

HOUSE FINANCE COMMITTEE
April 17, 2001
1:46 P.M.

TAPE HFC 01 - 83, Side A
TAPE HFC 01 - 83, Side B
TAPE HFC 01 - 84, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 1:46 P.M.

MEMBERS PRESENT

Representative Bill Williams, Co-Chair
Representative Eldon Mulder, Co-Chair
Representative Con Bunde, Vice-Chair
Representative Eric Croft
Representative John Davies
Representative Carl Moses
Representative Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Jim Whitaker

MEMBERS ABSENT

None

ALSO PRESENT

Representative Gary Stevens; Representative Norman Rokeberg; Lori Backes, Staff, Representative Jim Whitaker; Karen Perdue, Commissioner, Department of Health and Social Services; Diane Barrans, Executive Director, Postsecondary Education Commission, Department of Education; Janet Clarke, Director, Division of Administrative Services, Department of Health and Social Services; Janet Seitz, Staff, Representative Norman Rokeberg; Kevin Brooks, Director, Division of Administrative Services, Department of Fish and Game; Randal Burns, CEO, Alaska Psychiatric Institute, Anchorage; Margo Waring, Alaska Mental Health Board, Juneau; Caren Robinson, Chair, Alaska Mental Health Trust Authority, Juneau; Wendy Redman, Vice President, Statewide Programs, University of Alaska; Steve Blanche, Executive Director, Alaska Mental Health Trust Land Office, Anchorage.

PRESENT VIA TELECONFERENCE

Jeff Jesse, Executive Director, Alaska Mental Health Trust, Anchorage

SUMMARY

HB 76 An Act authorizing the commissioner of health and social services to provide for the design and construction of psychiatric treatment facilities to replace the facilities of the Alaska Psychiatric Institute.

HB 76 was HEARD and HELD in Committee for further consideration.

HB 187 An Act relating to the destruction, desecration, and vandalism of cemeteries and graves.

CS HB 187 (JUD) was reported out of Committee with a "do pass" recommendation and with a zero fiscal note by the Department of Law dated 4/10/01 and the Alaska Court System dated 4/10/01 and an indeterminate note by the Department of Administration dated 4/10/01.

HB 194 An Act relating to fees for commercial fishing licenses and permits; and providing for an effective date.

CS HB 194 (FIN) was reported out of Committee with a "do pass" recommendation and with new fiscal notes by the Commercial Fisheries Entry Commission and the Department of Fish and Game.

HB 204 An Act relating to the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation; relating to student financial aid programs and the financing of those programs; establishing the Alaska Advantage Loan Program and the Alaska Supplemental Education Loan Program; increasing the bonding authorization of the Alaska Student Loan Corporation; providing for liens resulting from a default under AS 14.43 or AS 14.44; relating to the duties of the recorder regarding those liens; relating to defaults under the Western Regional Higher Education Compact; relating to the prohibition on discrimination regarding programs under AS 14.43; relating to fees for the review of certain postsecondary institutions; making conforming amendments; and providing for an effective date.

HB 204 was reported out of Committee with a "do pass" recommendation and with a fiscal note by the Alaska Commission on Postsecondary Education dated 4/04/01.

#HB194

HOUSE BILL NO. 194

An Act relating to fees for commercial fishing licenses and permits; and providing for an effective date.

REPRESENTATIVE GARY STEVENS commented that a good compromise had been reached which was included in the committee substitute, work draft version 22-LS0441\B, Utermohle, 4/17/01.

Representative Hudson MOVED that committee substitute version be the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

Representative Harris MOVED to ADOPT Amendment #1, 22-LS0441\O.2, Utermohle, 4/09/01. [Copy on File]. Co-Chair Mulder OBJECTED for the purpose of discussing concerns previously voiced by the Committee.

Representative Stevens noted that the changed language would insert the words:

"not to exceed a maximum of \$50 for each license holder for each year;".

Representative Stevens stated that the increase would add more money into the fund than necessary, which had been addressed through the amendment.

Co-Chair Mulder questioned where the excess money would go. Representative Stevens replied that the money would eventually end up in commercial fisheries. He added that the fishermen were "happy" with the proposed change.

KEVIN BROOKS, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF FISH AND GAME, explained that the revenue from the sale of the licenses was addressed in the language in the front of the bill, placing a deposit into the Fish and Game Fund. There is a component in that Fund which has been separated out for the commercial fisheries and it is available for appropriation for commercial fishing projects.

