

SENATE FINANCE COMMITTEE
February 26, 2025
9:01 a.m.

9:01:25 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Bert Stedman, Co-Chair
Senator Mike Cronk
Senator James Kaufman
Senator Jesse Kiehl
Senator Kelly Merrick

MEMBERS ABSENT

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair

ALSO PRESENT

Doug Woodby, 350 Juneau, Juneau; Lauree Morton, Deputy Director, Alaska Network on Domestic Violence and Sexual Assault, Juneau; Fred W. Triem, Self, Petersburg.

PRESENT VIA TELECONFERENCE

Jaime Palmer, Self, Ketchikan; Marianne Mills, President, Alaska Geriatric Exchange Network, Juneau; Victoria Kildal, Alaska Behavioral Health Association, Kodiak; Dustin Larna, Chief Executive Officer, Residential Youth Care, Ketchikan; Conner Pope, Rendezvous Senior Day Center, Ketchikan; Michael Robbins, Superintendent, Ketchikan Gateway School District, Ketchikan; Robyn Taylor, Superintendent, Petersburg School District, Petersburg; Marsha Fernandez, Self, Petersburg; Jenny Weisshaupt, Safe Child Advocacy Center, Catholic Community Services, Juneau.

SUMMARY

SB 56 APPROP: OPERATING BUDGET; CAP; SUPP

SB 56 was HEARD and HELD in committee for further consideration.

SB 57 APPROP: CAPITAL/SUPPLEMENTAL/FUNDS

SB 57 was HEARD and HELD in committee for further consideration.

SB 58 APPROP: MENTAL HEALTH BUDGET

SB 58 was HEARD and HELD in committee for further consideration.

SB 59 APPROP: SUPPLEMENTAL; FUND CAP

SB 59 was HEARD and HELD in committee for further consideration.

PUBLIC TESTIMONY: SOUTHEAST, PRINCE WILLIAM SOUND, KODIAK, OFFNETS

Co-Chair Stedman discussed the agenda.

#sb56

#sb57

#sb58

#sb59

SENATE BILL NO. 56

"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."

SENATE BILL NO. 57

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

SENATE BILL NO. 58

"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. 59

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

^PUBLIC TESTIMONY: SOUTHEAST, PRINCE WILLIAM SOUND, KODIAK, OFFNETS

[9:03:37 AM](#)

JAIME PALMER, SELF, KETCHIKAN (via teleconference), testified in support of the tourism marketing budget. She shared that she had eight businesses, including a boutique, a candle company, a consulting firm, and property developments. She stressed that small businesses in the state could not afford global marketing without the help of the state. She discussed the impact of tourism marketing funding.

[9:05:50 AM](#)

Co-Chair Stedman handed the gavel to Senator Kiehl.

[9:06:09 AM](#)

DOUG WOODBY, 350 JUNEAU, JUNEAU, spoke in opposition to funding for the Alaska Gasline Development Corporation (AGDC). He referenced 15 prior proposals similar to the AKLNG Project. He pondered what made the new project more viable, and mentioned President Donald Trump's recent restrictions on materials. He considered that any money spent on AGDC was money taken from education and other essential services.

[9:08:27 AM](#)

LAUREE MORTON, DEPUTY DIRECTOR, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, JUNEAU, spoke in support of funding for victims of domestic violence and sexual assault. She read from her written remarks:

My name is Lauree Morton. I'm the Deputy Director of the Alaska Network on Domestic Violence and Sexual Assault; the membership organization for Alaska's 24 domestic violence and sexual assault service provider agencies.

We appreciate the work done last session to ensure funding for FY25 remained the same as FY24. The Governor's budget continues that amount into FY26. You'll be hearing from providers about exemplary work being done to increase safety for victims as well as the difficulties operating a 24/7 365-day facility in calendar year 2025 working with funds that haven't increased in 7 years.

I understand the difficulty before you of juggling crucial priorities. We know education funding is a critical issue for the State this year and hope you are able to find a viable and sustainable solution to that crisis.

While we are not asking for an increase to the CDVSA grants line for FY 26, we want you to be aware of a funding precipice heading our way in FY 27. For the last several years, Senator Murkowski appropriated approximately \$4.2 million dollars to CDVSA to help manage the Victims of Crime Act (VOCA) shortfall. Those dollars will not be renewed and will be spent by state fiscal year 27. So, we are looking at a deficit of \$4 .2 million—just to hold the line. And frankly, holding the line is losing ground. I'd also call to your attention Violent Crimes Compensation that relies on VOCA. As a reminder, if state dollars are reduced in one year, federal VOCA dollars will be reduced the following year. We don't want to see a downward spiral in funds that can directly help all victims of violent crime.

We understand sacrifice and the necessity of maybe taking a backseat for FY26, and we want you to know of the difficult choices we'll be bringing forward to you for state fiscal year 27.

