

SENATE FINANCE COMMITTEE

April 12, 2019

1:02 p.m.

1:02:11 PM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:02 p.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Peter Micciche
Senator Donny Olson
Senator David Wilson

MEMBERS ABSENT

Senator Mike Shower
Senator Bill Wielechowski

ALSO PRESENT

Nola Walker, Self, Wrangell; Chelsea Goucher, UAS Ketchikan Campus Advisory Council, Ketchikan; Leslie Jackson, Self, Ketchikan; Molly Kabler, Self, Juneau; Kerri Willoughby, Self, Juneau; Delbert Kadake Self, Kake; Henrich Kadake, Self, Kake; Norm Carson, City of Pelican, Pelican; Debra Schnabel, self, Haines.

PRESENT VIA TELECONFERENCE

Lisa Vonbargen, Borough Manager, City and Borough of Wrangell, Wrangell; John Havrilek, Self, Petersburg; Karen Hofstad, Self, Petersburg; Sally Dwyer, Self, Petersburg; Brian Lynch, Self, Petersburg; Cynthia Lagoudakis, Self, Petersburg; Nancy Berg, Self, Petersburg; Rebecca Knight, Self, Petersburg; Deb Turnball, Public Media, Ketchikan; Vicki Obrien, Self, Ketchikan; Ghert Abbott, Self, Ketchikan; Ginger Fortin, Self, Ketchikan; Mary Deihl, Self, Ketchikan; Kathleen Light, Self, Ketchikan; Glenn Brown, Ketchikan Gateway Borough, Ketchikan; Marty West,

Self, Ketchikan; Donald Westlund, Self, Ketchikan; Stephen Prysunka, City of Wrangell, Wrangell; Christie Jamiesen, KSTK, Wrangell; Julie Decker, City of Wrangell, Wrangell; Eric Grundberg, Self, Petersburg; Marlena Marvin, Self, Petersburg; Mara Lutomski, Self, Petersburg; Jeigh Stanton Gregor, Self, Petersburg; Kathi Riemer, Self, Petersburg; Megan Litster, Self, Petersburg; Robyn Hagerman, Self, Petersburg; Mel Gruelle, Self, Petersburg; Jody Tow, Self, Petersburg; David Beebe, Self, Petersburg; Chelsea Tremblay, Self, Petersburg; Heidi Jacobsen, Self, Glennallen; Scott MacManus, Superintendent, Alaska Gateway School District, Tok; Sam Skaggs, Self, Sitka; Kathleen Todd, Self, Valdez; Susan Harding, Self, Cordova; Penelope Oswalt, Self, Cordova; Karl Becker, Self, Cordova; Patricia Relay, Self, Valdez; Rosemary Carlton, Friends of Sheldon Jackson Museum, Sitka; Frederick Olson, Self, Sitka; Kate Johnson, Self, Sitka; Beth Short-Rhoads, Self, Sitka; Jennifer McNichol, Self, Sitka; Kara Knox, Self, Sitka; Collauna Marley, Self, Sitka; Mickey Barker, Self, Sitka; Dan Etulain, Raven Radio, Sitka; Lisa Sadler-Hart, Self, Sitka; Renee Trafton, Self, Sitka; Harvey Brandt, Self, Sitka; Math Trafton, Self, Sitka; Patricia Dick, Self, Sitka; Gretchen Clark, Self, Sitka; Melissa Haley (on behalf of Keith Brady), City and Borough of Sitka, Sitka; Stacey Wayne, Self, Sitka; Bart Meyer, Self, Sitka; Grace Brooks, Self, Sitka; Liz Zacher, Self, Sitka; Amy Sweeney, Self, Sitka; Ariel Starbuck, Self, Sitka; Kathleen Brandt Brandt, Self, Sitka; Jim Gifford, Self, Valdez; Maureen Radotich, Self, Valdez; Jeremy O'Neil, Self, Valdez; John Cullen, Self, Valdez; Barb Jewell, Cordova Community Medical Center, Cordova; Michelle Hahn, self, Cordova; Andrew Smallwood, self, Cordova; Peter Hoepfner, self, Cordova; Kent Barkhau, Self, Sitka; Herman Morgan, Self, Aniak; Clif Passmore, Self, Eagle River; Cris Eichenlaub, Self, Eagle River; Stephanie Berglund, THREAD, Anchorage; Tom Rutecki, Self, Juneau; Charlene Arneson, Chugatch School District, Whittier; George Pierce, Chugatch School District, Kasilof; Scott Morgan, self, Sand Point; Nick Rutecki, Self, Juneau; Susan Terogette, Self, Kotzebue; Kiersten Jorgenson, WWAMI graduate, Boston; Tom Martin, Interior Community Center, Fairbanks; Marilyn Toupe, self, Fairbanks; Melanie Lesh, self, Gustavus; John Joyce, self, Juneau; Dan Higgins, self, Fort Yukon; Janice Michaub-Whalen, Board Member, Connecting Ties, Valdez; Vicky Thomas, self, Fort Yukon; Hans James, self, Fort Yukon; Tina Scanlan, City Manager, Akutan; Nathan Hill, self, Kokhanok; Natasha Singh, self, Fairbanks; Maureen Knutsen,

Self, Naknek; Nicki Sheldon, self, Hoonah; Russel Lyman, self, Haines; Erika Wolter, self, Big Lake; Wendy Feldbauer, self, Sand Point; Ida Nelson, self, Igiugig; Phyllis Bottai, self, Palmer; Michael McGinty, self, Palmer; Joan Tower, self, Palmer; Catherine Hall, self, Palmer; Fred Traber, self, Palmer; Rebecca Siegal, self, Brevig Mission; Ron Johnson, self, Fairbanks; Frank Kelpy, Mayor, City of Unalaska; James Feldbauer, self, Sand Point; Cathy Renfeldt, self, Cordova; Emily Murray, self, Elim; Michael Anderson, self, Cordova; Amy Titus, self, White Mountain.

