

SENATE FINANCE COMMITTEE
February 26, 2025
1:01 p.m.

1:01:29 PM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:01 p.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

Dara Byrd, Self, 4-H, Fairbanks; Morgan Carlson-Kelly, Self, 4-H, Anchor Point; Yaquina Repnow, Self, 4-H, Palmer; Michaella Anderson, Self, 4-H, Fairbanks; Brian Ridley, Chairman, Tanana Chiefs Conference, Eagle.

PRESENT VIA TELECONFERENCE

Robert Hall, Self, Fairbanks; Christina Turman, Self, Fairbanks; Tarn Coffey, Self, Coffey Farm, Nenana; Steve Meckel, Self, Fairbanks; Al Bell, Investigator, Alaska State Troopers, Fairbanks; Marjorie Richards, Self, Fairbanks; Matthew Iverson, Child Advocacy Centers Statewide, Fairbanks; Jeremy Rupe, Child Advocacy Center, Fairbanks; Jason Hoke, Executive Director, Copper Valley Development Association, Glennallen; John Becker, Copper Valley Chamber of Commerce, Glennallen; Dennis McGlothlin, Rural Transportation Planning Organization, Glennallen; Ronald Metzner, Self, Fairbanks; Wade Binkley, Self, Fairbanks; Malik Jones, Stevie's Place, Child Advocacy Center, Fairbanks; Leigh Bolin, Executive Director, Resource Center for Parents and Children, Alaska Children's

Alliance, Fairbanks; Rebecca Braun, Self, Juneau; Gay Wellman, Dementia Education Specialist, Copper River Valley; Reverend Andy Bartel, Self, Anchorage; Sarah Furman, Self, Fairbanks; Nantia Krisintu, Self, Homer; Carolyn Loeffler, Self, Fairbanks; Peter Hoepfner, Vice President, Cordova School Board, Cordova; Emma Brooks, Self, Anchorage; Don Gray, Former Member, Alaska Board of Education, Fairbanks; Winter Marshall-Allen, Self, Homer.

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. 204142

SB 59 APPROP: SUPPLEMENTAL; FUND CAP

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

PUBLIC TESTIMONY: FAIRBANKS, INTERIOR, COPPER RIVER VALLEY, 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: FAIRBANKS, INTERIOR, COPPER RIVER VALLEY, OFFNETS

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DARA BYRD, SELF, 4-H, FAIRBANKS, introduced herself.

MORGAN CARLSON-KELLY, SELF, 4-H, ANCHOR POINT, introduced herself.

YAQUINA REPNOW, SELF, 4-H, PALMER, introduced herself.

Ms. Repnow testified in support of \$3 million in the governor's proposed capital budget for the Institute of Agriculture, Natural Resources and Extension (IANRE) within the University of Alaska (UA). The Board of Regents had requested \$5 million, and she thought the \$3 million requested would have a great impact over the next few years.

Ms. Byrd testified in support of funding for 4-H and mentioned the Youth in Governance Program under IANRE. She had been involved in the 4-H program for 11 years. She

discussed projects at 4-H. She stressed the importance of skills learned at 4-H.

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RECONVENED

Ms. Carlson-Kelly discussed conferences she had participated in. She mentioned the Youth in Governance Program. She described the program as life changing. She mentioned the 4-H National Congress, which she had attended. She discussed how the program had changed her life.

Ms. Repnow testified in support of funding INANRE. She discussed her learning through 4-H.

Ms. Byrd testified that funding through the 4-H program through IANRE would help grow leaders and engaged Alaskans for the future.

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MICHAELLA ANDERSON, SELF, 4-H, FAIRBANKS, testified in support of \$3 million in one-time funding for IANRE in UA. She relayed that she was a chaperone for the 4-H Youth in Governance Program. She discussed her history as a participant in 4-H, and her involvement in civics and leadership. She discussed learning outcomes of the Youth in Governance Program.

1:14:20 PM

BRIAN RIDLEY, CHAIRMAN, TANANA CHIEFS CONFERENCE, EAGLE, spoke in support of a permanent increase to the Base Student Allocation (BSA). He explained that the Tanana Chiefs Conference (TCC) represented 37 federally recognized tribes and 42 communities altogether, to total about 20,000 tribal members. He stressed that schools were the heart of the communities in rural Alaska, and the consequences [of lack of funding] included reduced support in teaching staff and challenges in offering higher-level coursework. He cited an increase in international J-1 visas for teachers due to an inability to recruit and retain Alaskan teachers.

He discussed increases in fixed costs and loss of maintenance employees.