Representative Davies asked what the fiscal impact would be. Mr. Brooks replied that without the amendment, there would be a potential increase of \$116 thousand dollars, and that by FY03; it would amount to \$300 thousand dollars.

Co-Chair Mulder WITHDREW his OBJECTION. Representative Croft pointed out that the drafters should note that the page numbers shifted with the adoption of the current version. There being NO FURTHER OBJECTION, Amendment #1 was adopted.

Representative Davies MOVED a change to Page 4, Line 9, deleting "does not exceed" and inserting language "is as close as is practical to". Co-Chair Williams OBJECTED for purposed of discussion.

Representative Davies explained the bill would provide direction. He stated that it should not be equal to the maximum as the amounts vary from year to year. The proposed language would give the necessary instruction to maximize the concern.

Representative Hudson suggested a "friendly" amendment, deleting the language proposed by Representative J. Davies and instead adding "is". Representative Davies explained that the other language had been chosen as a result from previous discussion requiring them to enter a maximum amount every year. Representative Hudson WITHDREW his MOTION to amend.

Mr. Brooks commented that the fee had been based on the prior year's expenditures. Much of the language is to deal with the logistics of that. At the heart of the license issue, originally there was a \$500 dollar spread. Historically, the charge was between \$30 and \$90 dollars. Now it is between \$60 and \$125 dollars. He pointed out that the gap is \$100 dollars or less. If the Courts came back with a differential, there could be a crewmember charge of \$60 dollars for a resident and \$160 dollars for a non-resident. He discussed the magnitude of the differential on the low end rather than focusing on the high end.

Representative Stevens referenced Page 2, Line 13, advising that the wording would need to be changed there additionally.

Representative Davies MOVED the amendment to include language on both Page 2 and Page 4.

Co-Chair Williams WITHDREW his OBJECTION. There being NO further OBJECTION, the amendment was adopted.

Co-Chair Mulder pointed out that there was no fiscal note from the Department of Fish and Game. Mr. Brooks indicated that it would be forth coming.

Co-Chair Mulder MOVED to report CS HB 194 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes.

CS HB 194 (FIN) was reported out of Committee with a "do pass" recommendation and with a fiscal note by the Commercial Fisheries Entry Commission and the Department of Fish and Game.

#HB187

HOUSE BILL NO. 187

An Act relating to the destruction, desecration, and vandalism of cemeteries and graves.

REPRESENTATIVE JIM WHITTAKER introduced his Chief of Staff, Lori Backes. He noted that under the current Alaska Statutes, there are no provisions relating to the vandalism or desecration of modern cemeteries and memorials.

LORI BACKES, STAFF, REPRESENTATIVE JIM WHITAKER, commented that acts of vandalism are currently punishable under statutes that relate to criminal mischief, however, the degree of crime centers around monetary value of the damage and does not recognize the personal insult and emotional injury to a family, community or tribe that has suffered when these areas are vandalized.

Ms. Backes noted that HB 187 clearly states that it is a crime of criminal mischief in the second degree if a person intentionally abuses these sites. The bill would insert language into statute making it a crime of criminal mischief in the second degree. Recognizing that there may be circumstances where memorials, tombs or gravesites must be altered, moved or removed, HB 187 places into statute an affirmative defense if the defendant is an employee of the cemetery acting on behalf of the cemetery or is "otherwise authorized by law to engage in the conduct.

Vice-Chair Bunde asked how the legislation would impact archeological digs. Ms. Backes explained that Representative Whitaker's office had been in contact with the University of Alaska's Anthropology Department and they have no problem with the wording of the legislation. They are already protected under laws that allow them to obtain State permits and/or federal permits if the sites are on federal land.

Vice-Chair Bunde asked if the legislation would give false hope to certain Native groups that think that archeological digs would stop with passage of the legislation. Ms. Backes replied that the legislation would not give them false hope. Burial sites are already protected under the Preservation Act. The hope that the bill is attempting to give is that there will be some type of penalty that a person could be charged with if a person were to damage a modern cemetery. The bill's verbiage does not address the historic sites.

Representative Whitaker added that the bill was not all encompassing and that it should not be misconstrued to be.

