

HOUSE FINANCE COMMITTEE  
April 1, 2025  
9:05 a.m.

[9:05:42 AM](#)

CALL TO ORDER

Co-Chair Josephson called the House Finance Committee meeting to order at 9:05 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Andy Josephson, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Jamie Allard  
Representative Jeremy Bynum  
Representative Alyse Galvin  
Representative Sara Hannan  
Representative Nellie Unangiq Jimmie  
Representative DeLena Johnson  
Representative Will Stapp  
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Alexei Painter, Director, Legislative Finance Division; Rob Carpenter, Deputy Director, Legislative Finance Division; Representative Rebecca Himschoot.

PRESENT VIA TELECONFERENCE

John Skidmore, Deputy Attorney General, Criminal Division, Department of Law.

SUMMARY

HB 53        APPROP: OPERATING BUDGET; CAP; SUPP

HB 53 was HEARD and HELD in committee for further consideration.

HB 55            APPROP: MENTAL HEALTH BUDGET

HB 55 was HEARD and HELD in committee for further consideration.

HB 56            APPROP: SUPPLEMENTAL; FUND CAP

CSHB 56(FIN) was REPORTED out of committee with six "do pass" recommendations, two "do not pass" recommendations, and three "no recommendation" recommendations.

Co-Chair Josephson reviewed the agenda. The committee would hear amendments to the operating and mental health budgets.

#hb56

HOUSE BILL NO. 56

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

[9:06:48 AM](#)

Co-Chair Schrage MOVED to REPORT CSHB 56(FIN) out of committee with individual recommendations.

Representative Stapp OBJECTED. He believed he had made his thoughts on the supplemental regarding a Constitutional Budget Reserve (CBR) draw known previously.

A roll call vote was taken on the motion.

IN FAVOR: Hannan, Jimmie, Galvin, Schrage, Foster, Josephson

OPPOSED: Bynum, Stapp, Johnson, Allard, Tomaszewski

The MOTION PASSED (6/5).

There being NO further OBJECTION, CSHB 56(FIN) was REPORTED out of committee with six "do pass" recommendations, two "do not pass" recommendations, and three "no recommendation" recommendations.

Co-Chair Josephson noted that the committee authorized the Legislative Finance Division and Legislative Legal Services

to make any necessary technical and/or conforming amendments.

[9:09:06 AM](#)

AT EASE

[9:13:59 AM](#)

RECONVENED

#hb53

#hb55

HOUSE BILL NO. 53

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 55

"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."

Co-Chair Josephson noted that the committee had considered Amendments 45 through 60 the previous day. The committee would begin with Amendment 61.

[9:14:34 AM](#)

Representative Stapp did not currently offer Amendment 61 (copy on file).

Representative Bynum did not currently offer Amendment 62 (copy on file).

[9:15:13 AM](#)

Co-Chair Josephson MOVED to ADOPT Amendment 63 (copy on file):

Agency: Health

Appropriation: Senior and Disabilities Svcs  
Allocation: Senior Community Based Grants

Transaction Details

Title: Increase Grant Funding for Deaf Navigator  
Services  
Section: Section 1  
Type: IncOTI

Line Items (Amounts are in thousands)

Personal Services: 0.0 Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 75.0  
Miscellaneous: 0.0  
Total: 75.0

Positions

Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund 75.0

Explanation

This program has been flat-funded since its founding in 2013. This increment will support the provision of communication assistance, advocacy, and essential services to deaf and hard-of-hearing Alaskans.

Representative Stapp OBJECTED.

Co-Chair Josephson remarked that the legislature was in a position where \$75,000 was more important than it was the previous year. He believed the conference committee would resolve differences between the bodies as it was designed to do. He referenced public testimony from Michele Girault, Director of Hope Community Resources in Anchorage. He noted that Ms. Girault was a champion of the Key Coalition and had asked the committee to support the expansion of the Deaf Navigator Program (DNP), which had not seen an operating budget increase in 12 years. He explained the amendment with a prepared statement:

The Deaf Navigator program provides a range of resources and services to deaf and hard of hearing Alaskans to enhance their lives through long-term employment, housing options, and community involvement. The Deaf Navigator program provides services to any adult deaf, hard of hearing individual living in Alaska. This includes those living in rural communities. Available services include navigation and coordination of community resources throughout Alaska, Health and Social Services, employment services, housing services, educational services, and free public video phone, caption phone, CCTV, and computers, printer, and fax.

The Deaf Navigator program and Hope Community Resources is an essential initiative aimed at enhancing long-term employment and housing opportunities for deaf and hard of hearing individuals across Alaska. Established in FY 13 through funding by the State of Alaska Parnell administration, the DNP offers a wide array of resources and services designed to address the unique needs of the DHH (Deaf and Hard of Hearing) community. This program helps support deaf and hard of hearing Alaskans in navigating the complexities of everyday life. It ensures that DHH individuals can access the support they need to thrive. More particularly, the program offers guidance and support in managing health and social services tailored to the specific needs of DHH individuals. This includes assistance in accessing medical care, mental health services, and social support systems. The program helps support job seekers including job placement assistance and career counseling. It helps create inclusive workplaces that can accommodate the unique needs of DHH employees.

The program supports in locating suitable housing options that meet the accessibility requirements and preferences of the DHH community. It also works in community education, educating employers and service providers in providing comprehensive training programs. It reaches rural communities as a critical component of its overall mission.

The program is housed within Hope Community Resources and receives an annual grant of \$135,000 through the Department of Health, Division of Senior and

Disabilities Services. It's been awarded that amount since 2016; however, it's important to note there's been no increases to offset the inflation rate of 29.3 percent over the years. From its early days to the present, the program has seen increased demands by 25 to 50 percent. The Alaska Deaf Council is requesting the Department of Health, Division of Senior and Disabilities Services to increase the annual allocation by \$100,000. I'm offering \$75,000.

Finally, the program is designed to give individuals help in achieving greater independence, securing meaningful employment, and finding suitable housing.

[9:19:55 AM](#)

Co-Chair Josephson continued explaining the amendment. He had met with the individuals involved in the work and they had made a compelling case.

[9:20:15 AM](#)

AT EASE

[9:20:45 AM](#)

RECONVENED

Representative Allard MOVED to ADOPT conceptual Amendment 1 to increase the amount from \$75,000 to \$100,000.

There being NO OBJECTION, conceptual Amendment 1 to Amendment 63 was ADOPTED.

Representative Stapp observed that the funding in Amendment 63 was a one-time increment. He asked if it was the intention of the co-chair.

Co-Chair Josephson agreed that it appeared to be one-year increase.

[9:21:46 AM](#)

AT EASE

[9:22:09 AM](#)

RECONVENED

Co-Chair Josephson confirmed that the amendment included a one-year increase. He would view a conceptual amendment to include the funding in the base as friendly.

Representative Allard MOVED to ADOPT conceptual Amendment 2 to include the \$100,000 increment in the base.

There being NO OBJECTION, it was so ordered.

[9:23:12 AM](#)

Co-Chair Schrage OBJECTED to the underlying amendment. In recognition of the fiscal climate, he had a difficult time with the increments despite their important causes. He elaborated that adding small increments throughout the budget process gave him concern and he already felt too much may have been added through the amendment process. He could not support the amendment at the current time.

Representative Allard appreciated the committee allowing the conceptual amendments to pass without an objection, but she wanted committee members to know that the DHH community was in need of the funding in order to continue on. She elaborated that the funding pertained to individuals without another means of educating students. She thanked the committee.

