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My name is Dixie Hood. I have served as a Lic. Mar. & Fam. Therapist both in State of Alaska and City of Juneau agencies and in private practice for 30 years. My ongoing family and personal experience preceded that and continues. All of this leads me to be a strong advocate for pre-K education. I not only oppose any budget cuts in existing programs, but support increased financing to develop universal pre-K education.

I participated in a co-op nursery school program with each of my three children. It was set up under the Community Education Dept. of the College of Marin in Calif. Parents were required to participate one day each week to facilitate all the activities as well as the weekly hour-long evening class in early childhood development. This was conducted by the nursery school director who was a faculty member of the community college. This was a program so beneficial for the children and their families that it influenced my career path.

As a psychology instructor at the Community College and State University level in Calif. and here in Southeast Alaska, Early Childhood and Adolescent Development was part of my curriculum. The formative

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years of a child's life determines the health and well-being for a lifetime.

I subsequently earned a second graduate degree in psychology, in clinical training and licensure as a Marriage and Family Counselor in Calif. and Alaska. This profession bases much of treatment on Family of Origin issues. The home environment, nurturance and sense of security established from birth thru pre-school years the thinking and emotions and, especially, self-value of the child. This contributes to learning and behavior and the potential of success in life and relationships.

The Douglas Montessori Pre-School is an outstanding example of a structured, supportive environment promoting and advancing early childhood education and confidence. For several years I was employed as an on-call Substitute Teacher. There were separate programs for toddlers who were potty-trained and 3 and 4 year olds

who began learning to organize puzzles, recognize letters, of the alphabet and words, beginning reading skills and a variety of activities, inside and out. These included such things as sign language, baking and gardening. Children that graduated and headed to public school kindergarten became talented and superior students. Best Beginnings, Head Start and AEYC are all resources that have offered positive early childhood learning. Wowed that all our youngsters had such opportunities to start their lives!

The State Administration and Legislature have been focused on Budget Cuts. There has not been sufficient protection of some specific social and economic needs. These include inappropriate cuts to the Alaska Marine Highway System and needed reliable ferry service, especially in Southeast Alaska. The resistance to preparing legislation to establish Medicaid Expansion is foolish, political and is costing Alaskans an unnecessary financial burden.

Leadership is needed to develop additional

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revenue. The State Income Tax should never have been done away with.

If even a token tax had been preserved there wouldn't be such political fear about reinstituting it. Where is the governmental courage? The Sunbeam Empire carried an editorial on Sunday, March 1st proposing that our fuel excise taxes, the lowest in the United States, be doubled to meet current needs. This legislative action could be temporary, or not, until oil revenue increases and our dependence on it doesn't wreck the Quality of life for all Alaskans, now and in the generations to come.

It's time for sensible priorities and leadership. How bad do things have to get?

Alaska Farmers Union

12501 Marsh Rd

Palmer, AK 99645

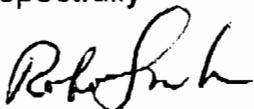
To whom it may concern: House Finance, Senate Finance, ER Legislative Delegation, as well as the Mat-Su Legislative Delegation,

Thank you for a moment of your time. AFU has always been a supporter of the various agricultural programs in this state. Now more than ever we see the continued need for training and opportunities in the area of agriculture. This letter targets support for three such programs. We consider these programs to promote a positive return to the state. First, "AFU supports the continuation of the Farm to School program and the full funding thereof". Without a doubt this program has had a positive impact on our state budget motivating many individuals to expand. A direct correlation to growth.

The second program is the Future Farmers of America (FFA) program. Recent university funding targeted FFA and other programs in Cooperative Extension, this has caused an upshift in attitude, attendance, and participation. These are programs that need to be funded. Besides being the president of the Alaska Farmers Union I am also a board member of the cooperative extension service. At a time of declining oil valuations there is a demand surge for these services. Now is not the time to cut.

Last, for as long as I can remember the Division of Agriculture has been funded enough to "keep it breathing". Now is not the time to underfund but a time to "pump the money" into the tank. Agriculture may not be the answer for all the problems but the timing is right for development to happen. A child taking its first steps often falls down. The Delta and Pt Mac were stumbles. Just look at the value of Pt Mac now. We at the Alaska Farmers Union ask you to please support these programs.

Respectfully



Robert Shumaker, President of the Alaska Farmers Union

907-745-2807



**Irene Ingle Public Library**

**P.O. Box 679**

**Wrangell, Alaska 99929**

**Fax: 907/874-2520**

**Phone: 907/874-3535**

**email: wrangelllibrary@gci.net**

To the House Finance Committee Members,

I am writing this letter in reference to the OWL (on line with libraries) project being eliminated. As the library director for the Wrangell Public Library, I can tell you how this will impact our library and our patrons. With the cost of internet so expensive in the state of Alaska there are patrons who cannot afford to pay to have it in their homes. They come to the library to stay connected with family and friends, to file their PFD, to access the job center or search for jobs. We proctor tests here for the university so that our patrons can continue their education without having to leave their homes. They use it to apply for state and federal benefits, access Listen Alaska eBooks, audio books, and music. Without the bandwidth that we currently have our videoconferencing will be useless to us. I am asking that you reconsider cutting the OWL and the Live Homework Help as these are vital to our community.

We have also heard that there is a possibility of our Legislature Information Office being closed. There are so many people in this community who benefit from the help that they receive there. The office helps people file their pfd's especially the elderly who are not as comfortable filing online. If you close our office here they will have no place to go for help. The office helps with communication between citizens and the legislature as well. It is not just the elderly who get help, it is also our youth. Please reconsider closing down our LIO. It is very essential to the people of Wrangell.

Thank you for taking the time to read my letter.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Villarma".

Margaret Villarma

Library Director

Irene Ingle Public Library

cc. Representative Oritz, Senator Stedman

The Alaska State Library's Online with Libraries(OWL) project has greatly benefited the community of Valdez. The City of Valdez maintenance dept. was certified for insect spraying via OWL video conferencing. Several restaurant owners and workers took a food safety professional class. Both of these classes improved our community and were not possible without OWL.

Valdez High School Library Associate Pamela Verfaillie has this to say about OWL: OWL significantly benefited my VHS students during the summer of 2014. Partly because of a summer reading partnership with the Valdez Consortium Library, I received a grant award of the 25 Teens' Top Ten book nominees. During the finale event, we video conferenced with a nominated author, Natalie Richards and invited other Alaskan libraries to attend. The presentation was recorded and made available on the State Library's website, allowing it to be shown again to our students during the school year. Without OWL, this video conference would not have been possible.

We urge you to support continued funding for OWL. Thank you.

To [lhscfin@akleg.gov](mailto:lhscfin@akleg.gov)

RE: Written comment in support of restoring Youth Court Funding, for inclusion as public testimony on HB 72 before House Finance Committee

Dear Members of House Finance Committee,

This is clearly a challenging time for Alaska and the state budget. So it is critical to find ways to reduce long term state spending. But sometimes a counterintuitive approach is necessary.

I therefore ask that you fully restore funding for the Alaska Youth Courts program. Cutting this program will only INCREASE the need for state spending in the areas of juvenile probation services, judicial services, prosecution and victim services, law enforcement investigations, and civic education and engagement of Alaskan youth. Not only do Youth Courts perform these functions more cost efficiently than state government agencies, they have done so much more effectively. (Youth Court recidivism rates are half those of similarly situated youth that do not go through Youth Court.) Every youth diverted from a future of crime by involvement with Youth Court represents future savings to the state and private sector alike, including the direct damages caused by criminal behavior plus the costs of investigating, prosecuting, defending, judging, sentencing, supervising probation, detaining, incarcerating and rehabilitation of the criminals.

As you are aware the goal of Youth Court is to stop illegal behavior by encouraging, understanding, and respect for the law through positive peer pressure in a formal setting.

In Valdez, we have 23 Youth Court members varying in age from 12-17 who take part in a 15 hour class and must pass a bar exam to be a member. These youth are committed to making a difference in our community and learn important skills such as public speaking, organization, confidence and a strong understanding of the justice system.

Over the past 4 years we have had 71 defendants referred with over 95% of these youth completing their sentence successfully. This past year these young defendants worked a total of 176 community service hours.

Currently through community fundraising, our community provides 33% of the total youth court budget.

We as a community understand that these are difficult fiscal times for our state, but we would strongly encourage you to find a way to restore this funding, so that you can ultimately reduce long term state expenditures, while making a meaningful difference in the lives of our kids and our communities.

Thank you for your time and consideration.

Sincerely,



Todd Wegner  
VYC Board President



To: Alaska State Legislature

March 4, 2015

For: H.B. 72, Concerning the  
Proposed 10% cut to the  
Ak. Marine Hwy.

(Addendum to testimony)

Would you like to see the "Gold Medal Tournament? If your answer is "no" then, you're for the 10% proposed cut to the Alaska Marine Highway.

Would you like to see the "Celebration?" If your answer is "no" you're for the 10% proposed cut to the Alaska Marine Highway.

Would you like to see or attend any major conferences at Juneau, Alaska? (both Native & non-native) IF your answer is "no" you're for the 10% proposed cut to the Alaska Marine Highway.

AS FAR AS YOU KNOW, are there any ALTERNATIVES besides the 10% proposed cut?

IF you said "no" then perhaps you haven't read the Juneau Empire Editorial of March 1, 2015.

In this Editorial, a Fuel Excise Tax of \$1.00 is proposed which would help the State Budget.

Do YOU think that this is a POSSIBLE alternative that you would support? IF you said "no" then you're for the 10% proposed cut.

IF you don't support that alternative, ~~what alternative~~ what alternative do YOU support?

This 10% proposed cut also promotes a NORTH vs. SOUTH situation which creates "POLARIZATION." Do you support "POLARIZATION" in any form?

IF your answer is "no" perhaps there is a possible solution to this issue.

IF there are solutions, perhaps you should NOT keep it to yourself. NOW is the time to share it.

Signed, Albert Judson

(Albert Judson)

Registered Voter & resident – Juneau, Alaska.

Lezlie J Rice

P.O. Box 1451

Wrangell, Ak 99929

March 4, 2015

Dear Members of the House Finance Committee,

We are all concerned about the future budgets cuts that the State of Alaska will be making in the next few years. I reside in Wrangell; these are the cuts that I feel would be detrimental to our basic standard of living in this town.

We have been told that our town will not get the funding for another State trooper. Our troopers are here to protect our town, its people and the Fish and Game as well, to regulate and educate and help us to follow legal procedures. If we have to share Wrangell's trooper duties with a trooper on call, I think that we could have the potential for some illegal fishing and hunting violations that will go unnoticed, safety issues not addressed; having a State Trooper just helps all to abide by the legal rules. We will have limited service in this area, a trooper from a neighboring town will probably be so busy, I wonder will he be as effective as he needs to be?

I read in the Cordova Times that The Wrangell LIO office also may not get the funding that it needs to stay open. I work in the adjacent office next to the LIO and notice that it is a very busy place, people needing help with PFD's, teleconferences, (like the one we are having now) , information on bills and resolutions, the list goes on. I was there recently getting help with the Alaska Landlord and Tennant Laws. With

quite a few of our townsfolk getting older, we are not as well versed in the computer world and some of us do not even own them, without and LIO where does one go for help?

Another State entity that is getting some major cuts is the Alaska Marine Highway. For those of us that live on an island such as Wrangell, it really is our marine highway. I raised 3 children that were very involved with sports, the ferry was their means of transportation, without that option they would not of had the opportunity to participate; flying would have been way out of our budget. We also visit with doctors and dentists out of Wrangell via the Alaska ferry system.

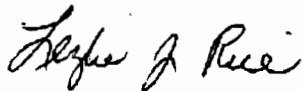
I am operating a B&B and many of our customers are ferry travelers, we need to keep the tourist industry a viable market in Wrangell.

