

MINUTES
SENATE FINANCE COMMITTEE
March 31, 2001
10:00 AM

TAPES

SFC-01 # 59, Side A
SFC 01 # 59, Side B
SFC 01 # 60, Side A
SFC 01 # 60, Side B
SFC 01 # 61, Side A
SFC 01 # 61, Side B
SFC 01 # 62, Side A

CALL TO ORDER

Co-Chair Dave Donley convened the meeting at approximately 10:00 AM.

PRESENT

Senator Dave Donley, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Jerry Ward, Vice Chair
Senator Loren Leman
Senator Lyda Green
Senator Gary Wilken
Senator Alan Austerman
Senator Lyman Hoffman
Senator Donald Olson

Also Attending: Testifiers are listed in the order they testified.

SUMMARY INFORMATION

HB 103-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 104-APPROP: MENTAL HEALTH BUDGET

The Committee heard public testimony and the bill was held.

#HB103
#HB104

CS FOR HOUSE BILL NO. 103(FIN)(brf sup maj fld)
"An Act making appropriations for the operating and loan

program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

CS FOR HOUSE BILL NO. 104(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

Co-Chair Donley announced testimony would be limited to three minutes.

[Note: Teleconference is poor quality, portions are inaudible.]

JOHN HOLST, Superintendent of Schools, Sitka School District testified via teleconference from Sitka to request the Committee fully fund the cost of pupil transportation.

Co-Chair Donley interrupted to inform the witness the committee substitute adopted at the previous hearing fully funds the governor's request for pupil transportation.

Mr. Holst spoke in favor of funding K-12 education. He noted increased oil revenues for the state compared to the fixed costs of school districts.

Co-Chair Donley stated that although the higher price of oil did assist the FY 01 budget, the Committee was now considering the FY 02 budget and the Department of Revenue predicted a \$527 million deficit for FY 02. This amount, he pointed out is approximately one-sixth of balance in the Capital Budget Reserve (CBR) fund, and therefore, the state is financially strong.

THOMAS CONLEY, Sitka School Board, testified via teleconference from Sitka about his interest in the high school qualifying examinations. He appreciated the funds appropriated for this effort. He spoke to the need to reevaluate the school funding formula, although he noted the matter would require significant consideration given the amount of money involved. He told of the budget difficulties in his school district and asserted, "We don't have any choice in terms of serving the children in Sitka."

MARK GORMAN, Vice-President, Community Health Services, Southeast Alaska Regional Health Consortium (SEARHC) testified via teleconference from Sitka about the "intent to eliminate the BRUs (Budget Request Unit)". This relates to direct funding for public regional health care providers. He detailed the various services his organization offers and the people served. He added he also supports funding for education.

MOLLIE KABLER, Member, Sitka School Board, and Co-Chair, Alaska Public Broadcasting Commission, testified via teleconference from Sitka about the efforts of the Board and the School District's staff to secure the maximum amount of grant funds to compensate for the reduced amount received through the education foundation funding formula.

Ms. Kabler then described the efforts to provide as much public broadcasting services despite declining budgets over the past ten years. She told of the Satellite Air Connection Project, a joint venture between public broadcasting and the University of Alaska. She noted funding for this project has been appropriated by the House of Representatives but not the Senate. She listed the services that depend on the satellite project, including Gavel-to-Gavel coverage, and radio and television service to Rural Alaska.

Senator Ward shared that he learned from the Administration that no satellite services would be disrupted if the funds were not appropriated to the project in FY 02. He noted a supplemental budget request would be submitted the next legislative session when the actual project cost is determined.

LARRY KING, Changing Tides Counseling Services, testified via teleconference from Petersburg about the drug and alcohol abuse outpatient services his organization provides and the high demand across the state. He asserted the cost of not treating these people "is immense." As a result, he could not understand the logic of reducing funding for this program. He opposed the changes to the BRU method of funding.

