

**ALASKA STATE LEGISLATURE
HOUSE HEALTH, EDUCATION AND SOCIAL SERVICES
STANDING COMMITTEE**

March 26, 2002
3:03 p.m.

MEMBERS PRESENT

Representative Fred Dyson, Chair
Representative Peggy Wilson, Vice Chair
Representative John Coghill
Representative Gary Stevens
Representative Vic Kohring
Representative Sharon Cissna
Representative Reggie Joule

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 464

"An Act relating to statewide school district correspondence study programs."

- HEARD AND HELD

HOUSE BILL NO. 407

"An Act relating to the certificate of need program."

- HEARD AND HELD

CONFIRMATION HEARINGS

University of Alaska Board of Regents

Mark Begich - Anchorage
Marlene Johnson - Juneau
Joseph Hardenbrook - Fairbanks

- CONFIRMATIONS ADVANCED

HOUSE BILL NO. 408

"An Act relating to questionnaires and surveys administered in the public schools."

- HEARD AND HELD

HOUSE BILL NO. 338

"An Act making a special appropriation for a grant to Boys and Girls Clubs of Southcentral Alaska for a youth suicide prevention program; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 464

SHORT TITLE:CORRESPONDENCE STUDY PROGRAMS

SPONSOR(S): REPRESENTATIVE(S)JAMES

Jrn-Date	Jrn-Page		Action
02/19/02	2313	(H)	READ THE FIRST TIME - REFERRALS
02/19/02	2313	(H)	EDU, HES
02/22/02	2370	(H)	COSPONSOR(S): DYSON
02/27/02	2416	(H)	REFERRALS CHANGED TO HES, EDU
03/07/02		(H)	HES AT 3:00 PM CAPITOL 106
03/07/02		(H)	Heard & Held
03/07/02		(H)	MINUTE(HES)
03/13/02	2530	(H)	COSPONSOR(S): COGHILL, KOHRING, GREEN, FOSTER
03/13/02	2530	(H)	FOSTER
03/14/02		(H)	HES AT 3:00 PM CAPITOL 106
03/14/02		(H)	Heard & Held
03/14/02		(H)	MINUTE(HES)
03/19/02		(H)	HES AT 3:00 PM CAPITOL 106
03/19/02		(H)	-- Meeting Canceled --
03/21/02		(H)	HES AT 3:00 PM CAPITOL 106
03/21/02		(H)	-- Meeting Canceled --
03/22/02	2655	(H)	COSPONSOR(S): FATE
03/26/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 407

SHORT TITLE:CERTIFICATE OF NEED PROGRAM

SPONSOR(S): REPRESENTATIVE(S)COGHILL

Jrn-Date	Jrn-Page		Action
02/13/02	2232	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2232	(H)	CRA, HES
03/04/02	2469	(H)	COSPONSOR(S): JAMES
03/13/02	2530	(H)	COSPONSOR(S): SCALZI

03/14/02		(H)	CRA AT 8:00 AM CAPITOL 124
03/14/02		(H)	Scheduled But Not Heard
03/18/02	2593	(H)	COSPONSOR(S): DYSON
03/19/02		(H)	CRA AT 8:00 AM CAPITOL 124
03/19/02		(H)	Heard & Held
03/19/02		(H)	MINUTE(CRA)
03/21/02		(H)	CRA AT 8:00 AM CAPITOL 124
03/21/02		(H)	Moved Out of Committee
03/21/02		(H)	MINUTE(CRA)
03/22/02	2638	(H)	CRA RPT 2DP 2NR 3AM
03/22/02	2638	(H)	DP: SCALZI, MEYER; NR: GUESS, HALCRO;
03/22/02	2638	(H)	AM: KERTTULA, MURKOWSKI, MORGAN
03/22/02	2638	(H)	FN1: (HSS)
03/26/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 408

SHORT TITLE: STUDENT QUESTIONNAIRES AND SURVEYS

SPONSOR(S): EDUCATION

Jrn-Date	Jrn-Page		Action
02/13/02	2233	(H)	READ THE FIRST TIME - REFERRALS
02/13/02	2233	(H)	EDU, HES
02/20/02		(H)	EDU AT 8:00 AM CAPITOL 120
02/20/02		(H)	Moved Out of Committee
02/20/02		(H)	MINUTE(EDU)
02/20/02	2338	(H)	EDU RPT 6DP
02/20/02	2338	(H)	DP: PORTER, WILSON, GUESS, STEVENS,
02/20/02	2338	(H)	GREEN, BUNDE
02/20/02	2338	(H)	FN1: ZERO(EED)
03/26/02		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 338

SHORT TITLE: APPROP: GRANTS TO PREVENT YOUTH SUICIDE

SPONSOR(S): COMMUNITY & REGIONAL AFFAIRS

Jrn-Date	Jrn-Page		Action
01/16/02	1982	(H)	READ THE FIRST TIME - REFERRALS
01/16/02	1982	(H)	HES, FIN
01/16/02	1982	(H)	REFERRED TO HES
01/24/02		(H)	HES AT 3:00 PM CAPITOL 106
01/24/02		(H)	Heard & Held
01/24/02		(H)	MINUTE(HES)

03/26/02

(H)

HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE JEANNETTE JAMES

Alaska State Legislature
Capitol Building, Room 214
Juneau, Alaska 99801

POSITION STATEMENT: Testified as sponsor of HB 464.

WHITNEY HIGHLAND, Staff
to Senator Loren Lemam
Alaska State Legislature
Capitol Building, Room 516
Juneau, Alaska 99801

POSITION STATEMENT: During hearing on HB 464, presented changes in the Senate companion bill [SB 346] included in Version P of HB 464.

RYNNIEVA MOSS, Staff
to Representative John Coghill
Alaska State Legislature
Capitol Building, Room 102
Juneau, Alaska 99801

POSITION STATEMENT: Explained HB 407, Version F.

ELMER LINDSTROM, Deputy Commissioner
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

POSITION STATEMENT: Presented the department's perspective on HB 407; suggested changes.

JEROME SELBY, Regional Director
Planning, Development, and Advocacy
Providence Health System in Alaska
P.O. Box 1962
Kodiak, Alaska 99615-1962

POSITION STATEMENT: Testified on HB 407.

MARK BEGICH, Appointee
to the University of Alaska Board of Regents
P.O. Box 201627
Anchorage, Alaska 99520

POSITION STATEMENT: Testified as appointee to the University of Alaska Board of Regents.

MARLENE JOHNSON, Appointee
to the University of Alaska Board of Regents
c/o Commercial Fisheries Entry Commission
8800 Glacier Highway, Suite 109
Juneau, Alaska 99801

POSITION STATEMENT: Testified as appointee to the University of Alaska Board of Regents.

JOSEPH HARDENBROOK, Appointee
to the University of Alaska Board of Regents
P.O. Box 750362
Fairbanks, Alaska 99775-0362

POSITION STATEMENT: Testified as appointee to the University of Alaska Board of Regents.

REPRESENTATIVE CON BUNDE
Alaska State Legislature
Capitol Building, Room 501
Juneau, Alaska 99801

POSITION STATEMENT: Presented HB 408 as chair of the House Special Committee on Education, sponsor.

LISA TORKELSON
(Address not provided)

POSITION STATEMENT: Testified in opposition to HB 408, expressing concern that it doesn't include parents.

CAROL COMEAU, Superintendent
Anchorage School District
P.O. Box 196614
Anchorage, Alaska 99519-6614

POSITION STATEMENT: Testified in support of HB 408 [Version C]; offered suggestions.

TERRY SOLOMON
520 5th Avenue
Fairbanks, Alaska 99701

POSITION STATEMENT: Testified in support of HB 408 [Version C].

RICHARD BLOCK
Christian Science Committee on Publication
for the State of Alaska
360 West Benson Boulevard, Suite 301
Anchorage, Alaska 99503

POSITION STATEMENT: During hearing on HB 408, cautioned about changing the well-balanced approach of 1999.

JAKE METCALFE, Member
Anchorage School Board
Anchorage School District
P.O. Box 196614
Anchorage, Alaska 99519-6614
POSITION STATEMENT: Announced that the Anchorage School Board supports HB 408, Version C.

RUTHAMAE KARR
Interior Neighborhood Health Corporation
1949 Gillam Way, Suite D
Fairbanks, Alaska 99701
POSITION STATEMENT: Testified in support of HB 408, both on her own behalf and on behalf of her children, who are parents.

DEE HUBBARD
P.O. Box 88
Sterling, Alaska 99672
POSITION STATEMENT: Testified in opposition to HB 408.

ANDREE McLEOD
3721 Young Street
Anchorage, Alaska 99508
POSITION STATEMENT: Testified in opposition to HB 408; said parents don't want these questions asked, and conveyed support for the current law.

EMILY NENON, Alaska Advocacy Manager
American Cancer Society
1057 West Fireweed Lane, Number 204
Anchorage, Alaska 99503
POSITION STATEMENT: Testified in support of HB 408 on behalf of the American Cancer Society and Alaskans for Tobacco-Free Kids, calling Version C the best kind of public policy.