Some our fresh dairy and produce for the grocery stores arrive weekly on the ferry.

Please consider our situation in these areas; our town really does need these services.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lezlie J Rice".

Lezlie J Rice

March 4, 2015

Testimony to the House Finance Committee

Thank you for this opportunity to comment on the State's propose budget cuts. I recognize the need for cuts at the state level, and I know that my own Borough, Wrangell, will be having to make some serious budget decisions as well.

Being able to speak directly to you today is very important. I will be one of several people to speak on the same issue, so I may or may not testify verbally in this particular case, willing to combine my comments with others as requested by the Committee. But I am at my LIO Office where I have that opportunity... but if the planned cuts for the LIO offices is approved as proposed, after this year we will not have direct access to the legislature. We will not have the opportunity to participate in government unless the state is willing to put in a huge number of phone lines to allow endless "offnet" comments. But we will also not have the ability to stay informed. So much happens so quickly during the State Legislative session and Wrangell's LIO office provides us with the alerts, the information on what is happening so that we can comment and participate. The office provides assistance with other State programs and issues. Wrangell's ability to participate to have direct access to state government to find assistance and answers to questions pertaining to state issues will no longer exist and representation before the Legislature will be skewed to more urban areas.

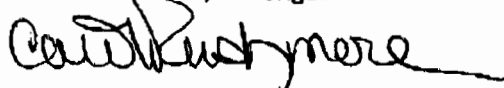
***We request that you relook at the proposed closing of the 6 LIO offices listed (only open during the session anyway). Perhaps keeping open ALL LIO offices for only 6 months out of the year might be a more fair and equitable budget cut. The larger communities of Juneau, Anchorage and Fairbanks still have direct physical access to state offices year round – where as we do not.***

Cutting the Alaska Marine Highway so severely would have very serious implications to continued economic opportunities in southeast Alaska. The ferry system, our highway, is a driver of economic wealth and job creation. The ferry is our highway, providing transportation for medical services because local communities only provide basic health services. It is affordable transportation for our kids to participate in sports, debate, arts etc, that adds critical skills to their learning curriculum and growth as well rounded individuals which without this transportation, our school would no longer be able to compete. The ferry provides industry infrastructure for construction, seafood, tourism and other. But most important, it brings in outside money – to the AMHS system and to communities, and brings individuals that feed the job growth and economic prosperity of one of our region's and state's most important industries and revenue generators– tourism.

Also, the proposed budget cut to the Department of Natural Resources Division of Forestry if implemented so severely as proposed, the State will be sealing the fate of an industry, of jobs, or economic vitality throughout Southeast Alaska. Alaska generates jobs and revenue through resource extraction. Timber is a renewable resource. Staff are required to ACTIVELY manage the Southeast State Forest to generate revenue, jobs and community infrastructure.

***Please look carefully at the severity and equity of the cuts – many of the cuts being proposed are targeted mostly to rural communities where the loss of access, transportation, and jobs are felt much more acutely than in the larger communities. The cost to individuals may be so severe, that you impact the work force and infrastructure of the economic sectors you need to keep thriving in time of fiscal crisis. Oil-related budget crises increase the relative importance of Alaska's other industries, so we should not undermine those industries by dismantling the infrastructure they need.***

Sincerely, Carol Rushmore, Wrangell



# Results through Books & Early Reading

## Juneau's Imagination Library

Children enrolled in Juneau's Imagination Library receive a free, high quality book in the mail each month from birth until they turn five. By the time they enter kindergarten, they have a library of up to 60 books.

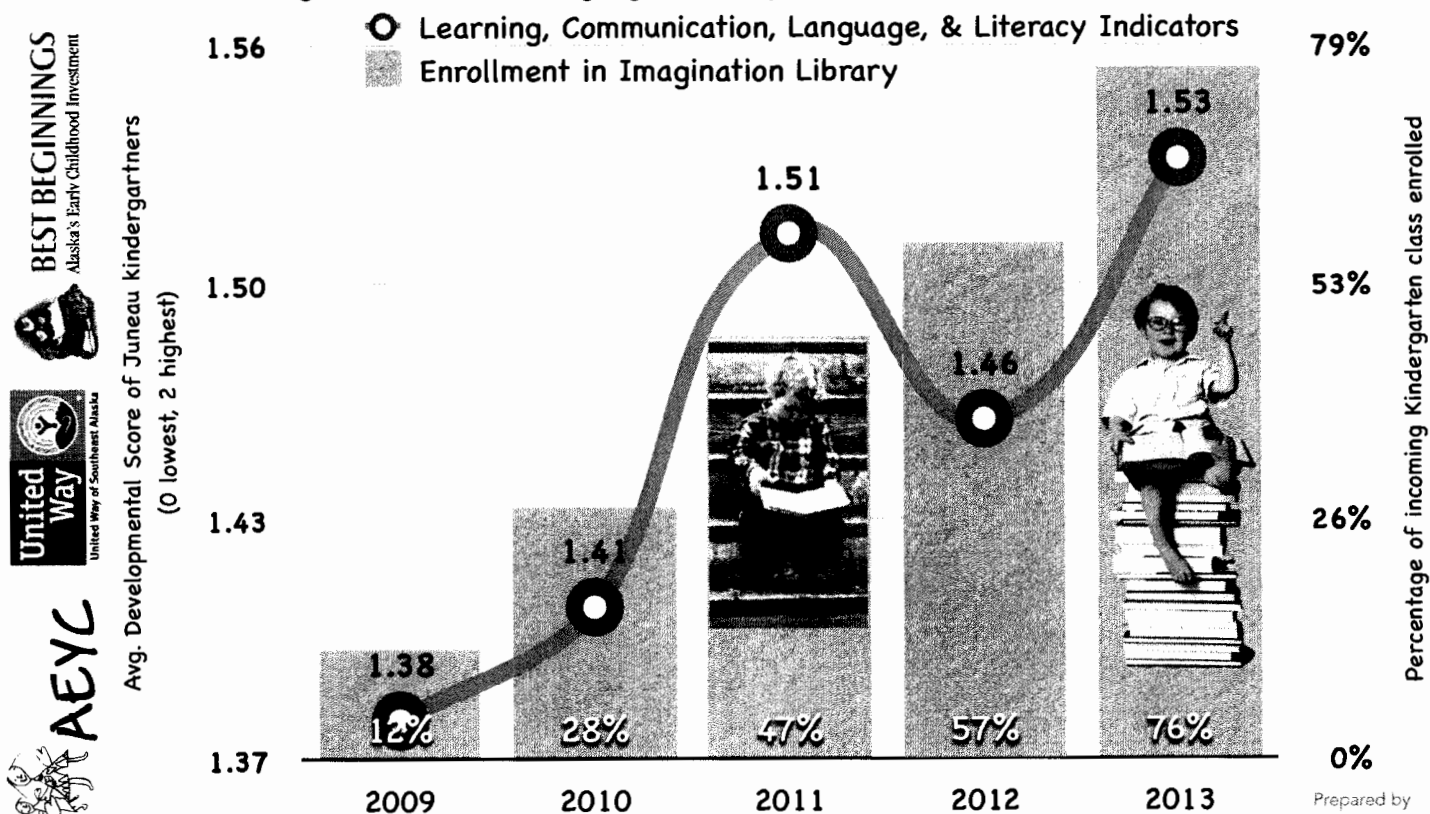


- In Juneau, **89% of parents of children enrolled in the program report reading to their child daily**, versus 56% for non-enrolled children.
- Studies across the US have shown that participating children are more prepared to enter school and become stronger readers.
- In 2014, more than 1,000 Juneau children are enrolled in the Imagination Library, up from less than 200 in 2009. As more Imagination Library kids enter kindergarten, average developmental scores for "Learning, Communication, Language & Literacy" Indicators of Juneau's Kindergarteners have also been rising. From 2009 to 2013, this kindergarten readiness indicator rose by 11%—from 1.38 to 1.53 (on a scale of 0 to 2). During the same period, the percent of Juneau kindergarteners that had participated in the library increased from 12% to 76%. The cost for five years of enrollment is \$150.

"What a wonderful program. The free books are a blessing for this single mom who is living paycheck to paycheck but wants to promote reading with my child!"

## Kindergarten Readiness in Juneau Increases

Comparison of enrollment in Juneau's Imagination Library, & average scores for kindergarten readiness indicator "Learning, Communication, Language & Literacy Indicators"



aeYC-sea.org

Association for the Education of Young Children, Southeast Alaska 3100 Channel Drive, Suite 215, Juneau, AK (907) 789-1235



**Hello My name is Christy Montero. I live in Juneau, Alaska,,**

**I am informing /Writing my express , concern about the elimination of the Interpreter Referral Line ( IRL..) This budget cut will negatively affect many Deaf Alaskan citizens. Make it difficult, or impossible to achieve effective communication as required by the American with Disabilities Act. I know the state has less money to work with Trying to balance the Alaska Budget, but isn't it important not to eliminate this program. Are we not trying to be the forefront of a transparent Government operation? Please restore the interpreter Referral Line Funding in Dept of labor DVR program (DVR) a Special Project Budget.... Now, VIDEO PHONE does not always work! Many are not 100% certified technicians, or computer savvy, and in some instances have limited internet connectivity. While most in the deaf community cannot afford the high-speed internet connections like so many wealthy Alaskans can afford at home, which leaves them disconnected, and cannot perform, or do their own daily business with the rest of the world. It's not only that, but due to the poor landscape or connection as well! Writing is not always great either with our deaf community, as we rely on interpreter to have a clear and concise translation to have a better understanding through correct interpretation through ASL, because that is our language. We need a CLEAR understanding especially in very important areas, such as with the COURT's, HOSPITAL staff, Public safety, Schools, or possible job prospects. You can provide that TECHONGY, and can set these up in those major city's such as Juneau and Anchorage. For those who live in smaller communities so they can rely on service providers. It is my understanding that you can provide there yet NONE of this has been seen. Only in richer, wealthier places like New York, Seattle, and Los angles. Yet I understand that those huge cities do have more people, but are we not Equal? Do we not deserve to be treated equal? What happens to freedom of speech if we do not have someone to interpret for the deaf community? I don't want any hassle of people suing for the wrong doing, or misinterpret some sort of leagal understanding if anything happens. No quality of access for Disability.. IF you can provide foreign language you can for the deaf as well. No excuse.. I don't need my children to be my assistant where language should be kept for personal business, or where a delicate matter is involved where it could be a conflict of interest. Please THINK what you doing to the Deaf and Hard of hearing.. LOOK at the LAW ADA!!!!!! Read up on it please, as they are your laws too..**

## **Literacy Development of Alaskan Children Ages Three to Five A Position Statement of the Alaska State Literacy Association**



### **The Importance of Preschool and Kindergarten**

The Alaska State Literacy Association believes that every child in Alaska should attend kindergarten and that 3 and 4 year olds should have access to free, high quality public preschool. The high-quality preschool and kindergarten experiences that successfully foster early language and literacy skills lay a critical foundation for children's successful future. Children who attend high-quality preschools and kindergarten are less likely to be retained in the primary grades, have higher graduation rates from high school, and have fewer behavior problems (Barnett, 1995; Campbell & Raney, 1995; Cunningham & Stanovich, 1997; Huttenlocher, Vasilyeva, Cymerman, & Levine, 2002; Peisner-Feinberg & Burchinal, 1997).

