

SENATE FINANCE COMMITTEE

April 20, 2023

1:34 p.m.

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CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:34 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Click Bishop
Senator Jesse Kiehl
Senator Kelly Merrick

MEMBERS ABSENT

Senator David Wilson

ALSO PRESENT

David Pruhs, Mayor, City of Fairbanks, Juneau

PRESENT VIA TELECONFERENCE

Kara Carlson, Interior Alaska Center for Non-Violent Living, Fairbanks; Rachel Lebby, Interior Alaska Center for Non-Violent Living, Fairbanks; Gretta Johnson, Interior Alaska Center for Non-Violent Living, Fairbanks; Ana Barbosa, Interior Alaska Center for Non-Violent Living, Fairbanks; Eric Troyer, Fairbanks Cycle Club, Interior Trails Preservation Coalition, Fairbanks; Jeremy Johnson, Greater Fairbanks Chamber of Commerce, Fairbanks; Marsha Thomason, Self, Fairbanks; Angel Stickman, Self, Fairbanks; Jim Williams, Fairbanks North Star Borough, Fairbanks; Bryant Wright, Self, Fairbanks; Leigh Bollin, Resource Center for Parents and Children, Fairbanks; Katie McClellan, Northern Alaska Environmental Center, Fairbanks; Christin Swearingen, Self, Fairbanks; Ryan Hinton, Transportation Director, Fairbanks North Star Borough School District, Fairbanks; Brenda McFarland, City of

Fairbanks, Fairbanks; Sarah Lefebvre, Self, Fairbanks; Howard Rixie, North Pole Community Chamber of Commerce, North Pole; Lorali Simon, Usibelli Coal Mine, Healy; David van den Berg Executive Director, Fairbanks Downtown Association, Fairbanks; Bernie Karl, Self, Fairbanks; Chandra Caffroy, Self, Anchor Point; Virginia Mckee, Self, Two Rivers; Mary Callaway, Self, Two Rivers; Herman Morgan, Self, Aniak; Gaye Wright, Self, Two Rivers

SUMMARY

SB 41

APPROP: CAPITAL/SUPPLEMENTAL

SB 41 was HEARD and HELD in committee for further consideration.

CSHB 39(FIN) am(brf sup maj fld)(efd fld)

APPROP: OPERATING BUDGET/LOANS/FUND; SUPP

CSHB 39(FIN)) was HEARD and HELD in committee for further consideration.

CSHB 41(FIN) am

APPROP: MENTAL HEALTH BUDGET

CSHB 41(FIN) am was HEARD and HELD in committee for further consideration.

PUBLIC TESTIMONY: FAIRBANKS, INTERIOR, and COPPER RIVER VALLEY

Co-Chair Stedman discussed the agenda. He relayed that the committee would consider public testimony for the three bills on the agenda simultaneously. He asked testifiers to limit comments to two minutes in length. He requested that testifiers confine comments to the subject matter of the bills.

#hb39

#hb41

#sb41

CS FOR HOUSE BILL NO. 39(FIN) am(brf sup maj fld)(efd fld)

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

appropriations; amending appropriations; making
reappropriations; and making supplemental
appropriations."

CS FOR HOUSE BILL NO. 41 (FIN) am

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

SENATE BILL NO. 41

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

^PUBLIC TESTIMONY: FAIRBANKS, INTERIOR, and COPPER RIVER VALLEY

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Co-Chair Stedman handed the gavel to Senator Bishop.

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DAVID PRUHS, MAYOR, CITY OF FAIRBANKS, JUNEAU, supported \$3 million in funding for the demolition of the Polaris Building. He recounted that in 2018 and Environmental Protection Agency report had identified \$2.3 million worth of contamination in the building. The project had been originally funded at \$10 million; however, the original EPA survey had not looked for PCB contaminants. He lamented that the discovery of PCB contaminations in the paint used on the structure had raised the expense of the project. He said that the borough and the federal government had invested in the project but that state dollars would also be necessary. He relayed that plan for project execution and reiterated his request for the additional funding.

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KARA CARLSON, INTERIOR ALASKA CENTER FOR NON-VIOLENT LIVING, FAIRBANKS (via teleconference), spoke in favor of

funding for the Council on Domestic Violence and Sexual Assault (CDVSA) in the Department of Public Safety (DPS). She expressed appreciation for one-time funding but cited increased costs of providing services to victims. She supported increases in the Mental Health Budget for beneficiaries and the increase in funding for the Homeless Assistance Program and the Special Needs Housing Grants. She discussed the need for additional work around violence prevention and offender accountability programming.

