

SENATE FINANCE COMMITTEE

April 21, 2023

1:06 p.m.

1:06:30 PM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:06 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

PRESENT VIA TELECONFERENCE

Alissa Nadine Rogers, Director of Natural Resources, Orutsararmiut Native Council, Palmer; Chris Rainwater, AK Association of Conservation Districts, Homer; Doreen Schenkenberger, Chief Executive Officer, Partners for Progress, Anchorage; Patrick Reinhart, Director, Governor's Council on Disability and Special Education, Homer; Bob Scanlon, Blood Bank of Alaska, Anchorage; Chris Mello, Blood Bank of Alaska, Anchorage; Kelly Lessons, Anchorage School Board, Anchorage; Tom Crafton, Key Coalition, Eagle River; Steve Rollins, Self, Anchorage; Dirk Shumaker, Kids Core Head Start, Anchorage; Laura Bonner, Self, Anchorage; George Hays, Deputy Manager, Matsu Borough, Palmer; Alicia Amberg, Associated General Contractors, Anchorage; Colleen Dushkin, Association of Alaska Housing Authorities, Anchorage; Chris Kolerok, Cook Inlet Housing Authorization, Anchorage; Scott Vierra, Self, Anchorage; Judy Jessen, Political and Advocacy Organizer, Service Employees International Union 775, Anchorage; Matt Carle, Blood Bank of Alaska, Anchorage; Beth Nordlund, Executive Director, Anchorage Park Foundation, Anchorage; Andres Widemer, Self, Anchorage; Ginger McKee, Self, Two Rivers; Nicky Szarzi,

Self, Fritz Creek; Kimberly Sasser, Self, Anchorage; Bert Houghtaling, Self, Big Lake; Marge Stoneking, Advocacy Director, AARP Alaska, Anchorage; George Thompson, Public Works Director, City of Houston, Houston; Carly Dennis, Self, Anchorage; Leslie Davis, Self, Wasilla; Beverly Luedke-Chan, Self, Anchorage Ski Club, Anchorage; Gabe Kitter, Self, Wasilla; Trevor Storrs, President and CEO, Alaska Children's Trust, Anchorage; Katherine Cronlund, Self, Anchorage; Ron Meehan, Policy and Advocacy Manager, Food Bank of Alaska, Anchorage; Winter Marshall-Allen, Self, Homer; Mark Lackey, CCS Early Learning, Wasilla; Wes Hoskins, MatSu Trails and Parks Foundation, Palmer; M. Elise Huggins, President, Alaska Chapter of American Society of Landscape Architects, Anchorage; Paul Seaton, Self, Kachemak; Lisa Paesani, Self, Anchorage; Richard Gustafson, Self, Homer; Sue Mauger, Self, Homer; Tiffany Hall, Recover Alaska, Anchorage; Michele Girault, Executive Director, Hope Community Resources, Anchorage; George Pierce, Self, Kasilof; Suzi Pearson, Abused Women's Aid In Crisis, Anchorage.

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) was HEARD and HELD in committee for further consideration.

PUBLIC TESTIMONY: ANCHORAGE, MATANUSKA SUSITNA VALLEY, and KENAI PENINSULA

#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."

Co-Chair Stedman discussed the agenda. He relayed that the committee would hear public testimony on the operating budget, the mental health budget, and the capital budget for FY 24. He discussed the public testimony process.

Co-Chair Stedman handed the gavel to Senator Bishop.

[1:08:14 PM](#)
AT EASE

[1:10:10 PM](#)
RECONVENED

^PUBLIC TESTIMONY: ANCHORAGE, MATANUSKA SUSITNA VALLEY, and KENAI PENINSULA

[1:11:14 PM](#)

ALISSA NADINE ROGERS, DIRECTOR OF NATURAL RESOURCES, ORUTSARARMIUT NATIVE COUNCIL, PALMER (via teleconference), supported pay and benefits for teachers. She cited that the Western region of the state was constantly being threatened with development. She supported infrastructure for businesses and fisheries. She mentioned the Department of

Environmental Conservation (DEC) scaling back permitting. She mentioned the decline of salmon fisheries.