### **The Need For Free, High-Quality, Public Kindergarten and Preschools**

At present, the state of Alaska funds but does not mandate kindergarten. AS 14.03.070 mandates compulsory attendance from age 7 to 16 years. School age is further defined as ages 6 to 18 with 5 year olds allowed to attend kindergarten where it is available. The federal No Child Left Behind law stipulates that all children should be reading at grade level by the end of third grade. If Alaska's children are not required to attend school until the age of seven, many will not be reading at third grade level by age eight or nine. Young children will meet this requirement easier when they are provided the rich kindergarten experiences where they learn that text carries meaning, readers process print from left to right, top to bottom, and that real life involves using reading and writing for practical purposes.

Alaska is one of a few states not fully or partially funding public preschools. Preschool is only available to a limited number of children based on the ability to pay. Yet children learn through assimilation of concrete "hands on" type of activities in the early years. They need rich experiences in preschool and kindergarten where children can engage and construct their theories about print (e.g., what are words – how do they work). Experience that builds background knowledge is essential to becoming a knowledgeable reader. High-quality preschools and kindergarten provide appropriate early literacy experiences delivered by well-prepared, knowledgeable, caring teachers. Teachers who enhance the early literacy of children from diverse cultural and language groups use culturally appropriate instruction that is congruent with the children's home and community language and literacies. (Heath, 1983; Hohepa & McNaughton, 2002; McNaughton, 2001).

Alaskan children's development can be positively affected by high-quality preschool and kindergarten experiences that improve later academic and social competence (Barnett, 1995; Morrow, 2004; Neuman & Dickinson, 2001). It is the position of the Alaska State Literacy Association that every child in Alaska should have access to free, high-quality, public preschools and mandated kindergarten.

## **Alaska State Literacy Association**

### **Nature and Purpose**

The Alaska State Literacy Association (ASLA) is one of the largest professional education associations in Alaska with over 400 members. ASLA is affiliated with the International Literacy Association (ILA) formerly known as the International Reading Association (IRA).

Members rely on ASLA for the professional development resources they need to reach our shared goal: Teaching Alaskans to read. ASLA supports literacy for all, lifetime learning and informed decision making. The state association in partnership with ILA and local councils recognizes and supports quality literacy programs and opportunities through awards, grants, council programs, workshops and annual conferences. ASLA provides educators, at all levels, access to research, materials and methodologies to promote and teach lifetime literacy and learning, ASLA provides a network for communication, exchange of information, leadership, professional development and involvement of Alaska's diverse community of educators.

Alaska State Literacy Association advocacy contact information:

Patricia George  
3328 Fritz Cove Road  
Juneau, AK 99801  
[prgeorge@gci.net](mailto:prgeorge@gci.net)  
(907) 789-0172  
(907) 789-6964 fax



To: Alaska State Legislature  
"Concerning A.M.H. Budget"

March 3, 2015

My name is Albert Judson, a registered voter and resident of Juneau, Alaska. Also, I'm Independent, politically. I object to & I'm opposed to the 10% proposed cut to the A.M.H.

First of all, "What facts and figures are there to justify a 10% cut to the Alaska Marine

Highway?" I believe that cuts or increases should be justified. When it comes to the

Alaska Marine Highway justification becomes more important because of the way it

affects people's lives. As cuts or increases are made it's also important NOT to alienate

one Region over another. If this happens, it promotes "polarization" between people.

Regional Sub-committees could be formed. The Finance Committee would stay the way

it is and act as a "Committee-of-the-whole." This way, each Region has a "say-so" on the

budget for their area. This is all speculation on my part. It's just a way to address "polarization"

which is a tough issue.

I DON'T BELIEVE that any cuts should be made in the Alaska Marine Highway Budget.

My reason for this is (1.) The Alaska Marine Highway is already in a bad position right now.

Any cut would be a disaster for the Southeastern Alaska Villages and Cities. (2.) The Alaska

Marine Highway is one of the Budget items that can generate money back to the State Govern-

ment. In fact, if someone researched this, they would be able to find the amounts and times

that the Alaska Marine Highway pulled it's own weight and then some. (3.) The Juneau

Empire has an Editorial in Sunday's paper (3/1,/15) concerning the Alaska Marine

Highway and it provides a major answer to this issue.

(page one)

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I believe that the Alaska Marine Highway is OVER-DUE for a budget increase. (1.) The better that the Alaska Marine Highway could be run, the MORE revenue they could generate.

(2.) The Alaska Marine Highway doesn't just transport people from place to place, goods and services are provided because of them. (3.) The MORE that the Alaska Marine Highway does, the lower the cost-of-living is. This could be proven through someone that knows logistics.

I'll have to finish here so someone else could testify.

Thank you for allowing me to use my 1<sup>st</sup> Amendment right.

Signed, \_\_\_\_\_

*Albert Judson*

(Albert Judson)

Registered Voter & resident

of Juneau, Alaska.

*Copy*

## EMPIRE EDITORIAL

# \$1 per tank for a working ferry system

On Friday, the Alaska House Finance subcommittee on the Department of Transportation and Public Facilities finalized its adjustments to Gov. Bill Walker's proposed transportation budget.

The results were disappointing. The subcommittee — chaired by Rep. Steve Thompson, a Republican from Fairbanks — recommended a \$9.5 million cut to the Alaska Marine Highway System budget.

Such a large cut will take the Malaspina and Kenicott out of service for months at a time. The state's fast ferries will operate only once per week. The ferry Chenega won't run at all. Worse still, the proposal means there are no backups for ferries that break down — any problems, and communities might be without service for weeks.

We are disappointed at the finance subcommittee's work and hope it will be reversed to some degree as the budget bill moves forward. Fixing the budget shouldn't involve tapping the ferry system's budget to fix roads in Anchorage, as the subcommittee seems to be doing. It has diverted ferry system money to lane striping and pothole patching. Un-

fortunately, there may not be much that Southeast Alaska can do about that.

We do not believe Southeast has the votes — even working with legislators from Kodiak, the Aleutians, the Kenai Peninsula and Prince William Sound — to win a tug of war with Fairbanks and Anchorage.

It's time for a different strategy.

Instead of cutting our way to a balance that will hurt Southeast, it is time to think about raising revenue — if only temporarily.

Alaska has the lowest fuel excise taxes in the United States. We pay eight cents per gallon for gasoline, five cents per gallon of marine fuel, 3.2 cents per gallon for jet fuel and 4.7 cents per gallon for avgas.

Last fiscal year, motor fuel taxes raised just under \$40 million for the state, money that was put into the state's general fund.

If the Alaska Legislature simply doubled the state's fuel excise tax, it would raise \$40 million for transportation. We would no longer be talking about cutting the ferry system and skipping pothole patching.

Doubling the excise tax would not be an overly large burden. Nationwide, the average state excise tax is 20.64 cents per gallon — and most states add an average of 9 cents of other taxes on top of that. Even after doubling its excise tax, Alaska would be well below that.

Falling fuel prices mean that drivers wouldn't suffer. We've just survived years of \$4 per gallon gasoline — would we really struggle to pay an extra eight cents per gallon? Your typical car has a 13-gallon tank. Isn't the ferry system worth \$1.04 extra per tank?

More revenue doesn't eliminate the need for cuts. We need to continue to seek efficiency in the ferry system on shore and on the water. We can recall a time when a leaner ferry system operated a range of ships in the early 2000s. There's no reason it can't do so again.

Furthermore, we suggest that this increase be temporary. If oil prices rise, the state will have more revenue and the need for this tax will pass. When oil prices rebound, we may safely get rid of this extra tax.

**Nelson, Sabrina M (DNR)**

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**From:** Nelson, Sabrina M (DNR)  
**Sent:** Tuesday, March 03, 2015 8:39 AM  
**To:** 'lhscfin@akleg.gov'  
**Subject:** Please continue funding for the PAT and Best Beginnings programs

To whom it may concern,

Thank you for taking the time to consider the importance of the Parents As Teacher's program (PAT) and programs like Best Beginnings including the Dolly Parton Imagination Library, these programs have made a huge difference in the life of my family. I am a full-time working mother that is also trying to earn a degree through online attendance with the University of Alaska Southeast. I value education and with the limited amount of time I have to juggle all these priorities, these programs have been a phenomenal asset to our everyday lives. I have two boys, Rylan, 3 1/2 years old, and Osias, 1 year old.

We joined the PAT program within the first two months of Rylan's life and continued until he aged out of the program. When I first joined the program I was an uneducated and unconfident mess. What can I say, I was a new parent. I wondered how the hospital could let me walk out their front door entrusting me with a baby. At almost 30, I didn't know the first thing about infants; it had been too long since I last was a babysitter in high school and even then it wasn't watching a newborn. I was fearful, struggling with the reality of responsibility cradled in my arms. It was beyond comprehension what to do next with this little life I brought into this world. To put it bluntly, I needed guidance and support. Emily, my PAT advisor, was there for us. I had questions, a lot of questions. I wanted to know about my child, I wanted to encourage his development, I wanted to know about what support and resources were available to us, guidance on childcare, information about first foods, potty training, what developmental milestones were next, how to communicate with him before his verbal skills developed, what activities were around town; the list was always growing.

I looked forward to the home visits, sharing precious time with a knowledgeable educator that felt like an extension of my family. The visits were structured and informative; educational white papers, the monthly newsletter, developmental screenings, activities (the part producing the most memorable moments), a new book, and discussion about what I wanted to know about next. Through these regular visits I developed confidence in myself to make decisions about my child's future, if I didn't know the answer who to contact to direct me to how to find the answer, how important reading together is and so much more. The relationship developed thru the support of Emily built confidence and trust in myself as a parent and as an educator of my own children. Emily and I shared several moments with each of my children (developmental milestones) that we explored and celebrated.

Through the monthly parties where other families gathered at various locations, bonds with other families were created and are currently sustained. It was a wonderful way to network with other parents that you can relate to because they are experiencing the same things you are. The snacks were delightful and our favorite place was always the pool. Emily gave me the tools to be a good parent and encourage the growth as it was happening. Without the PAT program's involvement I would not have become the knowledgeable, supportive, and actively involved parent that I am today.

When I look back at this program I am grateful that it was such a large part of Rylan's life and I am saddened that Osias wasn't able to take full advantage of such a wonderful program. The opportunity

to influence the future is here; it starts in the home, it starts with solid foundations, it starts with strong relationships, and it starts with knowledge. The PAT program provides parents with education and the chance to make a better future for their children. I hope this program will be around for a long time and many other families will receive the benefits that I was able to receive.

Through the Monthly Newsletter I am regularly informed about events going on around town that I can participate in with my children. There are several events that we take advantage of attending during the course of the month and are considered very important bonding times together. We attend the first Tuesday family library night at the downtown library and receive a book, the first Saturday Workshop at Home Depot, the breastfeeding café on the third Saturday, the family night at the turf on the second and fourth Friday's, and all of the specially sponsored swim's none of which would I have known about without the Monthly newsletter.

The Dolly Parton Imagination Library is another program that is a part of our daily life. Friday of every week we, as a family, go to the post office to check the mail. This is another special moment in our regular routine. My son is always asking if there is going to be a new book in the mail. Without this program, there will be nothing to look forward to in the mail anymore. This program is deeply intertwined in our evening routine, before bed we spend almost an hour selecting and reading books from our personal library before bedtime. Since personal finances are limited for our family, our home library is composed of almost exclusively books obtained through the PAT program, the first Tuesday family library night, and the Dolly Parton Imagination Library.

Please take a moment and put your feet in my shoes. Beyond the monotonous grind of daily life, when are the moments I, as a parent, look forward to? Yes, the time with my children which hopefully, will be continually enriched by the PAT and Best Beginning programs.

Sabrina Nelson  
907-723-0191

My name is Patricia George, from Juneau and I am here representing the Alaska State Literacy Association.

The Alaska State Literacy Association is one of the largest professional education association in Alaska with a membership of over 400 members. ASLA is affiliated with the International Literacy Association formerly known as the International Reading Association (IRA). ASLA supports literacy for all, lifetime learning and informed decision making.