KEVIN MURPHY, Deputy Director, Gateway Center for Human Services, and President, Statewide Substance Abuse Directors Association, and Licensed Mental Health Councilor, testified via teleconference from Ketchikan to request the Committee to reconsider budget reductions to substance abuse treatment services. He referenced other legislation related to increased law enforcement efforts and noted substance abuse is a public health issue as well as a public safety matter. He asserted one infant born with fetal alcohol syndrome would cost the state over \$1 million.

AUDRA THORPE testified via teleconference from Ketchikan that she is "a concerned citizen with four children here in Ketchikan." She stressed the need for the substance abuse programs for youth and told of friends of her children who are need of help for their medical problem rather than incarceration.

MIKE DUNNING, Educator, University of Alaska-Southeast, Ketchikan

Campus, testified via teleconference from Ketchikan to ask the Committee to fully fund the University of Alaska budget request. He applauded President Mark Hamilton's campaign for additional funds.

WOODY WILSON, Superintendent of Schools, Wrangell School District, testified via teleconference from Wrangell, to request additional funds for K-12 Education in his district. He compared the appropriation amount proposed in this budget to higher amounts from previous years. He spoke of increased mandates and the difficulties in funding them with existing funds. He recommended reevaluating the education foundation funding formula. He thanked the Committee for funding the pupil transportation increment. He also thanked Senator Green for her efforts on the high school exit examinations.

JIM CULLEY, President, Wrangell Chamber of Commerce, testified via teleconference from Wrangell, about the Chamber's concerns regarding the House of Representative's recommendations for funding reductions to the Alaska Marine Highway System. He stressed the ferry system is a major form of transportation in his community and should be funded to the fullest extent possible.

AT EASE 10:30 AM / 10:45 AM

BARBARA DELONG, Sitka School Board, testified via teleconference from Sitka to thank the Committee for giving priority to education, particularly pupil transportation. She told of the unexpected loss of 120 students from the school district and the resulting reduction in formula funding. She appreciated the efforts of Senator Wilken to make changes to the education foundation funding formula.

LAWRENCE BLOOD, Executive Director, Sitka Chamber of Commerce, testified via teleconference from Sitka to stress the urgency of a \$300,000 allocation for education. He also reiterated the importance of funding the Alaska Marine Highway System. He noted the direction given to the Department of Transportation and Public Facilities to "take measures to reduce operating costs and increase revenue." In his opinion, reducing operating costs requires a reduction of services and Sitka could not afford any further service reductions.

AT EASE until 11:00 AM

Co-Chair Donley announced that due to the number of people waiting to testify in Fairbanks, testimony would be limited to two minutes.

TED FATHAUER testified via teleconference from Fairbanks to request full funding of the University of Alaska proposed budget. He told

of his faith in the Board of Regents and University administrators and the practice of planning a budget based not on the amount "they think they can get" but rather on the amount "they think Alaska needs." He pointed out that he and his wife are not employed by the University, nor are they students, yet they donated \$5,000 to the University.

BARBARA COOK, Student, University of Alaska-Fairbanks, Tanana Valley Campus, testified via teleconference from Fairbanks that full funding of the University is justified and "extremely" important to Fairbanks and the State of Alaska. She told of her retraining activities after the company she worked for went out of business.

NORMITA CRUZEN-HALES, Single Mother, and Student of a course in Hospitality offered by the University of Alaska, testified via teleconference from Fairbanks, to gratefully requested funding for this program that would allow her to obtain employment in the tourism industry. She emphasized the need for education and training for people receiving public assistance.

DEE GARRETT, Lifelong Alaskan, testified via teleconference from Fairbanks that she is also enrolled in the hospitality training program at the Tanana Valley Campus, which offers a "wide variety of career opportunities" in the tourism industry. She stated the students in this program are all working toward the goal to better their education, find a job they could excel in, to achieve financial security, and to provide the best services for the community.

ART BUSWELL testified via teleconference from Fairbanks in support of fully funding the University's budget. He stated that increased state funding has "inspired" others to donate to the University, which has provided scholarships and funds for programs. He told of a recent hospitalization and the quality of care he received from staff members who regularly reside out of state.

