

SENATE FINANCE COMMITTEE

March 18, 2020

9:04 a.m.

9:04:33 AM

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Michael Jeffery, Self, Utquiaivik; Vikki Jo Kennedy, Self, Kodiak/Juneau; Lucy Nelson, Mayor, Northwest Arctic Borough, Kotzebue; Bill Legere, KTOO, Juneau; Nils Andreassen, Alaska Municipal League, Juneau; Jeff Seifert, KBRW, Utqiagvik; Virginia Walsh, Alaska Network on Domestic Violence and Sexual Assault, Utqiagvik; Eleanor Saganna, Alaska Network on Domestic Violence and Sexual Assault, Utqiagvik; Valerie Therrien, City of Fairbanks Council, Fairbanks; Dave Branding, CEO, JAMHI Health and Wellness, Juneau; Bree Swanson, Maniilaq Association, Kotzebue; Nate Bauer, Self, Fairbanks; Louann McVey, Self, Juneau; Mike Schultz, Self, Utqiagvik; Rob Arnold, Self, Juneau; Addison Turnbough, Presbyterian Hospitality House, Fairbanks; Lance Johnson, Norton Sound Health Corporation, Nome; Don Habeger, Community Coordinator, Juneau Reentry Coalition,

Juneau; William Harrington, Self, Anchorage; Mark Springer, Self, Bethel; Carmen Lowry, Alaska Network on Domestic Violence and Sexual Assault, Juneau; Phil Daugherty, Executive Director, SEAK Dive Fisheries Association, Ketchikan; Charles Mckee, Self, Anchorage; Cris Eichenlaub, Self, Eagle River; Beth Weldon, Mayor, City of Juneau; Dennis Robinson, City of Unalaska, Unalaska; Jeanne Gerhardt-Cyrus, Self, Chiniak; Joff Carroll, Self, Utqiagvik; Carolyn Loeffler, Self, Fairbanks.

SUMMARY

SB 154 APPROP: CAPITAL; SUPP; OTHER APPROP.

SB 154 was HEARD and HELD in committee for further consideration.

SB 155 EXPLORATION & MINING RIGHTS; ANNUAL LABOR

CSSSSB 155(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(DNR).

CSHB 205(FIN)(Corrected) am(brf sup maj fld)
APPROP: OPERATING BUDGET/LOANS/FUNDS

CSHB 205(FIN) was HEARD and HELD in committee for further consideration.

#sb154

#hb205

SENATE BILL NO. 154

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

CS FOR HOUSE BILL NO. 205(FIN)(Corrected) am(brf sup maj fld)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; making supplemental appropriations; and providing for an effective date."

[9:05:43 AM](#)

^PUBLIC TESTIMONY: JUNEAU, FAIRBANKS, UNALASKA, NOME, BETHEL, KOTZEBUE, UTQIAGVIK, TOK, DELTA JUNCTION

[9:05:58 AM](#)

Co-Chair von Imhof OPENED public testimony.

MICHAEL JEFFERY, SELF, UTQUIAIVIK (via teleconference), supported funding for public broadcasting. He recognized the difficult task faced by the legislature. He discussed the importance of the local radio station and the important role it played in his community. He discussed functions of public broadcasting as a local resource that broadcast emergency messages and local culture. He noted his community supported public television. He was involved in local issues and supported maintaining the social safety net.

[9:08:49 AM](#)

VIKKI JO KENNEDY, SELF, KODIAK/JUNEAU (via teleconference), spoke in support of funding for the Alaska Marine Highway System (AMHS). She discussed federal funding for the COVID-19 virus. She discussed funds appropriated for a road in Kake and thought the money should be reappropriated for the AMHS. She quoted former Governor Sarah Palin and called the proposed Kake road "a road to nowhere." She thanked the committee staff for their work.