[1:13:43 PM](#)

CHRIS RAINWATER, AK ASSOCIATION OF CONSERVATION DISTRICTS, HOMER (via teleconference), testified in support of funding in the capital budget for a line item of \$250,000 to be spread amongst the 10 conservation districts. He referenced capital project request TPS 68001. He described that conservation districts came out of the dustbowl era as a solution to renewable resource problems that were overwhelming the nation. He discussed conversation districts and partnering with the United States Department of Agriculture (USDA). The conservation districts matched \$10 million for programs and had about 75 staff people. He mentioned the Statehood Act.

[1:17:13 PM](#)

DOREEN SCHENKENBERGER, CHIEF EXECUTIVE OFFICER, PARTNERS FOR PROGRESS, ANCHORAGE (via teleconference), testified in support of \$2 million for the Alaska Housing Finance Corporation (AHFC) Homeless Assistance Program. She relayed that Partners for Progress provided services to incarcerated and previously incarcerated homeless individuals supporting Alaska's therapeutic courts and walk-in center in Anchorage. She emphasized that safe housing was essential for recidivism reduction and recovery. She discussed supportive services. She supported adding \$750,000 for the Special Needs Housing Grant for AHFC. She noted that many individuals served by Partners for Progress suffered from mental illness. She asserted that adding funding to the budget would help keep the population from homelessness and recidivism and would save the state money.

[1:19:47 PM](#)

PATRICK REINHART, DIRECTOR, GOVERNOR'S COUNCIL ON DISABILITY AND SPECIAL EDUCATION, HOMER (via teleconference), testified in support of infrastructure funds for eradication of the Intellectual and Developmental Disabilities (IDD) waitlist waiver for care of individuals with disabilities. He noted that there was a need for funding the system itself to support providers across the state. He mentioned \$100,000 in funding for the Centralized

Accommodation Fund for employing more people with disabilities in state government. He supported Senior and Disability Services grants and the Aging and Disability Resource Center.

[1:21:43 PM](#)

BOB SCANLON, BLOOD BANK OF ALASKA, ANCHORAGE (via teleconference), spoke in support for the remaining funding in the capital budget to complete the project of a donor testing lab. The funding would be leveraged by the Blood Bank of Alaska to end a vulnerability of the state's blood supply with a donor testing laboratory. He explained that donor testing currently was done out of state and was experiencing a serious bottleneck. He mentioned airport closures and aircraft issues that caused delays of lifesaving blood in hospitals. He emphasized the need for the blood bank to be self-sufficient.

[1:24:36 PM](#)

CHRIS MELLO, BLOOD BANK OF ALASKA, ANCHORAGE (via teleconference), testified in support of funding for the donor testing lab. He relayed that the blood bank had been in operation for 60 years in the state, and relayed that the bank had an all-Alaskan, all-volunteer board of directors. He mentioned problems because of weather delays. He cited that there were only about six testing labs throughout the nation. He furthered that the labs operated at 100 percent capacity. He discussed the time-sensitive nature of blood and blood testing, which jeopardized blood supply if one testing lab went offline.

[1:26:07 PM](#)

KELLY LESSONS, ANCHORAGE SCHOOL BOARD, ANCHORAGE (via teleconference), spoke in support of increased education funding with at least \$257 million of additional funding for FY 24. She noted that although the Anchorage School District (ASD) had closed schools and implemented efficiencies, it could not balance FY 21 through FY 24 budgets without the assistance of \$100 million from three rounds of federal relief funds. She cited that the last of the relief funds would be used to retain teachers, and without action ASD's budget deficit was projected to be \$85 million for FY 25. She asserted that past legislatures had backfilled budgets with federal relief funds. She mentioned

school closures, cuts to teaching positions, and cutting administration. She mentioned an increase in pupil-teacher ratio. She stressed that all of ASD's Covid-19 funds had been expended. She noted that the Anchorage School Board engaged in a transparent process.