KEN SEVERIN, Volunteer, Alaska One and KUAC Radio and Television, testified via teleconference from Fairbanks in support of public television and the University of Alaska. He spoke to the satellite program and the necessity of the project due to changes in technology. He warned of the communications that would be "shut down" if the project were not funded.

CAROL STABLES testified via teleconference from Fairbanks that the public must be aware of the dangers of tobacco use. She asserted that a smoker is "as helpless as an alcoholic or a drug addict" and needs professional help. She requested funding for such programs.

SOLVEIG PEDERSON, Lifelong Alaskan and three-year student of the University of Alaska, testified via teleconference from Fairbanks to thank the Legislature for funding appropriated the University the previous year. She shared that due to financial constraints, she was unable to complete her education.

EVEVA BECKER testified via teleconference from Fairbanks about the use of revenues generated from the tobacco tax. She stated there are two clinics in Fairbanks that offer smoking cessation programs, but that funds are needed. She stressed that 400 people in Alaska would die this year from tobacco-related illnesses.

KATHLEEN BEASINGER, Student, University of Alaska, testified via teleconference from Fairbanks that she would graduate in May 2001 with an Associate of Arts degree in Applied Business and that she planned to continue to work toward her Bachelors degree. She said the quality of education is excellent.

STACEY BANKS, Student Body President, University of Alaska-Fairbanks testified via teleconference from Fairbanks to thank the Legislature for the investment it made to the University over the past few years. He assured that although testimony requesting University funding may appear negative, it is only because of the desire to see the full potential of the University realized.

SFC 01 # 59, Side B

Mr. Banks continued the University is a "very wise investment."

THOMAS WALKER, Student, University of Alaska, testified via teleconference from Fairbanks about the increased support of the Legislature to the University over the past three years he has been enrolled. He stated that continued funding is the only way the University could grow.

LARRY DUFFY, Chair, Faculty Alliance, University of Alaska, testified via teleconference from Fairbanks that the faculty supports full funding of the University's budget. He told of efforts in developing long-term plans for the requested funding to reduce the "brain drain" of students from Alaska.

HAN GUNDERSON, Student, University of Alaska-Fairbanks testified via teleconference from Fairbanks to ask the Committee for the requested \$16.9 million funding increase for the University. He stated that in the past few years the University has "risen like a

phoenix" and has new pride, hopes and dreams about the future of Alaska.

JERRY MCBEATH testified via teleconference from Fairbanks about his extensive involvement in University organizations and efforts to advance the University [teleconference audio poor quality-inaudible.] He noted the requested \$16.9 funding increase includes salary increases for University employees.

SHANNON UZZELL, Four-year Graduate, University of Alaska-Fairbanks, and "productive member of society", testified via teleconference from Fairbanks to thank the Committee for funding increases appropriated to the University the previous year and to detail what those increases purchased. She stated that the university experience provides a "holistic" education.

KATHY HELFRICK testified via teleconference from Fairbanks that she has spent the previous eight years in Fairbanks as a private-sector employer in the hospitality services industry. She told of her frustrations with the inability to recruit qualified, skilled and semi-skilled Alaskans to fill jobs. She stated that she chose to "become part of the solution" by leaving the private sector and begin teaching others the skills needed for the hospitality industry at the Tanana Valley Campus.

KATE MCELROY, Supervisor of a children's learning center affiliated with a Native association [details inaudible], testified via teleconference from Fairbanks about the long-term treatment programs offered at the center. She talked about the 27 women on the center's waiting list and pointed out that most of the patients who voluntarily enter the treatment program have had their children removed from their care by the Division of Family and Youth Services. She stated that providing treatment services for these mothers allows them to reestablish their families, obtain employment and avoid incarceration.

SHARON MCLEOD-EVERETT, Lifelong Alaskan, Employee, Department of Transportation and Public Facilities, testified via teleconference from Fairbanks about University funding. She appreciated the increased funding provided the previous year and encouraged continued funding in the upcoming fiscal year. She stated that attention is paid toward resource development, but little is paid toward "human development".

