

SENATE FINANCE COMMITTEE

April 21, 2023

9:05 a.m.

9:05:31 AM

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:05 a.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

PRESENT VIA TELECONFERENCE

Brenda Akelkok, AHFC Supplemental Housing, Dillingham; Joy Anderson, Association of Village Council Presidents, Bethel; Viola Yatchmeneff, Aleutian Housing Authority, Unalaska; Betsy Jumper, Self, Bethel; Barbara Howard, Self, Two Rivers; Michael Jeffery, Self and Alaska Center for FASD, Utqiagvik; Sandra Tall-Lake, Administrator, City of Hooper Bay, Hooper Bay; Jolene Lyon, President-CEO, Bering Straits Housing Authority, Nome; Griffin Hagle-Forster, Utquiavik; Bronk Jorgensen, 40 Mile Mining District, Chicken; Mary David, Alaska Regional Coalition, Nome; Tessa Baldwin, City Manager, City of Kotzebue, Kotzebue; Elizabeth Ferguson, Northwest Arctic Leadership Team, Kotzebue; Angie Gorn, CEO, Norton Sound Health Corporation, Nome; Terry Dolan, Senior Project Manager, Bristol Bay Borough, Naknek; Anne Bailey, Aleutians East Borough, Anchorage; Roseann Eban, Self, Bethel; Paul Fuhs, Government Relations, City of Adak, Adak; Mike Kukowski,

Miner, 40 Mile Mining District, Chicken; Don McKee, Self, Two Rivers; Austin Ahmasuk, Self, Nome; Katherine Carscallen, Commercial Fisherman for Bristol Bay, Dillingham; Delores Larson, United Tribes of Bristol Bay, Koliganek; Alyssa Rogers, Director of Natural Resources, Orutsararmiut Native Council, Juneau; John Handeland, Mayor of Nome, Nome;

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: ANCHORAGE, MATANUSKA SUSITNA VALLEY, and KENAI PENINSULA

Co-Chair Hoffman discussed the agenda.

#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: NOME, BETHEL, KOTZEBUE, UTQUIAGVIK, UNALASKA, DILLINGHAM, and OFFNETS

9:06:56 AM

BRENDA AKELKOK, AHFC SUPPLEMENTAL HOUSING, DILLINGHAM (via teleconference), testified in support of funding for the Alaska Housing Finance Corporation (AHFC) supplemental development grant in the Capital Budget. She discussed severe overcrowding in certain areas of the state. She cited that during the Covid-19 pandemic, the area had 10 community members die due to lack of space for social distancing. She asserted that the supplemental housing grant would address a safety issue. She discussed the cost of freight and materials and the loss of businesses during the pandemic. She wanted to keep the economy strong.

9:10:10 AM

JOY ANDERSON, ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS, BETHEL (via teleconference), spoke in support of one-time funding for the Alaska Legal Services Corporation (ALSC). She cited that the Association of Village Council Presidents represented 56 federally recognized tribes and provided essential services within the Yukon-Kuskokwim region. She lamented that there was only 1 ALSC attorney available for every 10,000 Alaskans who qualified for services. She noted that the Alaska Supreme Court recently passed Alaska Bar Rule 43.5, which would allow non-lawyers, properly trained and certified by ALSC, to provide limited scopes of legal assistance to those who did not have access to an attorney. She asserted that expanded services of the Community Justice Program would improve access to justice in communities and contribute to the overall health of

communities. She urged the committee to support the one-time \$500,000 request to build out the training program to implement the Community Justice Program statewide.

[9:12:37 AM](#)

VIOLA YATCHMENEFF, ALEUTIAN HOUSING AUTHORITY, UNALASKA (via teleconference), testified in support for AHFC's professional and supplemental housing grant program. She shared that the Aleutian Housing Authority was the designated entity for 12 tribes and 10 communities. She discussed the effect the programs had on the communities she served. The grant funding supported construction of housing units that housed teachers, safety officers, and healthcare workers. She discussed housing for new police personnel, which had a direct effect on the ability to hire. She discussed the use of the supplemental dollars to construct homes that directly benefitted communities.

[9:15:39 AM](#)

BETSY JUMPER, SELF, BETHEL (via teleconference), spoke in opposition to the proposed \$5 million appropriation for the 404 Primacy Program.

Co-Chair Hoffman handed the gavel to Co-Chair Olson.

[9:16:26 AM](#)

AT EASE

[9:17:54 AM](#)

RECONVENED

BARBARA HOWARD, SELF, TWO RIVERS (via teleconference), spoke in opposition for the \$2.8 million funding request for the Pleasant Valley/Two Rivers Fire Service Area. She did not want a fire department in her area. She suggested using the money elsewhere.

