

SENATE FINANCE COMMITTEE

March 18, 2020

1:05 p.m.

1:05:22 PM

CALL TO ORDER

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

Carri Harris, Self, Anchor Point; Leila Kheiry, Self, Ketchikan; Melissa Gudobba, Self, Wasilla; Bernon Halter, Mayor, MatSu Borough, Willow; Melanie Lesh, Self, Gustavus; John Ericson, City and Borough Manager, Yakutat; Jonathon Gordaoff, Self, Wasilla; Kent Banks, Rural Alaska Community Action Program, Anchorage; Vicki O'Brian, KRBD Radio, Ketchikan; David Jackson, Self, Anchorage; Deena Mitchell, Anchorage School Board, Anchorage; Kristen Mitchell, Self, Kenai; Wayne Aderhold, President, Board of Directors, KBBI Public Radio, Homer; Stephanie Jurries, Self, Craig; Molly Mattingly, Recover Alaska, Anchorage; Martin Atros, Self, Eagle River; Fredrich Zimmerman, Self, Anchorage; KJ Warbey, South Central Foundation, Anchorage; Tom Abbott, Self, Petersburg; Andy Hollerman, Self, Anchorage; Boddy Dorton, Self, Fairbanks; Bill Tremblay, KFFK Radio, Petersburg; Deborah Jeffery, Self, Anchorage; Star Marsett, Anchorage School Board, Anchorage; Elizabeth Joseph, Self,

Kongiganak; Jerome Christiansen, Self, Juneau; Jim Alexander, Self, Hollis; Bert Houghtaling, Self, Big Lake; David Schmid, Self, Anchorage; Abbe Hensley, Best Beginnings, Anchorage; Jennifer Canfield, KTOO Board of Directors, Juneau; Barbara Mongar, MatSu Reentry Coalition, MatSu; Barbara Morgan, Self, Ketchikan; Nathan Hill, Lake and Peninsula Borough, Kokhanok.

SUMMARY

SB 154      APPROP: CAPITAL; SUPP; OTHER APPROP.

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

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."

^PUBLIC TESTIMONY: ANCHORAGE, MAT-SU, OFFNETS

[1:05:45 PM](#)

Co-Chair von Imhof OPENED public testimony.

CARRI HARRIS, SELF, ANCHOR POINT (via teleconference), supported payment of a full Permanent Fund Dividend (PFD).

She expressed dissatisfaction with the legislature as a whole.

[1:07:16 PM](#)

LEILA KHEIRY, SELF, KETCHIKAN (via teleconference), spoke in support of funding for public radio. She was a general manager of the public radio station in Ketchikan. She noted that Ketchikan had its first local case of the COVID-19 virus the previous day. She stressed that the radio station continued to provide important information to the community regarding the pandemic. She commented on the financial impact of the pandemic. She discussed the importance of shared public health information through the public radio.

[1:09:27 PM](#)

MELISSA GUDOBBA, SELF, WASILLA (via teleconference), felt that many of the things in the budget were "feel good" funds. She was concerned that lower income individuals would suffer inordinately during the pandemic. She was concerned about lack of supplies during the public health crisis. She supported a full statutory PFD. She supported public media. She thought that budget cuts could save lives.

[1:12:11 PM](#)

BERNON HALTER, MAYOR, MATSU BOROUGH, WILLOW (via teleconference), supported school bond debt reimbursement at the 70/30 level. He detailed that a 50/50 split would add to the taxes paid by residents. He supported funding for the Community Assistance Program. He supported the Willow Community Library Project, for which he wanted funds transferred from the Talkeetna Library Project.

Senator Wilson thanked Mr. Halter for his testimony.

[1:14:58 PM](#)

MELANIE LESH, SELF, GUSTAVUS (via teleconference), testified in support of public broadcasting. She asked the committee to support and to increase funding to support public television, which offered vital programming like Gavel to Gavel. She asked to restore funds to the 2016 level. She thought public broadcasting was a vital public service. She had always been a contributor to public

broadcasting, which provided the only radio service available in her community. She supported an income tax and a sales tax to support funding for public services.