RIC IANNOLINO, Chair
Youth on the Street
P.O. Box 21892
Juneau, Alaska 99802
POSITION STATEMENT: Testified on HB 408; asked that the legislature allow for local control on an individualized basis for school surveys.

JOHN OATES, Chief Executive Officer
Boys & Girls Clubs of Southcentral Alaska
2300 West 36th Avenue
Anchorage, Alaska 99517

POSITION STATEMENT: Presented provisions of HB 338 to the committee.

ACTION NARRATIVE

TAPE 02-24, SIDE A
Number 0001

CHAIR FRED DYSON called the House Health, Education and Social Services Standing Committee meeting to order at 3:03 p.m. Present at the call to order were Representatives Dyson, Coghill, Stevens, and Cissna. Representatives Wilson, Kohring, and Joule joined the meeting as it was in progress.

HB 464-SCHOOL DISTRICT CORRESPONDENCE STUDY

CHAIR DYSON announced the first order of business, HOUSE BILL NO. 464, "An Act relating to statewide school district correspondence study programs." [Before the committee was Version O, as amended on March 14.] He sought confirmation from Representative Jeannette James that her intention was for the committee to adopt Version P [as a work draft].

Number 0260

REPRESENTATIVE JEANNETTE JAMES, Alaska State Legislature, sponsor of HB 464, offered her intention that the committee adopt the amendments made by the Senate [to the companion bill, SB 346; those changes are embodied in Version P]. She expressed her preference that the committee hold the bill pending the forthcoming [Department of Education and Early Development (EED)] regulations.

Number 0325

WHITNEY HIGHLAND, Staff to Senator Loren Lemman, Alaska State Legislature, came forward at the invitation of Chair Dyson to present the changes in Version P [on behalf of the Senate Health, Education and Social Services Standing Committee, sponsor of SB 346, the companion bill; Senator Lemman is vice chair of that committee].

MS. HIGHLAND brought attention to title changes. First, "home schooling" has been omitted. Home school programs are currently classified by [EED] as correspondence study programs, she explained; to avoid confusion, "the sponsor" chose to use language parallel to the department's - "home schooling" is not

recognized in statute. The new title also includes "centralized correspondence study"; that allows the inclusion of Alyeska Central School, which is not run by school district, but by EED. Statewide school district correspondence study programs are run by school districts, she noted.

MS. HIGHLAND turned attention to page 1, lines 4-5, and noted the omission of "school district". This allows for inclusion of the Alyeska Central School (ACS). She pointed out that page 1, lines 7-8, includes all entities that conduct statewide correspondence study programs: ACS, charter schools, and school districts.

Number 0480

MS. HIGHLAND pointed out that page 2, line 2, replaces "school district" with "governing body". This change was recommended by Legislative Legal and Research Services to align with statutory language, since "governing body" is defined in statute as being the school board of a borough school district, a city school district, or a regional education attendance area [school district]. On page 2, lines 3-8, ["establish procedures"] is added to better align with the statutory authority of school boards found in AS 14.14.090.

MS. HIGHLAND explained that Version P also specifies that school districts have the ability to establish these procedures only in regard to curriculum materials purchased by school districts or governing boards, and not those purchased [with private funds]. Version P also provides that a procedure be in place for school boards to approve or disapprove home-designed courses and [to establish procedures] for the evaluation of student work. She concluded that these changes ultimately give the authority to establish procedures to local school boards, not to the department. She added that on page 2, line 9, "district" is defined. In statute, "district" means a city or borough school district or regional educational attendance area.

Number 0610

REPRESENTATIVE STEVENS moved to adopt Version P, 22-LS1494\P, Ford, 3/18/02, as a work draft. There being no objection, Version P was before the committee.

CHAIR DYSON announced the intention of addressing the fiscal note and holding the bill pending the actions [of EED] and review of the EED regulations. He stated that [Version P]

brings the bill into conformity with the Senate version [SB 346]. [He asked if someone from EED was present to speak to the changes, but was informed that no one was.]

Number 0710

CHAIR DYSON related his belief that because the bill has been significantly altered, the committee is justified in zeroing out the fiscal note. He offered assurance that plenty of time would be granted for the department to draft a new fiscal note, should the committee revisit HB 464.

REPRESENTATIVE COGHILL moved to zero out the fiscal note for HB 464.

REPRESENTATIVE JOULE objected for purposes of discussion. He asked about the difference between the zero fiscal note and the fiscal note prepared by EED.

CHAIR DYSON offered his understanding that when the [EED] fiscal note was prepared, the bill made it the responsibility of the department to conduct all the review required therein; this was before the bill was modified to give review responsibilities to the [program's governing body]. He suggested that is a fair justification for modifying the fiscal note, but asked Ms. Highland whether his statement was correct; he then observed that Ms. Highland had gestured her concurrence. Chair Dyson asked Representative Joule if he maintained his objection.

Number 0820

REPRESENTATIVE JOULE replied no, but requested to see the [earlier EED] fiscal note.

CHAIR DYSON suggested that Representative Joule wait to see [a forthcoming fiscal note from EED for Version P], and whether the committee chose to take action on the bill.

CHAIR DYSON announced that there being no objection, the fiscal note was zeroed out. He also announced that HB 464 would be held pending review of the EED regulations, which EED personnel had indicated would be available online April 8.

Number 0896

REPRESENTATIVE JOULE suggested that since the cost of [oversight] is being shifted to the school districts, he would

like to hear from Carl Rose [of the Association of Alaska School Boards (AASB)] when the committee revisits HB 464.

CHAIR DYSON conveyed uncertainty that AASB was the correct entity to respond to this, but suggested that the committee would hear from the districts. He continued:

To the department I want to say that, in colloquial terms, what I understand this bill was about: it reflects the legislature's significant concern about what was happening, apparently, with the regulations in the first draft. And Representative James - in my words, not hers - has loaded a cannon and ... fired it across the bow of the department, saying, "Go slow here; we are very concerned about what ... the legislature, by and large, considers to be an overregulation of correspondence schools." The department has responded to those concerns.

CHAIR DYSON mentioned review that happened in the [Joint Committee on Administrative Regulation Review], in the current committee, and before the Senate. He offered his understanding that essentially all the parties who would be affected by the regulations are now comfortable with the department's commitment to revise the regulations. He added, "The proverbial cannon is still loaded and aimed."

REPRESENTATIVE JAMES added, "We have the safety on."

Number 0995

CHAIR DYSON suggested that this matter shows the care with which all regulations and [legislation] ought to be considered. [HB 464 was held over.]

HB 407-CERTIFICATE OF NEED PROGRAM

CHAIR DYSON announced the next order of business, HOUSE BILL NO. 407, "An Act relating to the certificate of need program."

Number 1010

REPRESENTATIVE COGHILL, sponsor of HB 407, noted that the proposed committee substitute (CS), Version F, is significantly different from the first draft; it is a continuation of efforts to which he'd committed himself in the [House Community and

Regional Affairs Standing Committee]; he said he has given a copy [of Version F] to some members of that committee.

REPRESENTATIVE COGHILL moved to adopt Version F [22-LS1389\F, Lauterbach, 3/21/02], as the work draft. There being no objection, Version F was before the committee.

REPRESENTATIVE COGHILL remarked:

This has been likened to a youngster coming out of college [with] a counseling degree and getting hooked up with a ... 40-year dysfunctional marriage ... and wading in with that kind of trepidation. There still are some basic principles of operation that even a young counselor can bring to a situation.

Number 1121

REPRESENTATIVE COGHILL told members that one reason he came to the legislature was to preserve and protect a free-market economy. He objects to having health care nationalized, more socialized, and driven by the government, he said; based on that objection, he became involved in the certificate of need (CON) debate. The CON in Alaska requires that if someone wishes to increase services or facilities that cost in excess of one million dollars, permission must be sought from the government. He explained that the [state] has rules, based primarily on [federal law], that determine whether this new facility or service will be allowed.

REPRESENTATIVE COGHILL said although the federal government abandoned this system some years ago because it wasn't cost-effective and was creating problems, Alaska continues to use it. He acknowledged that the [CON is warranted] in certain circumstances, but expressed his intention to repeal it completely from [state law], which [Version F] accomplishes, with some safeguards: a time limit and greater accountability for a government-controlled process. He said it allows for the best free-market circumstances when possible. Speaking strongly against government-protected monopolies, he said Alaska has many examples, especially with regard to the CON. Although a lot of public money goes into health care, he suggested this [bill] is a good solution.

Number 1270

RYNNIEVA MOSS, Staff to Representative John Coghill, Alaska State Legislature, explained that Section 1 is the crux of Representative Coghill's initial intent. It would require, with the exception of skilled nursing facilities and psychiatric hospitals, a CON for expenditures of one million dollars or more in communities with a population of less than 55,000. Therefore, a [proposed facility] in a community larger than this wouldn't require a CON unless it was a [skilled] nursing facility or a psychiatric hospital.