LISA VILLANO testified via teleconference from Fairbanks in support of funding the requested \$16.9 million for the University. She stated that without the additional funding appropriated the previous year many new programs would not have been possible.

ANNETTE FREIBURGER, Executive Director, Fairbanks Native Association, testified via teleconference from Fairbanks to request funding for four treatment centers for drug and alcohol abuse operated by the Association. She stressed the programs are "extremely vital to our community" and the surrounding rural areas. She stated funding has been reduced over the past ten years and continuation of the programs is difficult.

CHARLIE DEXTER, 27-year resident of Fairbanks and 1977 University of Alaska-Fairbanks graduate, testified via teleconference from Fairbanks that his degree is in Travel Industry Management. He noted this program is no longer available due to funding reductions in the past. He thanked the Committee for the additional funding allocated the previous year. He stated he left a successful career in the aviation industry to become a faculty member in the Applied Business and Accounting Department at the Tanana Valley Campus. He said the additional funding allowed the Department to hire an additional instructor and continued funding would provide more staff to serve the growing number of students enrolled in the program.

MARTA MUELLER, Graduate Student, Department of Biology and Wildlife, University of Alaska-Fairbanks, testified via teleconference from Fairbanks, "students are not being considered impressionable because of our valuable brains and the whirlwind of ideas blowing through campus." She stated that when she graduated from Palmer High School in 1991, she was impressionable and the US News and World Report listed the University of Alaska-Fairbanks as one of the top ten universities in the West. "That made an impression on me." However, by the time she graduated from the University of Alaska in 1995, the University "was no where near the top ten of much of anything." She said is because "flat funding had taken its toll." She said that increased funding in recent years has reversed this trend and improved the University.

MICHAEL EVERETT testified via teleconference from Fairbanks to request the Committee fully fund the Board of Regent's proposed budget. He gave his history as a construction worker in Fairbanks until the housing market slowed, when he returned to school. He said that while he was in school, his family would not have had any meat to eat except that his wife was able to go moose hunting. He said the University could provide qualified workers for Alaska businesses.

LUKE HOPKINS, Past Student and Current Staff Member, University of Alaska-Fairbanks, testified via teleconference from Fairbanks in support of fully funding the University's operating budget. He

stated that each day he sees the rewards of the research programs that resulted from the increased funding from the previous year.

CINDY BACHERT, [affiliation inaudible] testified via teleconference from Fairbanks to request that 30 percent of the revenues received from the tobacco settlement be allocated to smoking prevention and cessation efforts. She told of a program she participates in [details inaudible.] She added that she is a graduate of the University of Alaska and is considering returning for a Master's degree that would allow her to better educate young people about the dangers of tobacco use.

MARGARET WILSON [affiliation inaudible] testified via teleconference from Fairbanks regarding mental health and community health [testimony inaudible].

RUTHAMAE KARR [affiliation inaudible] testified via teleconference from Fairbanks that her position is partially funded with revenues from the tobacco settlement. She stated more funds are needed for tobacco-related issues. She expressed that it is difficult to build a comprehensive plan on a small budget. She detailed the chemicals in cigarettes and the difficulty to quit smoking.

ROBERT BIRD [affiliation inaudible] testified via teleconference from Fairbanks to the need for \$8.1 million to operate an effective anti-smoking campaign. He referenced testimony in favor of funding the education system but asked what benefit funding education would have when smokers are dying of cancer and people are mentally ill.

CARL BENSON, Faculty Member, Geological Institute, University of Alaska-Fairbanks, testified via teleconference from Fairbanks to urge the Committee to fully fund the University of Alaska. He stressed that he knows first-hand the importance of the Institute to the University. He said he would submit additional information to the Committee members.

Co-Chair Donley asked if the witness did instruction, research or both.

Mr. Benson answered he does both, as do all the faculty members.

Co-Chair Donley disagreed, stating there are over 100 faculty members that do no instruction.

Mr. Benson countered that although he primarily conducts research, all faculty members of the Geophysical Institute do some instruction. He stated that he is retired from active teaching, although he does work with graduate students. He pointed out his

salary comes from grants.

