

HOUSE FINANCE COMMITTEE
May 6, 2025
10:16 a.m.

10:16:36 AM

CALL TO ORDER

Co-Chair Schrage called the House Finance Committee meeting to order at 10:16 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

Eric Gunderson, Staff, Representative Calvin Schrage;
Michael Partlow, Fiscal Analyst, Legislative Finance
Division.

SUMMARY

CSSB 57(FIN)

APPROP: CAPITAL/FUNDS/REAPPROP

CSSB 57(FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Schrage reviewed the meeting agenda. The committee would hear amendments for the capital budget.

#sb57

CS FOR SENATE BILL NO. 57 (FIN)

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

10:17:32 AM

^AMENDMENTS

Representative Bynum stated he would not currently offer Amendments 1, 2, and 3.

Representative Stapp stated he would not currently offer Amendment 4.

10:18:16 AM

Representative Allard MOVED to ADOPT Amendment 5 (copy on file):

Department: University of Alaska
Existing Project Title: UAA Alaska Leaders Archives Consortium Library Renovation
Delete: \$1,000.0 UGF

Department: Commerce, Community and Economic Development
Program: Grants to Municipalities (AS 37.05.315)

Project Title: Anchorage - Purchase and Establish Eagle River Cemetery
Add: \$1,000.0 UGF

Explanation: Removes \$1,000,000 UGF from the UAA Library Renovation for the Eagle River Cemetery project. The Eagle River Cemetery is a higher priority for the communities in and around Anchorage than the library renovation for UAA.

Co-Chair Schrage OBJECTED for discussion.

Representative Allard explained that the amendment was a straightforward transfer of \$1 million in unrestricted general funds (UGF) to establish the Eagle River Cemetery

(ERC). She noted that during the summer of 2024, the Anchorage Memorial Park Cemetery (AMPC) had run out of available plots for burials, except for those who chose cremation. Several vacant plots along the cemetery's fence line near wildlife areas were discovered in late 2024 and early 2025, which temporarily created limited availability. She stated that the plots would likely be filled within the year due to continued demand. She explained that the only remaining plots at AMPC were already reserved, and there would be no additional burial plots available within the Municipality of Anchorage by the summer of 2025.

Representative Allard shared that the ERC project had been under development for approximately 11 years. She clarified that the project involved transferring land trust property for use as a cemetery. She emphasized that the land would not be sold but would instead fall under the maintenance and management of Eagle River Parks and Recreation. She asserted that the \$1 million would allow cemetery plots at the proposed ERC to be made available to anyone in the state, which was especially important for residents of Anchorage who currently had no available burial options. She explained that revenue from the sale of plots would provide for maintenance of the cemetery and that no additional state assistance would be required. She noted that an Eagle River committee for the cemetery already had a full plan in place and emphasized that the only need was the one-time funding.

Representative Allard stressed that the concern was pressing and expressed her desire to see the project move forward. She recalled that Anchorage had previously considered issuing a \$10 million bond for the cemetery project, but Eagle River had opted out. She stated that she was a member of the military and could choose to be buried at the Joint Base Elmendorf-Richardson or Arlington National Cemetery, but many others did not have such options.

[10:21:23 AM](#)

Co-Chair Schrage MAINTAINED the OBJECTION.

Co-Chair Schrage noted that while he appreciated the intent and the inclusivity of the amendment, the state's fiscal challenges and significant backlog of deferred maintenance made the amendment difficult to support.

Representative Allard commented that the amendment did not create new spending, but reallocated existing funds from the library renovation project that already had federal dollars and local grants backing it. She asserted that ensuring sufficient burial plots for Alaskans was a pressing priority.

[10:22:06 AM](#)

A roll call vote was taken on the MOTION to ADOPT Amendment 5.

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

The motion FAILED (5/6).

[10:22:53 AM](#)

Representative Tomaszewski stated he would not currently offer Amendments 6 and 7.

Representative Johnson stated she would not currently offer Amendments 8, 9, 10, and 11.

[10:23:38 AM](#)

AT EASE

[11:03:00 AM](#)

RECONVENED

Co-Chair Schrage indicated that he would entertain a motion for the committee substitute (CS).