[9:10:53 AM](#)

LUCY NELSON, MAYOR, NORTHWEST ARCTIC BOROUGH, KOTZEBUE (via teleconference), spoke in favor of funding for Village Public Safety Officers (VPSO) in rural Alaska. She stated that the borough population was at 7,700, scattered across 38,000 square miles, serving 11 communities in the Northwest Arctic. She discussed transportation in the area and mentioned that the area was in economic distress. She did not support shifting costs to municipalities. She lamented that rural Alaska had massive issues with public safety and law enforcement in its most remote communities. She thought the state had a two-tier law enforcement system. She did not think Alaska State Troopers were an effective presence in rural Alaska, although the troopers

did good work. She discussed the importance of school bond debt funding. She informed that her community could not implement new taxes due to the economic distress faced by the communities. She asked the committee to continue supporting Community Assistance Programs and senior assistance.

Co-Chair von Imhof reminded that it was possible to submit written testimony.

9:14:10 AM

BILL LEGERE, KTOO, JUNEAU (via teleconference), supported funding for public broadcasting. He relayed that the state had supported public broadcasting long before the oil boom. He appreciated the funding in the current operating budget. He encouraged restoration of funding to FY 19 levels, including funding for public television. He thought public television offered tremendous educational resources, particularly while the state's schools were closed.

9:16:06 AM

NILS ANDREASSEN, ALASKA MUNICIPAL LEAGUE, JUNEAU (via teleconference), testified in favor of funding school bond debt reimbursement. He supported the action taken in the supplemental budget. He supported increasing community jail funding, full funding for VPSOs, a grant program for village first responders. He supported funding for AMHS. He thought the capital budget must include funding for school construction and major maintenance and public infrastructure that supports major maintenance needs. He stated that further communication would be made concerning community response to Covid-19 needs.

9:18:11 AM

JEFF SEIFERT, KBRW, UTQIAGVIK (via teleconference), spoke in support of funding for public broadcasting. He was general manager of the local radio station. He detailed that the station was providing information across a vast area of the state. The station had struggled with the loss of state funding and accompanying federal funds. He noted that public radio helped school districts struggling to communicate with students that did not have internet access. He explained that the station was working with the school district to keep communities informed.

[9:20:14 AM](#)

VIRGINIA WALSH, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, UTQIAGVIK (via teleconference), supported funding for the Council for Domestic Violence and Sexual Assault (CDVSA). She discussed the work of the council and the essential services provided to communities and villages on the North Slope.

[9:21:13 AM](#)

ELEANOR SAGANNA, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, UTQIAGVIK (via teleconference), supported full funding for CDVSA grants. She expressed appreciation for the committee's support for CDVSA programs.

Co-Chair von Imhof announced the public testimony schedule for the following day.

[9:22:59 AM](#)

VALERIE THERRIEN, CITY OF FAIRBANKS COUNCIL, FAIRBANKS (via teleconference), testified in support of funding for the Community Assistance Program.

[9:23:46 AM](#)

DAVE BRANDING, CEO, JAMHI HEALTH AND WELLNESS, JUNEAU (via teleconference), spoke in support of funding behavioral health services. He was treasurer for the Alaska Behavioral Health Association. He discussed the work of the Juneau Alliance for Mental Health, Inc. (JAMHI), which provided services to help people to live their best lives. He supported increased funding for substance abuse and behavioral health treatment.

[9:26:08 AM](#)

BREE SWANSON, MANIILAQ ASSOCIATION, KOTZEBUE (via teleconference), testified in support of funding for substance abuse treatment disorders in the capital budget. She shared that her region had a high rate of substance abuse. She stated that mental health and substance abuse issue were the number one priority for her region and lamented that currently there were no substance abuse facilities in her region. She expressed appreciation for the work of the committee.

[9:28:20 AM](#)

NATE BAUER, SELF, FAIRBANKS (via teleconference), pled for continued and increased funding for public radio and public media. He spoke of decreased funding and considered that public radio and public media was more important now than ever. He noted that the Fairbanks public radio had been working tirelessly to communicate regarding the current public health emergency. He believed that local public radio was the ideal source of accurate news over the air and online.

[9:29:59 AM](#)

LOUANN MCVEY, SELF, JUNEAU (via teleconference), supported increased funding for AMHS, which she likened to the road system in other areas of the state. She urged preservation of funding for Alaska Pioneer Homes, senior services, and VPSOs. She was a retired teacher. She supported funding for public broadcasting. She supported funding for the University. She supported funding for K-12 education and Pre-K education. She urged reinstatement of funding for school bond debt reimbursement. She supported a fair share tax on oil companies and the implementation of a personal income tax.