MS. MOSS turned attention to Section 2 and reported that during discussion with the department and Senator Green, some flaws [were observed] in the system, one of which Section 2 seeks to address. Currently, if a facility is destroyed, it cannot be replaced without a new CON; Section 2 therefore eliminates the need for a new CON. It also eliminates an existing requirement for a new CON if a facility moves services from one building to another, provided the capacity and categories of service have not changed.

Number 1358

MS. MOSS noted that Section 3 requires the department to adopt regulations to set a time limit for the department to determine whether an application is complete. Section 4 requires the department to set a time limit by which public hearings must be held; it also requires the department to make a determination on an application within 120 days following the determination that an application is complete.

MS. MOSS turned to Section 5 and said CONs were originally put in statute to apply only to nursing facilities. A seven-step review process is in place for the review of nursing homes' CONs. As additional [facilities] were added under the CON requirement, a new, broad statute was added. She noted that the sectional [analysis] provides the repealed language; she pointed out that the only standard for review was "that if the availability and quality of existing health care resources, or the accessibility to those resources, is less than the current or projected requirement for health services required to maintain good health of the citizens in this state." Based on this standard, a CON could be issued. This is found in AS 18.07.041.

MS. MOSS indicated Version F rolls all other types of facilities into the more defined standard of review found in AS 18.07.043. She said Sections 6 through 10 are simply technical changes that

remove AS 18.07.041 from existing statutes. Section 11 repeals AS 18.07.041; Section 12 gives applicability of the new statute only to those CON applications filed on or after the effective date; and Section 13 is an immediate-effective-date clause.

Number 1477

REPRESENTATIVE COGHILL requested that testimony on HB 407 be permitted for the next two committee meetings. He noted that some witnesses were unable to attend the March 28 meeting.

Number 1515

CHAIR DYSON asked which communities HB 407 would apply to.

MS. MOSS responded that criteria were created to arrive at the [55,000] number; according to the U.S. Census Bureau, a community must have a population of 25,000 for data from that community to supply [reliable] demographic data. The national poverty rate was applied to this number; Alaska is automatically 25 percent above that federal poverty rate. This adjustment resulted in [a figure of 31,250]. She explained that three different levels of poverty are applied to medical services: 150, 175, and 200 percent. The middle percent, 175, was applied to the 31,250 to result in 54,688; this was rounded off to [55,000].

CHAIR DYSON asked what poverty has to do with this.

MS. MOSS replied:

Just the level of need for medical assistance - how the federal government has defined it. You've heard in debates about Denali KidCare, for instance, that money may go further if we reduce those poverty levels. But the truth of the fact is, that's what's the feds use. We're dealing with Medicaid money here, so we're applying those percentage because of the Medicaid involvement.

Number 1600

CHAIR DYSON offered:

I'm very sure I don't understand the logic trail. But it may be that the government doesn't have a firm logic trail. I thought the argument about certificate

of [need] had to do with the significant capital investment it takes to build a major facility. And the argument is that in smaller communities, if indeed, there's too much competition, then there won't be the economic incentive and the return on investment for folks to invest in building one. So, I thought that ... the rationale was to protect smaller communities from having ... fractured providers, all of whom were below some economic threshold. What's that got to do with Medicare or poverty?

MS. MOSS reiterated that this issue involves Medicaid; the decision was that this should involve the "federal logic" - which was all that was available - rather than arbitrarily selecting a [population] figure. She said three [local governments] in Alaska would qualify under [the 55,000 population] number: Anchorage, the Fairbanks North Star Borough, and the Matanuska-Susitna Borough.

Number 1663

REPRESENTATIVE COGHILL acknowledged getting creative in arriving at the figure, but indicated the basic question remains of the significant investment in the smaller communities. He asked at what point there should be some scrutiny in a limited market, and at what point it would be considered a growing market and therefore not require proof of [market] limitation. He offered his belief that a handful of communities fall into [this latter description].

REPRESENTATIVE COGHILL said he was willing to discuss the [population] number, since it is a bit arbitrary; part of the discussion pertains to the size of a community resulting in a finite market wherein competition could not happen. He offered his perspective that the market could handle this, and indicated astonishment that someone [might build an unnecessary facility]; he allowed, however, that this does happen as a result of poor judgment calls. "I'm not always sure that the government is the best answer," he said. He reiterated that he was open to discussion. He concluded by saying the Medicaid and Medicare expenditures were significant throughout the state.

Number 1733

CHAIR DYSON, in response to Representative Cissna, expressed his wish to hear from the administration and some witnesses in

opposition to HB 407, to allow members to get a sense of the arguments and to evaluate relevant correspondence.

REPRESENTATIVE COGHILL concurred.

Number 1799

ELMER LINDSTROM, Deputy Commissioner, Department of Health and Social Services (DHSS), came forward and told members, "I'll be more than happy to muddy the waters for you on this one." He explained that the CON program impacts the department in several ways on different levels, which is confusing. He said DHSS operates the CON program, which consists of one employee in the facility section of the Division of Administrative Services.

MR. LINDSTROM referred to the sponsor's mention of the federal government's creation of, and subsequent backing away from, the CON program. This is not all the federal government backed away from, Mr. Lindstrom pointed out. When the CON program was created in Alaska and many other states as a result of federal law, a range of health-planning activities went along with it. States were expected to have a state health program; funding went into regional health planning. He said, "All of that superstructure has disappeared over time. In fact, we have not had a state health plan written ... since, I think, 1983." The resulting lack of current health data precludes a thorough evaluation and well-reasoned findings with regard to the review of CONs, he indicated - a job that is difficult without this information.

Number 1902

MR. LINDSTROM offered another department perspective: the department pays substantial health care costs, primarily through the Medicaid program, which insures about one of every six Alaskans. For certain types of facility-based services including long-term care or nursing home beds, DHSS is, for all practical purposes, the payor. A non-Medicaid-eligible person upon entering a nursing facility will likely become Medicaid-eligible within several months because assets will be spent down; in all likelihood, this person will end up on Medicaid.

MR. LINDSTROM reported that DHSS pays 85 percent of the costs for nursing home beds in Alaska. It is also a primary payor for acute-care psychiatric beds; generally, more is spent for children's services than for adults, but for all psychiatric care the state is the major payor. On the other hand, DHSS is

not the major payor for other kinds of acute-care costs; it covers 20 percent of the market. Consequently, DHSS is concerned about the CON programs' maintaining integrity for cost-containment purposes proportionate to the amount the department pays. He said, "We're very concerned about long-term care costs and controlling ... the number of nursing home beds and the number of psychiatric beds. We are, as a payor, less concerned about certain other types of care."

Number 1980

CHAIR DYSON asked, "Your worry is that with competition ... those providers might not ... have a large enough share of the market that they can make a living, so they jack their rates up, and your costs will go up?"

MR. LINDSTROM replied, "That's true." He indicated Chair Dyson had broached another complex issue, the Medicaid rate-setting system for facilities; he acknowledged he was not an expert in that field. Capital costs become part of a facility's rate, he explained; to the extent a community overcapitalizes the system, inefficiencies are brought into the system and are reflected in the rate paid to the facilities through Medicaid.

MR. LINDSTROM returned to the subject of the CON from the department's perspective - specifically, the public health perspective. He said DHSS is concerned about access to health care throughout the state. The CON provides a process for communities to rationally plan and understand what type of health care is needed in that community; the department thinks this is a good process.

Number 2053

CHAIR DYSON asked whether Alaska has examples where the presence of too many providers is driving up costs.

MR. LINDSTROM offered to find out.

Number 2075

MR. LINDSTROM noted that Section 1 of the bill differentiates between larger and smaller communities in determining whether a CON is required. He offered the department's concurrence that Anchorage, Fairbanks, and the Matanuska-Susitna ("Mat-Su") area would be exempt from the requirement for CONs, except for nursing home facilities and some construction of psychiatric

beds; he noted the department's support for that change. Intuitively, he offered, one would acknowledge that the market in Anchorage is very different from the market in a small, rural community. He said, however, that the department also believes the Anchorage market significantly differs from the Fairbanks market; likewise, both differ from the market in the Mat-Su area.

Number 2128

MR. LINDSTROM said the department doesn't have the data, understanding, or capacity to finely understand those distinctions. "We can't tell you whether or not it makes sense to make this distinction," he said. He reiterated that lumping the larger markets together makes sense intuitively. Would it hurt the local hospital in Fairbanks or Mat-Su if there were a [large] freestanding ambulatory surgical center? He said he couldn't answer that question; as a result, the department has some reservations.

Number 2162

REPRESENTATIVE CISSNA offered her belief that the health care industry is the fastest-growing sector of the private economy.

MR. LINDSTROM replied, "I believe that's true." In further response, he said this lack of data is, sadly, not unique; the capacity DHSS once had for planning and the ability to understand these issues no longer exists. The department no longer has the ability to gather, sort, and understand that information. He reiterated that the state has not written a health plan since 1983.

CHAIR DYSON noted that he wished to hear from other witnesses as well. He asked Mr. Lindstrom, following Representative Wilson's next question, to summarize the department's concerns; he said Mr. Lindstrom would have other opportunities to present input.