JOE HARDENBROOK testified via teleconference from Fairbanks that he was present when President Hamilton addressed the Senate Finance Committee a few weeks prior and clarified that President Hamilton stated all faculty who are funded with state funds are involved in teaching. Mr. Hardenbrook spoke to the "incredible ability" of the University to secure funding from outside sources.

H.B. TELLING testified via teleconference from Fairbanks to ask the Committee to support the Board of Regent's funding request. He stated that when he graduated from high school in 1996, the University was "a joke" to him. He said buildings were disintegrating and programs were being reduced constantly, but financial restraints resulted in his attending the University. He remarked that with recent funding increases, the conditions have improved and the University has received significant public support.

RUTH L'HOMMEDIU, Chair, State Independent Living Council, testified via teleconference from Fairbanks about repeated requests for an increment increase in the independent living budget over the past several years. She appreciated the \$98,000 increase recommended by the budget subcommittee pointing out it is the first increase in 16 years.

RON DIXON, Chair, University of Alaska-Fairbanks, Tanana Valley Campus Community Advisory Council, testified via teleconference from Fairbanks to ask the Committee to consider the University funding request. He spoke about the responsibility and the accountability of the University.

JOHN YOUNG testified via teleconference from Fairbanks that he would have been unable to attend school if not for the funding appropriated to the University the previous year.

LOIS HILDENBRAND, Volunteer, [affiliation inaudible], testified via teleconference from Fairbanks about a relay drive she was organizing. She thanked the Committee for fully funding a tobacco prevention program. She told of leaving her son with \$100 when she traveled recently and how he spent the money, which was not how she intended. She asked the Committee to spend the tobacco settlement funds as they were intended.

DAVID LEONE, Executive Director, Resource Center for Parents and Children, testified via teleconference from Fairbanks

Mr. Leone requested that the designated funds for family preservation services not be transferred from rural communities into "the more competitive nature" of urban programs. He asserted this would cause a hardship on Native communities. He also requested funds not be reduced for drug and alcohol abuse treatment services. He noted fetal alcohol syndrome is "totally preventable".

VICTOR JOSEPH testified via teleconference from Fairbanks about how reductions to the BRUs for public health services would hamper the ability to deliver services.

JEAN BECKER testified via teleconference from Fairbanks in opposition to funding reductions to alcohol and drug abuse treatment programs as well as changing the designated BRU grants for public health nursing to a competitive process. She told of the "very strong respect" she has for public health nurses and their efforts in preventing child abuse and fetal alcohol syndrome. She requested the Legislature delay making funding changes until recommendations from a childcare policy review task force are submitted.

MARY SHIELDS GROWER testified via teleconference from Fairbanks about her involvement with the University as a student, staff member and faculty. She said the University has always had a "can do" attitude, which has become stronger with the funding increases of recent years.

MIKE DAKU, Student, University of Alaska-Fairbanks, Tanana Valley Campus, testified via teleconference from Fairbanks that he is a participant in the human service technology program. He supported fully funding the University. He stressed the need for counselors.

PAT RACE, Student, University of Alaska-Fairbanks, testified via teleconference from Fairbanks in support of the University budget. He also requested the Committee develop a long-term fiscal plan for the state.

AARON SURING testified via teleconference from Fairbanks to ask for support for the University.

JEANETTE GRASTO, Advocate for people with mental illness, National Alliance for the Mentally Ill, testified via teleconference from Fairbanks and listed her credentials [details inaudible]. She spoke of the Mental Health Trust Authority and the need to address mental illness and substance abuse in rural areas.

KAREN PARR, Presiding Officer, Fairbanks North Star Borough Assembly and retired teacher testified in Juneau, about her efforts to try to improve the quality of schools. She gave suggestions on how to improve schools including increases to the education foundation funding formula rather than relying heavily on one-time grants. She asserted the key to improving school quality is improving teacher quality and that Alaska must be competitive in attracting the best teachers.

