ADOPT Amendment 6 (copy on file):

Page 5, Lines 7 and 8

Agency: Environmental Conservation

Project: Wrangell Junkyard Contaminated Site Cleanup
(HD 36)

Amount: Delete All

Funding Source: DGF 1052

Representative Ortiz OBJECTED for discussion.

Representative Wilson reviewed the amendment. She spoke to past discussion about moving \$5 million from undesignated general funds (UGF) to designated general funds (DGF). The allocation in the budget changed policy testified to by the Department of Environmental Conservation (DEC). The policy was to find a safe and affordable way to deal with the contamination, which had been done. Part of the community was fine with leaving the contamination at the Wrangell junkyard. She had learned that if the contaminated material would have to be driven through town to be shipped somewhere. There was significant concern by the community about driving the materials through town. She elaborated that tourists, children, and others could be exposed. Deletion of the funds would not stop the project. She explained that if the community chose against using the safe site selected by DEC, it would have to pay for an

alternative. She detailed that if the selected site was used the funds could be utilized. She was concerned that she had heard from the contractor who had obtained the rock and it sounded like he may be out the money because the plans were changing. She believed when a contract was made it should be upheld.

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Representative Ortiz spoke to his objection. He recalled DEC testimony that the led and other contamination was some of the worst the department had seen. He asked members to consider how residents at Cheena Lake near Fairbanks, Sand Lake in Anchorage, or Auke Lake in Juneau would feel about a disposal site put in a main recreation area similar to those locations. The chosen site in Wrangell was above the main recreation lake and had important traditional uses by the local tribe. He emphasized the concern by the community was understandable. He had been to the proposed site that sat directly above the lake - there was ditch drainage in the immediate proximity of the site. He had a letter from the Wrangell Assembly communicating its preference to have the led contaminates removed from the island. The vast majority of comments he had received from the community were in support of the removal of the contaminates from the island. There had been some comments, particularly from the contractor who stood to benefit from moving the contaminates to the original proposed site, but after speaking to DEC he understood that the same contractor would be a part of the removal of the materials. The individual would not be completely out the resources.

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Representative Guttenberg voiced opposition to the amendment. He observed that deleting the money did not take away the responsibility of DEC to the community of Wrangell. He reasoned that using the quarry may be the easier step, but the community had voiced its opinion that the option was not appropriate. He stated that eliminating the money did not eliminate DEC's responsibility or transfer the responsibility to the borough or Ketchikan.

Representative Wilson responded that deleting the funds did not remove the issue from DEC's hands. The amendment specified that the state would not start a policy if a community was unhappy with DEC's decision and wanted to go

a more expensive route that the legislature would force the department to use contaminated site money to do the work. She stated that the issue was about whether members believed DEC's testimony that it had found a safe location for the materials; use of the site would allow the department to utilize clean up funds. The amendment vocalized that the committee did not believe the funding was a policy it should be setting. Once the legislature set the policy communities in the future would have the ability to make their own choices and it would be difficult for DEC to deny them. She thought it communicated the cost and safety did not matter. Additionally, she thought it conveyed that how the community felt, even if it was untrue and the site was safe, would mean more than following policy as it had been set thus far.

[4:41:04 PM](#)

Vice-Chair Gara remarked that the amendment could have been easily written as a non-budget item. There was a hazardous waste fund that was funded by a per barrel fee of approximately 7 cents per barrel of oil and 1 cent of the state's fuel tax. The budget increment represented hazardous waste of the worst kind. One way to fund the work would have been to give DEC approval to use money from the fund and it would not have shown up in the budget as an appropriation. He believed the co-chairs had been more transparent by putting it in as an appropriation item. The funds were not used for schools or public safety; the fund was specifically for hazardous waste. He believed it was honest budgeting.