Mr. Ridley mentioned a behavioral health crisis at TCC and cited a 90 percent increase in suicidal ideation in youth in the last three years. There had been a 58 percent increase in youth served at the local hospital for behavioral health issues. He noted that the governor's proposed budget indicated a 7 percent decrease in the behavioral health treatment and recovery grants line item. He noted that TCC recently reopened the only youth behavioral health facility in the Interior. He lamented the reimbursement model and underfunding of the grants made it so there was little incentive to provide the service. He stressed that education and youth health should be a priority.

Co-Chair Stedman handed the gavel to Senator Cronk.

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ROBERT HALL, SELF, FAIRBANKS (via teleconference), testified in support of funding for child advocacy centers. He was a major crimes detective in Fairbanks. He addressed the importance of child advocacy centers. He had worked in his role for almost 20 years. He stressed the importance of child advocacy centers in providing services. He discussed youth being interviewed on the subject of felonious or sexual assault and having to be interviewed multiple times.

[1:20:50 PM](#)

CHRISTINA TURMAN, SELF, FAIRBANKS (via teleconference), spoke in support of increased education funding. She advocated for an increase in the BSA. She proposed an idea for the Senate to bring forward a bill related to pupil transportation. She thought her district would have to provide an additional \$4 million beyond state funding to maintain its current bus routes. In Fairbanks there was no bus service for charter or magnet schools.

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TARN COFFEY, SELF, COFFEY FARM, NENANA (via teleconference), spoke in support of funding for the Division of Agriculture in the Department of Natural Resources (DNR). He was raised on a farm in Talkeetna. He had received help from the Division of Agriculture and had been able to produce a commercial crop. He asserted that farms needed stability in support. He discussed means of providing assistance to farms. He supported a department of agriculture.

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STEVE MECKEL, SELF, FAIRBANKS (via teleconference), testified in support of funding for child advocacy centers. He referenced testimony by Mr. Hall. He stressed the importance of the work in child advocacy centers to provide frontline services to children that had been maltreated.

[1:26:48 PM](#)

AL BELL, INVESTIGATOR, ALASKA STATE TROOPERS, FAIRBANKS (via teleconference), spoke in support of funding for child advocacy centers in Fairbanks and across the state. He stressed the importance of child advocacy centers, where children could be interviewed by trained individuals. He thought thousands of kids had benefitted from child advocacy centers.

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MARJORIE RICHARDS, SELF, FAIRBANKS (via teleconference), testified in support of funding for child advocacy centers. She had been on the board of directors for a child advocacy center for ten years. She noted that Alaska statute required that the Office of Children's Services (OCS) refer child sex abuse cases to child advocacy centers. She mentioned Stevie's Place, which was an accredited child advocacy center, coordinated a multi-disciplinary team of professionals that assessed, protected, advocated for and prosecuted on behalf of abused and neglected children.

[1:30:19 PM](#)

MATTHEW IVERSON, CHILD ADVOCACY CENTERS STATEWIDE, FAIRBANKS (via teleconference), spoke in support of funding for child advocacy centers. He had been an Alaska State Trooper for 12 years. He contended that the centers were a

large component of the investigations of child abuse. He emphasized that decreased funding for child advocacy centers would be a disservice to the children served in the state. He discussed the work of Stevie's Place, where children could tell their story one time rather than multiple times.

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JEREMY RUPE, CHILD ADVOCACY CENTER, FAIRBANKS (via teleconference), testified in support of funding for child advocacy centers. He was a 28-year law enforcement veteran. He referenced the testimony of Mr. Hall. He stressed the importance of child advocacy centers as a resource for child victims.

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JASON HOKE, EXECUTIVE DIRECTOR, COPPER VALLEY DEVELOPMENT ASSOCIATION, GLENNALLEN (via teleconference), testified in opposition to \$12.7 million in funding for the Copper River Highway Wood Canyon Bridge and Trails (reference number 65237). He shared that three years previously, the first ever Copper Valley Rural Transportation Planning Organization (RTPO) was formed. He wanted to offer alternative projects for the proposed \$12.7 million, and mentioned the Gulkana Airport extension and some Food Security Task Force items.

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JOHN BECKER, COPPER VALLEY CHAMBER OF COMMERCE, GLENNALLEN (via teleconference), spoke in support of alternative projects for the \$12.7 million in funding proposed for the Copper River Highway Wood Canyon Bridge and Trails. He relayed that he was the owner of NAPA Auto Parts in Glennallen, Tok, and Valdez, and had lived in the area for 45 years. He was a member of the Copper Valley Development Association and a committee member on the RTPO. He echoed Mr. Hoke's comments regarding Copper River Highway funding being better used for economic development through the airport extension in the Copper Valley. He discussed energy needs in the area through Copper Valley Electric Association, and a shovel-ready project in the area.