Number 2230

REPRESENTATIVE WILSON said 14 states have repealed the CON program. She asked if Mr. Lindstrom had been in contact with any of these states to find out the consequences of the change.

MR. LINDSTROM replied that on a number of occasions this issue has been raised; the department has looked into it to summarize what other states are doing. He expressed uncertainty about the

number of states that have repealed the CON program, but reported that the data indicate "the significant majority" of states have retained the CON program. The [CON] criteria widely vary in different states for facility types and [need] thresholds, among others, but most states still have a certificate of need program.

Number 2274

REPRESENTATIVE WILSON surmised that one reason is that these states haven't gotten around to repealing the CON programs. She expressed interest in discovering the results in states that [have repealed the CON]; have Medicaid costs increased, for example?

MR. LINDSTROM replied that the department would give it another look. He referenced several studies with conflicting conclusions on effects [of discontinuing the CON program].

MR. LINDSTROM returned to his analysis of the bill. He said Section 1 is missing an amendment to [AS] 18.07.031(b), which speaks only to nursing home beds; it prohibits the conversion of any type of bed - assisted living, acute care, or other - to a nursing home bed without a CON, regardless of the cost. Perhaps this could be a new Section 2, he suggested. He said this concern was based on the department's role as the primary payor for nursing home beds. He suggested that similar language related to acute psychiatric care might also be appropriate. He referenced a suggestion from an unspecified Senate staff person that this might need to be more finely tuned than that; it might need to preclude conversions from adult psychiatric care to psychiatric care for minors. He noted that the department would be glad to address this with the committee.

Number 2340

MR. LINDSTROM noted that Section 2 relates to facility replacement; this would most likely come into play should a facility be destroyed. He said the department's reading of [Section 2] includes facilities that have reached the end of their useful life; this would be a more common occurrence than destruction by fire or earthquake, for example. He said:

Intuitively, it makes sense, I guess, that if we've been going along with a facility in a community at "X" number of beds and offering this array of services, that if they want to continue to do that, ... why

should they go through a certificate of need? But, on the other hand - wearing the public health hat, and the notion of having some sense of what is really appropriate for a community - saying that it should just be replaced assumes that what's there now makes some sense.

TAPE 02-24, SIDE B

MR. LINDSTROM noted that Alaska has a number of very small hospitals; unlike in most states, these have not been closed, but many are "hanging on by a thread." He asked whether it makes sense for the state to tell these hospitals to go ahead and replicate the current model that is not working very well. He suggested it might make more sense for a community to go through some sort of intelligent process to ask what sort of facility the community really needs, and can afford. He said Section 2 would allow communities to beg that question, and that DHSS isn't certain it is a good idea.

MR. LINDSTROM told members that DHSS needs to review the timeframes in Section 3. He said he was uncertain whether the department would have objection to Sections 3 and 4. He expressed his opinion that Section 5 is "quite good." He referenced the proposed repealed language [in AS 18.07.041]; that standard existed for everything until several years ago, when the legislature created new, more rigorous, standards for nursing homes; the department wanted to see this happen because it is the [primary payor] for nursing homes. He offered that the department believes these standards are applicable to other types of facilities, and that it would support having these be put into statute. He added that the standards may need "a tweak or two" from the department's perspective.

Number 2305

CHAIR DYSON asked whether the department would have brought this forward if the sponsor hadn't done so.

MR. LINDSTROM said he didn't believe so. The department has many other priorities, and this wouldn't have risen to a level requiring pursuit.

CHAIR DYSON asked Representative Coghill whether he had discussed the aforementioned items with the department.

REPRESENTATIVE COGHILL said no; he expressed reluctance to include some of the items in [Version F], but agreed that the discussion would take place now that the department is present. He expressed his appreciation for Mr. Lindstrom's stated concerns, which give him a better understanding of [the issues from the department's perspective].

Number 2240

JEROME SELBY, Regional Director; Planning, Development, and Advocacy; Providence Health System in Alaska ("Providence"), explained that he was currently working in Kodiak. In response to Chair Dyson, he affirmed that he had reservations about the bill, but said there are some good provisions. He indicated that the Hospital Association provided some of the suggested [language in Version F]; he expressed appreciation for the sponsor's incorporating these suggestions. He said he wished to offer a technical change to Section 2 and then focus on the major concern that [Providence] has with the bill.

CHAIR DYSON suggested that Mr. Selby address the technical change with Representative Coghill [later] because the committee would not [move] the bill at this hearing. He noted his interest in hearing Mr. Selby's major concerns about the concept of modifying the certificate of need.

Number 2200

MR. SELBY reported that the major concern he referenced is the issue of the 55,000-population criterion. He noted [Providence's] inability to find how that figure relates to "the real world." He suggested that allowing a "feeding frenzy" of spending money for unnecessary medical facilities in Alaska's three largest communities will reap a cost to the state that far exceeds any fiscal note the committee has yet seen. He expressed concern that [HB 407] is not about competition in the medical industry; there is currently a great deal of competition in the Anchorage medical community, for example. The CON maintains the competition on a level playing field and controls costs to the state, he explained. A CON means that health care will be developed in the state based on needed services, rather than a "whatever the market will bear" basis; he suggested the latter would happen if the CON were removed. He added his belief that the state will bearing [the costs] of most of the market in this situation.

MR. SELBY noted that competition is perceived as a good thing in the U.S. Although it is great when it relates to used cars, however, he said it isn't "the main thing that you want to be looking at in a health care delivery system." For example, a person scheduled for heart surgery won't be seeking the cheapest price. He told members, "That's the problem when you start trying to move a pure competition model into a health care delivery system where one of the big issues is quality of care."

MR. SELBY noted that a report released in January indicates a 21-percent increase in mortality in states that have no CON; this is a nationwide study; the second sobering conclusion of the study is that states with a CON have 84 percent greater use of existing facilities. He explained that [high use] means the volume is large enough that health care personnel stay competent and maintain high skills. When too many facilities are built and each facility has little volume, quality "goes right down the drain" because staff aren't practicing enough of any one [procedure] to maintain a high level of skill. He cautioned that quality is a huge concern.

MR. SELBY noted the fourth concern from Providence's perspective: if the 55,000-population limit is used to include Anchorage and Fairbanks, "tertiary care" will be destroyed in the state. He said, "The only way that we can pay for taking care of tertiary-care patients in Alaska is to take the profits that we do make from things like surgery and ... plow them back into the system in order to develop tertiary care."

Number 2032

CHAIR DYSON asked for a definition of "tertiary care."

MR. SELBY said it is care such as advanced cancer care or advanced heart care; it requires specialists and technical medical equipment for delivery, and has huge overhead costs. He remarked, "You'll end up sending tertiary care back to Seattle and points south." He noted that Providence has, in the past 20 years of the CON law, been returning any net gains to tertiary care systems in Alaska. This allows residents to remain in Alaska for high-level cancer and heart treatments, whereas previously residents were required to go to Seattle. [Removal of the CON] would preclude further development of this type of care. He offered to provide further details to interested members.

Number 1978

CHAIR DYSON informed Mr. Selby that he would have another opportunity to testify and answer questions. [HB 407 was held over.]

CONFIRMATION HEARINGS

University of Alaska Board of Regents

CHAIR DYSON announced the next order of business, the confirmation hearings for appointees to the University of Alaska Board of Regents.

Number 1921

MARK BEGICH, Appointee to the University of Alaska Board of Regents, testified via teleconference. He told members he was interested in serving on the board for a variety of reasons. First, the university system throughout the state is a huge opportunity for economic development as the state continues to move in new directions; the university will not only serve as a potential catalyst, but can serve as a training ground for many of those related jobs. He explained that his last five years he has served as the chair of the student loan corporation. He has worked with the administration and the legislature through this position in a bipartisan approach to improve the performance of the student loan corporation, from its dismal situation five or six years ago, to today's position as a successful corporation producing a revenue stream back to the state; it offers lower interest rates and more opportunities for students to further their education. He offered that the skills he was able to use in that role could be brought to the Board of Regents to work with higher education.

Number 1848

MR. BEGICH noted that he has worked the past eight months on a temporary basis with the board. One area of strong interest to him is the development of a strategic plan for the university as a statewide system. He said the board embarked on a program two months ago, at a retreat where he chaired the planning and development committee to begin the strategic planning process; this process will engage the community around the state, as well as the university campuses, in determining what is the best focus of energies to ensure the system is the best possible for Alaskan students.

MR. BEGICH concluded by saying he is a big supporter of education, which he believes is an important component for economic growth in the state. He has spent many years focusing on issues surrounding youth and working in the field of education, he said, noting his desire to dedicate his skills and time toward helping the university and the state with higher education. He related his excitement at the incredible opportunity for the education system, and said he wants to contribute in some way.

Number 1799

REPRESENTATIVE STEVENS asked Mr. Begich to discuss his commitment to the mission of the community college concept.

MR. BEGICH noted that this issue was addressed at the retreat. He indicated he likes to talk about the university as an evolution. He offered his view that there is a desperate need to deal with needs in local communities. For example, two-thirds of the students attending the University of Alaska Anchorage (UAA) are not necessarily full-time, four-year-degree students; rather, they are seeking additional education to improve current job situations, change jobs, or acquire new skills to reenter the job market.