Representative Croft asked the appeal portion found in AS 41.25.200©. Ms. Backes replied that statute was the portion

of statute intended to protect gravesites, however, it had been placed under the Alaska Historic Preservation Act. The concern with that is that it would mainly protect historical burial sites, not modern cemeteries. The proposed bill would move the protection to another statute.

Representative Croft referenced Page 2, Line 18, noting that the exception when on a State permit. He asked when on federal land, would the archeological digs have to obtain both a State and federal permit. Ms. Backes explained that on federal land, they would not need to obtain a State permit. She stated that the bill drafter suggests that the language "authorized by law" would cover that concern.

Representative Davies asked what the penalty for crime of criminal mischief in the second degree would be classified as. Ms. Backes advised that penalty would be a Class C felony and would result up to five years in prison and a \$50,000 dollar fine.

Representative Whitaker interjected that it was intentional to raise it to that level. He noted that there had been extensive hearings in the House Judiciary Committee regarding those concerns. He added that there would be no fiscal impact.

Representative Hudson MOVED to report CS HB 187 (JUD) out of Committee with individual recommendations and the fiscal notes.

Representative Harris asked the reason for the indeterminate fiscal note by the Department of Administration. Ms. Backes explained that it was indeterminate because the Department is not certain how often there would be prosecuted cases coming forward and what those costs would be.

There being NO OBJECTION, it was so ordered.

CS HB 187 (JUD) was reported out of Committee with a "do pass" recommendation and with zero fiscal notes by the Department of Law dated 4/10/01, the Alaska Court System dated 4/10/01, and Department of Administration dated 4/10/01.

#HB204

HOUSE BILL NO. 204

An Act relating to the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation; relating to student financial aid programs and the financing of those programs; establishing the Alaska Advantage Loan Program and the Alaska Supplemental Education Loan Program; increasing the bonding authorization of the Alaska Student Loan

Corporation; providing for liens resulting from a default under AS 14.43 or AS 14.44; relating to the duties of the recorder regarding those liens; relating to defaults under the Western Regional Higher Education Compact; relating to the prohibition on discrimination regarding programs under AS 14.43; relating to fees for the review of certain postsecondary institutions; making conforming amendments; and providing for an effective date.

DIANE BARRANS, EXECUTIVE DIRECTOR, POSTSECONDARY EDUCATION COMMISSION, DEPARTMENT OF EDUCATION, explained that the Alaska Student Loan Program has achieved great success in the past few years. The Commission on Postsecondary Education and the Alaska Student Loan Corporation have turned the program around, running it in the black for the first time in history and paying a dividend back to the State. The bill would establish the Alaska Advantage Loan Program. Under the legislation, Alaska would participate in the federal guaranteed student loan program, which brings benefits including low interest rates for borrowers and reduces risk to the State through federal loan guarantees.

Ms. Barrens testified that the bill would create a supplemental loan program to provide financial assistance in the event that the Alaska Advantage Loan program was insufficient to cover education costs if the student does not qualify for assistance under the federal guaranteed student loan program. The bill would create a one-stop financial aid information center and financial opportunity, guarantee the lowest possible borrowing rates, streamline aid delivery and reduce financial risk to the State through the federal guarantee. The program would also offer expanded options for borrowers with special needs in loan repayment.

Co-Chair Mulder pointed out the renaming of the student loan program. Ms. Barrens replied that because there would be loans offered to none resident students, the choice was to go with a "generic" name.

Co-Chair Mulder referenced Page 11, the increase bond issuance by \$75 million dollars. Ms. Barrens replied that at this point, it is not anticipated that the annual bonding will need to be increased, however, in the future if there is a substantial jump, the Division would like to be able to make that effort.

Co-Chair Mulder clarified that only bonds necessary to substantiate the application would be issued. Ms. Barrans replied that was correct.

Vice-Chair Bunde asked about the students that remain in Alaska following graduation. Ms. Barrens explained that the

State believes that there could be efficiencies created with the automation and connection with the institutions in Alaska that could result in lower servicing costs of the loans. The bill proposes to offer a preferred interest reduction for individuals that remain in Alaska. There currently is not a program of that kind in existence. The financial model that underlies the program has some new revenues coming into the corporation. In the past, the Division lost money and those programs were not feasible. As the Commission has moved from the "red" into the "black", they have been reluctant to be overly aggressive of reducing costs at the low market without some revenue stream associated with that. The benefits of the program will allow the Commission to afford new programs.