[9:31:58 AM](#)

MIKE SCHULTZ, SELF, UTQIAGVIK (via teleconference), spoke in support of funding for public radio. He remarked that public radio was the only source of reliable communication in his area. He thought public radio workers were already underpaid and over worked and were an essential piece to life on the North Slope.

[9:33:07 AM](#)

ROB ARNOLD, SELF, JUNEAU (via teleconference), supported funding for the AMHS. He thought the ferry system needed to be stabilized. He thanked the committee for its work. He thought the ferry was a resource for the state. He considered the public health crisis and the eventuality of losing air transport to areas of Alaska. He emphasized needing to keep the AMHS crew ready. He thought the capital budget funding was needed to fund the repair of vessels.

[9:34:54 AM](#)

ADDISON TURNBOUGH, PRESBYTERIAN HOSPITALITY HOUSE, FAIRBANKS (via teleconference), testified in support of continued funding for substance abuse and behavioral health treatment. His facility worked with adolescents. He thanked the members of the committee for their leadership.

[9:36:08 AM](#)

LANCE JOHNSON, NORTON SOUND HEALTH CORPORATION, NOME (via teleconference), spoke in support for funding for essential behavioral health services. He thanked the committee for their work. He spoke to how investment in substance abuse treatment facilities in outlying communities relaxed the demand on the few facilities currently operating in the state. He said that the more care that could be given locally, the less it cost the state in ER care and detention services. He stressed the need for people to get the right care, in the right place, at the right time. He felt that a full continuum of care was necessary to address the multitude of needs patients may have and to this end Norton Sound had worked on the development of a wellness center that was currently shovel ready. He reiterated his support for funding in the capital budget that would increase the number of substance abuse facilities in the state.

[9:38:33 AM](#)

Co-Chair von Imhof noted that as there were no other testifiers signed up the committee would take a 15-minute break.

[9:39:04 AM](#)

AT EASE

[9:56:50 AM](#)

RECONVENED

DON HABEGER, COMMUNITY COORDINATOR, JUNEAU REENTRY COALITION, JUNEAU (via teleconference), testified in support of funding for reentry programs, which would reduce the likelihood of recidivism. He said that increasing public safety and reducing recidivism at the statewide and local levels had been a focus for many years and had seen significant success, but there was still much work to do. He highlighted funding requests for a reentry unit in the Department of Corrections, an increase in personnel for

therapeutic courts, and funding for substance abuse treatment.

[9:58:40 AM](#)

WILLIAM HARRINGTON, SELF, ANCHORAGE (via teleconference), lamented the lack of attendance at the meeting. He was concerned about a low Permanent Fund Dividend.

[9:59:47 AM](#)

MARK SPRINGER, SELF, BETHEL (via teleconference), supported funding for public broadcasting. He was a member of the Bethel City Council. He thought it was crucial that the public had access to free, accessible information. He shared that he worked with an agency that delivered meals to elders everyday and needed a way to communicate with them in emergencies.

[10:00:56 AM](#)

Co-Chair von Imhof relayed that all signed up testifiers had spoken.

[10:01:12 AM](#)

AT EASE

[10:16:19 AM](#)

RECONVENED

CARMEN LOWRY, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, JUNEAU (via teleconference), supported funding for victims and survivors of domestic violence and sexual assault. She noted that the national network had issued a one-day snapshot that reflected that the organization had provided services to 602 victims, 400 of which were for emergency shelter. She stated that shelters were under dire circumstances yet continued to provide services thanks in part to the continued support from the legislature.

[10:18:18 AM](#)

PHIL DAUGHERTY, EXECUTIVE DIRECTOR, SEAK DIVE FISHERIES ASSOCIATION, KETCHIKAN (via teleconference), spoke in support of Alaska fisheries. He spoke about the Department of Environmental Conservation budget. He shared that the

divers his association represented harvested wild stock sea cucumbers, geoduck clams, and red sea urchins. He said that the combined value of the fisheries was between \$10 and \$12 million per year and was one of the late-fall and wintertime fisheries in the state. He referenced the governor's proposal to increase fees for paralytic shellfish poisoning and water quality testing would put the geoduck fishery out of business. He detailed the various ways that the industry was responsible and accountable for industry testing. He urged the committee and the Senate to adopt the House numbers for DEC and not impose new fees on dive fisheries in Southeast Alaska. He noted that Alaska was the only state that charged for testing.