MR. BEGICH suggested this is more than a [community college concept], and is an important part of the university system. For students who want to change or advance their careers, this means [addressing] some sense of the corporate college or corporate component that UAA and other campuses have. He offered his belief that these are important components, and said the satellite campuses are very important to the system.

Number 1716

REPRESENTATIVE STEVENS commented that Alaska is facing an enormous teacher and nursing shortage. He asked Mr. Begich about his intentions to resolve those shortage issues.

MR. BEGICH replied that before coming online he'd listed four job classes that are currently recruiting outside of Alaska: police/public safety officers, fire and paramedic personnel, nurses and other health care professionals, and teachers. These are fairly well-paying jobs, but out-of-state recruitment levels [are high], which isn't a good thing. The university has an incredible role beyond its current role of recruiting students from high school to the system, he added.

MR. BEGICH mentioned working hand-in-hand with K-12 education to help to focus young people on career paths that are available in Alaska, well paid, and abundant. He said it is not just a matter of the university working in isolation to create appropriate programs; rather, it is critical to work with K-12 education so students are, early in high school, thinking about the university system to get a teaching certificate or a juvenile justice degree to become a police officer or specialist. This is his approach, he noted; it is a system connected with the rest of the education community.

Number 1627

REPRESENTATIVE JOULE asked him to expound on the role of the satellite [programs] around the state and how to capitalize on these.

MR. BEGICH replied that, frankly, he is still learning about the system; he is attempting to visit some of the rural locations for graduation ceremonies and to learn more about the needs of the satellite programs. He indicated there are opportunities that might be more cost-effective; for example, rather than creating a new program in the urban areas, [the system could] enhance what exists in some of the satellite locations and train people for job opportunities that exist there, or increase students' education attainment level. He said he doesn't have specific plans, but is in a "learning curve"; he offered his belief that there is value in these programs and that they are an integral part of their communities. He suggested that they can become more connected by creating job opportunities, and that urban students might want to go to the satellite [programs] for specialized training.

Number 1551

REPRESENTATIVE CISSNA noted that [Mr. Begich] is in her district, and that she has known his family most of her 35 years in the state; she has attended a number of the same community councils for the past ten years with him. She referenced his resume and pointed out that items relate to at-risk children and include his participation in the programs; for example, he plays basketball with kids at the McLaughlin [Youth Center]. She suggested he is committed to making sure youths in the state have a decent chance [at success].

REPRESENTATIVE WILSON explained that the core classes, from one university campus to the next, are different. This makes it difficult for students wishing to transfer from one campus to another. She asked Mr. Begich for his thoughts on making core classes such as English more standard across the state to facilitate smooth transfers.

MR. BEGICH replied that this matter was recently addressed. He said this seems like a simple question, but has an answer that is more complicated than he believes it should be. He said the board has asked him to serve on the academic affairs committee, which likely will address this issue. It is not only difficult to transfer credits from one campus to another, it will be a critical as the university moves into web-based education programs.

MR. BEGICH said, "You don't want to be in a situation where, when someone is applying to get a degree from the University of Alaska, ... they have to now be concerned about is that ... class that I'm taking online, is it UAA or is it UAF [University of Alaska Fairbanks]?" This creates a problem and isn't seamless to the student. He explained that the primary consumer is the student. Some of these processes are not very student-oriented in the sense of making it easy to move within the system. He indicated this would be a priority for him. This is especially important for our mobile population; the credits need to be transferable, especially in the core classes. "English 101 in Anchorage or 101 in Fairbanks shouldn't be much different," he concluded.

Number 1314

REPRESENTATIVE KOHRING expressed appreciation to [Mr. Begich] for his commitment to the community and the state, noting that he has followed Mr. Begich's public service career over the years. He thanked Mr. Begich and conveyed his certainty that he would serve as a regent in an exemplary manner.

Number 1251

MARLENE JOHNSON, Appointee to the University of Alaska Board of Regents, testified via teleconference. She noted her interest and involvement in education in Alaska, particularly rural Alaska. Originally from Hoonah, where she was on the school board for 26 years, she has served in different capacities for the university system, including being a regent for the university foundation and serving on the School of Fisheries and

Ocean Sciences advisory committee for eight years, until she was appointed to the Board of Regents. She explained that she has been involved in youth and education program: she served on Governor Hammond's early childhood committee, Governor Cowper's commission on children and youth, and the statewide Head Start board. She explained that the Board of Regents is an opportunity to help with the recruitment and retention of rural Alaskan students in higher education.

REPRESENTATIVE STEVENS remarked that he appreciates Ms. Johnson's service. He asked for her intentions in the area of fisheries and ocean sciences if she is appointed to serve on the Board of [Regents].

MS. JOHNSON replied that the School of Fisheries and Ocean Sciences has an opportunity to become one of the most important economic development functions for Alaska. She offered that fisheries has an important role in employing so many people in the state; the school is needed at this critical time for the salmon industry. She noted that she would be the liaison from the board to the school.

CHAIR DYSON thanked Ms. Johnson for her service.

Number 1080

JOSEPH HARDENBROOK, Appointee to the University of Alaska Board of Regents, testified via teleconference, noting that he is a student at UAF who came to Alaska in 1996 as a National Merit Scholar. He reported that since he has been a student at UAF, he has been active in local and statewide student government, developing student campaigns for full funding for the university system.

MR. HARDENBROOK said he has sought to focus on partnering his learning with service at the university; he has served in several student government roles, the UAF honors program, the UA Foundation, the Alaska 20/20 conference, and several committees and working groups at the university. He said, "I've really tried to make service an integral part of my education, but at the same time trying to focus on my academic achievement as well." He explained that he has maintained a 3.6 grade-point average and has made the dean's or chancellor's lists all but one semester.

MR. HARDENBROOK offered that the reason he seeks to serve on the board is to focus on the quality and accessibility of higher

education in Alaska. He expressed his belief that the role of the student regent is to bring a student perspective to the board and to work with students as the university develops. This "changing face of higher education" includes a focus not only on bachelor's, master's, and Ph.D. degrees, but also on continuing education that is so important for a developing state like Alaska, he explained. He concluded, "I'm really excited about the University of Alaska and what it offers to the state. That's the reason why ... I'm always eager to come down to Juneau and talk to you folks about how important the university is to me and to the other students that I interact with on a daily basis."

Number 0970

CHAIR DYSON asked [Mr. Hardenbrook] where he was from originally.

MR. HARDENBROOK answered that he graduated from high school in Idaho. In further response, he said he plans to receive a bachelor's degree in May in political science, and an associate's degree next year in culinary arts.

Number 0932

REPRESENTATIVE STEVENS noted his appreciation for the time [Mr. Hardenbrook] has spent and will spend in service. He asked about any areas that Mr. Hardenbrook perceives the university should be moving, but is not.

MR. HARDENBROOK offered his impression that the university needs to focus on accessibility of higher education. In many other states, when one talks about a college degree, one focuses on the costs. In Alaska, however, the typical student is not a 19-year-old fresh out of high school, living in the dorm, and eating in the cafeteria; rather, he/she is a single parent or someone working full-time taking courses on the side. Accessibility in Alaska means having the courses available when the students need them, he pointed out. This is a matter that the university has begun to address, but it needs to continue. It is a matter of looking at when courses are offered and using distance-delivery options.

CHAIR DYSON remarked, "We hope you stay in the state."

[Although there was no formal motion, the confirmations of the three appointees were treated as advanced from committee.]

HB 408-STUDENT QUESTIONNAIRES AND SURVEYS

CHAIR DYSON announced the next order of business, HOUSE BILL NO. 408, "An Act relating to questionnaires and surveys administered in the public schools."

Number 0799

REPRESENTATIVE CON BUNDE, Alaska State Legislature, presented HB 408 on behalf of the House Special Committee on Education, sponsor, which he chairs. He informed members that a couple of years ago the legislature changed how surveys - particularly those about youth risk behavior - require permission from parents. In the past there was a "passive permission" process, but now a statement must be sent to the student's home, signed by the parents, and returned. However, school districts have found the current requirement expensive and time-consuming but not very productive because so few permission slips are returned. Therefore, HB 408 changes the requirement to allow school districts to administer anonymous questionnaires and surveys, like the Youth Risk Behavior Survey (YRBS), based on "passive consent" by parents.

REPRESENTATIVE BUNDE noted that to be statistically sound, surveys require about a 60-percent return rate. In 1995 and 1999, when passive consent was required, the percentage of return was "in the mid-60s." In response to questions from members, he clarified that by "return rates" he meant the response rate; that he was speaking about the number of students taking the survey, "allowing for those that actively opted out"; and that a mid-60s percentage of return is good.