[1:29:31 PM](#)

TOM CRAFTON, KEY COALITION, EAGLE RIVER (via teleconference), supported funding to eradicate the IDD waitlist. He supported \$15 million in funding for service providers. He discussed his background and his family. He mentioned that his daughter was a disability advocate and being recognized for her work.

Senator Bishop handed the gavel to Senator Merrick.

[1:31:51 PM](#)

STEVE ROLLINS, SELF, ANCHORAGE (via teleconference), spoke in support of education funding. He thought education was important for an expanding economy. He shared that he was the head of the University of Alaska/Alaska Pacific University Consortium Library. He advocated for increased Base Student Allocation (BSA) funding as close to the \$1000 level as possible. He supported funding for Statewide Library Electronic Doorway (SLED) and the Alaska Library Catalog (ALC). He supported the addition of \$635,000 to the operating budget. He cited that the ALC had grown to include more than 90 libraries covering rural and urban titles. He described the size and use of SLED. He mentioned cuts to libraries.

[1:34:13 PM](#)

DIRK SHUMAKER, KIDS CORE HEAD START, ANCHORAGE (via teleconference), testified in support Head Start grant funding. He described that Head Start's services included preschool and early learning, developmental screenings, and support for families. He discussed the accountability of the Head Start program. He supported \$5 million of increased funding for Head Start. He noted that wages and benefits were far below K-12 education. He cited that programs were understaffed and struggling to keep classrooms open. He discussed rent and utilities costs.

[1:36:07 PM](#)

LAURA BONNER, SELF, ANCHORAGE (via teleconference), spoke in support of increased funding for education. She listed her funding priorities: increased BSA, the University of Alaska, domestic violence programs, reduction of the IDD waitlist, a reasonable Permanent Fund Dividend (PFD), federal matching programs, workforce development, broadband access, marine highways, ports, and UA's deferred maintenance.

[1:38:21 PM](#)

GEORGE HAYS, DEPUTY MANAGER, MATSU BOROUGH, PALMER (via teleconference), testified in support of full funding for school bond debt reimbursement, community assistance, and harbor debt reimbursement. He cited that the Matanuska-Susitna (Mat-Su) Borough continued to be the fastest growing borough in the state. He expressed support for the 2024 Arctic Winter Games with a \$2 million appropriation to host the games. He supported funding to start a Mat-Su metropolitan planning organization, which would support transportation planning. He discussed capital funding, and supported transportation funding. He considered the need for upgrades to roads in his area, which was growing.

[1:40:24 PM](#)

ALICIA AMBERG, ASSOCIATED GENERAL CONTRACTORS, ANCHORAGE (via teleconference), spoke in support of funding for DEC to assume primacy over Section 404 of the Clean Water Act. She relayed that Associated General Contractors (AGC) was the industry's largest professional trade association, representing over 600 contractors and suppliers statewide. She asserted that the economy would benefit from Alaskans permitting projects in the state. She thought in-state permitting and regulation would take into account the unique aspects of construction in the state without compromising environmental standards. She thought DEC taking primacy for the program would strengthen the permitting process. She believed a state-run primacy program would improve access and thereby communication and accountability. She considered that the funds coming to the state through the Infrastructure Investment and Jobs Act (IIJA) would bring opportunities to the state but would result in a significant backlog in permits. She thought the state run program would provide a high level of regulatory certainty with reasonable timelines.

[1:43:07 PM](#)

COLLEEN DUSHKIN, ASSOCIATION OF ALASKA HOUSING AUTHORITIES, ANCHORAGE (via teleconference), testified in support of funding for AHFC programs including housing development grants for the supplemental program, senior housing program, and professional housing program. She explained that the Association of Alaska Housing Authorities was a membership organization of 14 regional housing authorities that provided affordable housing and services for 196 tribes across the state. She discussed how the grants were used for infrastructure development. She mentioned growth in the senior population. She discussed the challenge of recruitment and retaining of workforce, and the barrier of availability of housing.