We want to urge you to fund the following early childhood literacy programs: Best Beginnings, Parents as Teachers and Pre-K Programs. One part of Best Beginnings is the Imagination Library Program

You have the data that Juneau has gathered on the Kindergarten entry testing and the improvement in those scores for children who have participated in the Imagination Library program.

Juneau started three years before the other Southeast communities, but the other communities are starting to show improvements and need the opportunity to continue early childhood literacy programs.

As a former first grade teacher, I know how

important it is to have books in all children's homes  
and to have parents who know how to be their child's  
first teacher.

Thank you for this opportunity to speak and to  
encourage funding for programs that form the  
foundation Alaska's youngest citizens need to  
become lifetime, literate learners.

Thank you to the chair and members of the committee for the opportunity to testify. My name is Meghan Johnson, Director of Learn & Grow, Alaska's Quality Recognition and Improvement System for early learning. I support investing in Alaska's early care and learning systems and programs. It is imperative that we restore the proposed cuts to children and young families. This funding ensures we are supporting critical early learning supports from Home visiting to quality PreK and literacy programs – all leading to more positive outcomes for children starting in early childhood. I specifically encourage you to support funding for young children and families by reinstating the:

- \$ for Best Beginnings and their work to increase community engagement around quality early learning and early literacy through programs like Imagination Library
- \$ for Parents As Teachers supporting families with home visiting including health screening, parent education, resources, and child development
- \$ for PreK - providing quality early learning programming for working families and ensuring young children have access to early learning supports and needed interventions prior to entering K.

**All of these efforts** provide critical education and community services for families and early educators and support quality early learning- investments that research strongly demonstrates have long lasting benefits for not only young children, but their families, communities and our state economy. Investing in our youngest children is the best investment our state can make with future guaranteed return on investment – in some cases reported as high as 17%.

In Alaska, there are approximately 80,000 children under the age of 12 in Alaska who have both parents in the work force. Unfortunately, Alaska's current ECL capacity can only meet about 50% of this need. Current economic benefits to investing in Alaska's ECL show each year Alaska invests approximately \$235 million in Early Care & learning, with parents making up 61%, state 8%, federal at 30% and private/ employee sponsored at 1%. As parents and governmental organizations pay for childcare, childcare providers spend this money in state on employee wages and salaries, benefits, food, and a host of other necessary supplies. This virtuous cycle, known as the multiplier effect, leads to a total contribution to Alaska's economy of nearly \$350 million each year and the equivalent of nearly 6,400 full-time jobs. According to the 2011 McDowell Economic Impact Study, parents earned approximately \$1.1 billion in income because they have quality early care for their children so they can go to work.

Cutting these critical early care & learning programs is the exact opposite of national and international economic and scientific research recommendations.

Learn & Grow, managed by thread is part of the early childhood advocacy group comprised of leading early childhood organizations with representation across the state that agree funding for early childhood is critical. We know investing early on in a child's life helps better prepare children for school, for work and for life. Thank you for your time and leadership in supporting young children and their families.

Thank you for you time.

*Meghan Johnson*

*mjohnson@threadalaska.org*



# INVESTING IN ALASKA'S YOUNG CHILDREN

*Alaska Early Care and Learning: Public Policy Priorities for 2015*



## INVESTMENT PRIORITIES

### QUALITY EARLY CARE

- Increase child care assistance rates to current market rates and update and revise family contribution scale.
- Provide equitable access to quality early care and education for working families.
- Maintain investment in Head Start and Pre-K programs to advance early learning opportunities for children.

### STRENGTHENING FAMILIES

- Increase investment in Parents as Teachers to strengthen parent knowledge of early childhood development and improve parenting practices.
- Maintain investment in Infant Learning Programs to continue to provide essential early intervention services to children with developmental disabilities/delays and children who experience abuse and/or neglect.

### COMMUNITY ENGAGEMENT AND EARLY LITERACY

- Increase investment in Best Beginnings to provide Imagination Library books to 50% of Alaska's young children, support locally based solutions, and promote parent and community engagement in early learning.

## POLICY RECOMMENDATIONS

**Create an Office of Early Learning** to increase collaboration and coordination of programs and services for young children and their families, erasing bureaucratic barriers and ensuring greater efficiencies. With guidance from the Alaska Early Childhood Coordinating Council (AECCC) appointed by the Governor, the Office would bring together programs and services funded and operated by the Department of Education & Early Development and the Department of Health & Social Services. Positions would be maintained where they are, thus promoting interconnections with other programs impacting families in both departments.

**Develop a coordinated state early care and learning data system** to improve program effectiveness, inform decisions, and help policymakers answer key questions. This system will be supported by policies and practices that encourage the coordination, security, and use of early care and learning data resulting in a quality-improvement-driven data system rather than a compliance-driven one.



Our children, birth to five, are best served by a unified, sustainable system: a system comprising of early care and learning, health, and family support. The **Alaska**

**Early Childhood Advocacy Group** is a coalition of early childhood experts and leading organizations with representation across Alaska working to increase the number of children ready to succeed in school, and beyond. The following entities comprise the group: Alaska AEYC, Alaska Head Start Association, Alaska Infant Learning Program Association, Best Beginnings, Parents as Teachers State Office, and thread.



# EARLY EXPERIENCES MATTER

Research shows that participation in quality early childhood programs have long term gains for all children. Yet, only 1 in 5 children benefit from participation in some level of early childhood services. Moreover, science tells us that during the first three years of life the brain undergoes extraordinary development as children are acquiring the ability to think, speak, learn, and reason.

In Alaska, about 7,000 children repeat a grade between kindergarten and high school. It is far more expensive to intervene during the K-12 years to help keep a child on track than it is to make an early investment to start children on track. Investment in families with young children is a social, economic, and education imperative for the future success of Alaska.

## QUALITY EARLY CHILDHOOD DEVELOPMENT:

# 7-10% ROI

"The rate of return for investment in quality early childhood education is 7-10% per annum through better outcomes in education, health, sociability, economic productivity and reduced crime."

**James Heckman**

Nobel Laureate in Economics



I was referred for early intervention services and now I'm developmentally on target.



My parents learn how to best support my growth and development during our home visits.



I have great teachers at my child care and Head Start. They like their jobs and know a lot about helping kids learn.



You should see all of my books at home! I am excited about learning and can't wait for kindergarten!



I'm graduating with honors because I had a good start in life.

## The Heckman Equation

Invest  
+Develop  
+Sustain  
=Gain

in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

cognitive skills and social skills in children — from birth to age five when it matters most.

early development with effective education through adulthood.

more capable, productive and valuable citizens that pay dividends to America for generations to come.

# ALASKA'S EARLY CARE & LEARNING PROGRAMS

## Child Care Assistance Rates

**Child Care Assistance:** Every week in Alaska, about 38,000 children under age 6 with working parents are in some type of child care setting. The availability, affordability, and quality of child care are challenges that working parents face. Alaska is one of 19 states where both the annual cost of center-based infant care and center-based preschool-age care exceed the annual cost of tuition and fees at 4-year state public colleges.

Research shows that early brain development, early language development, executive function ability, and effective staff practice (the interaction between staff and children that supports learning and high order thinking), have a direct connection to a child's healthy development and ultimate school success.

Beginning with provider payments that reflect the current market and then increasing payments related to high quality care will help ensure that parents have choices among quality providers.

## QRTS: Learn & Grow

**Progress toward development of a Quality Recognition and Improvement System, Learn & Grow:** Thanks to funding support to **thread**, Learn & Grow is in development, and will provide a sustainable systematic approach to assess, recognize, reward and improve the level of quality in early care and learning programs. Learn & Grow sets standards of excellence for early care and learning programs and then provides a pathway to help programs continually improve to meet the higher standards.

Learn & Grow provides financial, training and technical assistance support for participating programs and serves as a bridge to bring together all early childhood programs under one vision of quality early care and learning. By providing public recognition of early care and learning quality, more parents and families will have access to information to make better informed decisions about the types of early care and learning programs best for their children.

## Head Start and Pre-K Programs

**Head Start and Pre-K Programs:** According to the National Institute for Early Education Research (NIEER) 2013 State of Preschool report, 41% of 4-year-old children across the United States are enrolled in either Head Start, State Pre-K, or a Special Education Program. In Alaska only 22% of the 4-year-old population, half the national average, is served by one of these three programs.

High quality Pre-K helps children start school ready to succeed. It reduces the likelihood that children will need remediation, special education, be retained a grade, and increases the likelihood that children will perform at or above grade level, graduate from high school and be college or career ready.

Helping Alaska's most vulnerable children and families prepare for success before they reach school age is a crucial investment that produces positive outcomes. Alaska cannot afford to jeopardize the long-term future of these children by making short term decreases in early childhood funding.

## Infant Learning Programs

**Infant Learning Programs (ILPs)** ensure that early intervention services are available for families with infants and toddlers (birth to age 3) with special needs.

ILPs partner with grantees around the state to provide services directly to families at a local level. EI/ILP grantees include school districts, mental health associations, Alaska Native corporations, parent associations, and other nonprofit organizations. Programs vary widely by staff and region size. Service may include: developmental screening and evaluation; individualized family service plans to outline goals for the family and their child; child development information; home visits; physical, occupational or speech therapy; specialized equipment; and/or referrals to other needed services.

**"A solid body of research shows the cost-effectiveness of early childhood development in helping to prevent achievement gaps, boost school achievement, promote better health outcomes, improve our workforce, increase productivity and reduce the need for costly social spending."**

**James Heckman**

Nobel Laureate in Economics,  
On the *Strong Start for America's Children Act*

**Parents as Teachers (PAT)** is an evidence-based, universal home visiting model that provides parent education and support to prenatal women and families with children between the ages of 0 and 5. Designed to respect parents as their child's first and most influential teachers, PAT enhances parent knowledge of child development, improves parenting practices, increases early detection of developmental delays, promote safe and healthy relationships, and improves school readiness and success.

Families engage in personal visits, typically in their home, with certified parent educators; attend group socials; receive developmental health, hearing and vision screenings; and are linked to community resources. Parents who participate in PAT are more confident about their parenting and are more involved in their children's schooling.

PAT is currently offered in 21 Alaska communities, and served over 950 children during the 2013-2014 program year.

**Best Beginnings** supports diverse groups in 113 communities so that young children are prepared for success in school, and in life. Early childhood partnerships and Imagination Libraries receive resources—matching funds, ongoing support, and training—according to approved plans. Six early childhood Partnerships are coming up with innovative ways to collaborate, use resources more effectively, and help families prepare children for kindergarten.

"It is critical to intervene early in life, in the crucial window when the brain is developing and the foundations for adult life are being laid."

**Nicholas Kristof  
and Sheryl WuDunn**  
*A Path Appears*

More than 23,600 children 0-5 in 113 Alaska communities receive a free book in the mail every month through Imagination Library. Evaluation results are positive. Best Beginnings' resources, like the website, TV spots, e-newsletters, *Babies on Track*, and *Words Count*, promote parent and community engagement in early learning. Best Beginnings and its partners promote activities recommended in the Alaska State Literacy Blueprint that was endorsed by the State Board of Education in 2011.