[9:24:23 AM](#)

Representative Galvin had heard the group talk about how much it had done to help employers navigate welcoming new employees and creating a work environment where DHH individuals were able to work. She emphasized it was an important and unique service offered, that allowed DHH individuals to work. She viewed the work as an economic benefit. She supported the amendment.

Representative Johnson spoke in support of the amendment. She noted the increment was a comparatively small amount. She noted that the DHH community did not have a lot of help coming in from the state. She remarked that it was a great group of people. She appreciated small amounts and thought it could make a tremendous difference.

Representative Stapp MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Jimmie, Johnson, Galvin, Allard, Hannan, Foster, Josephson

OPPOSED: Stapp, Tomaszewski, Bynum, Schrage

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment 63 was ADOPTED as amended.

[9:27:38 AM](#)

Co-Chair Josephson did not currently offer Amendment 64 (copy on file).

Representative Stapp MOVED to ADOPT Amendment 65 (copy on file):

Agency: Governor  
Appropriation: Office of Management & Budget  
Allocation: Office of Management & Budget

Transaction Details

Title: Accurately Accounting for Overtime, Bonus, Standby, and Other Specialty Pay

Wordage Type: Intent  
Linkage: Appropriation - Office of Management & Budget

Wordage

It is the intent of the legislature that the Office of Management and Budget require all departments to account for overtime, bonus, standby, and any other specialty pay outside their base payroll in a separate line item to account for the separate cost.

Explanation

Several departments have reported usage of unspent vacancy funds and for specialty pay. This intent language aims to ensure that all forms of specialty pay are accurately reported un a separate line item to increase transparency in budgeting.

Co-Chair Josephson OBJECTED for discussion.

Representative Stapp that the goal of the amendment was to start solving a chronic problem by instructing the Office of Management and Budget (OMB) to require all departments

to account for overtime, bonus, standby, and any other specialty pay outside their base payroll in a separate line item to account for the separate cost. He explained that it was getting very difficult for legislators to determine what the personal services line items were going to. He noted that finance members looked at vacancy rates above the factor and different types of pay. He believed all of the different types of pay were fine for the department to do for employees, including letters of agreement for enhanced bonuses, but without knowing how the money flowed, it was challenging to determine where the money went and what it did.

Representative Hannan was supportive of the intent language and asked to hear from the Legislative Finance Division (LFD). She shared that she chaired the Department of Corrections (DOC) budget [subcommittee] and the department had some specific ways it thought the pay should be tracked, which was not accurate. She wanted to ensure that the language reflected what LFD had pointed out in terms of more accurate tracking. She requested to hear from LFD to make sure the amendment incorporated what the concerns had been on how the money was tracked.

[9:30:29 AM](#)

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, stated there were a number of ways to accomplish the intent of the amendment sponsor. For example, the Department of Public Safety (DPS) had increments in the current year to increase the amount of overtime budgeted per position in order to see the overtime hours budgeted. He elaborated that OMB's personal services detail for DPS showed the base salary and 300 hours of overtime budgeted for a PCN [position control number]. Another option tried a couple of years back was to have a separate allocation in the budget for premium pay beyond what was in the regular budget. He explained it had been in the enacted budget the previous year, but the governor had eliminated the allocation in the management plan and had transferred the funding out. He summarized that there were a couple of ways to accomplish the goal and he did not believe the amendment specified it had to be done one way. He explained that the amendment directed OMB to show the information outside base payroll as a separate item in order to see it. He believed OMB would likely have to work with the departments to figure out the best method.

Representative Hannan stated that Mr. Painter had given a couple of examples where the method was done differently. She asked for verification that the intent language did not mean all departments had to separate the information out the same way, but the information needed to be itemized separately.

Mr. Painter agreed it was his interpretation of the amendment intent language. He explained that one line item would technically be personal services. He assumed that line item meant the information was separated out somewhere in the budget. For example, it could be in the OMB detail book where premium pay would be separated out from base pay. The information would still be within the personal services line item, but separated out.

[9:32:59 AM](#)

Representative Galvin asked if it mattered if the language did not specify "to be reported when and to whom." She asked if it was assumed it would mean the standard report time for OMB. She was used to seeing directive language specify something like "every six months you will report to." She wanted to make sure the language was clear so the information would come to the legislature at least once a year and preferably before or during the subcommittee process.

Mr. Painter responded that often intent language asking for information to be delivered to the legislature included a date, typically December 20. When no date was specified, agencies responded to all items in the intent memo coordinated by OMB; however, if they were not asked to make a report they would provide a written response, but not a report. He suggested that under the case of the amendment language, OMB may be able to just show what was done by department in the intent memo. He explained that the legislature did not necessarily need a report because the information itself may be in each agencies' budget or the OMB detail book.

Representative Galvin replied that the explanation made sense, but she had been through three subcommittees where she had been unable to get answers. She wanted to make sure the information would be received. She thought the

amendment sponsor intended for the information to be available during the subcommittee process.

Co-Chair Josephson asked if Mr. Painter viewed the request as manageable.

Mr. Painter replied affirmatively. He believed there would be choices about how to provide the information and he believed it was manageable to show the overtime in the budget in some form.

Co-Chair Josephson WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment 65 was ADOPTED.

[9:36:08 AM](#)

Co-Chair Josephson MOVED to ADOPT Amendment 66 (copy on file):

Agency: Law  
Appropriation: Civil Division  
Allocation: Dep. Attny General's Office

Transaction Details

Title: Remove Temporary Increment for Statehood  
Defense (FY25-26) Section: Section 1  
Type: Dec

Line Items (Amounts are in thousands)

Personal Services: 0.0  
Travel: 0.0  
Services: -500.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: -500.0

Positions

Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund -500.0

#### Explanation

The Department is holding \$3.6m in unspent moneys from this allocation in previous years and averages an expenditure of \$2-3m/year. Therefore, there is no demonstrated need to continue the temporary increment (FY25-26) added last session.

Representative Stapp OBJECTED.

Co-Chair Josephson explained the amendment pertained to statehood defense funding for the Department of Law (DOL). He remarked that statehood defense had become a "separate thing" that was never present in a prolonged way in the past. He shared that he and his staff had confirmed with DOL and LFD that there was about \$3 million remaining in unspent statehood defense funds from past years that was available. He referenced the joint address by Senator Dan Sullivan to the legislature recently. He noted that U.S. Senator Sullivan had talked about 67 to 75 items the Biden administration was blocking on an assortment of issues including navigable waters, extracted industry proposals, and permitting. He stated that Senator Sullivan had torn up former President Biden's orders during the address. He highlighted it was a physical demonstration that those days were gone, and the new U.S. Department of the Interior secretary was Doug Burgum, the former governor of North Dakota. He highlighted that Secretary Burgum had issued a statement and document a couple of weeks back showing the Trump administration's plans for Alaska. He pointed out that Senator Sullivan had highlighted that only Alaska received the attention in a profound way when it came to resource development.

Co-Chair Josephson stated that it indicated that the Trump administration wanted to develop Alaska and there should not be as much litigation [as in the past]. He stated that DOL had told him there were still nonprofits filing cases, but DOL agreed the federal government was now a partner with the Dunleavy administration. The amendment would save the state \$500,000 that should not be needed in the way it had been in the past. He reiterated there was \$3 million in funds designated for the purpose of statehood defense.