[1:45:31 PM](#)

CHRIS KOLEROK, COOK INLET HOUSING AUTHORIZATION, ANCHORAGE (via teleconference), supported affordable housing development funding appropriated through AHFC. He mentioned supplemental grant program funding that leveraged other funds. He discussed senior and professional housing programs. He used the example of how the supplemental housing grant was used to leverage other funding for a development in Anchorage. He discussed the importance of housing in the state.

[1:48:16 PM](#)

SCOTT VIERRA, SELF, ANCHORAGE (via teleconference), testified in support of DEC assuming primacy for Section 404 of the Clean Water Act. He was with North Star Terminal and Stevedore Company, and North Star Equipment Services, which had worked with the petroleum industry. He asserted that if 404 primacy was implemented, DEC would apply rigorous standards and would do better than the federal government. He referenced project delays. He discussed the state's unique landscape and construction season. He thought the state had an excellent track record of responsible resource development.

[1:50:52 PM](#)

JUDY JESSEN, POLITICAL AND ADVOCACY ORGANIZER, SERVICE EMPLOYEES INTERNATIONAL UNION 775, ANCHORAGE (via

teleconference), testified for additional funding for the Division of Senior and Disability Services to support participant-directed care for seniors. She discussed workforce challenges. She emphasized the importance of home and community-based services. She discussed the expense of institutional placement versus home and community-based services.

[1:54:01 PM](#)

MATT CARLE, BLOOD BANK OF ALASKA, ANCHORAGE (via teleconference), spoke in support of the \$2 million appropriation for a blood donor testing lab. He was an enrolled member of the Tlingit and Haida Tribes of Alaska. He discussed the need for self-sufficiency for Alaska's blood and blood products. He discussed rural communities and access to blood supply under emergency conditions.

[1:55:34 PM](#)

BETH NORDLUND, EXECUTIVE DIRECTOR, ANCHORAGE PARK FOUNDATION, ANCHORAGE (via teleconference), testified in favor of funding in the capital budget. She noted that the Anchorage Park Foundation was focused on finding local, private, and state funding to match federal funding. She listed foundation projects including the Alaska Long Trail Project, the Spenard Railroad Multi-use Pathway, the University and medical district trail system, the Chester Creek Greenbelt Park and trail enhancements, the Russian Jack Springs Park safety improvements, East Chester Woodside Park inclusive playground, and the Takotna-Cook Inlet national heritage area.

[1:56:44 PM](#)

ANDRES WIDEMER, SELF, ANCHORAGE (via teleconference), testified in support of funding for eliminating the IDD waitlist [via a communication support individual].

[1:58:32 PM](#)

GINGER MCKEE, SELF, TWO RIVERS (via teleconference), spoke against the \$2.8 million grant for the Two Rivers Fire Department. She explained that Two Rivers was a fire service area with seated commissioners. The commissioners had brought forth a budget that was awaiting approval by the borough assembly. She recounted that the Fairbanks

North Star Borough Mayor had applied for a grant for a fire station building, water truck, and well and water storage. The grant would include a level of service for prevention and education. She emphasized that that Two Rivers had no need for the services nor the \$2.8 million in requested funding. She discussed disagreement between local commissioners and the borough.

[2:01:18 PM](#)

NICKY SZARZI, SELF, FRITZ CREEK (via teleconference), spoke in favor of funding for projects in Kachemak Bay State Park. She shared that she was a volunteer with Friends of Kachemak Bay State Park. She noted that the park, which had 71 miles of trail had only one paid staff in charge of trails and no paid crew for trails or facilities maintenance staff. She explained that two rangers and trail specialists must depend on volunteers for a variety of maintenance tasks. She discussed a lack of project completion and trail maintenance. She asserted that state parks in Homer received a lot of use and provided many jobs. She discussed \$50,000 to \$100,000 in funding for a seasonal crew of 4 to 5 people. She noted that a trail specialist could apply for grants if funded for 12 months instead of only 8.

[2:04:08 PM](#)

KIMBERLY SASSER, SELF, ANCHORAGE (via teleconference), spoke in support of funding to raise rates for direct service providers. She supported \$15 million in funding for IDD. She cited that she had intellectual developmental disabilities and lived in a group home. She discussed workforce challenges.