# THE OPPORTUNITY FOR LEARNING SHOULD BEGIN AT BIRTH

For more information about Alaska's Early Care and Learning Programs visit:

- **Alaska AEYC**  
[www.alaskaaeyc.org](http://www.alaskaaeyc.org)
- **Alaska Head Start Association**  
[www.akheadstart.org](http://www.akheadstart.org)
- **Best Beginnings**  
[www.bestbeginningsalaska.org](http://www.bestbeginningsalaska.org)
- **Parents as Teachers Alaska Office**  
[www.ruralcap.com](http://www.ruralcap.com)
- **Thread**  
[www.threadalaska.org](http://www.threadalaska.org)

# Quality Child Care Matters!

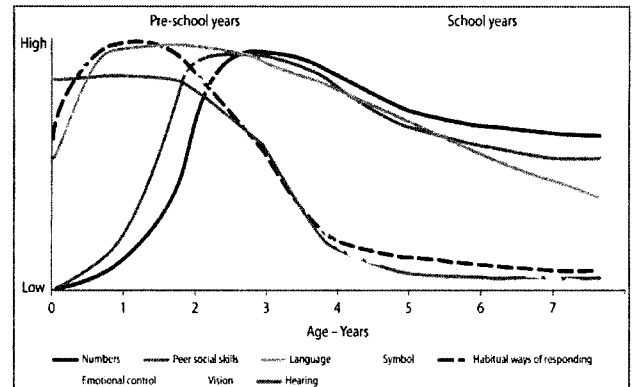
*Every week in Alaska, about 86,000 children need child care. Parents depend on child care in order to work while children need a safe setting that promotes their healthy development.*

## A Child's Early Brain Development

Over the last 20 years much has been written about early brain science research. We know:

- 80 percent of a child's brain develops by age 3 and nearly 90 percent by age 5
- Early brain development may be enriched or impeded by environmental factors
- A child's early development is determined by daily experiences, not genetics alone

Simply put, early experiences determine whether a child's brain wiring will provide a strong or weak foundation for all future learning and behavior.



## Quality Child Care Settings Matter

On average, the children of working mothers spend about 36 hours a week in child care nationally. While parents are a child's first teacher, the quality of the child care setting also has a direct impact on child development given the time children spend in child care.

The research about the quality of child care shows strong evidence that quality settings:

- Help shape a child's social, emotional, physical and cognitive development
- Improve a child's school readiness and ultimate school performance, which leads to fewer grade retentions, fewer referrals to special education fewer high school drop outs, and increase economic growth for communities.

(Investing in Our Future: The Evidence Base on Preschool Education)

## Promising Solutions

Learn & Grow, Alaska's quality improvement system, together with System for Early Education (SEED), Retaining Our Outstanding Teachers (ROOTS), and Quality Initiatives create a system designed to offer all early care and learning programs an opportunity for continuous quality improvement.

## The Heckman Equation

Anyone looking for upstream solutions to the biggest problems facing America should look to Nobel Prize winning University of Chicago Economics Professor James Heckman's work to understand the great gains to be had by investing in the early and equal development of human potential.

### + Invest

Invest in educational and developmental resources for disadvantaged families to provide equal access to successful early human development.

### + Develop

Nurture early development of cognitive and social skills in children from birth to age five.

### + Sustain

Sustain early development with effective education through to adulthood.

### = Gain

Gain a more capable, productive and valuable workforce that pays dividends to America for generations to come.

Investment in quality early care & learning leads to a more capable, productive and valuable workforce

## CONTACT

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thread  
connecting early care & education to alaska

# Child Care in Alaska

## 2015 Policy Fact Sheet

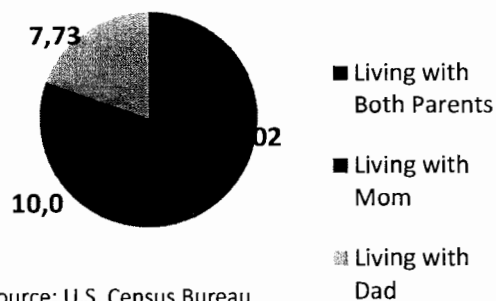
*Every week in Alaska, about 86,000 children are in need of child care. Approximately 39,800 children under age 6 with working parents are in some type of child care setting – making it possible for 32,300 Alaskans to participate in the labor force. Parents depend on child care to work while children need a safe place that promotes their healthy development.*

### The Availability of Child Care Helps Strengthen the Economy

The reality is that working parents with young children depend on child care. The most recent data for Alaska shows for children under age 6:<sup>1</sup>

- 22,025 children live in two parent families where both parents work.
- 10,012 children live in a single parent household led by a working mother.
- 7,738 children live in a single parent household led by a working father.

**Alaska Children Under Age 6 with Working Parents**



Source: U.S. Census Bureau

### Challenges Parents Have with Child Care

The availability, affordability, and quality of child care are challenges that working parents face throughout Alaska.

For many parents, it's simply hard to find child care. thread, Alaska's statewide child care resource and referral system, helps over 8,000 families every year find quality child care in their communities.

Many families report difficulty affording child care. Alaska is one of 19 states where both the annual cost of center-based infant care and center-based preschool age care exceed the annual cost of tuition and fees at 4 year state public colleges. In fact, Alaska is one of 9 states where the annual cost in both centers and family child care homes for children under age 5 exceeds the annual cost of college tuition!<sup>2</sup>

- The average annual cost of center-based infant care in Alaska is \$10,280.
- The average annual cost of center-based preschool-age care is \$8,283.
- The average annual cost for infant care in a family child care home is \$8,580.
- The average annual cost for preschool-age care in a family child care home is \$7,779.

Affording child care is a challenge for most families, but particularly for those with more than one child and for those families with low incomes.

The availability of child care strengthens the economy

Research shows a connection between quality child care and school success

Child care is an economic development strategy



Some financial assistance is available, but not enough. About 13,000 children under age 6 in Alaska live in low-income working families. Another 23,000 children younger than age 13 in Alaska live in low-income families.<sup>3</sup>

Yet, on average, about 4,200 children each month receive a subsidy for their families to help make the cost of child care more affordable.

The most recent publicly available data (FY2012) shows that in Alaska:<sup>4</sup>

60 percent of the children (2,520) receiving a monthly subsidy are under age 5

40 percent of the children (1,680) receiving a monthly subsidy are school age – between the ages of 5 and 12

The quality of care is also a concern to parents. Alaska is developing a quality rating system, “Learn & Grow,” for child care so that parents can more easily differentiate the quality of care among various settings.

The research about the quality of child care shows strong evidence that quality settings are related to healthy child development and school readiness. For example, quality child care is related not only to the safety of children in child care, but also to the social, emotional, physical and cognitive growth of children. Studies show quality child care improves a child’s school readiness and ultimate school performance, which leads to fewer grade retentions, fewer referrals to special education, and fewer high school drop outs.

## The Connection between Quality Child Care and School Success

The 2013 National Assessment for Educational Progress (NAEP) average reading scores for Alaska’s 4<sup>th</sup> grade children were lower than the average scores of 4<sup>th</sup> graders in 46 other states.<sup>5</sup>

57 percent of 4<sup>th</sup> graders eligible for free and reduced priced lunch read below grade level.

74 percent of Alaska native 4<sup>th</sup> grade students read below grade level. Studies show that a high school graduate earns \$569,000 more over a lifetime than a student who does not complete high school.<sup>6</sup> In Alaska, the percentage of students who do not graduate on time (or drop out) is about 21 percent (2,678 students). About 7,000 children age 6-17 repeat a grade between kindergarten and high school.

## Child Care is an Economic Development Strategy

Child care is critical for working families and working families fuel Alaska’s economy. However, child care is also an investment in our children, which will lead to a stronger workforce in the future.

1 U.S. Census Bureau, Table B23008. Age of Own Children Under 18 Years in Families and Subfamilies by Living Arrangements by Employment Status of Parents, 2013 ACS 1 Year Estimates. <http://bit.ly/1DxytZt>

2 Average Child Care Annual Fees. (2013). Child Care Aware of America.

[http://www.nacarra.org/sites/default/files/alaska\\_fact\\_sheet.pdf](http://www.nacarra.org/sites/default/files/alaska_fact_sheet.pdf)

3 Low Income Working Families, Annie Casey Kids Count Data Center, Alaska,

<http://datacenter.kidscount.org/data#AK/2/0>

4 U.S. Department of Health and Human Services, Administration for Children and Families, Office of Child Care, FY2012 Preliminary CCDF Data. <http://1.usa.gov/Y3xtFL>

5 National Assessment for Educational Progress (2013). 4<sup>th</sup> Grade Test Score Results for Alaska.

<http://nces.ed.gov/nationsreportcard/states/>

6 Anthony Carnevale, Nicole Smith, Jeff Strohl, “Help Wanted: Projects of Jobs and Education Requirements through 2018” Georgetown University Center on Education and the Workforce. June 2010.

<http://cew.georgetown.edu/jobs2018/>



## 2015 thread Policy Recommendations

- INVEST in professional development and wage incentives for early educators.
- INVEST in Alaska’s quality rating system, “Learn & Grow.”
- INCREASE Child Care Assistance to align with current market rates.
- INCREASE investment to thread to respond to growing needs of families.
- INCREASE overall state investments in Head Start and Pre-K programs.

# thread Network

[www.threadalaska.org](http://www.threadalaska.org)

## thread Offices

### Southcentral Alaska

#### Anchorage - Lead Office

3350 Commercial Dr., Suite 203, Anchorage, AK 99501

9:00am - 5:00pm, Monday - Friday

Phone 907.265.3100 Toll Free 800.278.3723

Fax 907.265.3191 Toll Free Fax 877.563.1959

[info@threadalaska.org](mailto:info@threadalaska.org)

#### Kenai

601 Frontage Road, Suite 204, Kenai, AK 99611

8:30am - 5:00pm, Monday-Friday

Phone 907.398.1750

Fax 907.265.3191

#### Wasilla

Westside Center, DPA Building, 877 W. Commercial Dr., Wasilla, AK 99654

9:00am - 5:00pm, Monday - Friday

Phone 907.373.5024

Fax 907.373.5067

### Southeast Alaska

#### Juneau

3100 Channel Dr., Suite 215, Juneau, Alaska 99801

8:30am - 5:00pm, Monday - Friday

Phone 907.789.1235 Toll Free 888.785.1235

Fax 907.789.1238

[info@aeyc-sea.org](mailto:info@aeyc-sea.org)

### Interior/Northern Alaska

#### Fairbanks

##### Resource and Referrals

1908 Old Pioneer Way, Fairbanks, AK 99709

8:00am - 5:00pm, Monday-Friday

Resource Phone 907.479.2214/Referral Phone 907.479.2204

Toll Free 866.878.2273

Fax 907.479.2486

[thread@thrivalaska.com](mailto:thread@thrivalaska.com)

#### Fairbanks

##### Child Care Assistance

1949 Gillam Way, Suite G, Fairbanks, AK 99701

8:00am - 5:00pm, Monday - Friday

Phone 907.479.2212

Fax 907.479.2295

## thread's Mission

To advance the quality of early education and child development by empowering parents, educating child care professionals, and collaborating with our communities.

thread  
connecting  
early care & education  
to alaska



# ISSUE BRIEF

No. 3709 | AUGUST 30, 2012

## Medicaid Expansion Will Become More Costly to States

*Drew Gonshorowski*

Under the Supreme Court's ruling on the Affordable Care Act (ACA), states may choose to expand their Medicaid populations to include individuals below 138 percent of the federal poverty level, with the federal government picking up 100 percent of payments for the first three years and then rolling back federal payments. This structure is designed to be attractive to the states, since it appears to increase health coverage at little or no state-level cost.

However, the expansion would be very expensive to states as early as 2019. In his fiscal year (FY) 2013 budget, President Obama has already proposed reducing the federal match rate on the expansion.<sup>1</sup> Many states are already struggling with Medicaid spending. The blended rate proposed in the Administration's budget would make matters worse, costing states up to \$3.4 billion a year.<sup>2</sup>

**Changes to the Federal Match Rate: Several Scenarios.** States could experience a wide range of increased costs if federal match rates are reduced. Using the Heritage Health Insurance Microsimulation Model,<sup>3</sup> several scenarios were simulated.

