

HOUSE FINANCE COMMITTEE
March 15, 2002
9:20 .M.

TAPE HFC 02 - 48, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 9:20 A.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 Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Carl Moses
Representative Jim Whitaker

MEMBERS ABSENT

None

ALSO PRESENT

Representative Gretchen Guess

SUMMARY

HB 312 An Act relating to the delay of the reduction of supplementary public school funding; and providing for an effective date.

HB 312 was HEARD and HELD in Committee for further consideration.

#HB312

HOUSE BILL NO. 312

An Act relating to the delay of the reduction of supplementary public school funding; and providing for an effective date.

Co-Chair Mulder spoke to Amendment #1, 22-LS1257\A.2, Ford, 3/04/02, noting a technical change which needed to be made on Page 1, Line 13, deleting "each" and inserting "the prior". Co-Chair Mulder MOVED to ADOPT the corrected Amendment #1.

Co-Chair Williams OBJECTED.

Co-Chair Mulder explained that the amendment would include the Alaska Challenge Program which is currently administered by the National Guard. It would be included under the foundation formula.

REPRESENTATIVE GRETCHEN GUESS explained that the amendment would tie it to the base student allocation rather than the foundation formula. She pointed out that the program was designated for "at-risk" youth who are dropping out of school. She claimed that it was a volunteer "boot-camp" type program for individuals working on academics in order to get their General Education Requirement (GED) and some vocational skills. Representative Guess stressed that it is a rigorous program for a non-military type person.

Representative Guess explained that, unfortunately, there has never been a funding system established. It is not a school and it should not be under the regulations as a school. There needs to be a separate funding stream for the program. What the amendment attempts to do is establish a funding stream. The formula determines how much the Youth Academy will receive and then removes the federal grant and then the State matches the rest.

Co-Chair Williams questioned if the amendment would move the Challenge Program from the existing foundation formula program.

Representative Guess explained that the bill would remove it from being tied to the Alyeska Central correspondence program. They could choose to purchase their services from Alyeska Central, but that would be their choice.

Co-Chair Mulder explained that the program was being changed from Department of Military & Veterans Affairs to the Department of Education & Early Development because these kids have dropped out of school and they are at-risk kids. It is important that they accomplish getting their GED and are in the funding stream. He added that it is a program for kids and it is not a National Guard component and that it would be more appropriate to have it located within the Department of Education & Early Development.

Vice-Chair Bunde acknowledged the success of the program. He inquired about the fiscal note.

Co-Chair Williams advised that the departments would be forthcoming with two new fiscal notes.

Co-Chair Mulder stated that the intent was to have a negative fiscal note from the Department of Military &

Veterans Affairs. He reiterated the success of the program. He mentioned the expected notes from the Department of Education & Early Development and the Department of Natural Resources.

Representative Guess explained that the fiscal note amount would depend on the federal funds. If those funds decline, there is already \$400 thousand dollars that would be transferred to the program from existing funds.

Vice-Chair Bunde concurred that the program is good but that the House Finance Committee cannot pass a bill out of Committee without the appropriate fiscal note attached.

Representative Davies agreed with Vice-Chair Bunde. He asked for clarification regarding the maximum impact for positive federal funds and if that impact would exceed \$20 thousand State dollars.

Representative Guess responded that if the federal \$2.5 million dollars holds, then the net impact would be between \$17 and \$400 thousand dollars. She acknowledged that if the federal government spends their money elsewhere, then the State would be taking on that responsibility.

Co-Chair Williams interjected that the Committee would wait for the fiscal note before action was taken on moving the bill from Committee. He added that action could be taken on adopting the amendment.

Representative Lancaster asked the location and ages of participants.

Co-Chair Mulder commented that the program is done at the National Guard facilities with the age group of the individuals is from 16 to 20 years old. The program requires that the person be a high school dropout and voluntarily commits to the program. He reiterated that it has an 82% success rate.

Representative Guess interjected that the population comes from 50% in Anchorage, 25% from the Rail system and 25% from Rural Alaska. The program is open to all Alaskans.

Representative Hudson commented that the amendment provides for the moving away from a simple extension to an inclusion for the Challenge Youth Academy programs. He asked if there were other programs in the State that could "fit" into the same venue such as Juneau's SAGA program. He acknowledged that he did support the original intent of the bill and asked if there are other programs that would end up being placed as another amendment to the bill.

Representative Guess did not know of other potential amendments to the bill. She commented that would be the will of the Body and added that it would be appropriate to put these programs with the others. She did not know of any other programs which could show the success of the Alaska Challenge Youth Academy program. She stressed that it should not be thought of as a correspondence school. There needs to be a separate funding entity put on it.

Co-Chair Williams WITHDREW his OBJECTION to the amendment. Amendment #1 was adopted.

HB 312 was HELD in Committee for further consideration.
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ADJOURNMENT

The meeting was adjourned at 9:37 A.M.