[2:06:31 PM](#)

BERT HOUGHTALING, SELF, BIG LAKE (via teleconference), testified in support of a budget cap. He was concerned about the savings in the Statutory Budget Reserve (SBR) and the Constitutional Budget Reserve (CBR) being expended. He supported defunding programs and then rebuilding by funding only essential services. He wanted to follow the constitution in explicitly maximizing the state's resources for the benefit of all citizens. He did not want to follow federal policies that came with the use of federal funds. He supported restructuring Alaska school districts to

reduce administrative overhead. He supported a return of parental rights.

Senator Merrick wondered whether Mr. Houghtaling supported raising taxes in order to pay a larger PFD.

Mr. Houghtaling replied that he supported reducing the budget and seeing accountability before supporting a tax.

[2:08:55 PM](#)

MARGE STONEKING, ADVOCACY DIRECTOR, AARP ALASKA, ANCHORAGE (via teleconference), testified in support of \$647,800 in funding for Senior and Disability Services. She cited that nursing home institutional care for one Alaskan at nearly \$160,000 per year cost the state and Medicaid four times more than a home and community-based services waiver. She thought the waiver system was at risk and identified that the state was experiencing a direct care workforce shortage. The shortage was jeopardizing the ability of people with disabilities and the elderly to receive in-home care and avoid institutionalization. She discussed aging in place and participant-directed care. She mentioned the IDD waitlist elimination. She supported budget intent language that the funds were directed to the directed care service delivery model. She supported \$15 million for grants to senior centers and independent living centers.

[2:11:31 PM](#)

GEORGE THOMPSON, PUBLIC WORKS DIRECTOR, CITY OF HOUSTON, HOUSTON (via teleconference), spoke in support of funding for a natural gas expansion project. He mentioned the 20 percent poverty rate in Houston and offsets to the cost of heating. He supported \$3 million for a new fire station and public works facility. He thought the gas expansion project would lower the cost of heating by 70 percent for some people.

[2:13:10 PM](#)

CARLY DENNIS, SELF, ANCHORAGE (via teleconference), spoke against DEC assuming primacy of Section 404 of the Clean Water Act. She asserted that assuming the program would be very costly for the state. She referenced DEC's 2022 funding request of 28 staff and cited an estimated \$5 million for the program. She noted that the Army Corps of

Engineers currently ran the program with 49 staff with an annual budget of almost \$8 million. She thought only 3 other states had assumed the permitting responsibilities due to the high cost, and two of the states had experienced severe problems with the programs. She referenced cuts to DEC programs such as oil spill response and Ocean Rangers. She thought any future funding cuts would result in lower issuance of permits.

[2:15:45 PM](#)

LESLIE DAVIS, SELF, WASILLA (via teleconference), spoke in support of increasing funding for individuals with developmental disabilities. Her son experienced Autism and other conditions and received services under a Medicaid waiver for a group home and other mental health services. She shared a personal story. She emphasized the importance of systems that provide services to vulnerable people.

[2:18:17 PM](#)

BEVERLY LUEDKE-CHAN, SELF, ANCHORAGE SKI CLUB, ANCHORAGE (via teleconference), testified in support of six projects within Chugiak State Park that were included in the Alaska Long Trail Project in the capital budget. She discussed needed upgrades to the Arctic Valley Trailhead. She mentioned other projects in the park, which had limited funds. All of the projects addressed issues in the park including erosion and multi-use access.

[2:20:22 PM](#)

GABE KITTER, SELF, WASILLA (via teleconference), testified in opposition to DEC assuming primacy over Section 404 of the Clean Water Act. He thought the state should focus on savings and spend money in ways that benefitted all Alaskans or offered a financial return. He pointed out that the program was currently run at no cost to the state. He thought the matter should be addressed at a later time. He did not think the proposed \$5 million was sufficient to run the program.