Vice-Chair Bunde asked the current "dead beat" rate. Ms. Barren replied that there are not good statistics on the average debt of the person graduating from the program. The average debt of a borrower is around \$15,000 dollars. She added that this year, the default rate fell below 10%.

Representative Davies inquired the incentives for the students that stay within the State and at what point would they become eligible. He pointed out that if the incentives were not provided to the students, the dividend to the State would become larger.

Ms. Barrans explained that as the Commission moves forward for the next six to nine months, they will be undertaking financial modeling. At this time, the plan is to make it available to anyone who borrows to attend an institution in Alaska or for those attending outside Alaska, they would need to return to Alaska upon graduation. Administratively, that would be a much simpler benefit to pay out. The rationale is that if you live in Alaska or attend school in Alaska, the costs to the program are lower and therefore that piece of interest paid for servicing should be lower.

Ms. Barrans added that because the dividend amount is formulated and is a certain percentage of the net income, anything that would reduce the net income would affect the dividend to the State. She explained that one of the things that the bill does is clarifies the mission of the Corporation which, must be focused on the students served and the borrowing customers. The decisions that would reduce net income would be a direct benefit to borrowers and would occur through the bill. She stressed that it is important to the corporation to have that language included in the bill.

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Representative Hudson inquired if there was anything that would modify the cost of the loan. Ms. Barrans noted that there is not currently a cap on the interest that could be charged on a loan; rather it is tied to the interest that could be charged on a loan. It is tied to the financing of the program. The bill would establish a cap. Ms. Barrans added that the residency definition was not changed, but it does allow the loans to be made to people that come to Alaska to go to an Alaskan institutions. That is a change. She added that change is one that the Commissioner believes is necessary.

Vice-Chair Bunde MOVED to report HB 204 out of Committee with individual recommendations and with the accompanying fiscal notes. Representative Davies OBJECTED.

Representative J. Davies pointed out that there was not a fiscal note included that indicates the effect on the general fund. Ms. Barrans replied that the fiscal note included with the bill is a positive fiscal note. Implementing the program would be creating a positive effect on the net income of the Corporation. What is not included are the various pieces. The Corporation will have the flexibility within its own statute to authorize benefit programs to the borrowers. There is nothing that states there should be a net zero value and the Commission could offer below market rate interest. That rate would be variable and the rate is not known and cannot be factored into the fiscal note.

Representative Davies stated that he had a bill substantially similar to a portion of the proposed legislation. He advised that bill currently was in the House Finance Committee.

Representative Whitaker understood that the Corporation anticipates an increased number of loans. He asked how it could be predicted that the dividend would decrease. He acknowledged that it would be difficult to predict the fiscal impact. Ms. Barrans agreed that this is a dilemma and at this point the deferred terms need to be established. Until the volume is assessed, it is nebulous. The reason that the cost can be estimated, the interest rate should be 15-100 basis points below the rate charged other borrowers. That is how the fiscal impact was calculated for the program.

A roll call vote was taken on the motion.

IN FAVOR: Bunde, Foster, Harris, Hudson, Lancaster,
Whitaker, Williams, Moses
OPPOSED: Croft, Davies

Co-Chair Mulder was not present for the vote.

The MOTION PASSED (8-2).

HB 204 was reported out of Committee with a "do pass" recommendation and with new fiscal notes by the Alaska Commission on Post Secondary Education and the Department of Fish and Game.

#HB76

HOUSE BILL NO. 76

An Act authorizing the commissioner of health and social services to provide for the design and construction of psychiatric treatment facilities to replace the facilities of the Alaska Psychiatric Institute.

REPRESENTATIVE NORMAN ROKEBERG noted that HB 76 would provide the replacement of the Alaska Psychiatric Institute (API) go forward with a mixture of funds already appropriated (\$22,200,000) and proceeds from certificates of participation to be issued by the State Bond Committee. The legislation provides that the Commissioner of the Department of Health & Social Services would work with the Department of Corrections, the University of Alaska-Anchorage, Providence Hospital in Anchorage, Alaska Regional Hospital in Anchorage and the Municipality of Anchorage in the design and construction of the replacement for API.