Co-Chair Foster MOVED to ADOPT the proposed committee substitute for CSSB 57(FIN), Work Draft 34-GS1460\R (Walsh, 5/5/25) (copy on file).

Co-Chair Schrage OBJECTED for discussion. He invited his staff to explain the changes in the CS.

[11:03:46 AM](#)

ERIC GUNDERSON, STAFF, REPRESENTATIVE CALVIN SCHRAGE, reviewed the changes in the CS. He advised members that the easiest way to follow along would be by using the document

entitled "Project Compare By Agency, House Structure" (copy on file). He began on page 1 of the document. He explained that the CS incorporated the FY 25 capital supplemental items, added contingency language for capital costs related to two bills, moved two reappropriations, and added University of Alaska (UA) statutory designated program receipt and federal receipt authority for the University of Alaska Fairbanks' (UAF) Troth Yeddha' Indigenous Studies Center (TYISC).

Mr. Gunderson outlined changes under the Department of Commerce, Community, and Economic Development (DCCED). He stated that all DCCED items were supplemental items. The first item was administrative systems updates for the Alaska Energy Authority (AEA), totaling \$628,700. The next was the Alaska Oil and Gas Conservation Commission (AOGCC) Orphaned Well Formula Grants, which amounted to \$25 million in federal receipts. The following item was for Orphaned Well Performance Grants within AOGCC, totaling \$40 million in federal receipts. The next item was for Phase I of AOGCC's Risk-Based Data Management Systems Upgrade, which was funded at just under \$1.9 million in AOGCC receipts and classified as designated general funds (DGF).

Mr. Gunderson stated that the Blood Bank of Alaska Blood Donor Testing Laboratory project would receive \$500,000 in general funds. The last DCCED project was leased warehouse repairs and improvements for AEA, totaling \$100,000 in energy technology funds.

Mr. Gunderson explained that the fiscal notes were contingent upon the passage of bills that were substantially similar to legislation that had passed during the prior session. He noted that there were few bills with capital costs that had advanced in the process. He had consulted the Legislative Finance Division (LFD) and the Senate to identify any bills with capital costs. The first bill he identified was SB 92, which included \$500,000 in capital costs under the Department of Revenue (DOR). The second was the purchase of non-voting preferred shares issued by the Commercial Fishing and Agricultural Bank (CFAB) using the Capstone Avionics Fund, which was located under DCCED.

[11:07:10 AM](#)

Representative Johnson asked whether it was common practice to call out bills by title or number when appropriations were added. She noted that fiscal notes were typically attached at the end of the conference committee process.

Co-Chair Schrage responded that there were multiple ways to approach the process.

Representative Hannan noted that she was unable to find the first fiscal note for DOR in the Project Compare by Agency document. She asked Mr. Gunderson to identify where it was located in the bill.

Mr. Gunderson indicated that it would take a moment to locate it.

[11:08:15 AM](#)

AT EASE

[11:08:47 AM](#)

RECONVENED

Mr. Gunderson stated that the section related to the fiscal note was on page 57 of the bill, Section 24, under contingency language.

Mr. Gunderson directed attention to page 3 of the project compare document, beginning with the Office of the Governor. He explained that there was \$342,272 for election security grants under the Help America Vote Act, which was funded through federal awards by the Elections Assistance Commission. He added that there was also reappropriation language for the balance of the capital income fund under the Office of the Governor to support statewide deferred maintenance, renovation, and repair for FY 25.

Mr. Gunderson proceeded to page 4 and addressed items under the Department of Military and Veterans Affairs (DMVA). He explained that the first item was \$2.5 million in federal receipts for flood mitigation in high hazard areas in the Matanuska-Susitna (Mat-Su) Borough. He reported that there was also a reduction of approximately \$5.1 million in federal receipts to repeal congressionally directed spending for rockslide mitigation at Skagway's port, which had been proposed by the governor's office. He relayed that the final DMVA item was a scope change allowing funds

associated with the Interior Alaska Veterans Cemetery to be used at its new site.