In the first scenario, the federal match rates are set according to the ACA. In the first three years of the ACA, the federal match rate is 100 percent, gradually rolling back to 90 percent by 2020. Each following alternative scenario reduces the federal match rate in some other fashion.

In the second scenario, a flat 90 percent federal match is assumed. In the third scenario, the match rate is reduced by 10 percent but keeps the same schedule as described in the ACA. In the fourth scenario, the match rate is reduced to a level that can be called the "blended rate"—an estimation of what the match rate could be under the Administration's suggestion.<sup>4</sup> This blended rate is an average of a state's current Medicaid match, its enhanced match rate for the Children's Health Insurance Program, and the expansion match rate. The result of this scheme is a drastic reduction in federal spending at the expense of the states.

While these scenarios do not capture potential (although uncertain) savings from less uncompensated care or increased tax revenues, what is certain is the cost of adding millions of individuals to Medicaid in the expansion.

For example, Ohio would see increased spending in the first five years by \$407 million and an increase on the budget by around \$1 billion total by 2022 in the first scenario. Under a flat 90 percent match rate, costs increase from \$407 million to nearly \$1.3 billion in the first five years. Under the blended rate, costs increase to \$2.5 billion in the first five years.

The story is similar for Illinois, with increases in spending by \$840 million in the first five years and spending of about \$2 billion by 2022. Under the blended rate proposed in the fiscal budget, Illinois's costs increase to \$6.7 billion in the first five years.

In Georgia, spending could increase by \$200 million in the first five years and by \$500 million by 2022 under the ACA. However, if the match rate is lowered for the expansion population, costs could jump to \$1.2 billion in the first five years.

**Remain Forward Looking.** The Administration is selling the

This paper, in its entirety, can be found at <http://report.heritage.org/ib3709>

Produced by the Center for Data Analysis

**The Heritage Foundation**  
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TABLE 1

## Summary of the Effect of Changing the Federal Match on the Cost of Medicaid Expansion

FIGURES ARE IN THOUSANDS

	Spending for 2014–2022, 90 Percent FMAP				Spending for 2014–2019, Average FMAP			
	Under ACA <sup>1</sup>	90 Percent FMAP <sup>2</sup>	10 Percent Decrease from ACA <sup>3</sup>	Blended Rate FMAP	Under ACA <sup>1</sup>	90 Percent FMAP <sup>2</sup>	10 percent Decrease from ACA <sup>3</sup>	Blended Rate FMAP
State	\$41,934,207	\$65,405,397	\$83,188,551	\$120,234,133	\$14,298,747	\$37,769,937	\$40,681,631	\$63,271,485
Federal	612,119,761	588,648,571	610,429,683	541,552,040	363,400,624	339,929,434	325,630,687	364,774,900
Total	\$654,053,968	\$654,053,968	\$654,053,968	\$654,053,968	\$377,699,371	\$377,699,371	\$377,699,371	\$377,699,371

1—Cost under the Affordable Care Act written as law

2—Cost if there is no transition period after the 100 percent match and only a drop to 10 percent FMAP

3—Cost if instead of the FMAP schedule in the ACA all transitions were the same, but all levels were 10 percent lower

Source: Heritage Foundation calculations based on data from the Congressional Budget Office, “Medicaid Spending and Enrollment Detail for CBO’s March 2012 Baseline,” [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059\\_Medicaid.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf) (accessed August 21, 2012); and Medicaid and CHIP Payment and Access Commission, MACStats, <http://www.macpac.gov/macstats> (accessed August 21, 2012).

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Medicaid expansion as a great benefit to the states, since the federal government foots a majority of the bill in the first years of implementation. However, even under the ACA, the expansion will begin putting pressure on state budgets as early as 2019.

State legislators cannot afford to be myopic when assessing the

costs and benefits of expanding Medicaid. Aside from problems already apparent in Medicaid, such as patient access, states must also face uncertainty in how much the expansion will actually cost.<sup>5</sup> The Medicaid expansion represents a giant increase in federal spending of \$642 billion, according to the Congressional Budget Office.<sup>6</sup>

Instead of adding millions to Medicaid, Washington should reform the program. The Heritage Foundation’s *Saving the American Dream* does just that.<sup>7</sup>

—Drew Gonshorowski is Policy Analyst in the Center for Data Analysis at The Heritage Foundation.

1. U.S. Office of Management and Budget, *Fiscal Year 2013: Cuts, Consolidations, and Savings*, <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/ccs.pdf> (accessed August 10, 2012).
2. Ibid.
3. The Heritage Health Insurance Microsimulation Model is a model used to analyze health policy reform. It uses the Current Population Survey, the Medical Expenditure Panel Survey, and Kaiser employment insurance data.
4. Office of Management and Budget, *Fiscal Year 2013: Cuts, Consolidations, and Savings*.
5. Sandra L. Decker, “In 2011 Nearly One-Third of Physicians Said They Would Not Accept New Medicaid Patients, But Rising Fees May Help,” *Health Affairs*, Vol. 31 (August 2012), pp. 81673–81679.
6. Congressional Budget Office, “Estimates for the Insurance Coverage Provisions of the Affordable Care Act Updated for the Recent Supreme Court Decision,” July 2012.
7. Stuart M. Butler, Alison Acosta Fraser, and William W. Beach, eds., *Saving the American Dream: The Heritage Plan to Fix the Debt, Cut Spending, and Restore Prosperity*, The Heritage Foundation, 2011, <http://savingthedream.org/about-the-plan/plan-details/>.

TABLE 2

## Projected Medicaid Spending Under ACA FMAP

FIGURES ARE IN THOUSANDS

	2014-2022			2014-2019		
	State Spending	Federal Spending	Total Spending	State Spending	Federal Spending	Total Spending
Alabama	\$367,588	\$5,365,732	\$5,733,319	\$125,340	\$3,185,504	\$3,310,845
Alaska	63,272	923,589	986,861	21,574	548,312	569,887
Arizona	2,804,923	40,943,875	43,748,799	956,424	24,307,384	25,263,808
Arkansas	363,743	5,309,609	5,673,352	124,029	3,152,186	3,276,215
California	9,011,319	131,539,548	140,550,867	3,072,684	78,091,832	81,164,516
Colorado	155,504	2,269,920	2,425,424	53,024	1,347,596	1,400,620
Connecticut	335,034	4,890,536	5,225,570	114,240	2,903,393	3,017,633
Delaware	163,821	2,391,318	2,555,139	55,860	1,419,667	1,475,527
District of Columbia	118,798	1,734,111	1,852,909	40,508	1,029,499	1,070,007
Florida	1,389,384	20,281,047	21,670,431	473,753	12,040,364	12,514,117
Georgia	582,888	8,508,505	9,091,394	198,754	5,051,293	5,250,046
Hawaii	326,102	4,760,155	5,086,257	111,194	2,825,988	2,937,183
Idaho	60,786	887,299	948,085	20,727	526,768	547,495
Illinois	2,337,995	34,128,053	36,466,048	797,211	20,260,996	21,058,206
Indiana	443,685	6,476,538	6,920,223	151,288	3,844,963	3,996,251
Iowa	287,191	4,192,176	4,479,368	97,927	2,488,793	2,586,720
Kansas	84,732	1,236,848	1,321,580	28,892	734,287	763,179
Kentucky	369,855	5,398,828	5,768,683	126,113	3,205,153	3,331,266
Louisiana	685,229	10,002,392	10,687,621	233,650	5,938,177	6,171,827
Maine	331,918	4,845,057	5,176,975	113,178	2,876,392	2,989,570
Maryland	288,808	4,215,772	4,504,580	98,478	2,502,801	2,601,279
Massachusetts	922,863	13,471,162	14,394,025	314,678	7,997,501	8,312,180
Michigan	882,792	12,886,251	13,769,043	301,015	7,650,254	7,951,269
Minnesota	723,948	10,567,580	11,291,528	246,852	6,273,715	6,520,568
Mississippi	311,500	4,547,016	4,858,516	106,216	2,699,453	2,805,668
Missouri	514,619	7,511,969	8,026,588	175,475	4,459,673	4,635,148
Montana	56,810	829,269	886,080	19,371	492,317	511,688
Nebraska	156,607	2,286,009	2,442,616	53,400	1,357,148	1,410,548
Nevada	138,384	2,020,011	2,158,395	47,186	1,199,231	1,246,417
New Hampshire	42,165	615,487	657,652	14,377	365,400	379,777
New Jersey	4,510	65,832	70,342	1,538	39,083	40,621
New Mexico	330,898	4,830,168	5,161,067	112,830	2,867,554	2,980,383
New York	7,694,233	112,313,850	120,008,083	2,623,584	66,678,003	69,301,586
North Carolina	890,985	13,005,839	13,896,824	303,809	7,721,251	8,025,059
North Dakota	54,522	795,859	850,380	18,591	472,482	491,073
Ohio	1,194,281	17,433,088	18,627,368	407,226	10,349,600	10,756,827
Oklahoma	319,325	4,661,233	4,980,558	108,884	2,767,261	2,876,144
Oregon	342,977	5,006,485	5,349,462	116,948	2,972,228	3,089,177
Pennsylvania	1,374,250	20,060,131	21,434,381	468,593	11,909,212	12,377,805
Rhode Island	107,148	1,564,052	1,671,200	36,535	928,540	965,075
South Carolina	820,401	11,975,513	12,795,914	279,741	7,109,571	7,389,312
South Dakota	61,142	892,492	953,633	20,848	529,851	550,699
Tennessee	776,926	11,340,900	12,117,826	264,917	6,732,817	6,997,733
Texas	1,402,370	20,470,596	21,872,965	478,181	12,152,895	12,631,076
Utah	230,906	3,370,575	3,601,481	78,735	2,001,028	2,079,763
Vermont	134,368	1,961,384	2,095,752	45,817	1,164,426	1,210,243
Virginia	283,729	4,141,636	4,425,365	96,746	2,458,788	2,555,534
Washington	547,439	7,991,054	8,538,494	186,666	4,744,095	4,930,761
West Virginia	176,208	2,572,127	2,748,335	60,083	1,527,009	1,587,093
Wisconsin	842,981	12,305,122	13,148,103	287,440	7,305,252	7,592,692
Wyoming	22,344	326,165	348,510	7,619	193,636	201,255
<b>TOTAL</b>	<b>41,934,207</b>	<b>612,119,761</b>	<b>654,053,968</b>	<b>14,298,747</b>	<b>363,400,624</b>	<b>377,699,371</b>

Source: Heritage Foundation calculations based on data from the Congressional Budget Office, "Medicaid Spending and Enrollment Detail for CBO's March 2012 Baseline," [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059\\_Medicaid.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf) (accessed August 21, 2012); and Medicaid and CHIP Payment and Access Commission, MACStats, <http://www.macpac.gov/macstats> (accessed August 21, 2012).