[9:20:30 AM](#)

MICHAEL JEFFERY, SELF AND ALASKA CENTER FOR FASD, UTQIAGVIK (via teleconference), testified in support of funding for Crisis Now continuum of care grants, the Peer Support Certification program, the Homeless Assistance program, Special Needs Housing Grants, Behavioral Health and Treatment Grants, and Aging and Disability Resource

Centers. He supported the previous testifier in not approving the \$5 million effort to take over the federal Clean Water Act program under 404 Primacy.

[9:23:55 AM](#)

SANDRA TALL-LAKE, ADMINISTRATOR, CITY OF HOOPER BAY, HOOPER BAY (via teleconference), announced that she was only listening to the testimony.

[9:24:34 AM](#)

JOLENE LYON, PRESIDENT-CEO, BERING STRAITS HOUSING AUTHORITY, NOME (via teleconference), testified in support of including AHFC programs, specifically Supplemental Housing Grants, in the Capital Budget. She relayed that the Bering Straits Housing Authority had previously used the AHFC supplemental funds to build 7 new homes. She had recently returned from the community of Golovin, where the need was even greater. She emphasized that if the committee was serious about housing, it needed to show that it was so. She urged the committee to support and increase AHFC housing programs in the Capital Budget.

Co-Chair Olson thanked Ms. Lyon and her attention to Golovin.

[9:26:48 AM](#)

GRIFFIN HAGLE-FORSTER, UTQUIAVIK (via teleconference), spoke in support of full funding for the AHFC Supplemental Housing Grant program. He relayed the various ways that the funds had helped in his region. He noted a 29-unit structure that served families in Barrow, and the various efficiency comforts and durability supports provided by the program.

[9:29:37 AM](#)

BRONK JORGENSEN, 40 MILE MINING DISTRICT, CHICKEN (via teleconference), spoke in support of funding for the state to assume the 404 Primacy program, which he thought would provide funding stability. He relayed that he was a family placer miner and a trustee of the 40-mile mining district. He asserted that the DEC could assume the program without issue. He thought turnover in the Army Corps of Engineers was problematic in the process. He said that miners in the

district were ready to pay user fees. He thought that the issue was not about clean water but rather about dredge and fill.

[9:31:47 AM](#)

MARY DAVID, ALASKA REGIONAL COALITION, NOME (via teleconference), testified in support of increased funding and inflation-proofing of the Base Student Allocation (BSA). She also urged support for early childhood programs, including the \$5 million increase to meet federal match for Head Start. She supported the governor's proposal to eliminate the Supplemental Nutrition Assistance Program (SNAP) backlog. She supported Medicaid expansion for postpartum care and recommended enhanced support for behavioral health grants not covered under 1115 waivers. She supported the \$2.8 million for VPSO offices, housing, and programming. She hoped that federal infrastructure grants could be maximized to benefit Alaska's smallest communities.

[9:34:12 AM](#)

TESSA BALDWIN, CITY MANAGER, CITY OF KOTZEBUE, KOTZEBUE (via teleconference), spoke in support of increased funding for the BSA. She cited that the district had cut back significantly on the budget which impacted the quality of education that could be delivered to students. She spoke to the Capital Budget and hoped that the committee would prioritize the Cape Blossom Road project.

[9:36:34 AM](#)

ELIZABETH FERGUSON, NORTHWEST ARCTIC LEADERSHIP TEAM, KOTZEBUE (via teleconference), spoke in support of \$750,000 in funding for the Maniilaq Behavior Health Crisis Stabilization Center, \$7.3 million for Alaska Technical Center (ATC) Family Housing, and \$10 million for the Cape Blossom Port Authority Development Project. She highlighted that the projects would add sustainability to the region.

[9:38:54 AM](#)

ANGIE GORN, CEO, NORTON SOUND HEALTH CORPORATION, NOME (via teleconference), testified in support of \$20 million in funding for expansion of the nursing home and housing capital projects. She mentioned a growing waitlist for

nursing home beds. She said that the funds would add 12 beds - for a total of 30 beds for the community. She asserted that the funding would result in savings for the state. She noted that the new wellness center was prepared to enroll patients in need of long-term treatment but that increased housing for support staff was critical.

Co-Chair Olson handed the gavel to Co-Chair Hoffman.