[9:39:08 AM](#)

Representative Johnson was inclined to agree but was uncertain. She knew DOL had a tremendous number of cases and substantial work in the area. She was appreciative that the federal government was no longer after Alaska as it had been in the past. She highlighted that just because DOL was holding \$3.6 million in unspent money, it did not necessarily mean DOL did not have unbilled hours outstanding. She wondered about cases already in progress. She tended to agree with Co-Chair Josephson, but she wished she knew more about the numbers.

[9:40:37 AM](#)

Representative Bynum opposed the amendment. He believed it was the time when the State of Alaska needed to be more aggressive on the topic. He stated that just because there was a friendly administration to the state, it did not mean there was not work to do to protect the rights of Alaskans and the state's right for self-determination. He believed there were many obligations that still needed to be met. He stated that \$3 million for lawyers could go quickly. He thought it was the time for the state to do more and not less in state defense.

Representative Stapp remarked that he appreciated Senator Sullivan symbolically tearing up the piece of paper [with Biden administration orders pertaining to Alaska]. He added that Senator Sullivan had also handed out a piece of paper that symbolically showed a spurline to Fairbanks from a gasline that did not actually exist within the context of the project. He highlighted that ripping up a piece of paper did not change the fact that there were still active legal cases within the Environmental Protection Agency (EPA) in Fairbanks pertaining to PM 2.5. He provided other examples including highways and the potential the state would need to litigate over Statewide Transportation Improvement Program (STIP) funding for capital projects. Additionally, there were Kuskokwim River management issues in an active case. He wondered how much of the remaining \$3.6 million was encumbered or looking to be encumbered for active cases.

[9:42:45 AM](#)

Representative Tomaszewski opposed the amendment. He suggested that current funding could be insufficient. He noted there were over 80 statehood defense cases underway.

He pointed out that litigation did not wind down quickly and there were many cases that needed to be taken care of. He shared that the remaining funding had been spent down to about \$3.3 million to date. He remarked that four years ago there had been 35 to 40 cases at the start of the Biden administration and the number had doubled since that time. He highlighted there was a lot of casework that needed to be done and issues that needed to be addressed. He emphasized that he did not want the federal government overstepping its bounds. He highlighted examples including, hunting, fishing, water. He noted that the pace had increased, not slowed. He thought the state may be able to wind many of the cases down in the coming years as a result of the new "friendly" administration. He believed the state could not take its eyes off keeping the federal government out of Alaska. He planned to offer an amendment to increase the amount by \$500,000. He suggested that perhaps they could compromise and leave the current increment in the budget. He would vote against the decrement in Amendment 66.

[9:45:03 AM](#)

Representative Galvin spoke in support of the amendment. She was concerned about the message the legislature was sending by growing the fund at a time when she would prefer funding to go towards helping project development in other ways like increasing the speed of the permitting process and paying contractors on time. She relayed that the fund balance had been a little over \$3 million in the last session and it was now a bit bigger. She thought it felt like the state was bankrolling something that may or may not happen. She pointed out that the cost was unknown. She believed it sent a message to the public that the state was going to bankroll lawyers just in case. She would prefer to ensure projects were on time. She added that the governor could provide a supplemental request to the legislature if expenditures arose. She pointed out that supplemental funds had been requested in the past for things ranging from fires to lawsuits. She believed it was important to be careful to not spend anything extra at the time.

[9:46:58 AM](#)

Co-Chair Josephson provided wrap up on Amendment 66. He referenced Representative Tomaszewski's remarks that four years ago, prior to the Biden administration, there were 35

to 40 cases, and currently there were 75 to 80. He stated it illustrated his point. He believed the cases would be slashed because by all indication the administration would be much more supportive of resource development. He explained that it could dismiss cases, appeals, administrative actions, and permit denials. He believed the cut proposed in the amendment was "okay." He referenced Representative Tomaszewski's statement there was \$3.3 million in remaining funds, which was pretty consistent with his amendment.

Representative Stapp MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Hannan, Galvin, Jimmie, Foster, Schrage, Josephson

OPPOSED: Tomaszewski, Bynum, Johnson, Stapp, Allard

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment 66 was ADOPTED.

[9:48:56 AM](#)

Representative Tomaszewski MOVED to ADOPT Amendment 67 (copy on file):

Agency: Law  
Appropriation: Civil Division  
Allocation: Dep. Attny General's Office

Transaction Details

Title: Support for Statehood Defense (FY26-27)  
Section: Section 1  
Type: IncT

Line Items (Amounts are in thousands)

Personal Services: 0.0  
Travel: 0.0  
Services: 500.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total 500.0

Positions

Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)  
1004 Gen Fund 500.0

Explanation

Current Funding could be insufficient (80+ statehood cases currently.) Pace is not slowing (cases do not wind down overnight.)

Representative Hannan OBJECTED

Representative Tomaszewski stated that the amendment would add \$500,000 to the fund that the committee had just voted to remove \$500,000 from. Consequently, he WITHDREW the amendment.

Representative Stapp MOVED to ADOPT Amendment 68 (copy on file):

Agency: Law  
Appropriation: Civil Division  
Allocation: Dep. Attny General's Office

Transaction Details

Title: Adds Funds for Statehood Defense Efforts  
(FY26-FY27)  
Section: Section 1  
Type: IncT

Line Items (Amounts are in thousands)

Personal Services: 0.0  
Travel: 0.0  
Services: 500.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 500.0

Positions

Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)  
1004 Gen Fund 500.0

Explanation

This amendment restores the temporary increment that was reduced in the subcommittee.

Representative Hannan OBJECTED.

Representative Stapp highlighted that he had asked [during the conversation on Amendment 66] how much of the \$3.6 million [remaining in previously appropriated statehood defense funding] was encumbered. He wanted an answer to the question.

Co-Chair Josephson replied that they could ask Mr. Rob Carpenter with LFD. Co-Chair Josephson was the DOL subcommittee chair, and he did not recall Cori Mills [Deputy Attorney General, Office of the Attorney General, Department of Law] saying the monies were completely encumbered.

Representative Stapp stated that he did not necessarily mind cutting the money, but he wanted to know the answer to his question. He reasoned that if there were 80 active cases, there should be a number used for the cases even if there was hope that some of the cases would be dismissed. He was interested in the expected spending in FY 26. He wondered if there was an adverse impact on the cases.

Co-Chair Josephson stated that the matter was now with the committee, and he would not be contacting DOL with the question. He asked Mr. Carpenter to respond to the question.

[9:51:59 AM](#)

ROB CARPENTER, DEPUTY DIRECTOR, LEGISLATIVE FINANCE DIVISION, replied that departments could not encumber funds beyond a year. He believed Ms. Mills had stated that the department was spending \$2 million to \$3 million per year [on statehood defense cases]. He believed there was \$3.2 million in remaining funds and a \$500,000 temporary increment in FY 25. In theory, the department would have \$2 million to \$3 million carried forward into FY 26. He noted that his answer was a bit of conjecture.

Co-Chair Josephson reasoned it was likely DOL had the resources, otherwise the department would have asked for more than \$500,000.

Mr. Carpenter recalled from the prior session that DOL had about \$8 million in projected needs through Governor Dunleavy's term. He relayed that the \$500,000 for FY 25 had been cut down from a \$1 million request and would go over three years. The department had requested an additional \$500,000 temporary increment in FY 26 for two years at a total of \$1 million. He stated that by removing the \$500,000 in the FY 26 budget, the only remaining money was the multiyear funding. The question was whether it could get the department through FY 26.