SUMMARY

SB 20 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 20 was HEARD and HELD in committee for further consideration.

SB 21 APPROP: MENTAL HEALTH BUDGET

SB 21 was HEARD and HELD in committee for further consideration.

Co-Chair Stedman reviewed the meeting agenda.

#sb20

#sb21

SENATE BILL NO. 20

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; 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. 21

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

[1:03:11 PM](#)

Co-Chair Stedman provided protocol for the public testimony process. He provided the testimony times for the various statewide communities.

^PUBLIC TESTIMONY: KETHCIKAN, WRANGELL, PETERSBURG

1:04:37 PM

LISA VONBARGEN, BOROUGH MANAGER, CITY AND BOROUGH OF WRANGELL, WRANGELL (via teleconference), opposed the governor's budget. She particularly opposed cuts to education. She noted that Wrangell property taxes would increase due to a reduction in the Base Student Allocation (BSA). She asked the committee to fund school bond debt reimbursement.

1:05:46 PM

JOHN HAVRILEK, SELF, PETERSBURG (via teleconference), testified in strong support of funding for public radio, which he said was essential for health and safety for his community.

1:06:47 PM

KAREN HOFSTAD, SELF, PETERSBURG (via teleconference), spoke in support for public radio that provided emergency communication services for the community. She opposed cuts to public broadcasting.

1:07:57 PM

SALLY DWYER, SELF, PETERSBURG (via teleconference), testified in support of full funds for the Alaska Marine Highway System (AMHS). She opposed privatization of the system. She spoke in strong support of public radio. She believed the continued cuts to public radio went past the bone and into the marrow.

1:09:10 PM

BRIAN LYNCH, SELF, PETERSBURG (via teleconference), spoke in opposition to the governor's budget, particularly, reallocation of fishing grants to the state's budget away from municipalities. He explained the grant process and how the action would negatively impact small costal Alaskan communities. He asserted that not all tax reductions

enhanced business opportunities and that this action would not reduce taxes currently levied against existing businesses. He said that local municipal taxes would have to be increased to cover lost revenues.

[1:10:17 PM](#)

CYNTHIA LAGOUDAKIS, SELF, PETERSBURG (via teleconference), testified in support of public radio that sent emergency messaging and information, on weather and various other important topics, for fishermen and the larger community. She strongly supported readdressing oil tax credits and instituting a statewide income tax.

[1:11:22 PM](#)

NANCY BERG, SELF, PETERSBURG (via teleconference), believed that the state had an obligation to educate its children and provide transportation to connect the cities in boroughs of Alaska. She testified in support of AMHS. She reported a loss in the ferry system would cause a major loss in her business. She reiterated her support of funds for education.

[1:12:27 PM](#)

REBECCA KNIGHT, SELF, PETERSBURG (via teleconference), called for the immediate cancellation of the March 19th contract award of the Sitka Katlian Road on Baranof Island and redirect the funds to short-funded projects elsewhere.

[1:13:10 PM](#)

DEB TURNBALL, PUBLIC MEDIA, KETCHIKAN (via teleconference), spoke in support of public broadcasting. She shared information about the local radio station and stressed that KRBD radio was the only station providing emergency information to nearby communities.

[1:14:07 PM](#)

VICKI OBRIEN, SELF, KETCHIKAN (via teleconference), spoke in support of flat funding for public media and satellite services. She discussed that public media connected Alaskans and was the only vetted reputable news source throughout the state.

[1:15:06 PM](#)

GHERT ABBOTT, SELF, KETCHIKAN (via teleconference), strongly opposed the governor's budget. He particularly opposed cuts to Medicaid and the University. He opposed a head tax. He believed that a statewide income tax was becoming increasingly necessary.

[1:16:02 PM](#)

GINGER FORTIN, SELF, KETCHIKAN (via teleconference), spoke in strong support for AMHS funding. She lamented it would be extremely difficult to live in Southeast Alaska without a ferry. She spoke against cuts in senior benefits.

[1:16:43 PM](#)

MARY DEIHL, SELF, KETCHIKAN (via teleconference), spoke in support of public radio.

[1:17:02 PM](#)

KATHLEEN LIGHT, SELF, KETCHIKAN (via teleconference), requested to leave funding for the Alaska Council on the Arts in the budget. She discussed the benefits of the council and arts programs.

[1:18:03 PM](#)

GLENN BROWN, KETCHIKAN GATEWAY BOROUGH, KETCHIKAN (via teleconference), opposed the elimination of state bond debt reimbursement, which he said would result a loss to the borough of 40 percent of its annual sales tax revenue, or a 23 percent increase in property tax millage. He urged the committee to recognize the importance of the municipal debt structure.

[1:19:04 PM](#)

MARTY WEST, SELF, KETCHIKAN (via teleconference), testified in support of the Alaska Council on the Arts. She reported that the council was incredibly important for the community and the local economy.

[1:19:51 PM](#)

DONALD WESTLUND, SELF, KETCHIKAN (via teleconference), spoke against cuts to the AMHS. He had heard a news report

in April that the ferry system was critical to national security. He asked the committee to reinstate \$2.2 million that the state was looking to move away from the ferry Tustumena replacement.

Co-Chair Stedman would try to find the document mentioned by Mr. Westlund related to national security.