TABLE 3

## Projected Medicaid Spending Under 90 Percent FMAP

FIGURES ARE IN THOUSANDS

	2014-2022			2014-2019		
	State Spending	Federal Spending	Total Spending	State Spending	Federal Spending	Total Spending
Alabama	\$573,332	\$5,159,987	\$5,733,319	\$331,084	\$2,979,760	\$3,310,845
Alaska	98,686	888,175	986,861	56,989	512,898	569,887
Arizona	4,374,880	39,373,919	43,748,799	2,526,381	22,737,427	25,263,808
Arkansas	567,335	5,106,017	5,673,352	327,622	2,948,594	3,276,215
California	14,055,087	126,495,780	140,550,867	8,116,452	73,048,065	81,164,516
Colorado	242,542	2,182,882	2,425,424	140,062	1,260,558	1,400,620
Connecticut	522,557	4,703,013	5,225,570	301,763	2,715,869	3,017,633
Delaware	255,514	2,299,625	2,555,139	147,553	1,327,974	1,475,527
District of Columbia	185,291	1,667,618	1,852,909	107,001	963,007	1,070,007
Florida	2,167,043	19,503,388	21,670,431	1,251,412	11,262,706	12,514,117
Georgia	909,139	8,182,254	9,091,394	525,005	4,725,042	5,250,046
Hawaii	508,626	4,577,631	5,086,257	293,718	2,643,464	2,937,183
Idaho	94,809	853,277	948,085	54,749	492,745	547,495
Illinois	3,646,605	32,819,443	36,466,048	2,105,821	18,952,386	21,058,206
Indiana	692,022	6,228,201	6,920,223	399,625	3,596,626	3,996,251
Iowa	447,937	4,031,431	4,479,368	258,672	2,328,048	2,586,720
Kansas	132,158	1,189,422	1,321,580	76,318	686,861	763,179
Kentucky	576,868	5,191,815	5,768,683	333,127	2,998,140	3,331,266
Louisiana	1,068,762	9,618,859	10,687,621	617,183	5,554,644	6,171,827
Maine	517,697	4,659,277	5,176,975	298,957	2,690,613	2,989,570
Maryland	450,458	4,054,122	4,504,580	260,128	2,341,151	2,601,279
Massachusetts	1,439,402	12,954,622	14,394,025	831,218	7,480,962	8,312,180
Michigan	1,376,904	12,392,139	13,769,043	795,127	7,156,142	7,951,269
Minnesota	1,129,153	10,162,375	11,291,528	652,057	5,868,511	6,520,568
Mississippi	485,852	4,372,664	4,858,516	280,567	2,525,101	2,805,668
Missouri	802,659	7,223,929	8,026,588	463,515	4,171,633	4,635,148
Montana	88,608	797,472	886,080	51,169	460,520	511,688
Nebraska	244,262	2,198,354	2,442,616	141,055	1,269,493	1,410,548
Nevada	215,839	1,942,555	2,158,395	124,642	1,121,776	1,246,417
New Hampshire	65,765	591,887	657,652	37,978	341,799	379,777
New Jersey	7,034	63,308	70,342	4,062	36,559	40,621
New Mexico	516,107	4,644,960	5,161,067	298,038	2,682,345	2,980,383
New York	12,000,808	108,007,275	120,008,083	6,930,159	62,371,428	69,301,586
North Carolina	1,389,682	12,507,142	13,896,824	802,506	7,222,553	8,025,059
North Dakota	85,038	765,342	850,380	49,107	441,965	491,073
Ohio	1,862,737	16,764,631	18,627,368	1,075,683	9,681,144	10,756,827
Oklahoma	498,056	4,482,502	4,980,558	287,614	2,588,530	2,876,144
Oregon	534,946	4,814,515	5,349,462	308,918	2,780,259	3,089,177
Pennsylvania	2,143,438	19,290,943	21,434,381	1,237,780	11,140,024	12,377,805
Rhode Island	167,120	1,504,080	1,671,200	96,508	868,568	965,075
South Carolina	1,279,591	11,516,323	12,795,914	738,931	6,650,381	7,389,312
South Dakota	95,363	858,270	953,633	55,070	495,629	550,699
Tennessee	1,211,783	10,906,043	12,117,826	699,773	6,297,960	6,997,733
Texas	2,187,297	19,685,669	21,872,965	1,263,108	11,367,968	12,631,076
Utah	360,148	3,241,333	3,601,481	207,976	1,871,787	2,079,763
Vermont	209,575	1,886,177	2,095,752	121,024	1,089,219	1,210,243
Virginia	442,536	3,982,828	4,425,365	255,553	2,299,981	2,555,534
Washington	853,849	7,684,644	8,538,494	493,076	4,437,685	4,930,761
West Virginia	274,833	2,473,501	2,748,335	158,709	1,428,383	1,587,093
Wisconsin	1,314,810	11,833,293	13,148,103	759,269	6,833,423	7,592,692
Wyoming	34,851	313,659	348,510	20,126	181,130	201,255
TOTAL	65,405,397	588,648,571	654,053,968	37,769,937	339,929,434	377,699,371

**Source:** Heritage Foundation calculations based on data from the Congressional Budget Office, "Medicaid Spending and Enrollment Detail for CBO's March 2012 Baseline," [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059\\_Medicaid.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf) (accessed August 21, 2012); and Medicaid and CHIP Payment and Access Commission, MACStats, <http://www.macpac.gov/macstats> (accessed August 21, 2012).

TABLE 4

## Projected Medicaid Spending Under 10 Percent Decrease from ACA

FIGURES ARE IN THOUSANDS

	2014-2022			2014-2019		
	State Spending	Federal Spending	Total Spending	State Spending	Federal Spending	Total Spending
Alabama	\$940,920	\$4,792,400	\$5,733,319	\$456,425	\$2,854,420	\$3,310,845
Alaska	161,958	824,903	986,861	78,563	491,324	569,887
Arizona	7,179,803	36,568,996	43,748,799	3,482,805	21,781,003	25,263,808
Arkansas	931,078	4,742,274	5,673,352	451,651	2,824,564	3,276,215
California	23,066,406	117,484,461	140,550,867	11,189,136	69,975,381	81,164,516
Colorado	398,047	2,027,377	2,425,424	193,086	1,207,534	1,400,620
Connecticut	857,591	4,367,979	5,225,570	416,003	2,601,629	3,017,633
Delaware	419,335	2,135,804	2,555,139	203,412	1,272,115	1,475,527
District of Columbia	304,089	1,548,820	1,852,909	147,509	922,499	1,070,007
Florida	3,556,427	18,114,004	21,670,431	1,725,165	10,788,953	12,514,117
Georgia	1,492,028	7,599,366	9,091,394	723,758	4,526,288	5,250,046
Hawaii	834,727	4,251,529	5,086,257	404,913	2,532,270	2,937,183
Idaho	155,594	792,491	948,085	75,476	472,019	547,495
Illinois	5,984,600	30,481,449	36,466,048	2,903,031	18,155,175	21,058,206
Indiana	1,135,708	5,784,516	6,920,223	550,913	3,445,338	3,996,251
Iowa	735,128	3,744,239	4,479,368	356,599	2,230,121	2,586,720
Kansas	216,890	1,104,690	1,321,580	105,210	657,969	763,179
Kentucky	946,723	4,821,960	5,768,683	459,240	2,872,026	3,331,266
Louisiana	1,753,991	8,933,630	10,687,621	850,832	5,320,994	6,171,827
Maine	849,616	4,327,359	5,176,975	412,135	2,577,435	2,989,570
Maryland	739,266	3,765,314	4,504,580	358,606	2,242,673	2,601,279
Massachusetts	2,362,265	12,031,759	14,394,025	1,145,896	7,166,283	8,312,180
Michigan	2,259,697	11,509,347	13,769,043	1,096,142	6,855,127	7,951,269
Minnesota	1,853,101	9,438,427	11,291,528	898,909	5,621,659	6,520,568
Mississippi	797,352	4,061,164	4,858,516	386,782	2,418,886	2,805,668
Missouri	1,317,278	6,709,310	8,026,588	638,990	3,996,158	4,635,148
Montana	145,418	740,661	886,080	70,540	441,148	511,688
Nebraska	400,868	2,041,748	2,442,616	194,455	1,216,093	1,410,548
Nevada	354,223	1,804,171	2,158,395	171,828	1,074,589	1,246,417
New Hampshire	107,930	549,722	657,652	52,355	327,422	379,777
New Jersey	11,544	58,798	70,342	5,600	35,021	40,621
New Mexico	847,005	4,314,062	5,161,067	410,868	2,569,515	2,980,383
New York	19,695,042	100,313,042	120,008,083	9,553,742	59,747,844	69,301,586
North Carolina	2,280,667	11,616,157	13,896,824	1,106,314	6,918,745	8,025,059
North Dakota	139,560	710,821	850,380	67,698	423,375	491,073
Ohio	3,057,017	15,570,351	18,627,368	1,482,909	9,273,918	10,756,827
Oklahoma	817,381	4,163,177	4,980,558	396,498	2,479,646	2,876,144
Oregon	877,923	4,471,539	5,349,462	425,866	2,663,311	3,089,177
Pennsylvania	3,517,688	17,916,693	21,434,381	1,706,373	10,671,432	12,377,805
Rhode Island	274,268	1,396,932	1,671,200	133,043	832,032	965,075
South Carolina	2,099,992	10,695,922	12,795,914	1,018,672	6,370,640	7,389,312
South Dakota	156,505	797,129	953,633	75,918	474,781	550,699
Tennessee	1,988,708	10,129,117	12,117,826	964,690	6,033,043	6,997,733
Texas	3,589,666	18,283,299	21,872,965	1,741,288	10,889,788	12,631,076
Utah	591,055	3,010,427	3,601,481	286,711	1,793,052	2,079,763
Vermont	343,943	1,751,809	2,095,752	166,841	1,043,402	1,210,243
Virginia	726,266	3,699,099	4,425,365	352,300	2,203,235	2,555,534
Washington	1,401,289	7,137,205	8,538,494	679,742	4,251,019	4,930,761
West Virginia	451,041	2,297,294	2,748,335	218,793	1,368,300	1,587,093
Wisconsin	2,157,792	10,990,311	13,148,103	1,046,709	6,545,982	7,592,692
Wyoming	57,195	291,314	348,510	27,745	173,511	201,255
TOTAL	83,188,551	610,429,683	654,053,968	40,681,631	325,630,687	377,699,371

**Source:** Heritage Foundation calculations based on data from the Congressional Budget Office, "Medicaid Spending and Enrollment Detail for CBO's March 2012 Baseline," [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059\\_Medicaid.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf) (accessed August 21, 2012); and Medicaid and CHIP Payment and Access Commission, MACStats, <http://www.macpac.gov/macstats> (accessed August 21, 2012).