[9:54:26 AM](#)

Representative Stapp stated his understanding of Mr. Carpenter's answer that the burn rate was \$2 million to \$3 million per year. He thought it was a bit tricky because the request had been reduced in subcommittee and now the committee had cut \$500,000 from the multiyear appropriation. He estimated it would mean there was \$2.7 million remaining. He speculated that if the burn rate was \$2 million to \$3 million per year, the department may not have the funding within the year to finish current litigation. He stated it would be nice to know the answer before the committee stripped away or added back more funding.

Representative Galvin asked what it looked like if DOL ran out of money. She wondered whether all the [statehood defense] cases would shut down. She imagined if a big case came in, DOL may need \$10 million more. She thought it seemed very hard to predict. She wanted to know what it would look like if DOL shut down cases.

Co-Chair Josephson noted there was a request of \$4 million in the FY 25 supplemental for the A Better Childhood lawsuit; therefore, he reasoned that DOL was capable of intervening.

Representative Johnson asked if there was anyone available from the department online.

Co-Chair Josephson replied there was not.

Representative Johnson hoped to hear from DOL.

Representative Allard remarked that if the legislature continued to deplete the fund, it would mean an absence of legal representation for Alaskans. She found it alarming. She believed the legal representation was needed.

Co-Chair Schrage did not believe much more could be cut given the available funds and expected burn rate; however, he expected the level of work to diminish under the current federal administration. He stated his understanding that if funding became an issue during the next year, DOL could prioritize cases based on how they were going and how important they were. He added that if there was a need to continue litigation because there were cases of great importance to Alaska, there could always be an FY 26 supplemental if the state's financial situation allowed.

[9:57:54 AM](#)

Representative Bynum supported the amendment. He pointed out that the department had requested the funding for a reason. He thought that if they were merely asking for an arbitrary number, they would ask to double the fund. He appreciated Representative Stapp asking the question about the expected obligation for litigation. He wanted to know the number before voting on whether to cut the funds. He did not know why the legislature would want to shove it off to the FY 26 supplemental if the department needed the funding. He was supportive of trying to save as much money as possible, but he believed it was an area where the legislature should be pushing forward in saying that Alaska had a right to be free of federal government obligation whenever possible. He referenced committee member comments about the need to be more efficient and act more quickly. He stressed that those things were done when Alaskans had the ability to determine what the state was doing. He underscored that the fund was trying to give control to Alaskans to make better decisions for themselves. He thought the state already depended too much on the federal government. He wanted to hear from DOL.

[10:00:09 AM](#)

Co-Chair Josephson appreciated Representative Bynum's point. He observed that Representative Bynum wanted to cut tens of millions from the Department of Corrections (DOC).

He pointed out that DOC perhaps genuinely came to the legislature for those requests. He was trying to reconcile the two things.

Representative Hannan found that DOL could be very persuasive in advocating for its requests. For example, the legislature was appropriating \$4 million for the A Better Childhood lawsuit. She recognized it was not part of statehood defense, but it was an example where DOL had requested the funds for a specific lawsuit and the legislature had appropriated the funding. She highlighted that the previous year the legislature had talked a lot about departments having slush funds with anonymous decision making. She believed if DOL requested funding for specific cases it would be different. She highlighted that there was ongoing appropriation in multiyear funds and unresolved litigation. She noted that committee members had heard from DOL during the subcommittee process and individually. She had initially been opposed to the A Better Childhood litigation, but DOL had changed her mind and she supported the funding. She did not support the amendment. She felt differently if the legislature was presented with specific litigation that needed to be completed and a specific amount.

[10:02:05 AM](#)

Co-Chair Josephson noted the committee had approved \$4 million that day for the A Better Childhood litigation.

Co-Chair Schrage did not believe the intent was dilatory, but the effect was. He stated that the committee had already dealt with an amendment making a decrement [to statehood defense funding for DOL] and the current Amendment 68 would add the funds back. He called the question.

Representative Johnson OBJECTED.

Co-Chair Josephson relayed that DOL's top prosecutor had called in and was available for questions. He noted that the topic was not the individual's expertise, but he was available for questions.

JOHN SKIDMORE, DEPUTY ATTORNEY GENERAL, CRIMINAL DIVISION, DEPARTMENT OF LAW (via teleconference), was available for questions. He pointed out that he was with the Criminal

Division and it sounded like the amendment may impact the Civil Division.

Co-Chair Josephson confirmed the amendment impacted the Civil Division, not the Criminal Division.

[10:03:50 AM](#)

Representative Johnson relayed that the committee was discussing statehood defense and how much may be encumbered.

Co-Chair Josephson directed Representative Johnson to stick to Amendment 68.

Representative Johnson asked if how much of the existing funding for statehood defense was encumbered. She explained that the committee had passed an amendment decrementing the statehood defense funding and was currently discussing an amendment to add funding back.

Mr. Skidmore replied that he did not have the information. He stated that the money was managed by the Civil Division. He heard the Civil Division testify earlier in the year about ongoing litigation. The department was anticipating that costs for statehood defense cases would have a spike in the short term before going down. He did not know how much money had been spent to date.

[10:06:00 AM](#)

Representative Stapp provided wrap up on Amendment 68. He thought it was sloppy to shoot for a supplemental appropriation request in the budget. He noted that Mr. Skidmore had stated the department expected a spike before dropping off. He added that Mr. Carpenter had testified that the current burn rate was \$2 million to \$3 million. He asserted that if there was a spike of \$2 million to \$3 million, he thought it was fair to say it was likely greater than existing funding of \$2.7 million (after the \$500,000 cut). He thought they should try to avoid intentionally creating supplemental requests whenever possible.

A roll call vote was taken on the motion.

IN FAVOR: Allard, Johnson, Tomaszewski, Stapp, Bynum

OPPOSED: Jimmie, Hannan, Galvin, Foster, Schrage, Josephson

The MOTION to adopt Amendment 68 FAILED (5/6).

Representative Jimmie did not offer Amendments 69 through 72 (copy on file).

Co-Chair Josephson rolled Amendment 73 (copy on file) to the bottom.

[10:08:27 AM](#)

Representative Stapp MOVED to ADOPT Amendment 74 (copy on file):

Agency: Military & Veterans' Affairs  
Appropriation: Military and Veterans' Affairs  
Allocation: Office of the Commissioner

Transaction Details

Title: Restore Funding for the Alaska State Defense Force  
Section: Section 1  
Type: Inc

Line Items (Amounts are in thousands)

Personal Services: 0.0  
Travel: 0.0  
Services: 400.2  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 400.2

Positions

Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund 359.5  
1007 I/A Rcpts 40.7

Explanation

The Alaska State Defense Force (ASDF) is an all-volunteer organization and is considered part of

Alaska's Organized Militia established under AS 26.05.100. The primary utilization of the ASDF has been responding to incidents and needs of rural communities that may not rise to the level of a state emergency or disaster, providing a quick response in times of need. This amendment restores the funding that was reduced in subcommittee.

Co-Chair Josephson OBJECTED for discussion.

Representative Stapp explained the amendment would restore base funding for the Alaska State Defense Force. He shared that he had never been a big believer in the Defense Force until he saw the organization in action for certain disaster relief responses, particularly in rural Alaska. He cited the responses to Typhoon Murbok and landslides in Wrangell as examples. He had talked to individuals in many of the communities and they were very happy that the Alaska State Defense Force was able to provide immediate emergency services. He thought the service provided in crises situations by volunteers and with little state support was worthy of funding. He highlighted the benefit of the services to individuals in rural communities during disaster situations.