[1:21:49 PM](#)

STEPHEN PRYSUNKA, CITY OF WRANGELL, WRANGELL (via teleconference), opposed cuts to AMHS. He spoke about the needs for the ferry in Wrangell related to life and tourism. He supported funding for public radio that provided emergency service information.

[1:22:58 PM](#)

CHRISTIE JAMIESEN, KSTK, WRANGELL (via teleconference), spoke in support of continued funding for public radio. She spoke to the importance of the emergency alert system. The only way to keep the services on air was to replace state funds with local money, which was not feasible. The impact of losing radio stations was major compared to the amount of state funds required to continue the services.

[1:24:20 PM](#)

JULIE DECKER, CITY OF WRANGELL, WRANGELL (via teleconference), asked the committee to support funding for the AMHS. She supported looking at productive solutions that Southeast Conference was currently considering. She asked the committee to continue sharing fish taxes with municipalities. She urged the legislature to avoid drastic cuts to education.

[1:25:37 PM](#)

NOLA WALKER, SELF, WRANGELL, observed that decisions made currently would have long-term impacts. She agreed with most statements made by past testimony. She particularly opposed cuts to public radio. She spoke to the importance of the emergency broadcasting system. Earthquakes could happen at any time and could result in tsunamis or other negative results. The emergency system connected people.

[1:27:49 PM](#)

CHELSEA GOUCHER, UAS KETCHIKAN CAMPUS ADVISORY COUNCIL, KETCHIKAN, spoke in support of funds for the University of Alaska. She discussed the importance of the community campuses for the state. She discussed local training provided by the University. She believed that hiring local Alaskans would help keep costs down. She had received a degree from the University, and it had resulted in her involvement in the community. She provided further detail about her education with the University. She discussed that the PFD had been created to help hedge against a declining revenue.

[1:30:10 PM](#)

LESLIE JACKSON, SELF, KETCHIKAN, testified in support of public radio. The radio was a community asset and provided information about emergency services, community events, news, and other. She supported public radio even if it meant an income tax.

[1:31:07 PM](#)

MOLLY KABLER, SELF, JUNEAU, spoke in support of public radio.

[1:31:52 PM](#)

KERRI WILLOUGHBY, SELF, JUNEAU, spoke in support of the AMHS, public education, and the arts. She supported a state income tax. She believed the services were vital.

[1:33:04 PM](#)

ERIC GRUNDBERG, SELF, PETERSBURG (via teleconference), spoke in strong support of public media and education. He wanted families to live in Alaska in 15 years and without public education they would not. He supported the AMHS. He proposed reduced PFDs and an implementation of a state income tax to pay for services until oil taxes could be revisited.

[1:33:56 PM](#)

MARLENA MARVIN, SELF, PETERSBURG (via teleconference), spoke in support of funding for early education, K-12, and postsecondary education. She strongly supported full

funding for elder programs and public radio. She opposed federal block grant funding for Medicaid. She supported cutting oil tax credits. She supported full funding for AMHS and a statewide progressive income tax.

[1:35:06 PM](#)

MARA LUTOMSKI, SELF, PETERSBURG (via teleconference), spoke in support for full funding of education, including a one-time increment of \$30 million from the past year. She supported funding and reform of AMHS. She supported an income tax and reduced PFD. She did not support further budget cuts.

[1:36:30 PM](#)

JEIGH STANTON GREGOR, SELF, PETERSBURG (via teleconference), asked the committee to reconsider proposed education cuts. He believed the reductions would harm the state.

[1:37:12 PM](#)

KATHI RIEMER, SELF, PETERSBURG (via teleconference), spoke in support of funds for public education.

[1:38:04 PM](#)

MEGAN LITSTER, SELF, PETERSBURG (via teleconference), spoke in opposition to the proposed budget. She appreciated the commitment to criminal justice reform but believed that the proposed budget would have a negative impact on law enforcement in the state. She opposed drastic budget cuts that would impact rural Alaska. She believed that the budget did not reflect Alaskan values. She supported schools, arts, healthcare, AMHS, and public radio.

[1:39:16 PM](#)

ROBYN HAGERMAN, SELF, PETERSBURG (via teleconference), opposed cuts to the public radio system, AMHS, public education, and public health. She believed that there were more ways to balance the budget than the drastic cuts. She supported a smaller PFD and a statewide income tax. She noted there was income generated across Alaska that left the state and did not ultimately benefit Alaska. She asked if the state was going to shift the cost burden to municipalities to do so equitably across Alaska.

[1:40:40 PM](#)

MEL GRUELLE, SELF, PETERSBURG (via teleconference), shared that he was a retired fisherman. He did not support cuts to the AMHS. He opposed cuts to schools, seniors, and Medicaid. He stressed that Alaska was an incredible place to live. He thought the proposed cuts were ridiculous.

[1:42:00 PM](#)

JODY TOW, SELF, PETERSBURG (via teleconference), stated that the governor's proposals would decrease the quality of life in Alaska. She opposed cuts to public education. She stressed that the community depended on the fisheries tax. She opposed changes to the school bond debt reimbursement for FY 20; the community needed time to prepare for the inevitable increase in property taxes. She supported a reduced PFD and an income tax.

[1:43:22 PM](#)

DAVID BEEBE, SELF, PETERSBURG (via teleconference), supported public education, AMHS, public broadcasting, and other. He supported a sustainable means of revenue. He recommended a progressive income tax. He spoke to the importance of a sustainable civil society.

[1:44:26 PM](#)

CHELSEA TREMBLAY, SELF, PETERSBURG (via teleconference), provided a short story about her family and how they came to Alaska. She supported AMHS, public schools, and public radio. She was scared about the proposed cuts. She supported a reduced PFD, income tax, or oil tax revision.