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RACHEL LEBBY, INTERIOR ALASKA CENTER FOR NON-VIOLENT LIVING, FAIRBANKS (via teleconference), supported increased funding for victim's services. She specifically cited funding for prevention programs. She spoke of school outreach programming and veteran outreach programs. She stressed that prevention programs helped to decrease violence overtime.

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GRETTA JOHNSON, INTERIOR ALASKA CENTER FOR NON-VIOLENT LIVING, FAIRBANKS (via teleconference), spoke in favor of funding for victim's services in CDVSA. She discussed use of resources and providing materials to people in Interior Alaska. She supported an increase in funding for salary and wages for people in the field. She encouraged the committee to move the \$3 million, one-time increment into the base funding for the CDVSA grant fund. She thanked the committee for the work to address the issues of prevention and victim services.

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ANA BARBOSA, INTERIOR ALASKA CENTER FOR NON-VIOLENT LIVING, FAIRBANKS (via teleconference), testified in support of funding for victims' services in CDVSA. She addressed staff retention and resources. She urged an increase in funds to boost retention and morale in the agency. She reiterated the need for additional funding for prevention programs. She expressed support for the increases in HB 41.

[1:49:23 PM](#)

ERIC TROYER, FAIRBANKS CYCLE CLUB, INTERIOR TRAILS PRESERVATION COALITION, FAIRBANKS (via teleconference),

spoke in support of funding for the Alaska Long Trail Project in the Capital Budget. He shared that the trail would connect Fairbanks and Seward and would attract tourist while encouraging Alaskans to get outdoors.

[1:51:53 PM](#)

JEREMEY JOHNSON, GREATER FAIRBANKS CHAMBER OF COMMERCE, FAIRBANKS (via teleconference), testified in support of the state assuming primacy over the 404 Program. He supported the Department of Environmental Conservation assuming control of the program. He asserted that the delay in permitting had negatively affected the economic climate of the state. He supported funding to help demolish the Polaris building in Fairbanks.

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MARSHA THOMASON, SELF, FAIRBANKS (via teleconference), spoke in support of HB 39 and HB 41 as written. She supported an additional \$2 million for Homeless Assistance Grants and \$750 thousand for Special Needs Housing Grants. She mentioned the Crisis Now model and felt the Fairbanks community was starting to feel like they had the resources to provide quality care. She supported funding for the demolition of the Polaris Building in Fairbanks.

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ANGEL STICKMAN, SELF, FAIRBANKS (via teleconference), testified in opposition to the \$5 million in proposed funding for taking over the 404 Primacy Program. She believed that the change would further damage water quality and salmon stock.

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JIM WILLIAMS, FAIRBANKS NORTH STAR BOROUGH, FAIRBANKS (via teleconference), spoke in favor of the proposed Operating Budget. He spoke to several CAPSIS requests in the Capital Budget that would provide resources for a newly formed service area in the Fairbanks area. He relayed that the Fairbanks North Star Borough was on the cusp of making budget decisions that hinged on the increase to the base student allocation (BSA).

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BRYANT WRIGHT, SELF, FAIRBANKS (via teleconference), testified in support of funding for the Alaska Long Trail project. He shared that the community supported the project. He noted that the trail should be a priority and had statewide, national, and international significance.

[2:01:24 PM](#)

LEIGH BOLLIN, RESOURCE CENTER FOR PARENTS AND CHILDREN, FAIRBANKS (via teleconference), spoke in support of funding for CDVSA. She appreciated the one-time increment of \$3 million in general funds and the \$3.5 million in federal appropriations and hoped that the one-time, \$3 million increment could be moved into the base funding for CDVSA grants. She that the six staff members saw 400 children per year. She requested additional funds to increase staffing.

[2:03:00 PM](#)

KATIE MCCLELLAN, NORTHERN ALASKA ENVIRONMENTAL CENTER, FAIRBANKS (via teleconference), testified in opposition to the proposed \$5 million appropriation for 404 primacy. She contended that DEC was already understaffed and did not have the resources to effectively take over the program.