Representative Rokeberg discussed that the bill would require that, as a part of any replacement of API, a forensic psychiatric unit be included. Currently, there is a 10-bed forensic psychiatric unit and the legislation would require that such a unit be a part of the replacement facility. The unit would be a facility for the assessment, treatment, custody and confinement of mentally abnormal criminal offenders as is the current facility.

The legislation encourages various State and local agencies to cooperate in the development of the replacement facility. Representative Rokeberg urged Committee's support of the legislation.

Representative Rokeberg stressed the need to bring better treatment facilities for patients. He noted that a forensic unit would help provide local support. Issues are being resolved. The facility is needed and the Legislature has already provided substantial funds.

Representative Hudson noted that the total funding would be \$58 million dollars and that \$19 million dollars was already

available. Representative Rokeberg understood that there was \$22 million dollars currently available.

KAREN PERDUE, COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, provided information regarding the legislation. [Copy on File]. She observed that the issue has been before the State for many years.

RANDAL BURNS, CEO, ALASKA PSYCHIATRIC INSTITUTE, ANCHORAGE, provided information regarding the legislation. [Copy on File]. He spoke in support of the replacement and noted that the building does not meet standards. There are urgent problems making its replacement necessary.

- API is permeated with hazardous material asbestos;
- Its fire, life safety and mechanical support systems are worn out;
- The roof needs replacement; and
- The structure does not meet the current seismic code.

Mr. Burns commented that API must be replaced:

- It was not designed as a psychiatric hospital and its physical layout is not conducive to patient care and treatment;
- API has had 39 years of hard use; and
- The need to replace the old API was recognized long ago and replacement efforts have been ongoing for 13 years.

Mr. Burns continued that a March 2001 report just issued by Koonce Pfeiffer Bettis, Inc. of Anchorage estimates the cost of renovation to range between \$74.5 million and \$81.1 million dollars. It would be cheaper to construct a new facility than to abate the asbestos and make the renovations needed to make API a modern, efficient psychiatric hospital.

Mr. Burns commented on solutions that have been attempted in the past.

- Constructing a replacement facility, however, the implementation was halted when construction bids substantially exceeded both engineering estimates and appropriated funding and only the lack of sufficient capital prevented success.
- Strategic partnerships with neighboring institutions proved unsuccessful when essential land swaps among partners could not be accomplished and the partners withdrew and the partners withdrew.

- Purchase a replacement was considered. Charter North Hospital was the only real purchase alternative. After two year, local planning and zoning decisions and strong neighborhood opposition made it impossible to complete the purchase and use the facility.

Mr. Burns commented on what should be done now. He recommended that the only realistic option for replacing API would be the construction of a replacement hospital on land very near the existing facility. He mentioned that there has been an agreement made regarding the complicated situations. The University of Alaska Medical landowners and the institutions have agreed to a parcel from the Alaska Mental Health Trust Authority (AMHTA) for the new facility. AMHTA, Providence Hospital, the University and the Department of Health and Social Services have signed an agreement.

- The agreement sets forth the framework for land conveyances, potential land purchases and exchanges, and continued commitments to working agreements.
- It sets the parameters for the future development of the important University-Medical District in Anchorage.

Mr. Burns advised that the parties believe building on the U-Med parcel makes sense.

- The API parcels are zoned for the use;
- API is a well-established, accepted and necessary institution on its present site;
- UAA nursing students do their psych rotations at API each semester;
- UAA social work and psychology students intern at API each semester; and
- WAMI medical students rely on API as a teaching site.

Mr. Burns noted that building on the present site makes sense because:

- API must be located near an acute care hospital in case a person needs to be medically cleared before admission to API and when the API patient needs emergency medical care;
- The University Community Council and area residents are supportive of API; and
- The Alaska Native Medical Center has stated that it has no plans within the next 10 years to

provide inpatient psychiatric services and will continue to rely on API.

Mr. Burns commented that replacing API would be the key to a broader effort of:

- Developing private treatment alternatives to API hospitalization;
- Enhancing the quality of care at API; and
- Replacing the API building.

Mr. Burns spoke to the intent of development of delivery for community based services and the single point of entry. At that point, it would be decided where each patient would be sent.

Mr. Burns acknowledged that there have been questions of why API is needed. He advised:

- That service is a core function of government and that API provides the services that private providers cannot or will not do;
- Patient needs can exceed local private treatment options;
- Inpatient treatments is nonexistent or uncertain in some communities; and
- API Treats forensic and NGRI patients and provides competency evaluation services to the courts.