1:17:07 PM

JOHN ERICSON, CITY AND BOROUGH MANAGER, YAKUTAT (via teleconference), supported funding for the Community Assistance Program and the Alaska Marine Highway System (AMHS). He relayed that the city had police cars it had purchased in Anchorage that it was trying to transport to Yakutat. He had recently attended a meeting of the Alaska Municipal League and had discussed use of the Permanent Fund. He supported continuation of the fund into the future by saving money now to ensure funds for the future. He mentioned three wells contaminated with PFAS, on DOT land, near the airport in his community. He shared that DOT was currently shipping bottled water to the hotel in the area for drinking and cooking but that the problem could be solved with sewer and water extensions.

1:19:46 PM

JONATHON GORDAOFF, SELF, WASILLA (via teleconference), supported a more austere budget.

1:20:44 PM

KENT BANKS, RURAL ALASKA COMMUNITY ACTION PROGRAM, ANCHORAGE (via teleconference), testified in support funding for low income weatherization programs. He asserted that numerous low-income Alaskans needed weatherization for their homes to reduce their utility burden, promote indoor air quality, and reduce mold. He stated that Rural Alaska Community Action Program (Rural CAP) sought continued funding of weatherization programs. He continued that DOE funding limits per home were not adequate to support the necessary infrastructure required to provide services in most rural locations without additional funding from the state. He insisted that a combination of DOE and state funds was necessary to cover additional costs of freight, storage, and disposal of debris for weatherization projects, as well as the many other costs associated with construction in remote locations. He stressed that the weatherization program had a proven pay-back record through reduced energy usage and improved health of occupants. He expounded upon the various benefits of weatherization

programs in rural Alaska. He stated that rising water levels and melting permafrost were exacerbating problems in rural areas of the state. He said that weatherization helped maintain the integrity of homes in rural Alaska.

Co-Chair von Imhof reminded that written comments could be submitted by email.

[1:23:58 PM](#)

VICKI O'BRIAN, KRBD RADIO, KETCHIKAN (via teleconference), testified in support of public radio. She was self-quarantined after being exposed to an individual with COVID-19. She thought there was a diminished level of integrity coming from the media and emphasized the importance of good, factual, information. She highlighted that the public provides funding for public radio, but she stressed the importance that the state also provide financial assistance.

[1:26:18 PM](#)

DAVID JACKSON, SELF, ANCHORAGE (via teleconference), supported funding for public broadcasting and education. He thought the demand for public media would increase throughout the state as the COVID-19 virus became more widespread. He expounded on the various programs available through public broadcasting and stressed that public media educated the public regardless of economic status.

[1:27:55 PM](#)

DEENA MITCHELL, ANCHORAGE SCHOOL BOARD, ANCHORAGE (via teleconference), spoke in support of public media. She supported funding for K-12 education. She relayed that the Anchorage School District (ASD) was supporting students currently through providing meals, nursing services, and student support. She emphasized that the continuous cuts to the district since 2011 and lamented stagnant test scores. She thought it was not possible to do more with less. She asked for restoration of the one-time \$30 million outside the Base Student Allocation (BSA). She testified that ASD's many students with behavior issues from Adverse Childhood Experiences (ACES) could not get needed services because of budget cuts.

[1:30:35 PM](#)

KRISTEN MITCHELL, SELF, KENAI (via teleconference), testified in support of restored funding for public media. She acknowledged the public health crisis and the importance that people have access to accurate and timely information. She mentioned that the public health crisis was making fundraising impossible, which would impact public media negatively.

[1:32:15 PM](#)

WAYNE ADERHOLD, PRESIDENT, BOARD OF DIRECTORS, KBBI PUBLIC RADIO, HOMER (via teleconference), expressed support for public radio. He lamented that the station had been in deficit spending in 2019 and was greatly in need of additional funding. He shared that the station had recently formalized its association with the city and borough emergency departments to be directly involved in their information networks during any type of public emergency or disaster. He relayed that public radio relayed public service announcements regarding the COVID-19 virus. He relayed that the station sought funding elsewhere when appropriate but counted on additional state funding.