[1:45:35 PM](#)

DELBERT KADAKE SELF, KAKE, testified he would prefer to give up the PFD than to see the elimination of the AMHS. He stated that sometimes the ferries were more affordable than planes. Elders in the community could not always fly for health reasons. He recommended using the ferries to transport groceries to Southeast communities.

[1:47:44 PM](#)

HENRICH KADAKE, SELF, KAKE, spoke in strong support of AMHS. He reported there were many residents in Kake that could not afford to fly. He had been the mayor of Kake for 15 years. He reported that it had taken 6 years to build a terminal for the ferry and now it was rarely used. He stressed that AMHS was the highway for the community. He stated that residents were feeling the pain for the PFD. He wanted the ferry to come to Kake at least once per week. He argued that the PFD was the peoples' money and should not be paid out on the backs of Alaskans that used government services.

Co-Chair Stedman asked Senator Olson to co-chair the meeting for the next portion.

[1:49:43 PM](#)

AT EASE

[2:00:18 PM](#)

RECONVENED

^PUBLIC TESTIMONY: UTQUAGVIK, TOK, DELTA JUNCTION

[2:00:28 PM](#)

HEIDI JACOBSEN, SELF, GLENNALLEN (via teleconference), thought cutting the state's spending should be the number one priority. She did not support spending beyond the state's means. She did not support an income tax because she believed it was a disincentive to work hard. She supported continuing to draw from the Permanent Fund or implementing a sales tax.

Co-Chair Stedman noted there were no other individuals online at present.

[2:02:13 PM](#)

AT EASE

[2:08:58 PM](#)

RECONVENED

SCOTT MACMANUS, SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), opposed the governor's budget. He supported funding for public education. He spoke to the right to receive a public education.

Co-Chair Stedman noted there were no additional testifiers online.

[2:10:48 PM](#)

AT EASE

[2:17:56 PM](#)

RECONVENED

^PUBLIC TESTIMONY: SITKA, CORDOVA, VALDEZ

[2:18:43 PM](#)

AT EASE

[2:18:52 PM](#)

RECONVENED

SAM SKAGGS, SELF, SITKA (via teleconference), opposed the governor's proposed budget. The budget would cause a massive deceleration of the state's economy. He stated it ignored the function of government to pool and distribute money equitably. He felt that the proposed budget bordered on irresponsible. He did not support a retroactive PFD. He stressed that the PF was designed to fund government and help all Alaskans when the oil revenue declined. He urged the committee not to support the governor's budget.

[2:20:48 PM](#)

KATHLEEN TODD, SELF, VALDEZ (via teleconference), spoke in opposition to the governor's budget. She supported taxes and other sources of income. She supported a limited PFD and less subsidies to oil companies.

[2:22:57 PM](#)

SUSAN HARDING, SELF, CORDOVA (via teleconference), spoke in opposition to cuts to public education. She provided information about schools in the region.

[2:23:45 PM](#)

PENELOPE OSWALT, SELF, CORDOVA (via teleconference), opposed the budget cuts proposed by the governor. She stated the budget gutted services to provide a larger PFD. She found the budget atrocious. She urged the legislature to roll back SB 21 credits to oil companies. She supported funding for pre-K and postsecondary education. She

supported an income tax and a reduced PFD. She did not support taking raw fish taxes from municipalities. She supported funding for the AMHS.

[2:25:42 PM](#)

AT EASE

[2:27:08 PM](#)

RECONVENED

KARL BECKER, SELF, CORDOVA (via teleconference), emphasized the importance of fisheries to Cordova. He urged support for AMHS and Medicaid. He supported a graduated income tax and urged the legislature to consider the proposal.

[2:28:03 PM](#)

PATRICIA RELAY, SELF, VALDEZ (via teleconference), urged the committee to oppose drastic cuts to the University. She discussed that proposed tuition hikes would unfairly place the pain on the backs of students.

[2:29:11 PM](#)

ROSEMARY CARLTON, FRIENDS OF SHELDON JACKSON MUSEUM, SITKA (via teleconference), supported an income tax. She strongly supported the continuation of the Sheldon Jackson Museum. Additionally, she believed that improvements on the Stratton Library should continue, allowing for parts of the library to be leased. She believed that sale of the museum would result in expensive litigation. She supported reduced money to oil companies. She wanted to keep the constitution as it was.

Co-Chair Stedman noted they were making headway on Sheldon Jackson.

[2:30:45 PM](#)

FREDERICK OLSON, SELF, SITKA (via teleconference), testified against the governor's budget proposal. He stated that civilized places did not sell their museums. It was shameful to cut senior services. He supported AMHS. He asked the legislature to put thought into the budget.

[2:32:06 PM](#)

KATE JOHNSON, SELF, SITKA (via teleconference), testified against the governor's budget. She opposed cuts to AMHS, Medicaid, education, and public safety. She stated the economic impacts of the budget were unclear. She asked the legislature to craft a thoughtful bipartisan budget.

[2:33:01 PM](#)

BETH SHORT-RHOADS, SELF, SITKA (via teleconference), testified in support of an adequate level of services. She stressed that lawmakers had the responsibility to ensure the basic functions of government were intact. She felt that if the revenue was not available in the general fund that it must come from the Permanent Fund, the elimination of oil tax credits, or an income tax.

[2:34:11 PM](#)

JENNIFER MCNICHOL, SELF, SITKA (via teleconference), testified in support of funds for education. She lamented that educators in the state faced challenges unique to the state. She urged the legislature to maintain education funds. She did not believe the governor should be allowed to dismantle the education system or to make fundamental changes to the State Constitution.