Mr. Burns commented on why the State should build a hospital that can accommodate up to 72 beds.

- Successful operations of a smaller facility (54 beds) are contingent on a full array of private community services;
- Community services are not all in place;
- Future bed needs at API are not predictable with absolute precision; and
- Irresponsible to build for an ideal situation without capacity to cope with emergencies or population growth.

Mr. Burns discussed building with a flexible capacity in mind. As the State's safety net, API must have a range of inpatient bed capacity. He stressed that the bottom line is that API cannot close its doors. API must admit any person who is involuntarily committed or court-ordered to API for evaluation and/or treatment.

Mr. Burns emphasized that the Legislature could help to solve these problems through passing HB 76.

Representative Hudson asked if the increased operational costs had been computed. Mr. Burns replied that the operating costs would drop. Currently, a very "poor" heating system exists, however, staying at the current bed size, there would not be a reduction in staff costs.

Representative Hudson inquired if Alaskans are currently being sent out-of-State. Mr. Burns replied that no one is being sent out-of-State.

Commissioner Perdue commented that it was the intent to have as small of a hospital as possible. The community hospitals have developed the first level of response on these concerns, which is being encouraged throughout the entire State. In Anchorage, API is filling that function. API is the last resort for many of the patients.

Commissioner Perdue stated that over the next ten years, it is anticipated that there will be other community efforts that help people to do readmissions to API.

Co-Chair Williams noted that it was not his intention to move the bill from committee at this time. He noted that a committee substitute would be prepared and at that time, there would be public testimony taken.

Vice-Chair Bunde endorsed keeping the hospital at a small size.

In response to Vice-Chair Bunde, Commissioner Perdue acknowledged that hospital care is the most expensive care and for patients that do not need that, it is important to try to keep crisis from escalating. She pointed out that in less than two decades, the community process has made tremendous progress in meeting the needs of the mentally ill in the Alaskan communities.

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Representative Lancaster asked if the land agreement had been resolved. Commissioner Perdue stated that the land agreement had been settled.

JEFF JESSE, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH TRUST AUTHORITY, ANCHORAGE, testified in support of the proposed legislation and moving forward with a committee substitute. He noted that a shared vision for the interest exists, however, the funding replacement is essential.

Representative Hudson inquired the approximate dollar value in the land transactions. Mr. Jesse deferred to Steve Blanche.

STEVE BLANCHE, EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH TRUST LAND OFFICE, ANCHORAGE, responded that none of the budget would go for the land. The hospital would be clearly a beneficiary purpose under statute making it possible.

Representative Davies questioned if the land deal was complete. Mr. Blanche replied that AMHTA believes that the land deal has been substantially completed. It would require a full set of processes required by statute regarding the best interest decisions, complete appraisals for transactions with Providence Hospital, public notice and Trust Authority consultation. He noted that AMTHA has been working on the concern for three years.

CAREN ROBINSON, CHAIR, ALASKA MENTAL HEALTH TRUST AUTHORITY, JUNEAU, added that the members of the Trust Authority are committed to everything that has been signed off and acknowledged the rules and regulations, which need to be followed.

MARGO WARING, ALASKA MENTAL HEALTH BOARD, JUNEAU, stated that the Board had been working on a replacement for the API facility for over twelve years. She commented that the Board recognizes the need for a new building and the need for a more therapeutic environment for the Alaskan citizens. The Board has been the primary force in recognizing that the future of the hospital has to be in an environment of community-based services.

Ms. Waring added that the Board looks forward to the time when there is a new hospital that can serve the goal for the entire State that can focus on a treatment program and treatment facility for psychiatric services.

Ms. Waring voiced appreciation for Representative Rokeberg's attention to the needs of the State efforts for bringing forward an acute care facility.

WENDY REDMAN, VICE PRESIDENT, STATEWIDE PROGRAMS, UNIVERSITY OF ALASKA, FAIRBANKS, noted that the University has been involved with the community plan. The Board of Regents have voiced their support for the plan. She admitted that the area that will be used will be a little "land-locked" and that there will be many mutual programs and purposes. The agreement of shared vision cannot go forward without the construction funding. She urged the Committee's support for the legislation.

HB 76 was HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 3:35 p.m.