Ms. Parr urged support of the University so that it could provide "an excellent program of teacher training." She added that good principals and administrators are also necessary. She added that preschool education is also very important.

JAKE POOLE, Director, Tanana Valley Campus, University of Alaska-Fairbanks, testified via teleconference from Fairbanks that the Tanana Valley Campus is a vocational-technical school. He stressed the Legislature has impacted this campus significantly over the past year with the appropriation increase. He suggested the return on this investment is greater than what would have been realized if the funds were invested in the stock market. He told of the implementation of a nursing program and a process technology program.

MICHELLE THOMAS testified via teleconference from Fairbanks that she fully supports funding the Board of Regent's FY 02 budget request for the University of Alaska. She emphasized the investment of the University in the future of the state.

HAJO EICKEN, Associate Professor, Geophysics, University of Alaska-Fairbanks, testified via teleconference from Fairbanks to request funding the University.

AT EASE 12:25 PM \ 12:30 PM

ALICE KEYES, Yukon-Kuskokwim Health Corporation, testified via teleconference from Mountain Village to say, "the budget is very hard to accept". She specified there is a need for services for substance abuse treatment. She spoke to positive changes she has seen in families. She stated the appropriations made to her region have "been used very wisely."

JOANNE MARKLEY testified via teleconference from Mountain Village to share she works with abused children. She said there are few funds available in the region to treat alcohol and drug abuse.

LUTHER AQUCHUCK, testified via teleconference from Mountain Village

about "E.Q: Emotional Quota" and how it relates to workers in the mental health care field. He stated that funding for this field is important.

ELAINE MANNING, State Independent Living Council, testified via teleconference from Glennallen to request an additional \$90,000 in FY 02 [testimony inaudible].

MAGGIE PAUKAN, Yukon-Kuskokwim Health Corporation, testified via teleconference from St. Mary's that she is a recovering alcoholic and mother of six children. She stated that she knows first-hand the impact alcoholism has on families.

[Name inaudible], testified via teleconference from St. Mary's that she works for the school district [remaining testimony inaudible.]

ROSLYN GOODMAN, Retired School Librarian, Alaska Association of School Librarians, testified via teleconference from Pedro Bay that a small portion of the requested \$16.9 million for the University of Alaska would be used to fund the Statewide Database Project. She told of current affairs and resource information made available to Alaskans over the Internet as a result of previous appropriations. She stated that President Hamilton has shown that the University "spends its money wisely" and she encouraged the Committee to fully fund the request.

KAY DURHAM, Vice President, Railbelt Mental Health, testified via teleconference from Healy to request the funding method for public mental health services remain unchanged. She noted her organization serves five communities as well as many people visiting from the Lower 48 during the tourist season. She listed the services provided and asserted that with the current funding levels, "we are just a hair breath away from meeting some of these services for a healthy community."

SHERRIE GOLL testified via teleconference from Haines [testimony inaudible].

ISRAEL NELSON, Executive Director, Four Rivers Counseling Services, testified via teleconference from McGrath and referenced written testimony he submitted. He requested no funding reductions to the alcohol and drug abuse treatment grants. He told of the added transportation and energy expenses of providing services to ten villages and the need for continued funding.

SINEON JOHN, Substance Abuse Counselor, Yukon-Kuskokwim Health Corporation, testified via teleconference from Nooksack Bay [possibly Toksook Bay]

SFC 01 # 60, Side B

Mr. John continued speaking in support for funding alcohol and drug abuse treatment services. He spoke to the importance of this treatment especially as it relates to domestic violence.

AT EASE 1:00 PM / 2:30 PM

Senator Ward, Vice-Chair of the Senate Finance Committee, chaired the following portion of the meeting. He announced testimony would be limited to two minutes.

JAMES SEEGER, Student, University of Alaska-Anchorage, Kachemak Bay Campus, testified via teleconference from Homer, about media reports stating Alaska is losing its highly skilled workers to the Lower 48. He stated that failing to fund the University's requested \$16.9 million increase the Legislature is saying it is acceptable to loose this workforce and also encourages students to leave the state earlier because, "education is a luxury Alaska can do without."