[1:34:20 PM](#)

[Co-Chair von Imhof handed the gavel to Senator Wilson]

STEPHANIE JURRIES, SELF, CRAIG (via teleconference), supported funding for shellfish testing. She expounded on the benefits of the geoduck industry in Alaska. She did not support increased fees for the shellfish fishery. She supported public radio funding. She stressed that public radio was critical to small communities.

[1:36:06 PM](#)

MOLLY MATTINGLY, RECOVER ALASKA, ANCHORAGE (via teleconference), spoke in support additional funding in the capital project for construction of alcohol treatment facilities. She discussed Recover Alaska and relayed the services they provided in the state. She cited that alcohol was the state's Number One health concern. She shared that funds had been appropriated for alcohol treatment facilities in FY19, the funds had been vetoed by the governor. She reminded that the need for treatment facilities had not decreased in the last year and urged funding in the Capital Budget to support construction for

facilities. She cited a McDowell Group report that listed the annual financial burden from alcohol to the state at \$2.4 billion.

[1:38:31 PM](#)

MARTIN ATROS, SELF, EAGLE RIVER (via teleconference), testified in support of funding for public media. He used public media for access to public health information and education. He thought that the recent outbreak of the COVID-19 virus had taught that government was needed. He continued that the virus did not respect any boundaries and all individuals, at every age, needed to be reached. He stressed the importance of science and access to that critical information. He supported a state income tax.

[1:40:57 PM](#)

FREDRICH ZIMMERMAN, SELF, ANCHORAGE (via teleconference), supported payment of the full PFD. He thought the budget was too big. He thought that the most important thing for the people of Alaska was a full PFD.

[1:42:47 PM](#)

KJ WARBEY, SOUTH CENTRAL FOUNDATION, ANCHORAGE (via teleconference), spoke in support of funding for addiction services. She thought the legislature knew the value of mental health and addiction services. She mentioned the Medicaid 1115 waiver, which would expand Medicaid services. She detailed the benefits of the expansion. She asserted that it cost less to provide good behavioral health care than not. She asked support for designating funds in the capital budget for mental and behavioral health services.

[1:44:58 PM](#)

TOM ABBOTT, SELF, PETERSBURG (via teleconference), testified in support of funding for the AMHS and public media. He emphasized the importance of public media radio on public health. He emphasized how far invested funds could go when utilized by public media. He detailed the informational work being done to update the community on a daily basis. He stressed the importance of public radio in rural Alaska.

[1:47:37 PM](#)

ANDY HOLLERMAN, SELF, ANCHORAGE (via teleconference), supported funding for education. He worried about cuts that would eliminate health teachers in elementary schools. He requested restoration of the \$30 million in education funding outside of the BSA. He supported a state income tax. He stressed the need for the state to explore new revenue sources.

[1:48:47 PM](#)

BODDY DORTON, SELF, FAIRBANKS (via teleconference), supported funding for reentry services and treatment centers. He discussed his personal experience with a reentry program. He shared that through the program he had acquired his GED and had become a substance abuse counselor. He stressed that it was very important to continue funding for substance use disorder treatment.

[1:51:02 PM](#)

BILL TREMBLAY, KFFK RADIO, PETERSBURG (via teleconference), testified in support of public radio and the AMHS. He discussed the importance of using public radio for informing the public about COVID-19 public health updates. He expressed concern that public radio was informing the public about state services but was not being funded by the state. He stressed the importance of public radio for the health of the fishing industry. He thought the AMHS could be managed better to ensure better service and function. He supported an income tax.

[1:53:54 PM](#)

DEBORAH JEFFERY, SELF, ANCHORAGE (via teleconference), spoke in support of funding for public media and the AMHS. She thought it was criminal to do away with the AMHS. She lamented the hiring of Donna Arduin as OMB director. She testified in strong support for public media. She mentioned local news, health and safety issues, and other reasons that public media was important. She and her husband were contributors to the local radio station. She supported a state income tax. She thought the state had made many unwise financial decisions. She did not feel that former Governor Jay Hammond would agree with the current PFD debate.