[9:11:22 AM](#)

MARIANNE MILLS, PRESIDENT, ALASKA GERIATRIC EXCHANGE NETWORK, JUNEAU (via teleconference), testified in support

of a 15 percent increase in senior services grant funds. She contended that non-profits offered through the Division of Senior and Disability Services. She stated that insufficient services at lower levels of care drove Alaskans to use emergency rooms, which were high cost drivers. She described that a 15 percent increase in senior services grant funds would lower the cost in other areas of care. She mentioned a survey by the Alaska Commission on Aging (ACA). She recounted that the previous session, the legislature had supported an increase in the grant.

[9:14:25 AM](#)

VICTORIA KILDAL, ALASKA BEHAVIORAL HEALTH ASSOCIATION, KODIAK (via teleconference), spoke in support of a \$30 million increase in funding for behavioral health services. She noted that she was a lifelong Alaskan. She shared the issues related to behavioral health in the state such as suicide and lack of behavioral health resources to those who are in crisis.

[9:16:31 AM](#)

Senator Kiehl handed the gavel to Co-Chair Stedman.

DUSTIN LARNA, CHIEF EXECUTIVE OFFICER, RESIDENTIAL YOUTH CARE, KETCHIKAN (via teleconference), testified in support of increasing the operating budget for behavioral health services. He referenced Dr. Kildal's remarks, and the fact that Alaska had the highest suicide rate of any state. He mentioned the inability to keep staff due to low pay. He posited that an increase in funding would help stabilize a system of care that had been running at a deficit, in order to provide the care that was needed.

[9:19:12 AM](#)

CONNER POPE, RENDEZVOUS SENIOR DAY CENTER, KETCHIKAN (via teleconference), supported increased funding for senior services. He discussed the difficulty of expanding services while costs are increasing. He noted that the state's senior population was growing, and services were needed at an exponential rate.

[9:20:59 AM](#)

AT EASE

[9:36:54 AM](#)

RECESSED

FRED W. TRIEM, SELF, PETERSBURG, testified in support of the state adopting a property transfer tax. He relayed that he was an attorney and spent time on appeals. He discussed examples of states with a real property transfer tax. The tax amounts he had seen through his research were in the range of 1 percent to 3 percent of the transaction. He pondered the sale of a \$1 million property, which would be paid at the time of closing. States that had adopted such a tax often shared the tax at different levels of government. He addressed the concept of "justice for government" and considered that the government made properties more valuable and constituted a "micro return." He used the example of friends that had purchased a home on Starr Hill for \$30,000. The individuals had made an enormous profit due to all the things government had done to make the property more valuable, including road maintenance, hospitals, schools, etc. He cautioned that such a tax proposal would generate a firestorm from the real estate industry.

[9:42:56 AM](#)

MICHAEL ROBBINS, SUPERINTENDENT, KETCHIKAN GATEWAY SCHOOL DISTRICT, KETCHIKAN (via teleconference), testified in support of an increase to the Base Student Allocation (BSA). He cited that teachers were leaving at an alarming rate due to the persistent uncertainty of funding. He thought the situation diminished the quality of education provided in the state. He suggested that a lack of stable and predictable funding created uncertainty and the inability to make accurate budget decisions.

[9:45:32 AM](#)

AT EASE

[10:00:55 AM](#)

RECONVENED

ROBYN TAYLOR, SUPERINTENDENT, PETERSBURG SCHOOL DISTRICT, PETERSBURG (via teleconference), spoke in support for funding an increase to the BSA. The increase would allow Petersburg to invest in the long-term. She had been an educator in the state for 25 years. She thought it was

critical that the legislature establish a stable and predictable funding.

[10:03:28 AM](#)

MARSHA FERNANDEZ, SELF, PETERSBURG (via teleconference), spoke in support an increase to the BSA. She was a retired commercial fisherman in the state, and shared that she had experience with budgets. She wondered where specifically the budget pertained to.

Co-Chair Stedman stated that the budget was related to the state funding.

Ms. Fernandez asked if the state had areas of concern.

Co-Chair Stedman mentioned the Alaska Marine Highway System (AMHS).

Ms. Fernandez mentioned essential air services.

Co-Chair Stedman affirmed that air services were in jeopardy in rural Alaska.

Ms. Fernandez agreed.

Co-Chair Stedman mentioned challenges dealing with seniors. He mentioned the Meals on Wheels program and the upkeep and repair of Alaska Pioneer Homes.

Ms. Fernandez mentioned Department of Fish and Game.

Co-Chair Stedman handed the gavel to Senator Kiehl.

[10:07:26 AM](#)

AT EASE

[10:21:46 AM](#)

RECONVENED

[10:22:43 AM](#)

AT EASE

[10:23:58 AM](#)

RECONVENED

JENNY WEISSHAUPT, SAFE CHILD ADVOCACY CENTER, CATHOLIC COMMUNITY SERVICES, JUNEAU (via teleconference), testified in support of funding for the Office of Childrens Services. She stated that there was a model within the office that was a partnership to respond to crises that occurred within the Office of Childrens Services.

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ADJOURNMENT

10:28:21 AM

The meeting was adjourned at 10:28 a.m.