MERRITT MITCHELL, Alumni, University of Alaska-Anchorage, and representing, Kachemak Bay Campus Advisory Council, and President, University of Alaska-Fairbanks Alumni Association, testified via teleconference from Homer in support for fully funding the amount requested for the University.

DAVE JONES, Director of Finance, Kodiak Island Borough School District, testified via teleconference from Kodiak about the efforts school districts made to address the high cost of pupil transportation. He stated these efforts were successful and the resulting contracts reflect the true market cost of transporting students in Alaska. He commended the Committee for fully funding this increment. He cautioned that failing to fully fund this in the future would result in a budget reduction for the school district and the students in Kodiak would "bear the burden".

PATRICK HICKEY, Assistant Superintendent for Operations and Business Management, Kenai Peninsula Borough School District testified via teleconference from Kenai that the District's budget in 1995 was over \$73 million compared to the same amount in FY 02, seven years later. He noted the rising cost of fuel and labor and health care expenditures. He requested the Committee support other legislation that would increase the education foundation funding formula. He also asked that the pupil transportation component be

fully funded.

PAULA BLACHUT, 12-year Alaskan resident, testified via teleconference from Valdez about her concerns over proposed budget cuts that would affect the Valdez Counseling Center. She stressed this center is the only facility offering substance abuse treatment services in the community as well as outlying areas.

JOE MICHAUD, Valdez Regional Correctional Facility, testified via teleconference from Valdez about the difficulty in operating the facility given that there has been little funding increase for several years. He described the services the facility provides to the region.

PEGGY FLASCHER, Director, Valdez Counseling Center, and 19-year Alaska resident, testified via teleconference from Valdez on behalf of the staff of the Valdez Counseling Center to request fully funding the rural community health centers. She noted the Center currently does not have funding to offer substance abuse treatment services for youth and she detailed the need for this service.

GREG DONEWAR, Dillingham Department of Public Safety, testified via teleconference from Dillingham to request funding for regional contract jails. He spoke of the services these facilities provide and their necessity. He referenced a report from the Division of Legislative Budget and Audit, citing "community jails are over crowded and under-maintained especially at Kodiak, the North Slope Borough, Kotzebue and Dillingham. These sites need to be replaced or expanded."

NELS ANDERSON, JR., Member, University of Alaska-Fairbanks, Bristol Bay Campus Council, testified via teleconference from Dillingham to request the Committee fully fund a request for \$18.4 million for FY 02. He spoke to the recent fishing disasters in the area in addition to welfare reform, which is placing more demands on the Bristol Bay Campus to retrain fishers for other jobs.

JOHN FULTON, testified via teleconference from Dillingham about the importance of the University of Alaska and the Bristol Bay Campus. He spoke of the economic opportunity the campuses provide to rural communities.

CHRISTY WILLER TILDEN, Program Director for Alcohol Services, Bristol Bay Native Health Corporation, testified via teleconference from Dillingham about the importance of funding the services the Corporation offers. She suggested that because of funding reductions, the Legislature does not believe there is an alcohol problem in the state.

APRIL GHALAMI, Student Representative, University of Alaska-Fairbanks, Bristol Bay Campus, testified via teleconference from Dillingham that she is a wife, a mother, a sister, a daughter, an employee, a board member, a council member, a teacher, a counselor, a mentor and a student at the University of Alaska. She stated that although it may seem Alaska's greatest resources are oil, timber, fishing or mining, the state's greatest resource is people.

JILL SIMPSON, Cordova Family Resource Center, testified via teleconference from Cordova to request funding for public health services not be reduced. She warned that if funding were cut, the Center would be unable to continue operations.

MIKE MILLIGAN testified via teleconference from Kodiak to ask the Legislature to increase fuel taxes. He spoke of opportunities for the state with the appointment of US Representative Don Young as Chair of the House Transportation Committee. He commented about the high price of gasoline in Alaska, stating it should be lower, given that it originates in the state. He did not want the Permanent Fund Dividend payments reduced and preferred a flat "small" income tax.