Mr. Gunderson moved to page 5 and the Department of Natural Resources (DNR). He reported that the only request was for the National Recreational Trails federal grant program and totaled \$600,000 in federal receipts.

Mr. Gunderson continued to page 6 and items under the Department of Transportation and Public Facilities (DOT). He explained that the Alaska Marine Highway System (AMHS) vessel overhaul, annual certification, and shoreside facilities project totaled \$6.5 million in general funds. He noted that the federal aid state match section showed two reappropriations that had been removed: phase II of the Palmer-Wasilla Highway improvements project and the Mat-Su Fairview Loop Road reconstruction. He added that there was also a \$3 million addition for earthquake relief to cover federally ineligible costs, which had been proposed by the governor in the FY 25 supplemental budget.

[11:11:34 AM](#)

Representative Johnson asked if the National Recreational Trails federal grant program on page 5 was intended as an appropriation for the Alaska Long Trail or whether it was a general trail appropriation.

Mr. Gunderson responded that the project description stated that the program supported community organizations statewide and leveraged a 10-to-1 federal match for trail development and improvement projects. He explained that grants were distributed proportionally among motorized, non-motorized, and diversified trail needs assessed by the Outdoor Recreational Trails Advisory Board. He noted that remaining receipt authority from FY 25 was insufficient to execute grant agreements between February 2025 and May 2025. He clarified that to his knowledge, the appropriation was not directly tied to the Alaska Long Trail.

Mr. Gunderson continued to page 7 and explained that there was one other change in the CS for UA. He relayed that the TYISC at UAF was receiving an addition of \$2 million in federal receipts and \$51 million in statutory designated program receipts. He noted that the request came from the university and that it planned to continue fundraising to capture the statutory designated program receipts in order

to complete the project. He clarified that there was no UGF cost associated with the addition.

Representative Hannan asked Mr. Gunderson for more information about the repeal of congressionally directed spending for the Project Rockslide Mitigation in Skagway on page 4. She asked if the project had concluded and the money was in excess, or if the money had not been awarded by the federal government and was a "money shuffle."

Mr. Gunderson responded that he did not know but suggested that LFD respond to the question. He stated his understanding that it was essentially a cleanup item related to hollow receipt authority.

MICHAEL PARTLOW, FISCAL ANALYST, LEGISLATIVE FINANCE DIVISION, responded that he understood that the federal reward had not been received and it was hollow authority.

[11:14:47 AM](#)

Representative Stapp asked for more information about the scope change related to the Interior of Alaska Veterans Cemetery (IAVC) item on page 4. He stated it seemed like an increase in federal receipt authority because the state had received an award from the federal government in December of 2024. He asked for clarification.

Mr. Partlow responded that the item was a scope change to allow a previous appropriation to be used at the new location for IAVC. He clarified that the award of federal receipt authority for the funding to build the cemetery was a separate appropriation from the one shown in the document. He noted that they were two separate items for the same purpose. He explained that the scope had changed because the proposed location for the cemetery had changed multiple times. He noted that a previous appropriation had limited the funds to a specific location, and the scope change expanded the appropriation to allow use at the new location where the cemetery would be built.

Representative Stapp asked where the language associated with the scope change could be found and if the money for the previous appropriation required further legislative action to move it to the new location. He asked if changing the scope in the language section of the bill was sufficient.

Mr. Partlow responded that the scope change was located in the language section of the bill and was the only action needed to allow expenditure of the funds. He noted that he did not recall the exact section number.

Co-Chair Schrage WITHDREW the OBJECTION. There being NO further OBJECTION, Work Draft 34-GS1460\R was ADOPTED.

[11:17:15 AM](#)

Representative Johnson requested to make a comment.

Co-Chair Schrage stated that the working document was adopted. He provided an opportunity for discussion.

Representative Johnson highlighted that there was a fiscal note which related to the Hilcorp tax. She emphasized that she would in no way support the bill if there were any indication that it was connected to support for the Hilcorp tax change.

CSSB 57(FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Schrage reviewed the agenda for the afternoon meeting.

ADJOURNMENT

[11:18:23 AM](#)

The meeting was adjourned at 11:18 a.m.