Co-Chair Josephson asked how much of the funding in the increment would go towards restoring a coordinator position.

Representative Stapp asked for a lifeline. He did not know the answer to the question and was looking to restore the funding that had been cut during the subcommittee process.

[10:10:03 AM](#)

Co-Chair Foster explained that the subcommittee cut the \$400,000 in the base. The administration had asked for an additional \$175,000 and he estimated that around \$100,000 of the additional amount was for the [coordinator] position. The add of \$400,000 proposed in the amendment was for the base funding and not the position.

Co-Chair Josephson had been told that in the budget's current form, the position funding was eliminated.

Mr. Painter explained that the position was established through a position adjustment in the FY 26 budget without

specific funding. He elaborated that the reduction made by the subcommittee would effectively defund the position; however, the position had not been deleted. He relayed that without the amendment, the position would be unfunded.

Representative Allard spoke in support of the amendment. She shared that in the past there had been an avalanche in Eagle River and the role the Alaska State Defense Force played in the response saved the state substantial funding. She relayed that even though federal funds had been received for the disaster, the National Guard had been able to perform its duties, while the Defense Force took care of other things like directing traffic, putting up pylons, handing out water, and helping members of the community. She understood the value the Defense Force had in rural communities. She shared that in the past she had been supportive of cutting funding for the organization; however, over the years she had seen the importance of the organization. She added that Defense Force "scouts" called into Joint Base Elmendorf-Richardson (JBER) and Eielson Air Force Base to report sightings of unrecognized ships, submarines, and aircrafts.

Representative Bynum spoke in strong support of the amendment. He stated that prior to the landslide in Ketchikan, he had no real visibility on what the Alaska State Defense Force was. He elaborated that when the landslide occurred, the Defense Force was activated, and volunteers were a tremendous asset to the community. He stressed that the organization was comprised of volunteers who were active in communities and when things happened, they provided immeasurable help. He emphasized that the funding increment was small to keep the program available to Alaskans. He had told the department it was necessary to do a better job communicating with Alaskans on why the program existed and why it was important. He thought cutting the funding would hurt communities in times of need.

[10:14:57 AM](#)

Co-Chair Foster supported the amendment. He relayed that the \$400,000 had been removed from the base budget by the subcommittee. The administration's request for an additional \$175,000 had been denied. He supported getting the Department of Military and Veterans Affairs increment

back to the base number. He believed the service was very important during times of disaster in rural Alaska.

Co-Chair Schrage stated that he could not support the amendment. He did not doubt the value of the program. He remarked that the House Finance Committee had kicked off its work on the operating budget with a conversation about the dire fiscal state in Alaska and the need to be fiscally conservative and mindful of savings. Additionally, the governor's proposed budget was billions of dollars in the red. He stated that the committee was doing its best to address the considerable deficit and it had to weigh valuable programs against the limited resources. He referred to deferred maintenance needs including students in schools who could not stay warm and black mold under facilities. Additionally, the education system was in crisis and Alaska was actively losing educators. He stressed there were so many things to prioritize and while he believed the Defense Force did good work, he did not know that it was more important than all of those other things. He stated the legislature would have to pick and chose what it would spend money on in the current year and the Defense Force was not on his priority list.

Representative Hannan requested an at ease.

[10:17:42 AM](#)

AT EASE

[10:19:12 AM](#)

RECONVENED

Co-Chair Schrage MOVED to TABLE Amendment 74.

Representatives Stapp, Johnson, and Allard OBJECTED.

A roll call vote was taken on the motion to table Amendment 74.

IN FAVOR: Galvin, Jimmie, Hannan, Schrage, Foster, Josephson

OPPOSED: Stapp, Allard, Tomaszewski, Bynum, Johnson

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment 74 was TABLED.

[10:20:38 AM](#)

Co-Chair Josephson stated that Amendment 75 would not be offered (copy on file).

Co-Chair Josephson MOVED to bundle Amendments 76 and 79 (copy on file):

Amendment 76  
Agency: Agriculture  
Appropriation: Agriculture  
Allocation: Agricultural Development

Transaction Details  
Title: Restore the Division of Agriculture as an Appropriation under the Department of Natural Resources  
Section: Section 1  
Type: Struct

Line Items (Amounts are in thousands)  
Personal Services: 0.0  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 0.0

Positions  
Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

Amendment 79  
Agency: Natural Resources  
Appropriation: Fire, Land, and Water Resources  
Allocation: Fire Suppression Preparedness

Transaction Details  
Title: Reverse Transfer of Reclassified Wildfire Resource Technician 4 to Department of Agriculture  
Section: Section 1  
Type: ATrIn

Line Items (Amounts are in thousands)

Personal Services: 103.1  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 103.1

Positions

Permanent Full-Time: 1  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

1002 Fed Rcpts 9.2  
1004 Gen Fund 90.8  
1061 CIP Rcpts 3.1

Agency: Agriculture  
Appropriation: Agriculture  
Allocation: Commissioner's Office

Transaction Details

Title: Reverse Transfer of Reclassified Wildfire  
Resource Technician 4 to Department of Agriculture  
Section: Section 1  
Type: ATrOut

Line Items (Amounts are in thousands)

Personal Services: -103.1  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: -103.1

Funding (Amounts are in thousands)

1002 Fed Rcpts -9.2  
1004 Gen Fund -90.8  
1061 CIP Rcpts -3.1

Positions  
Permanent Full-Time: -1  
Permanent Part-Time: 0  
Temporary: 0

Agency: Natural Resources  
Appropriation: Fire, Land, and Water Resources  
Allocation: Fire Suppression Preparedness

Transaction Details  
Title: Reverse Transfer of Reclassified Fire  
Management Officer to Department of Agriculture  
Section: Section 1  
Type: ATrIn

Line Items (Amounts are in thousands)  
Personal Services: 127.1  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 127.1

Positions  
Permanent Full-Time: 1  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)  
1004 Gen Fund 114.4  
1007 I/A Rcpts 6.4  
1061 CIP Rcpts 6.3

Agency: Agriculture  
Appropriation: Agriculture  
Allocation: Commissioner's Office

Transaction Details  
Title: Reverse Transfer of Reclassified Fire  
Management Officer to Department of Agriculture  
Section: Section 1  
Type: ATrOut

Line Items (Amounts are in thousands)  
Personal Services: -127.1

Travel: 0.0  
Services: 0.0  
Total: -127.1

Positions

Permanent Full-Time: -1  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund -114.4  
1007 I/A Rcpts -6.4  
1061 CIP Rcpts -6.3

Representative Stapp OBJECTED for discussion. He requested to read the amendments first.

[10:20:53 AM](#)

AT EASE

[10:29:03 AM](#)

RECONVENED

Co-Chair Josephson relayed that he had moved to bundle Amendments 76 and 79. There had been a request to take a pause [to read the amendments], which had occurred. He assumed there was an objection.

Co-Chair Josephson explained the amendments [pertaining to the governor's executive order to create a department of agriculture]. He recalled that when there had been a proposal to separate Department of Health and Social Services into two departments, the legislature had moved forward as if the effect of the departmental change may occur. He stated there was an absence of key parts including the office of the Division of Agriculture. He explained that Amendment 76 restored the Division of Agriculture as an appropriation within the Department of Natural Resources (DNR). Amendment 79 would move two positions from the department of agriculture back to their original location within DNR. He asked Mr. Painter about the effects of Amendments 76 and 79.