[1:56:16 PM](#)

STAR MARSETT, ANCHORAGE SCHOOL BOARD, ANCHORAGE (via teleconference), spoke in favor of increased education funding. She thought the state needed a source of revenue. She discussed efficiencies and cuts made in ASD. The district was looking at ways to offer the same services with less money. She urged that the committee consider an increase to the Base Student Allocation (BSA). She stressed that all costs to the districts had increased while funding had remained flat.

[1:58:08 PM](#)

ELIZABETH JOSEPH, SELF, KONGIGANAK (via teleconference), supported funding for therapeutic courts and substance use disorder treatment. She supported additional funding substance use disorders. She relayed that substance abuse disorders affected families through the generations. She stressed that healthy children grew up to be healthy adults.

[1:59:27 PM](#)

JEROME CHRISTIANSEN, SELF, JUNEAU (via teleconference), spoke in support of funding for the AMHS. He asked that the legislature consider an income tax to raise revenue for state services.

[2:00:10 PM](#)

JIM ALEXANDER, SELF, HOLLIS (via teleconference), testified in support of the fishing industry in the state. He was a geoduck diver and shared that geoducks were a valuable resource for Alaska and China and that the industry employed many people. He was opposed to the increase in a geoduck tax.

[2:03:52 PM](#)

BERT HOUGHTALING, SELF, BIG LAKE (via teleconference), expressed distress at taking money from the PFD to pay for special interests. He said that mental health needed to be "taken care of." He lamented that people were often on welfare for generations. He opined the many special interests in Alaska and suggested that the legislature was controlled by the Recall Dunleavey campaign.

[2:04:35 PM](#)

DAVID SCHMID, SELF, ANCHORAGE (via teleconference), testified in support of keeping money in the budget for public radio. He referenced the previous speaker's comments about special interest groups and thought some might consider public radio a special interest. He stressed that public radio kept the public informed. He encouraged the committee to consider what public media did for the state and those that were disconnected, especially those individuals that were quarantined. He supported using the Permanent Fund to fund government. He supported a state income tax.

[2:06:52 PM](#)

ABBE HENSLEY, BEST BEGINNINGS, ANCHORAGE (via teleconference), supported funding for early childhood programs including: Parents as Teachers, Head Start, and Best Beginnings. She discussed the brain development that took place in early childhood. She discussed the importance of reading to and with children. She discussed the work of the Imagination Library.

[2:09:32 PM](#)

JENNIFER CANFIELD, KTOO BOARD OF DIRECTORS, JUNEAU (via teleconference), testified in favor of funding for public media. She praised the services provided by public media to the people in the state.

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RECONVENED

Senator Wilson maintained control the gavel.

BARBARA MONGAR, MATSU REENTRY COALITION, MATSU (via teleconference), discussed the mission and work of the coalition. She testified in favor of funding to establish the statewide reentry programs within the Department of Corrections. She stressed the importance of providing services to those transitioning from the prison system back into society.

[2:33:55 PM](#)

BARBARA MORGAN, SELF, KETCHIKAN (via teleconference), spoke in support of increased funding for public radio, the University, and the AMHS. She emphasized the need for current and accurate information for the public. She worked for the University system and stressed the importance of a strong statewide education system. She discussed the importance of the University and the adverse effects of the COVID-19 public health crisis. She lamented the lack of ferry services for Alaskans. She said that lack of ferry service was detrimental to coastal communities.

[2:36:14 PM](#)

NATHAN HILL, LAKE AND PENINSULA BOROUGH, KOKHANOK (via teleconference), testified in support of school bond debt reimbursement. He praised the committee for adding funding in the supplemental budget for the Community Assistance Program. He relayed that since 2014, the district had made timely payments on the \$20 million, 20-year bond; if the state reimburses only 50 percent in 2020, the borough will be under-reimbursed by \$1.5 million, which represented an under-reimbursement of nearly an entire year of tax revenue. He said that the borough had approved the bond in good faith that the state would keep up their end of the deal. He reiterated his encouragement of the full school bond debt reimbursement.

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

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

Senator Wilson discussed the agenda for the following day, which would include further public testimony.

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ADJOURNMENT

[2:39:37 PM](#)

The meeting was adjourned at 2:39 p.m.