TABLE 5

## Projected Medicaid Spending Under Blended FMAP

FIGURES ARE IN THOUSANDS

	2014-2022			2014-2019		
	State Spending	Federal Spending	Total Spending	State Spending	Federal Spending	Total Spending
Alabama	\$1,083,352	\$4,649,968	\$5,733,319	\$582,142	\$2,728,703	\$3,310,845
Alaska	278,351	708,510	986,861	153,259	416,628	569,887
Arizona	8,555,390	35,193,408	43,748,799	4,608,845	20,654,963	25,263,808
Arkansas	1,012,734	4,660,618	5,673,352	541,816	2,734,399	3,276,215
California	39,643,376	100,907,491	140,550,867	21,827,471	59,337,045	81,164,516
Colorado	684,108	1,741,316	2,425,424	376,667	1,023,953	1,400,620
Connecticut	1,473,909	3,751,661	5,225,570	811,528	2,206,104	3,017,633
Delaware	667,421	1,887,718	2,555,139	366,047	1,109,480	1,475,527
District of Columbia	337,335	1,515,574	1,852,909	180,755	889,252	1,070,007
Florida	5,457,853	16,212,578	21,670,431	2,987,479	9,526,638	12,514,117
Georgia	1,829,708	7,261,686	9,091,394	987,685	4,262,362	5,250,046
Hawaii	1,422,408	3,663,849	5,086,257	782,844	2,154,339	2,937,183
Idaho	171,515	776,570	948,085	91,858	455,637	547,495
Illinois	10,285,509	26,180,539	36,466,048	5,663,157	15,395,049	21,058,206
Indiana	1,365,063	5,555,160	6,920,223	735,825	3,260,426	3,996,251
Iowa	1,023,567	3,455,800	4,479,368	557,124	2,029,595	2,586,720
Kansas	327,101	994,480	1,321,580	178,873	584,306	763,179
Kentucky	1,016,195	4,752,488	5,768,683	543,092	2,788,174	3,331,266
Louisiana	2,421,891	8,265,730	10,687,621	1,317,554	4,854,273	6,171,827
Maine	1,116,710	4,060,264	5,176,975	605,623	2,383,947	2,989,570
Maryland	1,270,549	3,234,031	4,504,580	699,559	1,901,720	2,601,279
Massachusetts	4,059,937	10,334,087	14,394,025	2,235,384	6,076,796	8,312,180
Michigan	2,772,495	10,996,548	13,769,043	1,496,657	6,454,612	7,951,269
Minnesota	3,184,856	8,106,672	11,291,528	1,753,568	4,767,000	6,520,568
Mississippi	782,985	4,075,531	4,858,516	415,320	2,390,349	2,805,668
Missouri	1,724,168	6,302,419	8,026,588	934,811	3,700,337	4,635,148
Montana	178,551	707,528	886,080	96,391	415,297	511,688
Nebraska	607,862	1,834,754	2,442,616	332,507	1,078,041	1,410,548
Nevada	541,880	1,616,514	2,158,395	296,559	949,859	1,246,417
New Hampshire	185,495	472,157	657,652	102,133	277,644	379,777
New Jersey	19,840	50,502	70,342	10,924	29,697	40,621
New Mexico	956,124	4,204,942	5,161,067	513,010	2,467,374	2,980,383
New York	33,849,137	86,158,946	120,008,083	18,637,188	50,664,398	69,301,586
North Carolina	2,857,981	11,038,843	13,896,824	1,545,055	6,480,005	8,025,059
North Dakota	216,896	633,485	850,380	118,805	372,268	491,073
Ohio	3,936,096	14,691,272	18,627,368	2,131,774	8,625,052	10,756,827
Oklahoma	1,059,151	3,921,407	4,980,558	573,873	2,302,271	2,876,144
Oregon	1,163,546	4,185,916	5,349,462	631,362	2,457,815	3,089,177
Pennsylvania	5,502,359	15,932,022	21,434,381	3,014,970	9,362,835	12,377,805
Rhode Island	453,659	1,217,541	1,671,200	249,307	715,768	965,075
South Carolina	2,314,232	10,481,681	12,795,914	1,239,400	6,149,912	7,389,312
South Dakota	225,446	728,188	953,633	122,959	427,740	550,699
Tennessee	2,426,681	9,691,145	12,117,826	1,309,477	5,688,256	6,997,733
Texas	5,270,447	16,602,518	21,872,965	2,877,722	9,753,354	12,631,076
Utah	637,848	2,963,633	3,601,481	341,037	1,738,726	2,079,763
Vermont	511,693	1,584,059	2,095,752	279,601	930,642	1,210,243
Virginia	1,248,206	3,177,159	4,425,365	687,257	1,868,278	2,555,534
Washington	2,408,343	6,130,151	8,538,494	1,326,023	3,604,738	4,930,761
West Virginia	464,351	2,283,984	2,748,335	247,315	1,339,778	1,587,093
Wisconsin	3,016,269	10,131,834	13,148,103	1,642,138	5,950,554	7,592,692
Wyoming	98,300	250,210	348,510	54,123	147,132	201,255
TOTAL	120,234,133	541,552,040	654,053,968	63,271,485	364,774,900	377,699,371

**Source:** Heritage Foundation calculations based on data from the Congressional Budget Office, "Medicaid Spending and Enrollment Detail for CBO's March 2012 Baseline," [http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059\\_Medicaid.pdf](http://www.cbo.gov/sites/default/files/cbofiles/attachments/43059_Medicaid.pdf) (accessed August 21, 2012); and Medicaid and CHIP Payment and Access Commission, MACStats, <http://www.macpac.gov/macstats> (accessed August 21, 2012).



Planned Parenthood Votes Northwest

House Finance Committee Hearing  
March 3, 2015

Thank you Chairman Neuman, Chairman Thompson and members of the committee for the opportunity to testify today. My name is Alyson Currey. I am a Field Organizer with Planned Parenthood Votes Northwest, and a current resident of Juneau, district 33.

Planned Parenthood operates 4 health centers across Alaska, and in 2013 we served over 13,000 people in this state with life-saving and cost-saving reproductive health care.

I am here to ask you to re-instate funding that was stripped from the budget last year, \$360,000, for the final year of the Chlamydia Campaign. In 2013, Alaska ranked number one in rates of chlamydia infections, with 5,774 new chlamydia diagnoses; Alaska's rate of infection is nearly double the national average and in some regions of the state triple or quadruple the national average. Alaska fares only slightly better with gonorrhea, ranked 4<sup>th</sup> in its rate of infection. The rate has increased significantly since 2012, after the state had seen slight improvements in lowering infection rates.

Chlamydia, a bacterial infection transmitted through unprotected sexual contact, is easily treatable once detected. The problem is that many people do not show any symptoms, and when left untreated it causes silent and complicated infections in the reproductive organs. Chlamydia is the number one cause of Pelvic Inflammatory Disease, which can lead to serious health problems including infertility, ectopic pregnancy, abscess formation and chronic pelvic pain.

STIs are not only a public health problem and can cause devastating lifelong health problems, they are also costly: the state spent at least an estimated \$1.2 million on treating completely preventable STIs in 2013. This does not include lost productivity costs or future medical costs for people who experience complications. Rather than spending \$400,000 of the state's money for pregnancy tests in bars, I respectfully ask the committee to protect Alaskans' fertility and ensure that a final budget includes funding for sensible solutions to address Alaska's high rates of STIs and improve Alaskans' reproductive health outcomes.

I would also like to ask that you re-instate Medicaid expansion into the budget. Nearly 42,000 Alaskan adults would be eligible for health coverage under the expansion. These are people earning up to \$20,314 a year, which translates to \$9.76 an hour for a regular work week. Today, if you are a childless adult without a disability in Alaska making less than \$20,000, you have no affordable health care coverage available to you. It makes no sense to abandon the most vulnerable in Alaska.

Medicaid expansion ensures continued coverage for working adults who lose coverage while they are looking for work, going back to school, or starting their own businesses. Affordable access to health care ensures that these people remain productive members of the Alaskan economy, and access to



Planned Parenthood Votes Northwest

affordable health care should not depend on who you are, where you live or where you work.

Today, low-income Alaskans have to decide between getting medical care and paying the bills. This means they delay seeking care and end up in the emergency room for treatment. In the end, the rest of us foot the bill for entirely preventable health problems. Our state cannot afford to wait to expand Medicaid.

Thank you.

A handwritten signature in black ink, appearing to read 'Alyson Currey', with a large, sweeping flourish at the end.

Alyson Currey

Planned Parenthood Votes Northwest

907-957-8708

[alyson.currey@ppvotessouthwest.org](mailto:alyson.currey@ppvotessouthwest.org)



Hello My name is Christy Montero. I live in Juneau, Alaska,,

I am informing /Writing my express , concern about the elimination of the Interpreter Referral Line ( IRL..) This budget cut will negatively affect many Deaf Alaskan citizens. Make it difficult, or impossible to achieve effective communication as required by the American with Disabilities Act. I know the state has less money to work with Trying to balance the Alaska Budget, but isn't it important not to eliminate this program. Are we not trying to be the forefront of a transparent Government operation? Please restore the interpreter Referral Line Funding in Dept of labor DVR program (DVR) a Special Project Budget.... Now, VIDEO PHONE does not always work! Many are not 100% certified technicians, or computer savvy, and in some instances have limited internet connectivity. While most in the deaf community cannot afford the high-speed internet connections like so many wealthy Alaskans can afford at home, which leaves them disconnected, and cannot perform, or do their own daily business with the rest of the world. It's not only that, but due to the poor landscape or connection as well! Writing is not always great either with our deaf community, as we relay on interpreter to have a clear and concise translation to have a better understanding through correct interpretation through ASL, because that is our language. We need a CLEAR understanding especially in very important areas, such as with the COURT's, HOSPITAL staff, Public safety, Schools, or possible job prospects. You can provide that TECHONGY, and can set these up in those major citys such as Juneau and Anchorage. For those who live in smaller communities so they can rely on service providers. It is my understanding that you can provide there yet NONE of this has been seen. Only in richer, wealthier places like New York, Seattle, and Los angles. Yet I understand that those huge cities do have more people, but are we not Equal? Do we not deserve to be treated equal? What happens to freedom of speech if we do not have someone to interpret for the deaf community? I don't want any hassle of people suing for the wrong doing, or misinterpret some sort of leagal understanding if anything happens. No quality of access for Disability.. IF you can provide foreign language you can for the deaf as well. No excuse.. I don't need my children to be my assistant where language should be kept for personal business, or where a delicate matter is involved where it could be a conflict of interest. Please THINK what you doing to the Deaf and Hard of hearing.. LOOK at the LAW ADA!!!!!! Read up on it please, as they are your laws too..



# International Union of Operating Engineers

## LOCAL 302 • Washington and Alaska • AFL-CIO

**Daren Konopaski**, *Business Manager and General Vice President*

**Corey Baxter**, *District 8 Representative*

March 3, 2015

House Finance Committee  
Alaska State House  
State Capitol Room 519

Re: Restore Funding to the Department of Labor and Workforce Development

To whom it may concern:

The International Union of Operating Engineers Local 302 would like to request that funding to be restored to the Department of Labor and Workforce Development.

Alaska has a non-resident hire problem and eliminating funding for training will ensure that employers will be importing more and more skilled labor from outside of Alaska.

If Alaska wants to be prepared to build infrastructures (pipelines, roads, bridges, and buildings) in the near future, then we need to have good training programs that train our Alaskan residents.

Cuts to our safety programs, such as OSHA, will be a huge loss to Alaska and will result in more injured workers, creating greater costs to the worker's compensation division and higher premiums for employers. Safety should be the number one priority for Alaska and its workers.

There is no good reason to eliminate key commissioner personnel (i.e.: deputy commissioner, special assistants) when some of those positions are 75% federally funded and cost the state very little for highly qualified personnel. This makes no sense, especially when other departments have up to three deputy commissioners on staff.

As an organization we understand the financial position that the State of Alaska is in and the tough decisions that the legislators have to make. But, at the same time, if the cuts are too deep, we will all feel the ripple effect that could hurt the whole economy.

Sincerely,

Corey Baxter, District 8 Representative

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**Kyle Brees**, *Financial Secretary* • **Sean Jeffries**, *President* • **Robert Peterson**, *Vice President*

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Lezlie J. Rice  
P.O. Box 1451  
Wrangell, Ak 99929  
March 2, 2015

Dear Members of the House Finance Committee,

I am concerned about the Wrangell LIO losing its budget and having to shut down, after reading an article in the Cordova Times. I really feel this would be a huge misfortune for our town of Wrangell. I have used the LIO quite a few times for help with our PFD's (my husband's, my college daughters, and myself), help with the Alaska Landlord and Tennant laws, information on upcoming teleconferences, on Bills and Resolutions, and watched the Gavel to Gavel program that is always televised in the local office when the Legislature is in session. This week there is a House Finance teleconference for testimony on the operating budget and a constituent teleconference with Representative Dan Ortiz that I intend to participate in. I have an office adjacent to the LIO and I see many townsfolk using the LIO in some shape or another, it seems there are quite a number of people that need assistance, the office is busy. Since we are on an island, where would one go for help if the office shuts down? Not all of us have a computer or computer skills to navigate the system; it sure is a plus to have a real entity for trouble shooting. With more potential offices closing their doors, I'm sure it will be a long wait on the phone lines and the list goes on. I truly hope this is one State Office that we can find the funds to keep in operation.

Thank you for your time and consideration,

A handwritten signature in cursive script that reads "Lezlie J. Rice". The signature is written in dark ink and is positioned at the bottom of the letter, below the typed name and the closing line.