Mr. Painter stated that Amendment 76 would transfer the Division of Agriculture from the department of agriculture back to its original location within DNR. Amendment 79 would transfer two positions the governor's amended budget

had moved from DNR into the department of agriculture back into DNR.

Co-Chair Josephson asked if the amendments would return the items to the way they looked in the governor's original December budget.

Mr. Painter replied that the department of agriculture had not been added until the governor's amended budget. The amendments would bring the items back to the December 15 submission.

Representative Stapp thought DNR Commissioner John Boyle had testified that the two positions were not needed; therefore, they could be transferred.

Mr. Painter replied that Commissioner Boyle had stated the two positions were currently vacant.

Representative Stapp MOVED to ADOPT conceptual Amendment 1 to delete the two positions.

Representative Hannan OBJECTED.

[10:32:26 AM](#)

AT EASE

[10:32:38 AM](#)

RECONVENED

Co-Chair Josephson clarified that he had previously moved to bundle Amendments 76 and 79. He asked if there were any further objections to the motion.

Representative Stapp WITHDREW the OBJECTION. There being NO further OBJECTION, Amendments 76 and 79 were bundled.

Representative Stapp MOVED to ADOPT conceptual Amendment 1 to cut the two positions.

Representative Hannan OBJECTED. She shared that she had a slightly different conceptual amendment, which would move the positions to the Division of Agriculture within DNR as two new positions.

[10:34:10 AM](#)

AT EASE

10:35:44 AM

RECONVENED

Representative Hannan WITHDREW the OBJECTION to conceptual Amendment 1 to bundled Amendments 76 and 79.

Representative Johnson OBJECTED. She stated that at first there were going to be a given number of needed positions for the department of agriculture and then it had been determined the positions were not all needed, which resulted in a zero fiscal note. She elaborated that subsequently it had been proposed to take the two vacant positions from DNR. She had some concern about taking wildfire resource technicians away from the Division of Forestry. She believed there were five of the positions within the division. She did not have a problem with putting things back the way they were in department of agriculture, but she had some concern about taking wildfire and other forestry positions.

Co-Chair Schrage shared some of Representative Johnson's concern; however, he was trying to weigh it with the fact the positions had been vacant and unfilled. He highlighted that DNR had told the committee the positions were not necessary for DNR and could be moved to the department of agriculture. He had no assurance the positions would be filled if they were left in the budget and the funding may funneled elsewhere. He stressed that the state did not have the money to do all things; it was necessary to find places to reduce the budget in order to focus on what was most important for Alaska. He supported the conceptual amendment.

Co-Chair Josephson took some comfort that although it was not enough, the legislature funded firefighting in the operating and supplemental budgets. He stated that when there were emergencies - and there would be some in the coming summer - the legislature found ways to pay for them.

Representative Johnson thought the two different types of positions were a wildfire resource technician 4 and a fire management officer. She did not have a problem cutting vacant positions, but she was opposed to cutting a fire management officer and resource technician. She would love to do a reduction in vacancies, but the two specific positions were not ones she wanted to cut.

Representative Stapp provided wrap up on the amendment. He shared the concerns by Representative Johnson and believed the last thing the legislature should do is take away resources if the positions were filled for firefighting purposes. He underscored that the DNR commissioner had stated clearly on the record there was no intent to fill the positions and the positions would be transferred out to the department of agriculture. He noted that he had supported the governor's executive order to create a department of agriculture, but the proposal had failed. He saw no need to have continued positions if the department did not intend to fill them.

A roll call vote was taken on the motion to adopt conceptual Amendment 1 to bundled Amendments 76 and 79.

IN FAVOR: Hannan, Allard, Bynum, Tomaszewski, Stapp, Jimmie, Galvin, Foster, Schrage  
OPPOSED: Johnson, Josephson

The MOTION PASSED (9/2). There being NO further OBJECTION, conceptual Amendment 1 to bundled Amendments 76 and 79 was ADOPTED.

[10:41:50 AM](#)  
AT EASE

[10:43:09 AM](#)  
RECONVENED

Co-Chair Josephson asked if the intent of conceptual Amendment 1 was to remove the positions and associated funding.

Representative Stapp agreed. His intent was to remove the positions and the appropriation.

Representative Hannan OBJECTED for Representative Johnson [Representative Johnson was not presently in the room].

[10:43:47 AM](#)  
AT EASE

[10:44:19 AM](#)  
RECONVENED

Co-Chair Josephson stated that the sponsor of conceptual Amendment 1 had clarified his intent to delete the positions and associated funding.

Representative Hannan WITHDREW the OBJECTION.

10:44:50 AM

There being NO further OBJECTION, Amendments 76 and 79 were ADOPTED as amended.

10:45:10 AM

AT EASE

10:45:21 AM

RECONVENED

Co-Chair Josephson clarified that bundled Amendments 76 and 79 as amended were adopted without objection.

Co-Chair Josephson MOVED to bundle Amendments 77 and 78 (copy on file):

Amendment 77

Agency: Natural Resources

Appropriation: Parks and Outdoor Recreation

Allocation: Parks Management & Access

Transaction Details

Title: Partial reduction of vehicle rental tax funds added for revenue-generating facilities and infrastructure projects

Section: Section 1

Type: Dec

Line Items (Amounts are in thousands)

Personal Services: -375.0

Travel: 0.0

Services: 0.0

Commodities: 0.0

Capital Outlay: 0.0

Grants: 0.0

Miscellaneous: 0.0

Total: -375.0

Positions

Permanent Full-Time: 0

Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)  
1200 VehRntlTax -375.0

Explanation  
reduction in vehicle rental receipts in order to fund  
park rangers

Amendment 78  
Agency: Natural Resources  
Appropriation: Parks and Outdoor Recreation  
Allocation: Parks Management & Access

Transaction Details  
Title: Add three park rangers in Haines, Chugach,  
and Valdez  
Section: Section 1  
Type: Inc

Line Items (Amounts are in thousands)  
Personal Services: 0.0  
Travel: 0.0  
Services: 375.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total: 375.0

Positions  
Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding (Amounts are in thousands)  
1200 VehRntlTax 375.0

Representative Stapp OBJECTED.

Co-Chair Josephson explained Amendments 77 and 78. He stated that Co-Chair Schrage had overseen the DNR subcommittee, which had learned that the vehicle rental tax was doing well and there were unappropriated monies in the amount of \$2.334 million. He elaborated that the

subcommittee had appropriated the funds to state parks for the construction of cabins. The amendment would move \$375,000 of the \$2.334 million to fund park rangers at Chugach State Park, Haines State Park, and several parks in Valdez. He listed several parks in Valdez. He shared that Valdez had argued that it could not continue to oversee the operation of state parks and other facilities with volunteers in the Valdez region, particularly given increased cruise ship traffic.

Co-Chair Schrage did not oppose to the bundling of the amendments, but he would have additional remarks on the substance of the amendments.

Representative Stapp OBJECTED to the bundling. He did not believe he had an issue with the reduction of the rental tax funding. He did not think it was a great look to cut fire service employees and add park rangers. He would make his remarks during the discussion on the amendments. He WITHDREW the OBJECTION to the bundling of Amendments 77 and 78.