REPRESENTATIVE BUNDE reported that when active permission became required, by contrast, the return rate dropped to less than 30 percent, not enough of a return to be statistically significant. Consequently, schools districts and social services programs that focus on preventing youth risk behaviors have been unable to justify their federal grants or effectively evaluate programs in place; the latter is his greater area of concern, he noted. Chair Bunde pointed out that this situation puts youths, "at least those that would listen to counseling and advice from schools," at risk, and puts the availability of grants at risk as well.

Number 0590

REPRESENTATIVE STEVENS moved to adopt the proposed committee substitute (CS), version 22-LS1458\C, Ford, 3/21/02, as a work draft. There being no objection, Version C was before the committee.

Number 0560

REPRESENTATIVE BUNDE explained that Version C is a technical change. The original version neglected to include a phrase in the current statute: "that inquires into personal or private family affairs of the student not a matter of public record or subject to public observation".

REPRESENTATIVE BUNDE pointed out that these surveys are voluntary. The bill still protects the rights of parents and students to refuse to participate in surveys they find troublesome. Districts still would be required to give parents two weeks' notice of the survey; provide a copy of the survey; and tell them how it would be administered, how the results would be used, who would have access to the information, and how to refuse permission for their children to take part.

Number 0499

REPRESENTATIVE BUNDE noted that this bill, which was requested by the administration, was generated by the House Special Committee on Education after discussion with various entities. Those in support include the Association of [Alaska] School Boards, the Anchorage School District and Anchorage School Board, the Safe and Drug Free Schools organization, the Southeast Alaska Regional Health Consortium, Alaskans for Tobacco-Free Kids, the [Alaska] Heart Association, the National Council on Alcoholism and Drug Dependence, the Southeast Regional Resource Center, and "many social services providers who would be impacted by the ability to work with these students and provide their services." He said people from both the "educational arena" and the administration were available to testify and answer questions.

Number 0382

LISA TORKELSON testified via teleconference, noting that she is a parent of two children and a "contributor to the big money pot in the sky." She recalled that three years ago, HB 70 passed with only three "nay" votes between the House and Senate and was signed into law by the governor. Now, she said, HB 408 "rips the heart out of HB 70 under the guise of minor cosmetic

surgery." Whereas parents were specifically added to the process previously - upon the request of parents - HB 408 "carves them out." While it appears to change little from the original legislation, she asserted, what remains doesn't include parents.

MS. TORKELSON referred to the schools' position that this legislation is needed to do the Youth Risk Behavior Survey and obtain federal grant money. She said HB 70 didn't end survey collection and that nothing in current law prohibits school districts from getting information they want. Ms. Torkelson told members:

All we ask is that they notify parents of their intentions. Permission is only required for inquiries into personal and family affairs, and to promote efficiency. Blanket permission was allowed at the beginning of each school year, as was suggested during the registration process, when parents and students are already signing other paperwork.

MS. TORKELSON recalled that the Department of Education put in a zero fiscal note to HB 70 in 1999. She suggested if school districts believe there is a huge cost burden, they should discuss it with the department [now the Department of Education and Early Development]. She said the goal was to include parents in the loop, but not make the process onerous and cumbersome for schools. Under HB 408, she said, there no longer would be a checks-and-balances system. She pointed out that it isn't limited to the YRBS, but can include a survey or questionnaire on any subject.

Number 0150

MS. TORKELSON referred to page 1, lines 6-7 and line 11 [of HB 408, Version C]. She said as long as anonymity is maintained, the district's inquiring about students, their families, or any other subject would be totally permissible; current law at least requires notification for every other type of nonpersonal survey. "This keeps parents in the loop, but provides more of a 'heads up' and requires an active role," she said. Despite having read HB 408 numerous times, she said it isn't clear to her whether notification is required for anonymous surveys, but added, "If Representative Bunde says that they are, perhaps it is."

MS. TORKELSON told members that HB 70 had narrowly defined "questionnaire or survey", but that the definition no longer exists in HB 408. She referred to Representative Bunde's comment that because schools are finding it difficult to get parents' permission, the onus should be removed from parents. She pointed out that perhaps parents don't want their kids surveyed.

MS. TORKELSON said parents are the best judges of what their children should be exposed to, and when. "Long ago, it was decided that children below the age of majority were going to be under their parents' jurisdiction," she noted. "This is still true today, no matter how noble the cause, when ... schools want to ask personal and probing questions. Parents still have a right to respond with their child's best interest in mind."

MS. TORKELSON concluded by saying HB 70 was all about protecting parents, whereas HB 408 is all about protecting funding for bureaucracies. She requested that members support parents' rights and vote "do not pass" on HB 408. She asked Chair Dyson how he planned to respond to HB 408.

TAPE 02-25, SIDE A
Number 0001

CHAIR DYSON answered that he would be voting "no."

REPRESENTATIVE CISSNA asked if the anonymity of these surveys factors into Ms. Torkelson's concern.

MS. TORKELSON replied, "Not really." She indicated the committee packet should include an article relating to teachers in Oregon who were "snooping" - the teachers were premarking anonymous surveys and thus the opportunity to find out about [a student's activities] was great. Ms. Torkelson pointed out that teachers aren't trained to ensure anonymity when conducting surveys. She said as a parent, she feels leery about having surveys administered without her knowledge, just because [anonymity can't be ensured].

Number 0172

REPRESENTATIVE CISSNA related her belief that state government in Alaska is increasingly concerned with the quality of what the public sector does for the private sector; accountability regarding services means that questions have to be asked. As a

parent, Representative Cissna acknowledged Ms. Torkelson's concern, but asked regarding services, "How do we get there?"

MS. TORKELSON answered, "Just include parents in the process; that's all we're asking." She emphasized that [if legislators] are interested in what parents want schools to provide, they should ask the parents. These surveys ask fairly personal questions; furthermore, there is no guarantee that survey results are accurate. She concluded by saying more accurate information would be obtained if parents were included.

Number 0425

CAROL COMEAU, Superintendent, Anchorage School District, testified via teleconference in support of [Version C], saying it allows for surveys [the district] feels are necessary. She pointed out that [the district] has used the previously passed legislation in contacting parents for consent for surveys; thousands of dollars have been spent in postage and hiring extra people to phone parents and ask them to return the permission slips, even though the information is included in the registration packets at the beginning of the school year. However, many high school students don't bring their parents to school with them for registration, especially juniors and seniors who are able to drive.

MS. COMEAU reported no success in receiving [parental consent] via mail, either. She conveyed belief that giving two weeks' notice to parents of the intention to conduct a survey, and following the criteria in Version C, would allow the district to provide for adequate parental permission. Thus those who want to opt out could do so, and arrangements could be made for those students during the survey. Ms. Comeau further said:

We believe this would address a major concern for Anchorage. We have lost ... a substantial number of grants that we believe are very critical to providing some of the educational programs that our students need. And we do want to be able to do pre- and post-assessments to see what the impact of some of our instructional programs are in the Safe and Drug Free Schools area, particularly in the anti-bullying things we're trying to work through with the police department and other agencies. So, we would very much support this change in this proposed legislation.

CHAIR DYSON asked if a parent's signature is required on some document when a child enrolls.

MS. COMEAU replied yes. For newly enrolled students, a packet includes permission slips; however, those aren't the students from whom the [district] has trouble obtaining permission slips. A [permission slip] must be obtained annually; thus the problem lies with continuing students who merely pick up registration materials and pay fees without the presence of a parent.

Number 0641

REPRESENTATIVE STEVENS asked what specific grants [the Anchorage School District] has lost or may lose as a result of inadequate information.

MS. COMEAU specified that [the district] didn't gain the Highway Safety Grant this year, nor some conflict-resolution grants it had successfully obtained in the past. She informed the committee that [the district] is currently in the process of requesting a grant for an anti-bullying program and substance abuse program from the state. The hope is, for the anti-bullying grant, that the district's data [from 1995] will "pass," although it isn't current. Ms. Comeau indicated the district has, under the latest estimate, lost \$3,000 in grants for which it had been successful in the past.

Number 0708

TERRY SOLOMON, Fairbanks North Star School District, testified via teleconference in support of [Version C]. She pointed out that [the district] has problems similar to those in the Anchorage School District regarding the percentage of permission slips returned. As a parent, Ms. Solomon said she believes it is all right for students to answer these surveys; nothing is being hidden from any parent.

MS. SOLOMON referred to when there was passive parent permission; she said she didn't remember many parents calling to request that their children not participate in a survey. She echoed earlier testimony regarding the use of these statistics, recalling her use of such statistics when applying for grants as a member of the board of directors of the Boys & Girls Club; she indicated several United Way agencies do the same.

REPRESENTATIVE STEVENS inquired as to the specific grants [the Fairbanks North Star School District] has lost or may lose as a result of inadequate information.

MS. SOLOMON said she couldn't specifically answer the question. However, she mentioned that student surveys are often reviewed in relation to how programs are evaluated. Therefore, it's difficult not to have that information.

Number 0866

RICHARD BLOCK, Christian Science Committee on Publication for the State of Alaska, testified via teleconference. He expressed hope that the committee had received his written testimony. Mr. Block said:

We think that the work done in 1999 to provide a balance between providing what the school district or others may regard as needed information, on the one hand, and the parents' right to know what kind of data are being collected and have the ability to weigh in on whether their child should be included in such a survey was a proper way to balance the interests. And ... HB 408 tends to move away from that balance.

