

SENATE FINANCE COMMITTEE  
April 27, 2022  
1:56 p.m.

[1:56:11 PM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:56 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Cody Grussendorf, Staff, Senator Click Bishop.

SUMMARY

SB 164      APPROP: CAP; REAPPROP; SUPP

SB 164 was HEARD and HELD in committee for further consideration.

CSHB 281(FIN) am(brf sup maj fld)(efd fld)  
APPROP: OPERATING BUDGET/LOANS/FUNDS

CSHB 281(FIN) am(brf sup maj fld)(efd fld) was SCHEDULED but not HEARD.

CSHB 282(FIN)  
APPROP: MENTAL HEALTH BUDGET

CSHB 282(FIN) was SCHEDULED but not HEARD.

#sb164

SENATE BILL NO. 164

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

1:56:45 PM

Co-Chair Bishop stated that it was the committee's intention to consider a committee substitute, set an amendment deadline, and set the bill aside.

Co-Chair Stedman MOVED to ADOPT proposed committee substitute for SB 164, Work Draft 32-GS2436\W (Dunmire, 4/26/22).

Co-Chair Bishop OBJECTED for discussion.

1:57:27 PM

CODY GRUSSENDORF, STAFF, SENATOR CLICK BISHOP, addressed a summary of the changes from version B to version W (copy on file). He relayed the work draft incorporated all of the capital items in the governor's infrastructure bill SB 241. The budget also included a cooperative plan for the Coronavirus capital project fund's projects, monies authorized the American Rescue Plan Act (ARPA) for the state's use with specific guidelines. Additionally, the work draft included legislative reappropriations. The bill included \$706.9 million undesignated general funds (UGF) and a total of \$3.15 billion in all funds. He reviewed infrastructure bill changes incorporated into SB 164:

SB 241 Infrastructure bill changes:

- Moved Infrastructure office and IT 24/7 Monitoring to Operating Budget
- Increased grant to Alaska Municipal League to \$1,500,000. (Page 34, line 18)
- Allocated Wildlife Management and Research appropriation to specify \$16,000,000 for Statewide Wildlife Game Surveys (Pittman-Robertson funds and Fish and Game funds) (Page 38, line 23)

- Adds \$30m in Infrastructure Investment and Jobs Act (IIJA) to the Department of Transportation - Alaska Marine Highway for planning and design of a mainline vessel replacement (page 9, line 24)
- Reduced UGF funding for the following projects to \$250,000 each down from \$1 million:
  - AGDC- Clean Hydrogen Research (page 33, line 21)
  - AEA- Grid Modernization, Reliability, Resiliency, and Transmission Projects (page 33, line 24)
  - DNR- Carbon Technology Infrastructure Research (page 40, line 24)
  - University- Mineral Security Projects (page 45, line 23)
- Removed Federal Authority for the previous four projects

Mr. Grussendorf addressed Section 1 of the bill pertaining to FY 23 expenditures.

Changes from the previous CS ver. B:

SECTION 1: FY 23 Budget, pages 2-27

- Multiple locations Alaska Long Trail \$14,750,000
- Page 2, line 21 Mariculture Grant program (Gov proposal) \$5,000,000
- Page 3, line 33 School Major Maintenance \$100,000,000
- Page 5, line 31 DFG Sport Fish Access \$1,500,000, \$4,500,000 fed
- Page 6, line 6 OMB Statewide Deferred Maintenance \$50,000,000
- Page 7, line 33 Snowmobile Trail Development Program \$250,000 DGF

Mr. Grussendorf elaborated that the Mariculture Grant program had originally been proposed by the governor at \$25 million, whereas the current bill reduced the number to \$5 million. The \$100 million in school major maintenance funds covered up to approximately project 55 on the list. The sport fish access increment reflected \$4.5 million in federal Dingle Johnson funds matched with \$1.5 million UGF. Statewide deferred maintenance was increased from approximately \$23 million in the governor's proposed budget to \$50 million UGF. He continued reviewing FY 23 expenditures in Section 1 of the bill:

Page 8 and 9 AHFC Program Increases:

- Supplemental Housing Development Program \$250,000
- Senior Citizens Housing Development Program \$750,000
- Teacher, Health, and Public Safety Housing \$17,000,000

Page 9, line 20 State Equipment Fleet

- \$5,000,000 Highway Capital Fund
- Page 9, line 22 DOT&PF Road and Bridge Completion \$30,000,000
- Page 27, line 21 Courts Security Projects Increase \$3,000,000

Mr. Grussendorf expounded that the Court System received an increase in \$3 million due to inflation costs on previously appropriated projects.