[2:35:30 PM](#)

KARA KNOX, SELF, SITKA (via teleconference), testified against funding cuts to public education. She asked the committee to give full funding support for education at all levels. Cuts would devastate decades of effort developing best practices for education in the community. She believed an income tax was necessary.

[2:36:32 PM](#)

COLLAUNA MARLEY, SELF, SITKA (via teleconference), was afraid the governor was not listening to residents. She was not afraid of the red pen the governor had been seen wearing in his shirt pocket. She opposed cuts proposed by the governor. The community needed a share of the raw fish tax to support its schools. She thanked the legislature for its work; residents were counting on them.

[2:37:45 PM](#)

MICKEY BARKER, SELF, SITKA (via teleconference), testified in support of the AMHS. He had provided written information to legislators as well. He stressed the vital services provided by AMHS. He asked the legislature to consider the McDowell Group study conducted on the AMHS. He asserted that the system provided a 200 percent return on investment for the state.

[2:39:00 PM](#)

DAN ETULAIN, RAVEN RADIO, SITKA (via teleconference), testified in support of public radio. He stressed the importance of emergency broadcasting, news, weather, community events, and other.

[2:40:16 PM](#)

LISA SADLER-HART, SELF, SITKA (via teleconference), expressed strong opposition to pre-K, K-12, and university funding. She opposed the drastic cuts to education. She asked the legislature to reduce the PFD and to consider a state income tax. She supported the decrease in tax credits to oil companies.

[2:41:25 PM](#)

RENEE TRAFTON, SELF, SITKA (via teleconference), supported AMHS, a reduced PFD, and K-12 education, and the University. She supported a progressive income tax.

[2:41:57 PM](#)

HARVEY BRANDT, SELF, SITKA (via teleconference), understood both sides of the private/public economy equation. He stressed that the public side had to be addressed - roads, electricity, and labor were all needed before private enterprise would invest in the state. He opposed the governor's budget and asked members to support the Senate budget.

[2:43:18 PM](#)

MATH TRAFTON, SELF, SITKA (via teleconference), opposed the governor's budget. He strongly supported public education and the University. He stressed that if the University fell, everyone would fall. He opposed PFD back payment and

full PFDs in the current year. He stressed the importance of making education a priority in the state.

[2:44:26 PM](#)

PATRICIA DICK, SELF, SITKA (via teleconference), strongly opposed the governor's budget. She referenced a recent roadshow by the governor across the state sponsored by the Koch brothers. She stressed that Alaskans took care of their children and elders. She urged against any vetoes the governor may implement.

[2:45:41 PM](#)

GRETCHEN CLARK, SELF, SITKA (via teleconference), spoke against cuts to public health and senior services. She asked for the preservation of Head Start and pre-K grants. She supported adult public assistance and Medicaid. She supported public broadcasting.

[2:47:07 PM](#)

MELISSA HALEY (ON BEHALF OF KEITH BRADY), CITY AND BOROUGH OF SITKA, SITKA (via teleconference), testified in opposition to a reduction in school funding. Sitka voters had voted on school bond debt, contingent on the debt payment by the state.

[2:48:24 PM](#)

STACEY WAYNE, SELF, SITKA (via teleconference), opposed the governor's budget. She stated that the Permanent Fund was instituted to provide funding for vital public services when oil revenue ran out. She was in favor of an income tax. She was concerned the economy had been damaged by residents leaving Alaska to find job security elsewhere.

[2:49:26 PM](#)

BART MEYER, SELF, SITKA (via teleconference), spoke in opposition to the detail and principle of the governor's budget. He stressed the budget was bad for Alaska, Sitka, and his household. He supported increasing revenues. He was in favor of an income tax. He counted on the legislature to propose a reasonable balanced budget.

[2:50:20 PM](#)

GRACE BROOKS, SELF, SITKA (via teleconference), opposed the governor's budget. She supported a small PFD. She believed education should be a priority. She supported an income tax and higher taxes on oil companies. She supported the University and opposed proposed cuts to the system. She asked the legislature to alter the future the governor was proposing for Alaska.

[2:51:40 PM](#)

LIZ ZACHER, SELF, SITKA (via teleconference), spoke in support of public education. She provided detail about her family. She was deeply troubled by proposed cuts that would deeply hurt vulnerable Alaskans including children and seniors. She supported a lower PFD, an income tax, and increased taxes on oil companies.

[2:52:56 PM](#)

AMY SWEENEY, SELF, SITKA (via teleconference), supported oil tax reconsideration, modest PFDs, and an income tax. She opposed major cuts to state services.

[2:54:06 PM](#)

ARIEL STARBUCK, SELF, SITKA (via teleconference), implored the legislature to oppose the governor's proposed cuts to education. She noted that education was constitutionally mandated. She asked the committee to consider passing the House operating budget. She discussed that the Permanent Fund could be used to cover the cost of basic services and other.

[2:55:23 PM](#)

KATHLEEN BRANDT, SELF, SITKA (via teleconference), urged the committee to decline the governor's budget that cut too deeply. She pointed to Finland with its high literacy rate and higher spending on pre-K and K-12 education. She supported funds for senior services and AMHS. She opposed deep cuts to the University system.

[2:56:29 PM](#)

JIM GIFFORD, SELF, VALDEZ (via teleconference), opposed the governor's budget that would hurt the state for many years

to come. He supported a reduced dividend or no dividend. He was in favor of adjustments to oil and gas taxes. He characterized the governor's cuts as draconian.

[2:57:35 PM](#)

MAUREEN RADOTICH, SELF, VALDEZ (via teleconference), asked the legislature to support core services including education and healthcare. She supported reducing or eliminating the PFD. She supported an income or payroll tax.