[10:21:21 AM](#)

CHARLES MCKEE, SELF, ANCHORAGE (via teleconference), referenced a fish tax bill. He had sent written testimony that discussed the court system and how it extorted money from individual trust accounts. He noted some April 25th public testimony he send regarding a fish tax bill.

[10:24:03 AM](#)

CRIS EICHENLAUB, SELF, EAGLE RIVER (via teleconference), testified in favor of developing resources. He did not support a large budget. He said that Pioneer Homes, Education, and AMHS should be reformed. He thought that the binding caucus had facilitated bloated budgets. He thought the binding caucus should be outlawed. He thought SB 26 should be repealed. He did not think that any more money should be spent on Pioneer Homes and Education.

[10:26:22 AM](#)

BETH WELDON, MAYOR, CITY OF JUNEAU (via teleconference), testified in support of education funding including the one-time \$30 million. She supported funding for deferred maintenance. She appreciated the work of the committee. She appreciated funding in the supplemental budget for the COVID-19 response. She discussed the impact of reduced cruise ship business in Southeast Alaska due to the public health situation. She asked the committee to consider reimbursing school bond debt.

[10:28:07 AM](#)

DENNIS ROBINSON, CITY OF UNALASKA, UNALASKA (via teleconference), echoed the comments of the previous testifier. He supported reinstatement of school bond debt reimbursement funding. He supported reinstatement of funding for the AMHS. He supported funding for community and regional jails. He thanked the Senate for the supplemental budget. He did not support a full PFD and believed that the state should consider diversifying its revenue stream.

[10:30:29 AM](#)

JEANNE GERHARDT-CYRUS, SELF, CHINIAK (via teleconference), supported funding for therapeutic courts, reentry services, and substance use disorder treatment. She stated that the need for services in the state are huge. She discussed the three-pronged approach of therapeutic courts, reentry services, and substance use disorder treatment. She believed that this work could benefit Alaskans for generations to come.

[10:32:00 AM](#)

JOFF CARROLL, SELF, UTQIAGVIK (via teleconference), testified in support of funding for public radio. He was a member of the board of directors for his local public radio station. He discussed the importance of public radio in the region. His area had just experienced a serious blizzard and the public radio had broadcast important safety information to the public. He expressed that the loss of state funding and accompanying federal funds would be devastating to the station. He said that without the state and federal funding the station relied on solely private donations. He said that the station has made significant cuts in order to continue to broadcast.

[10:34:13 AM](#)

CAROLYN LOEFFLER, SELF, FAIRBANKS (via teleconference), spoke in support for education funding. She supported early childhood education up to University education. She thought education was the lifeline to the state's future. She expressed her desire to use the 5.25 percent POMV draw, established in SB 26, to fund state services. She thought it was irresponsible to pay a fully funded PFD check at the expense of critical state services.

SB 154 was HEARD and HELD in committee for further consideration.

CSSH 205(FIN) (Corrected) am(brf sup maj fld) was HEARD and HELD in committee for further consideration.

[10:35:37 AM](#)

#sb155

SENATE BILL NO. 155

"An Act relating to exploration and mining rights; relating to annual labor requirements with respect to mining claims and related leases; relating to statements of annual labor; defining 'labor'; and providing for an effective date."

[10:36:03 AM](#)

Co-Chair von Imhof relayed that the committee had considered the bill on March 13, 2020, took public testimony, and reviewed the fiscal notes.

Senator Bishop MOVED to report CSSSSB 155(RES) out of Committee with individual recommendations and the accompanying fiscal note.

CSSSSB 155(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published fiscal impact note: FN 1(DNR).

#

ADJOURNMENT

[10:37:10 AM](#)

The meeting was adjourned at 10:37 a.m.