MR. BLOCK related his belief that moving away from the balance seems to be based on the assumption that the protections in HB 408 will work. For example, subsection (b) in Section 2 says parents shall be notified, even for an anonymous questionnaire; however, there are no specifics as to how the parent is to be notified. Mr. Block surmised that if the school board argues that mailing is too expensive, then it wouldn't intend to mail the notice home. Therefore, [the school board] may rely on the student's taking the notice home.

MR. BLOCK said from discussions with his son, a high school teacher, he understands that even important documents such as pink slips, grade slips, [notices involving] disciplinary matters, and notices of parent-teacher nights somehow don't make it home [to the parents]; therefore, it is fair to assume a large percentage of survey permission slips won't make it home, either. With regard to saying the school district will provide parental notice, he characterized it as a hollow protection unless the statute specifies an effective means of notification. In conclusion, Mr. Block urged caution before changing the well-balanced approach of 1999.

Number 1038

JAKE METCALFE, Member, Anchorage School Board, Anchorage School District, testified via teleconference, noting that he is also a parent of a child in the district. Mr. Metcalf announced that the board unanimously supports Version C.

Number 1074

REPRESENTATIVE STEVENS asked what the Anchorage School District has done in an attempt to obtain responses from parents [who haven't returned permission slips for these surveys].

MS. COMEAU explained that [the district] has hired extra help in the past two years; run "telephone banks"; and done mailings to parents, via the U.S. mail, the first time around. It is the follow-up that's been difficult. For example, teachers have talked with students in class to persuade them to talk to their parents about the importance of returning [surveys]; however, it appears to be difficult for students to either remember or communicate that need to their parents. Furthermore, teachers have been requested to ask parents about these forms at parent-teacher conferences; in a limited 15- or 20-minute conference, however, it takes time away from discussion of other substantive issues. She concluded, "We've done everything we could think of, in a district the size of ours, to get these returned. And we just simply haven't received any kind of substantial return."

Number 1160

RUTHAMAE KARR, Interior Neighborhood Health Corporation (INHC), testified via teleconference in support of HB 408. A grandmother of six who lives in the Fairbanks North Star Borough, she informed members that her children [names unspecified] couldn't attend and had asked her to speak on their behalf in support of the bill. On her own behalf, she stated support for HB 408 as well. She mentioned working on a tobacco-related grant; she indicated it is hard to evaluate tobacco-related behavior, write grants, and determine effectiveness [without surveys].

Number 1211

DEE HUBBARD testified via teleconference in opposition to HB 408, noting that she lives in Sterling. She recalled that the survey mentioned was her main reason for supporting introduction of HB 70 a few years back; she believed the survey to be

extremely intrusive and didn't want her children taking it, nor did she recall that much information was given about it. Although she'd talked to the principal and discovered her child wasn't involved, it was up to her to do the legwork, she told members. She'd felt then that parents needed more information, she said, and still believes they should have another way to participate in school districts' decision making. She related her understanding that the survey continues to be given in middle school, which includes sixth graders.

MS. HUBBARD told members she also sees HB 408 as an attempt by the Anchorage School District, through the Anchorage [legislative] caucus, to negate a law it doesn't like. Referring to Ms. Comeau's testimony about attempts to contact parents, she suggested additional measures could have been taken and that the district hadn't liked the requirement and therefore hadn't tried very hard to make it work. Ms. Hubbard conveyed her belief that an active-permission process should be used as a tool to foster more parent participation at various levels, including schools and districts. She said:

I'm sorry that Anchorage is having a problem, and it sounds like Fairbanks is having a bit of a problem. But why should the parents and the students be penalized because ... they're either doing a lousy job at trying to get active parent permission or they're just not working up to a level of being able to attain that active parent permission?

MS. HUBBARD remarked that she is sure the Anchorage School District is happy she lives in Sterling now. She asked the committee to vote against HB 408, which she said she doesn't agree with, doesn't support, and believes to be bad legislation.

Number 1410

CHAIR DYSON called upon Andree McLeod, informing the committee that it was Ms. McLeod who got him interested in HB 70 several years ago. He asked whether she had changed her convictions since then.

Number 1440

ANDREE McLEOD testified via teleconference, answering no, she hadn't changed her convictions. Noting that she still lives in Anchorage, Ms. McLeod expressed amazement that the message that parents don't want these questions being asked "isn't getting to

the public health professionals." She suggested that in addition to the Anchorage School District, public health officials are a strong lobbying group whose funding supposedly depends on this [survey] information. She recited several survey questions about sexual intercourse and pregnancy, dietary matters, and so on. She conveyed gratefulness that her son is out of the district, noting that she'd been adamant that he not take part in these surveys.

MS. McLEOD brought attention to 20 U.S.C. § 1232h, saying it mandates that these questions not be asked without the prior written consent of the parent. She recalled the hard work required to get [HB 70 passed] in 1999, and said she is livid about the effort to repeal it. She told members that "New Jersey is now in court" over this issue. She asked, "Do we have the funding to go to court? Do we want to spend the ... \$500 million of the school district ... on litigation? Do you want your health and education funds to be spent on litigation?"

Number 1563

MS. McLEOD referred to Representative Cissna's inquiry about what criteria can be used to assess the accountability of public service besides survey results. Ms. McLeod suggested that it should be demanded that state public health officials become savvy in new computer technology in order to get this data without going to every student.

MS. McLEOD turned attention to grant requests. She reported that people in New Jersey had already gone to federal agencies that said, "No, we're not going to give you money"; when requested to put it in writing, however, no federal agency put in writing that it [must use those numbers as a basis]. She suggested, therefore, that anyone denied funding should ask why; if the reason cited is that data wasn't provided, she proposed asking that it be put in writing.

MS. McLEOD told members she'd always opposed this bill intellectually, but had an experience with the Anchorage School District in which teachers and counselors, especially, at East High School had "crossed the line regarding privacy." Ms. McLeod said teachers can do whatever they want with survey information. She implored the committee to protect children from teachers and counselors who would like to know this kind of information, and to protect the parents. She concluded, "Leave the parenting of values up to us."

Number 1715

EMILY NENON, Alaska Advocacy Manager, American Cancer Society, testified via teleconference in support of HB 408 on behalf of both the American Cancer Society and Alaskans for Tobacco-Free Kids. She told members her career and personal interests lie in examining the ways public policy affects people's everyday lives. Ms. Nenon said, "From this perspective, the committee substitute we're looking at is one of the very best kinds of public policy." She stated:

As legislators, you all have committed to a multimillion-dollar annual investment in tobacco prevention-and-control programs. Your constituents, the soon-to-be-taxpayers of Alaska, will want to know if these programs are working.

This bill will make it feasible to reinstate the Youth Risk Behavior Survey. The YRBS is the gold standard in youth-behavior data collection across the country. Without surveys such as this, we have no way of knowing whether Alaska's investment in youth tobacco prevention-and-control programs is paying off. With surveys such as this, we can not only gauge our own success, but also compare our progress with that of other states, and adapt our programs for maximum efficiency and impact. This data is the critical, final component to measuring our success and living up to the missions and measures of the tobacco prevention-and-control programs.

Tobacco is the number-one cause of preventable death in Alaska. The average age that people start smoking is 14. You have made an investment in changing these facts. By providing for scientific data collection, HB 408 provides accountability to the state's tobacco-control efforts. You are dedicating tremendous resources to the deadly problem of tobacco use in Alaska. Don't you want to know if ... you're doing any good?

Number 1804

REPRESENTATIVE STEVENS asked Ms. Nenon what kinds of questions are asked about tobacco and what her organizations do with that information.

MS. NENON replied that as an advocate for the American Cancer Society, she has heard from state tobacco prevention-and-control programs some discussion about questions asked regarding the age at which people start using tobacco and the frequency of use, for example. [A survey] also can be used to gauge the effects on people's attitudes from a specific program, from education in schools, or from "counter-marketing."

Number 1883

REPRESENTATIVE BUNDE wrapped up by addressing the possible inference that his involvement with the legislation is "anti-parent." He told listeners:

I just want to assure people that that's far from the case. I wish we didn't live in a society where there are sixth [graders] and seventh graders that are having sex or doing drugs or smoking or drinking, or whatever they're doing. But I don't think pulling ... a blanket over our head and pretending that that stuff doesn't exist is ... good parenting, either. ...

I think good parents have active refusal. Good parents are involved enough that they know what's going on with these surveys, and they will say no. The problem isn't that too many parents are saying no. The problem is, just not enough parents are even being asked the question; the information doesn't get ... home to them for them to make a decision.

A good parent would review the survey [and] make the decision they want their child involved or not. I ... haven't had the experience of everyone, but I don't have the paranoia that the school districts are out to destroy parents.

Number 1950

REPRESENTATIVE CISSNA, speaking as a parent of her own daughter as well as adopted and foster children, recounted that she'd worked in the school an hour each week; therefore, she'd found out what was going on in class. She said it would seem to be a good exercise for parents, and a good way "to make sure things don't happen."