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DENNIS MCGLOTHIN, RURAL TRANSPORTATION PLANNING ORGANIZATION, GLENNALLEN (via teleconference), supported moving funding to the Gulkana Airport extension. He was a member of the Copper Valley Development Association. He supported funding the airport extension, which he thought would benefit everyone in the area. He shared the concern that the proposed funding for the Copper Valley Highway project would benefit corporations rather than residents.

[1:40:45 PM](#)

RONALD METZNER, SELF, FAIRBANKS (via teleconference), spoke in support of an increase to the BSA. He was a retired teacher. He mentioned the state inflation calculator and considered that the BSA had not kept pace with inflation. He commented that schools were doing a lot more with a lot less money. He thought even an additional \$1,000 would not be keeping pace with inflation. He mentioned larger class sizes, and concerns related to student issues going unnoticed.

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WADE BINKLEY, SELF, FAIRBANKS (via teleconference), testified in support of funding for Alaska Travel Industry Association (ATIA). He had a small family business that ran cultural river tours. He discussed the beginnings of ATIA. He lauded ATIA's ability to market Alaska on a global stage. He pointed out that marketing dollars generated much greater returns for the state.

[1:46:02 PM](#)

MALIK JONES, STEVIE'S PLACE, CHILD ADVOCACY CENTER, FAIRBANKS (via teleconference), spoke in support of funding for child advocacy centers. He was an investigator with the Alaska State Troopers. He referenced previous testifiers. He explained that child advocacy centers provided services to children on many levels and a safe place for children to discuss sensitive topics one time rather than many. The centers also provided services for parents. The centers held offenders accountable.

Senator Merrick thanked Mr. Jones for his work. She asked how many children went through Stevie's Place per year.

Mr. Jones could not quote an exact number but noted that he was called out on a regular basis.

1:48:21 PM

LEIGH BOLIN, EXECUTIVE DIRECTOR, RESOURCE CENTER FOR PARENTS AND CHILDREN, ALASKA CHILDREN'S ALLIANCE, FAIRBANKS (via teleconference), spoke in support of funding for child advocacy centers in the operating budget. She had been working with victims of crime since 2007, and had managed a child advocacy center. She cited that child advocacy centers worked along with many others including law enforcement, OCS, tribal partners, the district attorney's office, mental health professionals, medical services and others to provide a multi-disciplinary response for children 18 and under and adults with developmental disabilities. She noted that referrals came from OCS and law enforcement, and the centers operated around the clock.

Ms. Bolin continued discussing the services provided by child advocacy centers. She discussed supporting families and connecting them with resources, while ensuring the children received the care that was needed. She emphasized that Alaska had some of the highest rates of abuse in the country. She discussed adverse outcomes to child abuse without intervention.

1:50:50 PM

REBECCA BRAUN, SELF, JUNEAU (via teleconference), spoke in support of a significant and sustained increase to the BSA. She was a parent of a high school student. She noted that she had been a teacher at Juneau-Douglas High School (JDHS). She had served on the JDHS site council and reflected on changes at the school. In 1997, when she finished her Master of Arts in Teaching, several of her classmates had applied for one English teaching job at JDHS. There had been over 30 applicants for the job at the time. She contrasted that a current English teaching position at JDHS was unfilled at the start of the school year due to a lack of qualified applicants.

Ms. Braun continued her testimony. She cited that there were 598 vacant teaching positions in the state when the school year started. She thought the situation was a crisis. She believed the state had the capacity to generate the revenue needed if the political will was present. She

applauded the leadership of the committee in opening the conversation related to revenue.

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GAY WELLMAN, DEMENTIA EDUCATION SPECIALIST, COPPER RIVER VALLEY (via teleconference), testified in support of funding for dementia caregiving and dementia education. She was a facilitator of online dementia support groups. She invited members to contact her for information about the experience of being a caregiver. She contended that being a caregiver was impossible without support. She pondered lack of funding for Medicare and Medicaid. She stressed the importance of dementia education. She spoke in support of child advocacy centers.

[1:56:02 PM](#)

REVEREND ANDY BARTEL, SELF, ANCHORAGE (via teleconference), spoke in favor of a sustained and substantial increase to the BSA of \$1,000 or more. He was a graduate of UA. He referenced the state constitution and the state's obligation to provide education. He reflected on ten years of flat-funding and its effect on teacher retention.