[2:58:30 PM](#)

JEREMY O'NEIL, SELF, VALDEZ (via teleconference), testified in support of education funding. He believed it was important to invest in education in good and bad financial times. He shared that he had just lost an employee to Wyoming and cited that states investment in education. He believed that the PFD was useless if it meant cuts to education.

[2:59:23 PM](#)

JOHN CULLEN, SELF, VALDEZ (via teleconference), shared information about his job as a physician. He was opposed to cuts that would hurt rural communities. He noted that hospitals would close due to cuts and babies and mothers could die. He opposed the governor's budget.

BARB JEWELL, CORDOVA COMMUNITY MEDICAL CENTER, CORDOVA (via teleconference), urged the committee to fully fund and include intent language that fully funds Medicaid, Medicaid expansion, and Medicaid grants. She asserted that Medicaid funding had not kept up with inflation and decreasing funding would have an exponential effect. She pointed out that rural hospitals were already struggling under burdens of regulation and poor payments. She discussed the important function of behavioral health grants. She asked the committee to remember that investment in health care was an investment in Alaskans.

[3:01:36 PM](#)

MICHELLE HAHN, SELF, CORDOVA (via teleconference), had worked for the legislature for 16 years. She did not support the governor's proposed budget. She thought the

proposed cuts would be devastating for communities and businesses, especially those that were serviced by AMHS or received revenue sharing from the fisheries tax and PCE Program. She asked the committee to restore the budget to FY 19 funding levels. She thought the budget shortfall was politically created and promised free money with no consequences. She supported a state income tax and a reduction of the PFD. She supported raising the oil and gas tax structure to the levels that existed in Norway.

[3:03:57 PM](#)

ANDREW SMALLWOOD, SELF, CORDOVA (via teleconference), supported an income tax. He supported greater taxes on oil companies. He supported restoration of funding for the FY 19 budget levels.

[3:04:54 PM](#)

PETER HOEPFNER, SELF, CORDOVA (via teleconference), testified against the governor's proposed budget, which he thought would decimate cities and communities across Alaska. He was a commercial fisherman and was on the Cordova School Board and other boards. He thought the proposed cuts would have a devastating effect on education in Cordova. He discussed the PCE Fund, the raw fish tax, and school bond debt reimbursement funding. He thought the cost-shifting effects would burden cities. He discussed cuts to education funding. He thought education had been flat funded for years. He discussed the increase in CPI Index versus the increase in the BSA.

[3:06:42 PM](#)

KENT BARKHAU, SELF, SITKA (via teleconference), associated himself with remarks from previous testifiers regarding the governor's proposed budget. He thought the budget proposal was mean-spirited and would affect the state's most vulnerable citizens the most. He asked the committee to restore the budget.

[3:08:17 PM](#)

NORM CARSON, CITY OF PELICAN, PELICAN, expressed concern about proposed budget cuts to AMHS. He noted that Pelican did not have a road or barge service, and all goods came to Pelican through the AMHS or by air freight. He recounted

that in 2012 Pelican's economy had struggled. He discussed the genesis of a fish processing facility in Pelican, which employed 24 people in Pelican. He supported an income tax, a school tax, a reduced PFD, and a reduced fish tax.

[3:10:52 PM](#)

AT EASE

[3:39:08 PM](#)

RECONVENED

^PUBLIC TESTIMONY: OFFNETS

Co-Chair Stedman handed the gavel to Senator Olson.

[3:40:10 PM](#)

HERMAN MORGAN, SELF, ANIAK (via teleconference) supported the governor's proposed budget. He expressed concern that native voices were not being heard in the legislature. He quoted the bible. He did not think the children of Alaska were receiving a quality education. He did not want to balance the budget on the backs of children. He supported funding for Medicaid. He urged the committee to work with the governor.

[3:42:32 PM](#)

CLIF PASSMORE, SELF, EAGLE RIVER (via teleconference), spoke in support of the Ocean Rangers Program. He was a licensed mariner. He discussed the role of Ocean Rangers. He thought there had been misleading information put out about the program. He discussed violations made by Carnival Cruise Lines and other cruise lines.

[3:43:46 PM](#)

CRIS EICHENLAUB, SELF, EAGLE RIVER (via teleconference), fully supported the governor's proposed budget. He thought the state's education system was a complete failure. He thought there should be a reorganization of the education system. He thought there needed to be a commission to look at reorganization.

[3:45:19 PM](#)

STEPHANIE BERGLUND, THREAD, ANCHORAGE (via teleconference), encouraged investment in young children and families. She discussed reading proficiency scores in the state. She supported funding for Head Start and Pre-K programs. She referenced research about early childhood support.

[3:46:35 PM](#)

TOM RUTECKI, SELF, JUNEAU (via teleconference), supported funding for the WWAMI program. He was a marine biologist and had worked with 6 Alaska high school students who had studies with the WWAMI program and had returned to the state. He thought being part of WWAMI gave students an edge to get into University of Washington in a competitive environment.

[3:48:29 PM](#)

CHARLENE ARNESON, CHUGATCH SCHOOL DISTRICT, WHITTIER (via teleconference), thought the governor's proposed budget would not sufficiently support education. She warned that increased class sized would severely limit the purchasing power of basic needs for students and teachers. She discussed years of flat-funding and the forward funding from the previous year. She thought the cost of doing business had increased and should be reflected in funding for education.

[3:50:16 PM](#)

GEORGE PIERCE, CHUGATCH SCHOOL DISTRICT, KASILOF (via teleconference), did not support the governor's He discussed severance taxes and thought incentives to oil producers were hurting the state. He believed that SB 21 should be revisited.