[2:04:54 PM](#)

CHRISTIN SWEARINGEN, SELF, FAIRBANKS (via teleconference), spoke in opposition of funding for DEC's plan to take over the Clean Water Act 404 permitting program from the federal government. She recounted work on beluga whale population in Cook Inlet. She feared that if the state took responsibility for the program the beluga population would not be prioritized over the fast-tracking of development projects.

[2:06:26 PM](#)

RYAN HINTON, TRANSPORTATION DIRECTOR, FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT, FAIRBANKS (via teleconference), testified in support of funding for school transportation. He discussed the driver shortage in his district. He thought state funding for transportation had not been adjusted for inflation in over 8 years. He feared that reducing drivers and spending due to lack of resources

would negatively affect student transportation in the district.

Senator Bishop asked Mr. Hinton to contact his office to set up a time for discussion.

2:08:30 PM

BRENDA MCFARLAND, CITY OF FAIRBANKS, FAIRBANKS (via teleconference), testified in support of mental health funding in both the Operating and Mental Health Budgets. She cited that Fairbanks needed the funds to support the behavioral health crisis in Fairbanks.

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SARAH LEFEBVRE, SELF, FAIRBANKS (via teleconference), spoke in support of DEC taking over the 404 Primacy program. She was a member of Associated General Contractors. She was a holder of a 404 permit in the Fairbanks area. She had extensive interactions with DEC. She cited that the current 404 permit process was incredibly time-consuming and cumbersome and was an impediment to development. She expressed full support for funding for the state to take over the program.

2:11:31 PM

HOWARD RIXIE, NORTH POLE COMMUNITY CHAMBER OF COMMERCE, NORTH POLE (via teleconference), spoke in support of a capital project for a new welcome center in North Pole. He noted the growing military communities in his area. He believed the new center would empower the community and help welcome new residents while growing the labor force and supporting business. He estimated that the project would cost \$1 million and hoped the state would contribute to the project.

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LORALI SIMON, USIBELLI COAL MINE, HEALY (via teleconference), testified in support of DEC assuming the Section 404 Primacy program. She believed that assumption would bring stability and predictability to the program. She thought that the state had a good track record in managing its resources. She believed that the change would help with development in the state.

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[2:16:05 PM](#)

DAVID VAN DEN BERG EXECUTIVE DIRECTOR, FAIRBANKS DOWNTOWN ASSOCIATION, FAIRBANKS (via teleconference), spoke in support of funding for the demolition of the Polaris House in downtown Fairbanks. He stressed that the building was having a negative affect on the economic climate of downtown Fairbanks.

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RECONVENED

BERNIE KARL, SELF, FAIRBANKS (via teleconference), supported the state taking primacy over 404 permitting. He understood that the change would cost the state money but that it would be worth it to developers. He said that he would be happy to pay for it. He voiced his disregard for the federal government.

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CHANDRA CAFFROY, SELF, ANCHOR POINT (via teleconference), spoke in opposition to a sales tax and an income tax. She supported a full statutory PFD. She supported cutting government.

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VIRGINIA MCKEE, SELF, TWO RIVERS (via teleconference), testified in support of the Two Rivers/Pleasant Valley Fire Service Area. She contended that the \$2.8 million that was applied for would be squandered in the community. She cited that there was a petition to dissolve the fire service area. She emphasized that the fire service area concentrated on prevention and education, including fire extinguisher, carbon monoxide alarms, and the like.

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MARY CALLAWAY, SELF, TWO RIVERS (via teleconference), spoke in opposition to \$2.8 million in grant funding for the Two Rivers/Pleasant Valley Fire Service Area. She said that the plan had been created without proper community input. She believed that the funds could be used more wisely by the state.

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HERMAN MORGAN, SELF, ANIAK (via teleconference), discussed an expectation of increased inflation. He was concerned about overspending. He thought that legislators had a conflict of interest. He emphasized the importance of prayer.

[3:02:27 PM](#)

GAYE WRIGHT, SELF, TWO RIVERS (via teleconference), spoke in opposition to the proposed funding for the Two Rivers/Pleasant Valley Fire Service Area. She thought the funds would be wasted on the project. She did not support an income tax. She supported a full statutory PFD. She asserted that PFDs were used for important expenses. She criticized excessive spending.

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ADJOURNMENT

[3:05:16 PM](#)

The meeting was adjourned at 3:05 p.m.