[2:02:19 PM](#)

Mr. Grussendorf addressed Section 4 of the bill pertaining to FY 22 supplemental expenditures:

SECTION 4: FY 22 Supplemental Budget

- Page 33, Line 13 Azure Adoption to Assist with Cloud Migration (Gov proposal) \$23,116,000
- Page 33, line 31 Kodiak Fire Hall (Gov proposal) \$15,000,000
- Page 34, line 5 AHTNA, Inc. Eagle Trail Fuel Spill (Gov Amend) \$382,843
- Page 34, line 7 Alaska Community Foundation- Homeless Housing \$5,000,000
- Page 34, line 12 Alaska Farmers Market Association- SNAP/WIC/Senior Coupon Doubling \$500,000
- Page 34, line 21 Alaska Primary Care Association- Healthcare Workforce Pipeline \$2,000,000
- Page 34, line 32 Bering Sea Fisherman Association- Improve stock of origin analysis of Western Alaska salmon \$513,000

Mr. Grussendorf elaborated on the supplemental budget items above. He noted the cloud migration project had been

discussed by the committee the previous day. The item proposed by the governor had originally been removed from the committee substitute and had been added back in. The increment for the Kodiak Fire Hall had originally been a general obligation bond project put forward by the governor. He detailed that there were a few salmon studies funded in the proposed budget to help address the disaster that occurred on the Yukon Kuskokwim Rivers.

Mr. Grussendorf continued to address the summary of supplemental expenditures for FY 22:

- Page 35, line 4 Bering Sea Fishermen's Association - Integrating Genetic and Environmental Data for Predictive Models of Salmon Bycatch \$310,000
- Page 35, line 8 Bering Sea Fishermen's Association - Review Current Draft Comprehensive Salmon Plan \$100,000
- Page 35 line 11 Bering Sea Fishermen's Association - Yukon River Watershed Monitoring \$1,180,561

Mr. Grussendorf elaborated the Yukon River watershed monitoring was to help obtain accurate counts of subsistence totals. He continued to address the summary of supplemental expenditures for FY 22:

- Page 35, line 14 Blood Bank of Alaska- High-complexity Reference Laboratory \$2,000,000
- Page 35, line 16 Bristol Bay Science Research Institute - Nushagak Salmon Stock Assessment \$3,750,000 matching funds
- Page 35, line 19 Food Bank of Alaska - Infrastructure for Alaska's Statewide Food Banks \$10,000,000
- Page 35, line 22 Kuskokwim River Inter-Tribal Fish Commission - Community-Based Harvest Monitoring Network for Kuskokwim River Chinook Salmon \$140,000
- Page 35, line 26 Kuskokwim River Inter-Tribal Fish Commission - Salmon Stock Assessment using Environmental DNA \$88,000
- Page 35, line 29 Kuskokwim River Inter-Tribal Fish Commission - Tatlawiksuk River Salmon Assessment Project \$170,000

Mr. Grussendorf noted the Tatlawiksuk River salmon assessment project would restart the weir to obtain accurate fish counts. He continued to review supplemental items:

- Page 35, line 32 Lower Kuskokwim School District - Kwethluk School Generator \$614,000
- Page 36, line 11 Providence Hospital - Crisis Stabilization Center \$8,000,000
- Page 36, line 13 Sealaska Heritage Institute-Workforce Training Program \$340,000
- Page 36, line 16 United Way of Alaska - Restaurant and Hunger Relief Program \$500,000 (the continuation of a pilot program implemented during COVID-19)
- Page 36, line 18 University of Alaska - Maritime Works \$2,000,000
- Page 36, line 20 Volunteers of America - school-based Mental Health Services \$960,000
- Page 36, line 28 Anchorage - Starner Street Bridge Replacement \$1,500,000
- Page 36, line 30 City of Palmer Wastewater Treatment Plant Improvements (Gov project) \$6,900,000

Mr. Grussendorf elaborated that the wastewater treatment plant improvement was a governor's project originally funded with Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). He continued to review supplemental items:

- Page 36, line 33 Emmonak Port Phase II- Ramp - \$9,400,000
- Page 37, line 11 Lutak Dock - \$3,211,000
- Page 37, line 13 Homer Large Vessel Harbor-Matching funds for Army Corps - \$750,000
- Page 37, line 17 North State Office Building Parking Garage - \$5,000,000

[2:08:11 PM](#)

Mr. Grussendorf continued to address supplemental items:

Page 38, line 8 Mt. Edgecumbe Deferred Maintenance - \$6,163,000

Page 38, line 10 Start-up and Expansion of School Breakfast Program - \$600,000

Mr. Grussendorf elaborated that the \$6.1 million would fund the top three projects on the Mt. Edgecumbe maintenance list. The \$600,000 increment expanded the School Breakfast Program to an additional 30 schools. He moved to page 39 containing a collaborative list (devised by the administration, Senate, and House) of the Coronavirus capital project fund projects under the Office of the Governor paid for with federal funding:

Page 39 Governor - Coronavirus Capital Project Fund

- Line 5 Alutiig Tribe of Old Harbor- Construction of Nuniaq Community Center \$4,454,968
- Line 8 Anchorage Library Foundation- Anchorage Downtown Library \$2,500,000
- Line 10 Association of Village Council of Presidents - Six Multi-Purpose Community Facility Projects \$10,445,000
- Line 13 Iliuliuk Family and Health Services Center (located in Unalaska) \$20,000,000
- Line 15 Kawerak - Multi-Purpose Community Facility Projects \$12,000,000
- Line 17 Mat-Su First Responder Training Facility \$8,000,000
- Line 19 Nenana Health and Wellness Complex (including the firehall) \$24,000,000
- Line 21 Petersburg Medical and Public Health Center \$20,000,000
- Line 23 Rampart Broadband project \$9,000,000
- Line 24 Spruce Island Development Cooperation - Ouzinkie Community Internet café \$1,400,000

Mr. Grussendorf continued to review items:

- Page 39, line 30 Alaska Workforce Investment Board- Cross-Industry Skills and Training \$2,000,000 (workforce development grant)
- Page 40, line 19 Agriculture 3 Phase Electrical Service Infrastructure Nenana Totchaket \$3,000,000 (under the governor's Food Security Grant Initiative)

- Page 40, line 29 Eagle River Salmon Viewing Deck Replacement \$200,000 Statutory Designated Program Receipts
- Page 40, line 31 Food Security Agriculture Incentive Grant Program \$3,000,000 (under the governor's food security proposal)
- Page 41, line 7 Nenana-Totchaket Agriculture Development \$5,000,000 (under the governor's food security proposal)
- Page 41, line 11 Plant Materials Center Seed Processing and Storage Improvements \$2,000,000 (governor's request)
- Page 41, line 23 Mobile and Handheld Radio Replacement (Gov request) fully funding \$3,723,300 (increased to the administration's original request)
- Page 42, line 22 Harbor Matching Grant Program \$20,019,189
- Page 45, line 25 University IT System (Gov used CCPF) \$20,000,000 UGF
- Page 45, line 28 University of Alaska Deferred Maintenance \$50,000,000 for projects approved by the Board of Regents

[2:12:28 PM](#)

Mr. Grussendorf moved to a summary of the language section:

SECTION 11: Legislative Reappropriation

SECTION 12: Department of Family and Community Services: DHSS split, appropriating the prior capital projects to the correct new department.

SECTION 13: Fish and Game language to allow the proceeds of sales of state owned vessels and aircraft to be used for renewal, replacement, and maintenance of the vessels and aircraft for FY22 and FY23

SECTION 14 (a): DOH DHSS split, appropriating the prior capital projects to the correct new department.

SECTION 14 (b): Sum of \$5 million appropriated to the Department of Health, Child Care Program Office for initiatives in the Child Care and Development Fund Plan for Alaska.

SECTION 16: Legislative Reappropriation

SECTION 18 (b): Governor amendment to reappropriate funds from the Fairview Loop Road construction to the Totchaket Road project \$15 million.

SECTION 18 (c): Legislative Reappropriation  
SECTIONS 21-29: Legislative Reappropriations  
SECTION 24 (l) & (m): The sum of \$25 million is appropriated to the Municipality of Anchorage contingent on a \$25 million match by the Municipality (can be in-kind), for the purpose of preparing a full financial package for final investment decision for the Port of Alaska  
SECTION 30: Added "transition costs" as an allowable use of the reappropriation  
SECTION 31: Legislative Reappropriation  
SECTION 32: Capital lapse language  
SECTION 33-34: Effective dates

[2:14:54 PM](#)

Co-Chair Bishop commented that there was a lot in the [capital budget] bill compared to the past six years. He believed it reflected generous federal funding coming to Alaska. He thought the budget showed some pent-up demand from a constrained capital budget over the previous few years due to reduced incoming state revenue. The state's revenue had improved, which was reflected in the current budget. He listed items funded in the budget including major maintenance, school construction, grants to the matching Harbor Grant Program, and University of Alaska and State of Alaska deferred maintenance at \$50 million apiece. He noted the funding still did not come close to meeting demands of up to \$2 billion in deferred maintenance. The goal was to save as much money as possible because the targeted savings were projected; if the savings were realized in one year's time and oil prices continued at \$101 per barrel, the state would be in a better position.

[2:16:32 PM](#)

Co-Chair Bishop WITHDREW his OBJECTION. There being NO further OBJECTION, Work Draft 32-GS2436\W was ADOPTED.

Co-Chair Bishop set an amendment deadline for 2:00 p.m. the following afternoon.

SB 164 was HEARD and HELD in committee for further consideration.

Co-Chair Bishop reviewed the schedule for the following day.

#

ADJOURNMENT

2:17:05 PM

The meeting was adjourned at 2:17 p.m.