Representative Wilson stressed that \$8 million had already come out of the fund for cleanup without an appropriation. She agreed it was part of the process. She furthered that DEC had treated the site and had located a safe site to move the materials. She stated that they had \$14 million to utilize for the project. She spoke about setting precedence for overriding the safe alternative and going a more expensive route. She did not know where the \$5 million figure came from because the backup materials provided did not reflect that a decision had been made about where to send the contaminated materials. She continued that the contaminated material would have to be trucked through town and put on a barge. She did not believe it was about truth in budgeting but about changing the policy, which was her concern. She wanted the site cleaned up and had no problem

allocating the money for cleanup, but she did not support telling DEC that its work to determine a site was not good enough.

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Representative Ortiz MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Tilton, Wilson, Foster
OPPOSED: Thompson, Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Seaton

The MOTION to adopt Amendment 6 FAILED (4/7).

Co-Chair Foster recognized Representatives Louise Stutes, Gary Knopp, and Tiffanie Zulkosky in the audience.

[4:45:46 PM](#)

Representative Wilson MOVED to ADOPT Amendment 7 (copy on file):

Page 5, Line 11 First Time Service Projects (HD I-40)
Agency: Environmental Conservation

Project: Village Safe Water and Wastewater
Infrastructure Projects

Amount: Delete \$3,000,000

Funding Source: UGF 1004

Page 5, Lines 13 Expansion, Upgrade, and Replacement
of Existing Service (HD 1-40)

Project: Village Safe Water and Wastewater
Infrastructure Projects

Amount: Delete \$3,000,000

Funding Source: UGF 1004

Vice-Chair Gara OBJECTED.

Representative Wilson reviewed the amendment. The amendment would remove \$6 million that had been added. The amendment would leave \$35,898,000 for first time service projects for village safe water and waste water infrastructure projects and \$28,932,000 for the expansion, upgrade, and replacement of existing services. She stated the remaining substantial amounts were still large enough to keep the projects going forward for the next year or two.

Co-Chair Foster asked whether the amendment would delete the full \$6 million or half of the amount.

Representative Wilson replied the amendment would delete \$6 million - \$3 million from first time service projects and \$3 million from the expansion, upgrade, and replacement of existing service.

Co-Chair Foster spoke to his objection. He addressed life safety and health issues facing Alaska and believed village safe water and wastewater infrastructure projects were at the top of the list in terms of importance. He discussed that many rural communities in his district still used honey buckets. He highlighted that there were children who got sick and could not make it to school because of the conditions. He was passionate about the issue and he supported maintaining the funding.

Representative Wilson agreed the cause was important, but she did not support spending the funds in the current year. The amendment would leave \$64 million for the projects, which she did not believe the state would spend in the next year. She understood that most of the projects could be multi-year, but she reasoned more funds could be added the next year if needed. She did not believe the entire \$64 million would be spent in one year. She continued that as oil prices increased there would be funds available.

Vice-Chair Gara MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Thompson, Tilton, Wilson, Pruitt
OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

The MOTION to adopt Amendment 7 FAILED (4/7).

4:49:02 PM

Representative Wilson MOVED to ADOPT Amendment 8 (copy on file):

Page 8, Line 31
Agency: Public Safety

Project: Enhanced "9-1-1" (HD 1-40)

Amount: Delete \$3,535,000

Funding Source: UGF 1004

Representative Kawasaki OBJECTED.

Representative Wilson reviewed the amendment. She detailed she had met with the commissioner several weeks earlier about the \$9.1 million project; phase one of the project was \$3,535,000. Currently Fairbanks, Ketchikan, Mat-Su, and Kenai all had 911 areas where people phoned the state police. She explained that the service was run by the Alaska State Troopers (AST) in Fairbanks and Ketchikan. There was a \$3 million contract with Mat-Su and Kenai that would ultimately go away with enhanced 911. She had received a significant amount of information from Kenai where there was a concern about whether a centralized system could take care of the entire state. She described the system and used Fairbanks as an example. She detailed that a call in Fairbanks would go through the Fairbanks 911 system because the type of emergency was not known (e.g. police or medical) and whoever answered the phone would determine how to route the call. The same process was true for Kenai. She explained that if the E-911 project went through, Kenai would still need its facility for local emergencies.