[3:51:30 PM](#)

SCOTT MORGAN, SELF, SAND POINT (via teleconference), spoke on behalf of funding for public broadcasting. He saw the need for a balanced budget. He stated that people in rural areas of the state relied on public broadcasting.

[3:53:00 PM](#)

NICK RUTECKI, SELF, JUNEAU (via teleconference), was against the governor's proposed budget cuts. He understood

the need for reducing spending. He discussed the importance of the WWAMI program.

[3:53:55 PM](#)

SUSAN TEROGETTE, SELF, KOTZEBUE (via teleconference), was in support of full funding for PCE, the VPSO Program, public broadcasting, education, and the University of Alaska. She felt there was a priority crisis rather than a fiscal crisis. She was willing to accept a reduced PFD or an income tax in exchange for state services. She argued that distributing larger PFDs, while cutting basic state services, would lead to a decreased quality of life in rural Alaska.

[3:55:30 PM](#)

KIERSTEN JORGENSON, WWAMI GRADUATE, BOSTON (via teleconference), testified in support of the WWAMI program. She had been born and raised in Juneau and had benefitted from the program. She thought cutting the Alaska WWAMI program would be short-sighted. She said that returning to Alaska to practice was the goal of the majority of Alaskan student enrolled in the program.

[3:57:13 PM](#)

TOM MARTIN, INTERIOR COMMUNITY CENTER, FAIRBANKS (via teleconference), spoke in support of human services community matching grants. He noted that the funding had helped to provide integrated behavioral health services to over 480 patients. He discussed Medicaid Adult Dental. He thought many people would not be able to maintain oral health if services were cut, which would lead to emergency room visits.

[3:58:30 PM](#)

MARILYN TOUPE, SELF, FAIRBANKS (via teleconference), was concerned about cuts to the Medicaid program. She was concerned about the potential loss of federal matching funds. She was concerned about reimbursement for life-saving cancer medications. She relayed that government assistance was necessary in order to maintain and improve the program.

[3:59:49 PM](#)

MELANIE LESH, SELF, GUSTAVUS (via teleconference), was a supporter of public broadcasting, the ferry system, and other state services. She thanked the members and staff for their service. She hoped that the legislature would accept that budget cuts alone would not supplant the loss of oil revenues, due to the decades long price reduction, and look for new revenue streams to preserve essential services.

[4:01:33 PM](#)

JOHN JOYCE, SELF, JUNEAU (via teleconference), asked for full funding for the WWAMI program. He had come to Alaska 23 years previously. He thought education was critical for the future of the state. He had talked with many physicians that had been in the WWAMI program and had returned to the state. He thought that without the program, the state would have difficulty training and retaining medical professionals. He was concerned about proposed cuts to the University, particularly in the areas of science and technology.

[4:03:03 PM](#)

DAN HIGGINS, SELF, FORT YUKON (via teleconference), asked that the committee support funding for public broadcasting. He thought public broadcasting saved lives. He relayed a story about two men that fell through the ice and had been saved by information relayed by radio station communication.

[4:04:29 PM](#)

JANICE MICHAUB-WHALEN, BOARD MEMBER, CONNECTING TIES, VALDEZ (via teleconference), testified in support of funding for Medicaid. She was happy with a smaller PFD or an income tax if it meant services would be available to seniors, disabled people, and low-income Alaskans. She relayed that she had been a special education teacher for 4 years and urged the committee to support funding for children that needed additional educational support.

[4:06:07 PM](#)

VICKY THOMAS, SELF, FORT YUKON (via teleconference), supported funding for public broadcasting. She emphasized

that public broadcasting provided information that pertained to the health and safety of her community.

[4:07:18 PM](#)

HANS JAMES, SELF, FORT YUKON (via teleconference), spoke in support of public broadcasting. He was a council member for the City of Fort Yukon. He discussed the many important aspects of public broadcasting, including search and rescue operations.

[4:08:30 PM](#)

TINA SCANLAN, CITY MANAGER, AKUTAN (via teleconference), did not support the governor's proposed budget. He was concerned about elimination of the Chinook Fishery Business Tax and the Chinook Fishery Resource Lending Tax Program. He said that the funds helped to pay for capital improvement grants. Losing the funding source would have a devastating impact on the community.

[4:09:49 PM](#)

NATHAN HILL, SELF, KOKHANOK (via teleconference), was manager for the Lake and Peninsula Borough School District. He discussed school bond debt reimbursement. He expressed that the borough had relied in the grants and that there were grave short, and long term, affects.

[4:11:59 PM](#)

NATASHA SINGH, SELF, FAIRBANKS (via teleconference), did not support the governor's proposed budget. She explained that she was part of the Alaska Regional Coalition, which represented 100 communities from Kotzebue to Ketchikan. She discussed the importance of healthcare and regional equity in budget considerations. She urged the preservation of funding for improvements to rural public safety and Medicaid. She said that the coalition would work with the state to find efficiencies without deep budget cuts.

[4:13:36 PM](#)

MAUREEN KNUTSEN, SELF, NAKNEK (via teleconference), had been a resident of Bristol Bay since 1975. She supported funding for public broadcasting. She had been a long-time member of the citizen advisory board. She asserted that

public broadcasting was the only source for news, weather, tides, fishing announcements, and emergency and safety announcements. She discussed the potential loss of federal funds.

[4:14:55 PM](#)

NICKI SHELDON, SELF, HOONAH (via teleconference), was a national trainer for the Parents as Teachers. She supported an income tax. She encouraged funding for early learning programs. She had emailed a letter to the committee. She shared that without early learning programs, more children would enter kindergarten without school readiness skills, which would require increased spending for remedial services.