[9:41:36 AM](#)

TERRY DOLAN, SENIOR PROJECT MANAGER, BRISTOL BAY BOROUGH, NAKNEK (via teleconference), spoke in support of funding for school major maintenance projects. He noted that the borough's current project was number two on the DEED Major Maintenance List but that the governor's proposed budget did not include funding for major school maintenance. He discussed the Naknek school building and the presence of asbestos, which pushed the cost of refurbishing the building outside of the school district's ability to provide financial support without additional funding from the legislature.

[9:42:59 AM](#)

ANNE BAILEY, ALEUTIANS EAST BOROUGH, ANCHORAGE (via teleconference), testified in support of funding for full capitalization of community assistance grants, funds for major maintenance and school construction projects, and increased school funding.

[9:44:14 AM](#)

ROSEANN EBAN, SELF, BETHEL (via teleconference), testified in support of funding for the Tundra Women's Coalition. She supported increased funding for the BSA.

[9:45:43 AM](#)

PAUL FUHS, GOVERNMENT RELATIONS, CITY OF ADAK, ADAK (via teleconference), testified in support of capital funding for engineering for the small boat harbor. The funds would be used to update plans to seek federal infrastructure funds to finish the project. He said that funds were needed for the airport terminal, \$90,000, which the city would match with \$30,000. He had heard there might be consideration of providing funds for the Denali Commission

to support federal match for community infrastructure programs.

Co-Chair Stedman thought most of the communities had applied for the Harbor Matching Grant Fund to build commercial fishing harbors. He asked whether the City of Adak had considered applying.

Mr. Fuhs understood that the Marine Fuels Tax could be appropriated for the \$45,000 for the harbor project.

Co-Chair Stedman clarified that he was speaking of the construction of harbor itself.

Mr. Fuhs relayed that the construction cost was estimated to be \$9 million but it was believed that the project could be completed for less.

[9:48:39 AM](#)

MIKE KUKOWSKI, MINER, 40 MILE MINING DISTRICT, CHICKEN (via teleconference), spoke in support of funding for the 404 Primacy program. He supported the state taking control of the program. He thought the benefits would far outweigh the fee structure imposed.

[9:50:08 AM](#)

DON MCKEE, SELF, TWO RIVERS (via teleconference), testified in opposition to funding for a \$2.8 million grant for the fire district. He relayed that the commissioners had voted to have a "low service" area that provided fire education and not fire suppression. He cited that there were less than 1,000 properties in the area. He asserted that the project would be a waste of money.

[9:53:31 AM](#)

Co-Chair Hoffman commented that the people of Two Rivers had successfully delivered their message concerning the fire district.

[9:54:03 AM](#)

RECESSED

[10:15:38 AM](#)

RECONVENED

AUSTIN AHMASUK, SELF, NOME (via teleconference), spoke in opposition to funding for the 404 Primacy program. He felt that the state had some of the worst environmental regulations in the country. He was a full-time resident of Nome until a hurricane destroyed his home. He supported funding for expansion of Arctic fisheries, including the study of trawl fisheries in the Arctic Ocean. He was opposed to trawl fisheries in the fragile ecosystem. He urged revocation of funding for the Port of Nome expansion.

[10:19:24 AM](#)

KATHERINE CARSCALLEN, COMMERCIAL FISHERMAN FOR BRISTOL BAY, DILLINGHAM (via teleconference), testified in opposition to funding for taking over the 404 Primacy program. She believed it was important to remember that the 404 program did not come with federal financial support, and it would be unnecessarily costly to assume. She asserted that turning primacy of the Clean Water Act Program to DEC would pave the way for the Pebble Mine.

[10:22:07 AM](#)

DELORES LARSON, UNITED TRIBES OF BRISTOL BAY, KOLIGANEK (via teleconference), spoke in opposition to funding for DEC to assume 404 Primacy from the federal government. She thought that contrary to DEC statements, its consultation policy is no substitute for the federal policy. She asserted that DEC had failed to protect Alaska Native people and the land upon which they live.

[10:25:31 AM](#)

ALYSSA ROGERS, DIRECTOR OF NATURAL RESOURCES, ORUTSARARMIUT NATIVE COUNCIL, JUNEAU (via teleconference), spoke in opposition to funding for the state taking over the Clean Water Act by assuming 404 Primacy. She asserted that the state could better use the proposed \$5 million in other areas.

[10:29:04 AM](#)

JOHN HANDELAND, MAYOR OF NOME, NOME (via teleconference), spoke in support of funding for housing and state incentives for new housing development. He discussed the effects of lack of housing, including challenges in hiring

teachers and healthcare workers. He asserted that the City of Nome wanted to Port of Nome project.

Co-Chair Hoffman discussed the agenda for the afternoon meeting.

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ADJOURNMENT

10:32:21 AM

The meeting was adjourned at 10:32 a.m.