REPRESENTATIVE BUNDE agreed, time permitting [for the parent].

AN UNIDENTIFIED SPEAKER mentioned working full-time.

Number 2004

REPRESENTATIVE STEVENS referred to testimony via teleconference that districts haven't done enough to get the message out. He said it appears that at least the Anchorage School District has spent considerable money and time trying to get these messages out. He asked Representative Bunde whether he was concerned about that cost, whether there are solutions to getting more responses to the surveys, and whether the money would be better spent elsewhere.

REPRESENTATIVE BUNDE replied, "You bet; just put me in charge of it." He then said, as a husband of an elementary school teacher, he knows how difficult it is to "get stuff to go home" and get it back.

Number 2030

RIC IANNOLINO, Chair, Youth on the Street, came forward to testify, noting that his organization is a citizens' group in Juneau that deals with homeless teens. He referred to Dr. David Moore, Associate Director, Safe and Drug Free Schools, who he said also works at the University of Washington, College of Education, Center for the Study and Teaching of [At-Risk] Students; Mr. Iannolino said his own organization deals with high-risk students as well. "We don't work for the schools," he explained. "We don't work for anybody. They're a group of citizens, many of them parents, some homeless students."

MR. IANNOLINO pointed out that homeless teens actually have homes, but many times the living situations are so difficult that nobody would want to live there with the parents or families. Furthermore, they are homeless because nobody has called the police to report them missing. Nobody has called the school, let alone sent a permission slip. "We can't find information," he told members. "We can't get grants."

MR. IANNOLINO reported that the White House Office of National Drug Control Policy (ONDCP) has determined that surveys which require active parental consent, as the current statutes require, are invalid; they underreport various "problem" health behaviors including those involving marijuana, homelessness, and a range of other problems. He said the legislature, as testimony has indicated, currently cannot audit the

effectiveness of youth health programs in Alaska because of the lack of data.

MR. IANNOLINO pointed out that loss of federal funds and competition for national foundation monies are two issues; Alaskan programs are at a disadvantage when competing with states that can offer program evaluation using valid student surveys that don't require active parental consent. He emphasized that this is a barrier to receiving a fair share of grants relating to substance abuse, violence, or homelessness.

MR. IANNOLINO referred to Representative Stevens' questions. Noting that the methods are 15 percent to 30 percent of the scoring, he said, "On the big, national, competitive grants, you lose automatically; you don't get them. And we're not." He told members that recent passage [by Congress] of President Bush's "leave no child behind" education bill had removed mandatory active parental consent and replaced it with "guidance for local decision making, local control." He offered the following quotation:

A local educational agency that receives funds under the applicable program shall develop and adopt policies in consultation with parents regarding the following: the right of a parent of a student to expect, upon request of the parent, a survey created by a third party before the survey is administered or distributed by a school to a student and, if applicable, procedures for granting a request by a parent for reasonable access to such survey with a reasonable period of time after the request is received.

MR. IANNOLINO said this provision allows for fully informing the parents and allowing them to opt out of the survey. Districts can make decisions on an individual basis. In particular, they can allow passive consent for critical health surveys such as the youth health behavior survey and surveys by his own organization such as the one conducted in 1998 "on the streets." He told members:

We can't go into the schools; the schools here are begging us because we have sixth graders who are homeless; we have middle school; we have high school. So ... we want to go into the sixth grade, do a survey, all the way through twelfth [grade], so that we can get some funding. You can't give us the money.

You don't have the money. If you shoot our feet off, we can't get grants, either. We're not serving children. This is a dire situation.

MR. IANNOLINO concluded by saying the legislature should allow for local control on an individualized basis for school surveys.

Number 2200

REPRESENTATIVE STEVENS asked how many homeless youths Mr. Iannolino's organization deals with in a year.

MR. IANNOLINO offered results from a 1998 survey designed by the McDowell Group and conducted by his organization. He said, "The estimate, sadly enough, was between 150 at one time, and during the summer, up to 200 homeless youth in Juneau on any one night."

Number 2221

REPRESENTATIVE WILSON commented that as a school nurse for more than nine years, she taught drug and alcohol prevention programs in the school system, which served 4,000 students - approximately 325 per grade. She said it isn't always that children don't get the notes home; rather, many parents either don't care or don't know what happens to these notes after the children give them to the parents. She agreed it is difficult to get them returned.

CHAIR DYSON thanked participants and announced that HB 408 would be held over.

HB 338-APPROP: GRANTS TO PREVENT YOUTH SUICIDE

CHAIR DYSON announced the final order of business, HOUSE BILL NO. 338, "An Act making a special appropriation for a grant to Boys and Girls Clubs of Southcentral Alaska for a youth suicide prevention program; and providing for an effective date." [HB 338 was sponsored by the House Community and Regional Affairs Standing Committee.]

TAPE 02-25, SIDE B
Number 2272

JOHN OATES, Chief Executive Officer, Boys & Girls Clubs of Southcentral Alaska, explained that HB 338 would fund a position in each of the 32 clubhouses throughout the state. The position

would be proactive in coordinating with schools and other entities in the community to look for children who are at risk and get them involved in clubhouse activities in an effort to reduce suicides. He pointed out that the suicide rate in Alaska is high, particularly in rural areas.

REPRESENTATIVE COGHILL noted that this bill was heard by the current committee several weeks ago. He said he would put a "do not pass" on the report and would object to moving it out. The issue [of suicide] needs to be discussed; it is a heartbreaking matter, he said, but he would object to a million-dollar [fiscal note], which the House Finance Committee should have an opportunity to [debate]. He offered that he was in a subcommittee hearing, and that it was very painful to cut a million dollars from the developmental disability grants.

Number 2190

REPRESENTATIVE JOULE explained that he is painfully aware of how suicides impact families. He remarked, "Those of us who are survivors are victims, I think, of a different kind." He said he has the utmost respect for the Boys & Girls Clubs and the good they are doing in the state; he has helped with Boys & Girls Clubs as an advisory member. However, for prevention [of suicide], Boys & Girls Clubs must be part of other things in the communities. As he reviewed a map showing clubhouses around the state, he observed that not nearly enough of the state is covered. He has grappled with this issue, he said, and supports such programs but questions whether this will "get us there."

REPRESENTATIVE JOULE noted that this is one-time funding, and said he is painfully aware of the expectation this creates; he emphasized the need to have a greater effort. He explained, "We're talking about a level of training, or a level of commitment that cannot be a one-time commitment. It has to be a level of actions that are going to be so penetrating in our communities." He suggested this is related to HB 408, and to why people fail to feel good about life and who they are.

Number 2063

MR. OATES, in response to Chair Dyson, said he could be in Juneau the next day, and had visited with almost all the members or their staffs.

CHAIR DYSON remarked that he shares the opinion that this is a somewhat regional program. This fact is coupled with the charge

of this committee and the responsibility of finding the funding for the program. He noted that the committee has a decision to make whether to pass this out. He asked what additional information members need in order to make a reasonable vote. "I want you to feel no pressure from me," he added.

Number 2013

REPRESENTATIVE CISSNA replied that she would be willing to pass this bill out only after two amendments were made.

REPRESENTATIVE KOHRING said, "I'm ready now."

REPRESENTATIVE STEVENS expressed concern. He said he had the greatest respect for what Mr. Oates and the Boys & Girls Clubs do, but wasn't certain this was the correct vehicle for such a massive problem. He suggested that other groups such as religious and Native organizations, "spirit" camps, church groups, Boy Scouts, Girl Scouts, and others might be interested in being a part of looking for this solution. He suggested that someone from the administration might have a suggestion on how this might be done across the state. This [effort] does not go across the state, he said, which concerns him as well.

Number 1959

REPRESENTATIVE JOULE reported that he was part of the suicide task force put together last year; he said there is no telling what will happen with that, because he believes it was cut from budget. He said that if [the legislature] is going to get at the root of this problem, and if the state is going to make the kind of investment in that, it has to be accomplished in a long-term and "horizontal" manner, not a vertical manner, to be the most successful.

REPRESENTATIVE JOULE emphasized that he wants to see these people helped; he noted that [suicide] affects a lot of young men as well as youths. Too many people that he knows, and unfortunately some of his relatives, have [committed suicide], he said, indicating the need for the suicide task force, which includes members of the House and Senate. Referring to remarks by Representative Stevens, Representative Joule said he'd explained to Mr. Oates that one of his first thoughts was to coordinate the suicide prevention effort with the organizations most familiar with the villages they serve - the regional nonprofits. He concluded by expressing frustration that

although he'd like to see the committee do something, he wasn't certain that [HB 338] would accomplish what is needed.

Number 1846

CHAIR DYSON informed Mr. Oates that he would be afforded plenty of notice of another hearing, and suggested that he find four committee members and work with them until they are comfortable about passing [the bill from committee]. He added that the committee needs to inquire of the Suicide Prevention Council.

REPRESENTATIVE WILSON concurred with Representative Joule. [HB 338 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 5:37 p.m.