Representative Johnson OBJECTED for clarification. She read description language for Amendment 77: Partial reduction of vehicle rental tax funds added for revenue-generating facilities and infrastructure projects. She asked if the funding as originally intended would go to parks statewide. She wondered if the amendment would keep the funding in the same areas of the state. She did not want unintended consequence of shifting money from one area to another. She wondered what the expected revenue from new cabins would be. She wanted to ensure the committee was not removing seed money for something that would produce more funds.

[10:52:15 AM](#)

Co-Chair Josephson did not know where the new cabins would be built in the state.

Representative Bynum asked if it was the intention that the actions in the two amendments should be together and if one or the other were to fail it would not have the desired outcome.

Co-Chair Josephson replied affirmatively.

Co-Chair Schrage recalled that where the cabins would be built was not specific, it would be left to the department to determine location based on demand and need. He stated that the cabins would generate revenue, as would parks. He stated the funding was an investment to continue to pay for the services into the future. He explained that if the committee only adopted Amendment 77 the funds would lapse into the general fund. The combination of the two amendments allowed the legislature to appropriate excess vehicle rental tax funds towards a source that would continue to generate revenue in future years.

10:54:18 AM

Representative Johnson remarked that they taking a revenue generating source and adding three positions, which was an expenditure. She had some concerns from a business perspective. Additionally, she did not want to take something needed in the rest of the state and replace it with park rangers in specific areas. She MAINTAINED the OBJECTION.

A roll call vote was taken on the motion to bundle Amendments 77 and 78.

IN FAVOR: Bynum, Stapp, Hannan, Galvin, Schrage, Foster, Josephson

OPPOSED: Johnson, Jimmie, Allard, Tomaszewski

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendments 77 and 78 were bundled.

Representative Hannan in support of bundled Amendments 77 and 78. She highlighted that most of Alaska's state parks had transitioned to self-pay fee stations. She stated that people were typically honest and self-paid; however, a state park located in Haines had a substantial increase in day visitors to look at bears and most people walked past the pay station claiming they were merely taking a photo and did not need to pay for the day use. She elaborated that there was only one ranger in Haines with five park areas. Typically, the ranger was out making sure a cabin was ready for rental or 26 miles north at Mosquito Lake instead of making sure everyone who should be self-paying really was. She stated that the rangers had law enforcement authority and provided protection, but they were also there to enforce the self-pay. She underscored that the park in

Haines should be generating much more revenue because of the number of people going over the road counter. She believed park rangers continued to generate revenue. She noted that in a place like Haines, the ranger also ensured the cabin was maintained and ready for rental.

[10:57:45 AM](#)

Representative Stapp MOVED to ADOPT conceptual Amendment 1 to Amendments 77 and 78 to delete the park ranger positions and move the \$375,000 from the vehicle rental assistance fund to fire, land, and water within DNR for fire suppression and preparedness. He did not see the point of having cabins and park rangers if trees and parks all burned to the ground.

Co-Chair Schrage OBJECTED.

Representative Galvin asked to hear from Legislative Legal or LFD about the fund. She recalled that the vehicle rental tax was intended for a specific purpose related to ensuring there was seed money to help tourism dollars to grow.

Co-Chair Josephson asked Mr. Painter to tell the committee about the vehicle rental tax.

Mr. Painter responded that the vehicle rental tax in statute was designated for tourism marketing. He relayed that LFD did not consider parks to fall under the marketing category. He stated that LFD viewed parks as a non-designated use. He explained that it was a designated fund so the legislature could do what it wished. There was a long standing precedent of the legislature using the fund source for "this" and for Department of Transportation and Public Facilities (DOT) welcome centers along highways. He noted that neither were tourism marketing, so neither would fit the designation.

Co-Chair Josephson asked for verification that Mr. Painter was saying there was nothing revolutionary about spending some vehicle rental tax on parks.

Mr. Painter agreed. He stated the funds had been used for that purpose for many years, it did not fit the statute, but there was long standing precedent.

Representative Johnson asked if the money had ever been used for Alaska Travel Industry Association (ATIA).

Mr. Painter replied, "Yes, off and on."

Representative Allard asked if the committee would hear from Legislative Legal on the topic.

Co-Chair Josephson replied in the negative.

Representative Allard stated that if the committee was going to hear from Legislative Legal, the committee should do so anytime a member made the request. She noted that she had made the request earlier and had been denied.

Co-Chair Josephson replied that was denying the request [from Representative Galvin] to hear from the agency.

[11:01:06 AM](#)

Representative Bynum did not support the amendments for the reason that Mr. Painter indicated. He would vote against any conceptual amendments and the primary motion [on Amendments 77 and 78].

Co-Chair Josephson stated his understanding the vehicle rental tax had done well and it was unappropriated. He asked what would happen to the funds if the subcommittee had not appropriated them.

Mr. Painter replied that if the funds were not appropriated they would lapse into the general fund. The vehicle rental tax was an account and did not hold a balance from year-to-year.

Co-Chair Schrage asked for verification there was no history of using the funds for fire suppression or wildfire mitigation.

Mr. Painter answered, "Not to my knowledge."

Co-Chair Josephson reminded the committee that the proposed conceptual amendment would use \$375,000 to fight fires.

Representative Hannan asked if DNR had a request for expanding wildland fire funding.

Mr. Painter replied there were no increments requested in the FY 26 budget that the subcommittee did not accept.

Representative Stapp provided wrap up on the conceptual amendment. He thought that if money was going to lapse into the general fund, it should likely be directed toward a purpose that would be a big challenge. He thought it looked like it would be a bad fire season; there were already supplemental requests even though the fire season did not close until June in the current budget. He supported advance planning and thought the funds should be applied to an important purpose, i.e., fire suppression.

A roll call vote was taken on the motion to adopt conceptual Amendment 1.

IN FAVOR: Johnson, Stapp, Allard, Tomaszewski

OPPOSED: Galvin, Hannan, Jimmie, Bynum, Foster, Schrage, Josephson

The MOTION to adopt conceptual Amendment 1 to Amendments 77 and 78 FAILED (4/7).

[11:04:30 AM](#)

Representative Bynum stated that the committee had heard that the funds should be designated to marketing in tourism. He highlighted there had been an amendment offered earlier in the amendment process specifically for that purpose and members had been told there was no funding available. He reasoned there were obviously funds available that should be directed towards those purposes. He did not support bundled Amendments 77 and 78.

Representative Stapp thought the underlying amendment was superfluous. He stated that no one would use a variable fund source, i.e., vehicle rental tax, to hire three full-time park ranger positions. He suggested that even if the funding was given to the department, the department would not hire the three park rangers. He stressed that vehicle rental tax dollars were variable and depended on the number of cars rented. He asked members to vote against the amendment. He reasoned that if adding positions was the goal, general funds should be the fund source since the money lapsed into the general fund.

Co-Chair Josephson remarked that under that theory, cabins would not be built either.

Representative Tomaszewski did not support the amendments. He asked if the employees would be full-time and paid for with vehicle rental tax in perpetuity.

Co-Chair Josephson answered it was the intent to fund three positions in three parks.

Representative Tomaszewski asked if the positions would be full time.

Co-Chair Josephson answered that the positions looked to be full time.

Representative Galvin heard that the funds may not be used to hire anyone. She pointed out that the funding for education had not been permanent, reliable, or predictable for over a decade. She thought it was important to keep in mind when thinking through the legislature's most major responsibility.