[4:16:16 PM](#)

RUSSEL LYMAN, SELF, HAINES (via teleconference), expressed his support for funding for public media. He referenced public safety issues as discussed by previous testifiers. He discussed the importance of tsunami warnings and weather reports.

[4:17:15 PM](#)

ERIKA WOLTER, SELF, BIG LAKE (via teleconference), was strongly opposed to the governor's budget. She supported alternative ways to increase revenue, even if it meant not receiving a PFD. She said that she would rather see support go to those who need it, rather than into her own pocket.

[4:18:48 PM](#)

WENDY FELDBAUER, SELF, SAND POINT (via teleconference), testified in support of public broadcasting. She asserted that public broadcasting was crucial to remote fishing villages.

[4:19:52 PM](#)

IDA NELSON, SELF, IGIUGIG (via teleconference), supported funding for Medicaid. She was not in favor of oil and gas tax credits. She was not in favor of reducing the VPSO program. She was in favor of a reduced PFD. She supported public broadcasting. She was in favor of early funding for education. She supported an income tax. She did not support a sales tax.

[4:21:17 PM](#)

PHYLLIS BOTTAI, SELF, PALMER (via teleconference), supported funding for senior benefits. She was in favor of a sales tax and an income tax. She warned that the cuts would be detrimental to senior's quality of life.

[4:22:08 PM](#)

MICHAEL MCGINTY, SELF, PALMER (via teleconference), supported funding for Medicaid and senior services. He pointed out that seniors were becoming a larger group in Alaska and were living at, or below, poverty.

Senator Olson handed the gavel to Co-Chair Stedman.

[4:23:13 PM](#)

JOAN TOWER, SELF, PALMER (via teleconference), supported funding for senior services. She supported funding for Meals on Wheels. She supported a state income tax. She said that not holding harmless for PFDs would force many seniors to lose their Medicaid and force people to use emergency services for their care.

[4:24:20 PM](#)

CATHERINE HALL, SELF, PALMER (via teleconference), did not support the governor's budget. She supported funding for senior benefits and noted that some seniors were already living below poverty level. She supported funding for education and drug treatment programs. She lamented that poor people in the state would suffer disproportionately from the budget cuts.

[4:25:41 PM](#)

FRED TRABER, SELF, PALMER (via teleconference), was the interim executive director of Mat-Su Senior Services. He stated that his organization operated on a tenuous budget comprised of state funding, state grants, Medicaid, and private donations. The organization provided over 300 meals to Alaskans daily. Many of the residents came to the facility when homeless. He requested the legislature continued funding at past levels.

[4:27:08 PM](#)

Co-Chair Stedman handed the gavel to Senator Olson.

REBECCA SIEGAL, SELF, BREVIG MISSION (via teleconference), encouraged funding for education, VPSO programs, WWHAMI, the hold harmless provision, and PCE. She urged the legislature to reduce the PFD, bring back an income tax, and eliminate oil and gas tax credits.

[4:28:05 PM](#)

RON JOHNSON, SELF, FAIRBANKS (via teleconference), appreciated the committee's critical evaluation of the governor's proposed budget. He supported modest budget cuts. He was in favor of an increase to the gasoline tax. He supported a simple income tax.

[4:29:20 PM](#)

FRANK KELPY, MAYOR, CITY OF UNALASKA (via teleconference), spoke in opposition to the governor's budget. He hoped the committee would hold the bill pertaining to a shared fish tax. He calculated that the bill would cause suffering in his community. He discussed the proposed reduction to the BSA. He discussed the 94 percent graduation rate in Unalaska, where there was a Blue-Ribbon school. He expressed concern for cuts to AMHS.

[4:31:28 PM](#)

JAMES FELDBAUER, SELF, SAND POINT (via teleconference), supported funding for public education and for public broadcasting.

[4:32:37 PM](#)

CATHY RENFELDT, SELF, CORDOVA (via teleconference), supported funding for AMHS. She noted that 6 of the nation's top 12 ports for seafood landing relied on AMHS as their only connection to the road system. She emphasized the importance of a year-round ferry system. She stressed that dismantling the system would force the 27 communities off the hard road system to route their purchases through Seattle, bypassing Anchorage, and the rest of Alaska.

[4:33:59 PM](#)

EMILY MURRAY, SELF, ELIM (via teleconference), voiced her support for funding the PCE program, the fish tax, and Head Start. She noted that her hometown was Golovin. She supported funding for Medicaid.

[4:34:45 PM](#)

MICHAEL ANDERSON, SELF, CORDOVA (via teleconference), did not support the governor's budget. He thought funding should be restored to 2018 levels. He supported a smaller PFD, an income tax, and eliminating oil and gas tax credits.

[4:36:20 PM](#)

AMY TITUS, SELF, WHITE MOUNTAIN (via teleconference), was the city clerk for White Mountain. She urged support for the Community Assistance Program and Payment in Lieu of Taxes, two programs vital to the budget of White Mountain. She said that the PCE program was important to her village. She urged support for funding for education and the VPSO program.

[4:37:58 PM](#)

DEBRA SCHNABEL, SELF, HAINES, wanted to express support for rural coastal communities. She wanted a budget that funded education, transportation, and communication. She thought private industry would not invest in a state that had weak infrastructure. She noted that Haines participated in the school debt reimbursement program and would suffer if it was forced to cover the costs alone.

[4:39:31 PM](#)

Senator Micciche thanked his constituents that had called in and had dropped calls. He shared that those constituents could send letters to the committee.

Co-Chair Stedman discussed housekeeping.

SB 20 was HEARD and HELD in committee for further consideration.

SB 21 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

4:41:10 PM

The meeting was adjourned at 4:41 p.m.