Representative Wilson detailed that state police did not call out fire stations or ambulances - the work was done by local government entities. She continued that the local facilities would have fewer people to work if the plan went through, but they would still receive the call and would transfer AST calls to the facility in Anchorage. She stated there would be a savings of \$300 million, but there would be an annual cost of \$500,000. The system would mean local entities would have to do more things with fewer people because the middle-man would not be removed. She stated

there was no way a 911 call in Kenai or Mat-Su would automatically go to Anchorage. She believed more vetting was needed. She wanted to ensure Alaskans were receiving the best service needed.

4:51:57 PM

AT EASE

4:52:19 PM

RECONVENED

Vice-Chair Gara spoke to his objection. He stated that the previous amendment had been related to getting rid of honey buckets. He elaborated that in 2018 there were still communities with honey buckets and a large portion of the state could not call 911 in the event of an emergency. The intent of the E-911 program was to expand to communities that did not have the service, which he believed was important. He believed the service should be extended to all Alaskans.

Representative Kawasaki was opposed to the amendment. He shared that the Department of Public Safety finance subcommittee had looked at the issue. He found it alarming that 92 percent of the state was not covered by a 911 person. The committee had heard in testimony that residents in many villages had to call an 800 number. The 800 number was routed back and forth (for calls outside of Fairbanks, Anchorage, Ketchikan, Juneau, and Mat-Su) until it found the right caller. He continued that calling 911 was something four and five-year-old children were taught so they understood how to call for help. He spoke to the complexity of having to call an 800 number for help. There were many places in Alaska that were not covered. Alaska was one of three states without a statewide 911 system. He elaborated that the original request had been for \$9.5 million in total. The subcommittee saw it fit that the system should get that direction with a statewide 911 program, but the system could be built out in pieces.

Representative Kawasaki continued that currently one in four Alaskans lack conventional 911 services. He explained that it was not only a rural Alaska issue. For example, places like Eagle River did not have conventional 911 services. The appropriation addressed a critical and necessary public safety need. He believed the amendment would make a cut in the wrong direction. He believed if the

legislature wanted residents to feel safe at home, in schools, and in communities, having access to 911 was a very important service. He added that the issue was about consolidation and centralization of 911 services and making them less expensive for municipalities. Fairbanks had built a fairly large 911 system when it built a new facility, used by the City of North Pole and other areawide public safety groups. He believed the University of Alaska Fairbanks police department was also utilizing the service. He believed consolidation was the way to go when it came to difficult budget times. He reiterated his opposition to the amendment.

4:56:34 PM

Representative Pruitt was conflicted on the amendment for two reasons. He was concerned that the budget had grown. But he also knew what it was like to roll out of an airplane and have no idea what would happen next. He shared that no one had known where the plane was, and he could only imagine someone in the same circumstance not being able to reach anyone. He did not want anyone else to go through that experience.

Representative Wilson replied that emergency responders would find people because of updated technology and programming, not because the system was located in Anchorage. She stated it was about triangulating positions. She thought consolidating to one facility in Anchorage and closing down facilities in Mat-Su and Kenai would make it less safe because the local municipalities who currently had contracts would have to take on more costs. She emphasized that the calls would still come into the communities. She stated if the issue was about consolidating they would close Ketchikan and Fairbanks as well. She would be supportive if the money was spent on upgrades to include cell phones. She stated the money was instead going to renovate a facility in Anchorage to begin putting the lines in versus putting in computer programming needed to locate someone lost on a snow machine or if a crash occurred somewhere. She reiterated the issue was about the programming and not where the programming was located. She believed the state needed to be spending its money on ensuring the newest and best technology was available. She added that having four locations meant there were backup access points in case one location went down.

She did not believe the money would be used for consolidation or program upgrading.

[4:59:43 PM](#)

Representative Kawasaki MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Tilton, Wilson, Thompson

OPPOSED: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Pruitt, Seaton, Foster

The MOTION to adopt Amendment 8 FAILED (3/8).

[5:00:38 PM](#)

RECESSED

[Note: the meeting never reconvened. See 5/12/18, 7:46 p.m. minutes.]

CSSB 142(FIN) was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[5:00:38 PM](#)

The meeting was adjourned at 5:00 p.m.