[1:57:49 PM](#)

SARAH FURMAN, SELF, FAIRBANKS (via teleconference), testified in opposition to funding for the Alaska Gasline Development Corporation (AGDC). She did not support further funding allocations for AGDC. She considered that the state had allocated nearly \$500 million to AGDC for the Alaska Liquid Natural Gas (AK LNG) Project, while there was nothing to show for the investment. She thought the state's energy systems were less secure than they were when AGDC began. She commented on the salary of the AGDC President, which she thought was the highest in the state. She mentioned education and mental health as more important areas to fund. She referenced \$50 million in backstop funds for the Alaska Industrial Development and Export Authority (AIDEA) as another area where funds could be better directed. She did not think the AK LNG Project was viable.

[2:00:20 PM](#)

NANTIA KRISINTU, SELF, HOMER (via teleconference), testified in opposition to cuts to Medicaid. She noted that

36 percent of all births and child healthcare in the state were funded by Medicaid. She cited that 76 percent of nursing home care in the state was Medicaid funded. She was concerned about the state's ability to fund the services if federal funds were cut. She discussed federal matching funds. She pondered if the Senate Finance Committee had discussion with United States Representative Nick Begich on the subject. She thought it would be nice if there was a discourse on the topic. She asked if there were any mechanisms to protect the state's federal funding. She asked how many members were in attendance.

Senator Cronk relayed that there were five members present.

2:03:05 PM

CAROLYN LOEFFLER, SELF, FAIRBANKS (via teleconference), spoke in support of an increase to the BSA. She was the mother of two young children. She discussed cuts to local schools and the closure of three elementary schools. She mentioned skyrocketing inflation, outmigration, and flat funded education. She urged the legislature to continue its good bipartisan work. She supported a significant boost to pupil transportation funding. She thought lack of education funding had led to outmigration. She thought without an increase in funding, school districts would struggle, and the burden would fall on families that would then leave. She expressed her support for funding child advocacy centers, Medicaid, and education.

2:05:30 PM

PETER HOEPFNER, VICE PRESIDENT, CORDOVA SCHOOL BOARD, CORDOVA (via teleconference), testified in support of an increase to the BSA. He noted that the Cordova School District was facing a \$1.5 million deficit in its \$7.7 million budget. He noted that the previous year's \$680 increase to the BSA had only brought in \$600,000 to the district. He noted that the City of Eyak had provided \$900,000 in funding to enable student food service and student activities while not cutting staff. He noted that LFD had indicated that a \$1,808 increase to the BSA would make up for inflationary costs that the funding had skipped. He cited that Department of Public Safety (DPS) had increased 82 percent since 2017 and the Department of Corrections (DOC) had increased 52 percent while education had lost 5.8 percent of funding since 2017. He relayed that

his district would be eliminating food service, student activities, and cutting multiple teachers. He expressed dismay at the lack of funding and school closures. He emphasized that there had been no new revenue considerations since 2014.

[2:08:10 PM](#)

EMMA BROOKS, SELF, ANCHORAGE (via teleconference), spoke in support of an increase to the BSA of \$1,000 or more. She was a former teacher and lifelong Alaskan. She mentioned being poorly compensated as a teacher. She mentioned a 44 percent increase in spending for DOC in 2017, while education spending was flat. She mentioned statistics related to long term savings after investing in early childhood education.

[2:09:38 PM](#)

DON GRAY, FORMER MEMBER, ALASKA BOARD OF EDUCATION, FAIRBANKS (via teleconference), testified in support of increased school funding. He was a former teacher and the first teacher on the Alaska State Board of Education in 1981. He had two children that graduated from Alaskan schools and had grandchildren in Alaska schools. He referenced earlier remarks regarding lack of school funding. He mentioned past state income tax. He recalled that for the previous 6 years the legislature's work on education funding had been line-item vetoed. He hoped for change. He discussed the funding for Permanent Fund Dividends and thought the money could be better spent on education at the K-12 and University level.

[2:12:27 PM](#)

WINTER MARSHALL-ALLEN, SELF, HOMER (via teleconference), spoke in support of a BSA increase of at least \$1,000. She was an 18-year public education student. She mentioned emergency state funds. She referenced three school closures and losing 25 certified teachers in her region. She referenced the state's constitutional obligation. She mentioned the differences of Alaska as a state. She supported inflation-proofing the BSA.

[2:14:27 PM](#)

AT EASE

2:15:13 PM
RECONVENED

Senator Cronk discussed the agenda for the following day.

ADJOURNMENT
2:15:37 PM

The meeting was adjourned at 2:15 p.m.