[2:22:24 PM](#)

TREVOR STORRS, PRESIDENT AND CEO, ALASKA CHILDREN'S TRUST, ANCHORAGE (via teleconference), spoke in support of funding for the childcare sector and funding for programs such as

\$5 million for Head Start. He noted that Alaska had struggled with one of the highest per-capita rates of child maltreatment in the nation. He cited that evidence showed that when there were resources and education available it was possible to reduce the problem. He thought prevention should be a priority and spoke of the costs of childhood trauma. He discussed the importance of a functional childcare sector. He supported a one-time investment of at least \$15 million for the childcare sector.

[2:24:34 PM](#)

KATHERINE CRONLUND, SELF, ANCHORAGE (via teleconference), spoke in support of funding for individualized support for providers of services for people with disabilities. She was the parent and caregiver for two special needs children. She discussed the challenges with finding care providers. She spoke of the advantages of home and community-based waivers, and of allowing family members to be care-givers.

[2:26:35 PM](#)

RON MEEHAN, POLICY AND ADVOCACY MANAGER, FOOD BANK OF ALASKA, ANCHORAGE (via teleconference), testified in support of the governor's amended supplemental budget proposals for technology and database upgrades, and staff and IT workers at the Department of Health (DOH). He asserted that the funding would help get through the current Supplemental Nutrition Assistance Program (SNAP) backlog and would help prevent future backlogs. He emphasized that the SNAP backlog had devastating to people across the state. He cited an outdated computer system as one of the reasons for the backlog. He cited that the Division of Public Assistance was understaffed and overworked, and hiring more workers and IT staff would reduce strain and allow for faster application processing. He supported additional improvements to SNAP eligibility processing. He discussed food distribution.

[2:29:11 PM](#)

WINTER MARSHALL-ALLEN, SELF, HOMER (via teleconference), spoke in support of a one-time increase in education funding and funding for IDD waivers. She shared that she was a special education teacher at Homer High School. She mentioned an additional \$175 million in funding. She expressed support for discussions on the education funding

formula. She expressed concern about a reduction in staffing. She supported diversification of state revenues.

Senator Merrick noted that the proposed funding of \$175 million outside the BSA had not received the necessary three-quarters vote, and there was currently no funding outside the BSA.

[2:31:32 PM](#)

MARK LACKEY, CCS EARLY LEARNING, WASILLA (via teleconference), spoke in support of early education funding. He relayed this his program delivered Head Start and early Head Start services. He noted that his program was never able to fill the needs of all eligible kids. He discussed staffing issues since the Covid-19 pandemic. He referenced a message from the federal funding partners that required serving more children. He mentioned \$5 million in the House budget, which would be a 20 percent match for the federal funds coming to the state. He urged the committee to include the \$5 million.

[2:34:14 PM](#)

WES HOSKINS, MATSU TRAILS AND PARKS FOUNDATION, PALMER (via teleconference), spoke in support of the Alaska Long Trail projects. He explained that his foundation was a public foundation that funded trails and parks. He discussed the growth of the Mat-Su area. He mentioned 14 projects in the capital budget including TPS number 67978 for a study, and TPS 66755 for trail connections. He noted that the foundation was ready to provide matching funds for the projects.

[2:36:50 PM](#)

M. ELISE HUGGINS, PRESIDENT, ALASKA CHAPTER OF AMERICAN SOCIETY OF LANDSCAPE ARCHITECTS, ANCHORAGE (via teleconference), spoke in support of funding for the Long Trail project. She noted that landscape architects did a lot of trail design and recreation planning. She considered that the project would help diversify the state's economy. She used herself as an example of funds flowing into local economies through trail use. She emphasized the importance of the projects. She used the example of trail users in Washington, which supported 81,000 jobs and resulted in

\$8.2 billion contributed by trail users. She thought the trail could be designed for all kinds of users year-round.

[2:39:58 PM](#)

PAUL SEATON, SELF, KACHEMAK (via teleconference), supported reduction of the deficit by adopting the oil tax reforms proposed in SB 114. He thought the revenue would be generated by treating all major oil producers equally regardless of companies structure, and would also lower the maximum per-barrel tax credit from \$8/bbl to \$5/bbl. He spoke in opposition to DEC assuming primacy for Section 404 of the Clean Water Act, and proposed moving the \$5 million to the Renewable Energy Fund. He thought assumption of the program would result in a hit to all future budgets. He shared concern that the 404 process, under the state's control, would have a lot of leverage to not follow the standards.