[11:07:28 AM](#)

Representative Johnson was concerned about funding payroll with a variable source. She stated that at some point something would happen where it would become necessary to backfill with general fund money. She MOVED to ADOPT conceptual Amendment 2 to bundled Amendments 77 and 78 to fund ATIA with the vehicle rental tax funds.

Co-Chair Schrage OBJECTED. He believed \$375,000 would have more of an impact on the construction of additional cabins. He recognized there would be value in putting the funding towards ATIA, but he thought the amount was fairly small compared to the large marketing efforts the organization was trying to make. He highlighted that funding the construction of cabins would create additional revenue opportunities for the state. He pointed out that the cabins were remarkable and offered unparalleled access to Alaskans and tourists. He thought getting users out into parks and cabins was one of the best ways to market the state. He reiterated that the cabins would generate revenue for the state through the booking system. He thought it was a solid investment.

Representative Bynum agreed with the reasoning about why the cabins were desirable, but out of principle he would support the conceptual amendment.

Representative Johnson asked if the amendments had been bundled.

Co-Chair Josephson replied affirmatively.

Representative Johnson remarked that there were two topics before the committee. She agreed with Co-Chair Schrage about the cabins. She stated that the committee could not fund the cabins and three park rangers. She asked for clarification on what was taking place.

Co-Chair Josephson explained that [under bundled Amendments 77 and 78] a portion of the monies the subcommittee appropriated to cabin construction would instead go to fund three park rangers in Chugach State Park, Haines State Park, and Valdez park facilities.

Representative Johnson did not know why the amendments had been bundled if one did not apply to the other. She was trying to understand where the \$375,000 was going. She highlighted the discussion about the funds going to park rangers or cabin construction.

[11:11:33 AM](#)

Co-Chair Josephson explained that Co-Chair Schrage was referring to the alternative in the event the amendments failed.

Co-Chair Schrage clarified that Amendment 77 took the \$375,000 currently in the budget for cabin construction and moved it towards park rangers. He explained that Representative Johnson's conceptual amendment would put the funding towards ATIA. He elucidated that in either case, Amendment 77 would remove \$375,000 from the construction of cabins. His comments had centered on what would be lost if the funding went towards ATIA or park rangers.

Representative Johnson thought the issue needed to be clarified. She remarked that her conceptual amendment did not make any sense if the funding was going towards cabins, which she supported.

Co-Chair Josephson stated that although he would not vote for the conceptual amendment, it was germane.

Representative Johnson did not like amending something that she found unclear.

Co-Chair Josephson asked if Representative Johnson wanted to withdraw the conceptual amendment.

Representative Johnson replied in the negative. She wanted clarification on the underlying amendment she was trying to offer a conceptual amendment to. She would not make an amendment if the money was going towards cabins. She found the use of the money for cabins to be appropriate. She was strongly opposed to using the funding for park ranger positions because the fund source was variable and not set up for that purpose.

Co-Chair Josephson advised that if Representative Johnson was in support of \$2.3 million for cabin construction, she should vote against bundled Amendments 77 and 78.

Representative Johnson asked how to delete funding for park rangers.

Co-Chair Josephson stated she would just vote against the amendment.

11:14:00 AM

AT EASE

11:18:13 AM

RECONVENED

Co-Chair Josephson recognized Representative Rebecca Himschoot in the room.

Co-Chair Josephson clarified there was a pending motion to move \$375,000 to ATIA.

Representative Johnson WITHDREW the conceptual amendment.

Representative Allard asked how much revenue the state would lose if the cabins were not built. She wondered how much money the cabins would generate. She estimated it would likely be about \$75 to \$100 per night [per cabin].

Co-Chair Josephson suspected her estimate was about right, but he did not know.

Co-Chair Schrage noted that he had contacted a lifeline, but he did not know whether he would have the answer within the next several minutes.

Representative Allard thought it was a fair question and she needed thorough clarification.

Co-Chair Josephson replied that the amendments had been published for over a week. He stated it was not unheard of to go to the source, but he did not take issue with Representative Allard's estimate of \$75 to \$100 per night for a cabin rental based on his life experience.

11:20:37 AM

Representative Galvin highlighted that Alaska had about \$1.2 million visitors per year and during the COVID-19 pandemic, the gap had been filled by independent travelers. She added that there were travelers including cruise ship travelers coming into the parks. She stated it was not just about \$5 here and there.

Representative Tomaszewski wanted to clarify the intent of the amendments. He asked if the intent of the amendments was to hire three permanent full-time, part-time, or temporary positions.

Co-Chair Josephson answered that the intent was to hire three permanent part-time positions.

Representative Stapp clarified that the allocation in the amendment was in the services line. He did not know how it was possible to hire people in a services line appropriation. He suggested asking Mr. Painter. He had never seen personnel hired within a services line as opposed to a personal services line appropriation.

Mr. Painter replied that Amendment 77 removed funding from the personal services line. He believed the funding should be removed from the commodities line because the underlying addition of the funds was on the commodities line. He believed Amendment 78 should add money to the personal services line instead of services. He relayed that LFD could either stretch its technical and conforming powers to

create clarification [in the budget] or a conceptual amendment could be offered.

Co-Chair Josephson MOVED to ADOPT a conceptual amendment to have the decrement in Amendment 77 moved to the commodities line and with an addition to personal services rather than services in Amendment 78.

Representative Johnson asked for clarification on the conceptual amendment.

Co-Chair Josephson explained that the decrement in Amendment 77 would come from commodities and the addition would come from personal services in Amendment 78.

There being NO OBJECTION, the conceptual amendment was ADOPTED.

Representative Tomaszewski remarked that Mr. Painter had stated that vehicle rental tax dollars were supposed to go towards tourism. He understood that somewhere along the line the legislature had stretched its statutory authority and used precedent to make the motion to use the fund for something other than what it was specifically designated for. He could not support the amendments on those grounds alone. He thought the legislature should follow statutory authority.

Representative Allard highlighted that if a cabin generated \$75 [per night], it would bring in \$1.9 million annually for 70 cabins. She calculated that if only 45 of the cabins were rented out annually, it resulted in about \$985,000. She underscored that the cabins could fund whatever else DNR decided they needed to. She asked members to vote against the amendments.

[11:26:06 AM](#)

Co-Chair Josephson provided wrap up on bundled Amendments 77 and 78. He aligned himself with Representative Hannan's comment. He stated there were also fee opportunities from managing parks rather than having self-pay fee stations. Additionally, there were issues of cleaning up trash left by tourists and burdening cities with the management of state facilities in Valdez. He stressed that the Chugach State Park was a notoriously undermanned park. He noted it was a massive park with about two rangers. He stated that

access and management issues arose repeatedly. He relayed that Representative Julie Coulombe had been a leader in helping to fund Chugach State Park. He had met with the City of Valdez, and they made an exceptional case.

A roll call vote was taken on the motion.

IN FAVOR: Hannan, Josephson

OPPOSED: Allard, Tomaszewski, Bynum, Johnson, Jimmie, Stapp, Galvin, Foster, Schrage

The MOTION to adopt bundled Amendments 77 and 78 as amended FAILED (2/9).

HB 53 was HEARD and HELD in committee for further consideration.

HB 55 was HEARD and HELD in committee for further consideration.

Co-Chair Josephson noted they were leaving off on Amendment 80. He reviewed the schedule for the afternoon meeting.

#

ADJOURNMENT

11:28:25 AM

The meeting was adjourned at 11:28 a.m.