[2:41:36 PM](#)

LISA PAESANI, SELF, ANCHORAGE (via teleconference), requested \$5 million for Head Start. She spoke of the need for employee retention. She advocated for early childhood education. She noted that she was on the board of directors for Head Start. She also spoke in opposition to the 404 Primacy permitting state takeover.

[2:43:28 PM](#)

RICHARD GUSTAFSON, SELF, HOMER (via teleconference), testified in opposition to the state taking over the primacy of Section 404 permitting. He also spoke in support of SB 114. He discussed state funding needs and emphasized that everyone pay their fair share.

[2:44:44 PM](#)

SUE MAUGER, SELF, HOMER (via teleconference), spoke in opposition to \$5 million in funding for the state to assume primacy of 404 permitting. She relayed that she was the science and executive director of Cook Inlet Keeper. She referenced earlier testimony. She pointed out that only three states had assumed wetland permitting from the federal government, because it was currently done at no cost. She thought it was unnecessary to bring a contentious process into the state when the state was experiencing

difficulties with the retention of state employees. She suggested providing funding to incorporate public notice and public comment on existing fish habitat permitting.

[2:46:43 PM](#)

TIFFANY HALL, RECOVER ALASKA, ANCHORAGE (via teleconference), spoke in support of maintained funding for prevention, treatment, and recovery services. She specifically supported behavioral health and public health Crisis Now continuum of care grants, maintaining the behavioral health treatment and recovery grants, and supporting peer support certification funding.

[2:47:44 PM](#)

MICHELE GIRAULT, EXECUTIVE DIRECTOR, HOPE COMMUNITY RESOURCES, ANCHORAGE (via teleconference), spoke in support of funding for developmental disability services. She served as the board president for the Key Coalition of Alaska. She was also the guardian for a friend that received home and community based disability support services. She acknowledged the competing demands of the budget. She mentioned the Senior and Disability Services plan to eradicate the waitlist for services for Alaskans with disabilities, who waited an average of five years. She supported funds allocated to further support step one of the plan to eradicate the waitlist. She supported an additional \$15 million increment to create a bridge while DOH worked towards a better rate restructuring plan. She supported a smaller PFD so the critical needs of the state could be met.

[2:49:29 PM](#)

GEORGE PIERCE, SELF, KASILOF (via teleconference), spoke against spending. He contended that the state had relied heavily on revenue from oil production to fund state government, while also spending from the Permanent Fund. He thought there were loopholes that had cost the state millions of dollars. He thought there had been excessive growth of government. He was concerned about growth in spending. He referenced a spending cap. He thought the budget needed a balanced approach and referenced the volatility of oil and gas revenue. He thought the industry should be taxed. He did not think funding should be given to non-profits and special interest groups.

[2:52:12 PM](#)

SUZI PEARSON, ABUSED WOMEN'S AID IN CRISIS, ANCHORAGE (via teleconference), spoke in support of funding for a \$3 million one-time increment of General Funds (GF) and a \$3.5 million federal appropriation. She noted that the Abused Women's Aid In Crisis (AWAIC) was the only emergency domestic violence shelter in Anchorage that included multiple services. She noted that the largest funder for AWAIC was the Council on Domestic Violence and Sexual Assault (CDVSA). She discussed supports through AWAIC including a 24-hour crisis support line, and referenced increasing demand. She referenced 5 vacant positions. She noted that without the proposed increments, services for victims would be \$6.5 million short from previous year's funding. She requested that the one-time GF be put in the base for CDVSA, and additional funds to address flat funding.

[2:54:06 PM](#)

AT EASE

[2:54:14 PM](#)

RECONVENED

Senator Merrick CLOSED public testimony.

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

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

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

#

ADJOURNMENT

[2:54:56 PM](#)

The meeting was adjourned at 2:54 p.m.