FRED NISHIMURA, Business Manager, Aleknagik Natives, Ltd., testified via teleconference from Dillingham on behalf of the Board of Directors and the shareholders, in support of the Governor's request for funding an additional Park Service Ranger and aircraft support for a state park in the region. He spoke of increased hunting and fishing activities in the park

CHRISTINA SASALY testified via teleconference from Dillingham testified against proposed budget cuts to drug and alcohol treatment services in Rural Alaska. She emphasized the importance of these services to the health of rural communities. She testified in favor of funding for the University, stressing the educational opportunities offered at the Bristol Bay Campus are critical to the economic future of Dillingham.

AT EASE

DIANE MCBRIDE, Program Director, KBBI Public Radio, testified via teleconference from Homer that this radio station has consolidated with the public radio station in Kenai to operate more efficiently and cost-effectively. She stated this was to allow the stations to maintain the same level of service to the listening audience. She told of the ability for local residents to communicate with members of the Legislature over the telephone rather than traveling to the Legislative Information Office during forums. She requested funding for the University of Alaska is not reduced.

CINDY QUIJADA, President, Student Association, University of Alaska-Anchorage, Kachemak Bay Campus, testified via teleconference from Homer in support of full funding for the University. She shared that the University has changed her life and has allowed her to become a productive member of the community.

AT EASE 3:30 PM / 4:00 PM

[Note: Recording equipment remained in operation during the break. No portion of the meeting is omitted.]

SFC 01 # 61, Side A

JOHN DICKENS, Emergency Medical Services Instructor, Yukon-Kuskokwim Health Corporation, and Volunteer Firefighter and Emergency Medical Technician, City of Bethel Fire Department, [additional credentials inaudible] testified via teleconference from Bethel to ask the Committee to reconsider reductions to the BRU grants for public health care providers. He warned that making such budget reductions would "literally be measured in large amounts of blood and tears."

Co-Chair Donley pointed out that BRU is a "generic term" that does not refer to any one grant. He asked what program the witness was referring to in his testimony.

Mr. Dickens replied, "emergency medical services program," which he said is only funded at 75 percent.

Co-Chair Donley asked the name of the recipient of this grant.

Mr. Dickens answered the grantee is the Yukon-Kuskokwim Health Corporation.

Co-Chair Donley stated that this grant was not eliminated but instead combined with other public health providers into one BRU that would be competitive. He asked why the witness thought his organization would not win this grant given his testimony on the importance of the funds.

Mr. Dickens responded that the needs are great everywhere in Alaska and that "we're gonna lose either way."

Co-Chair Donley and Mr. Dickens continued to debate the issue.

CAROLINE RENNER, Director, Yukon-Kuskokwim Health Corporation, and Chair, Alaska Tobacco Control Alliance, and the Statewide Coalition of Public Health Advocates, testified via teleconference from Bethel referencing tobacco usage data she provided to the Committee. She informed that she would be visiting the Capitol Building and planned to meet with the members.

MARY ANARUTH, Administration Coordinate, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel against the proposal to combine the public health services grants into one competitive grant process.

SANDRA MIRONOV, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel about possible funding reductions to the public health care providers. She gave a history of the Health Corporation and the services it provides. She stated the competitive grant process would place rural communities at a disadvantage. She spoke of the valuable time that would have to be spent on grant writing activities.

ALEX MORTENSON testified via teleconference from Bethel on behalf of the University of Alaska FY 02 operating budget. She told of biology courses she took and the benefits of long-distance education technology.

STEVEN [last name inaudible and not provided], testified via teleconference from Bethel about the Yukon-Kuskokwim Health Corporation and the Alaska Psychiatric Institute [testimony inaudible.]

GERENE SUMPTER, Life-long Bethel resident, 30-year University of Alaska-Fairbanks, Kuskokwim Campus employee, and part-time student, testified via teleconference from Bethel to ask that the Committee support President Hamilton's request for University funding. She thanked the Committee for supporting the University the previous year. She stated the local campus is "producing local homegrown teachers" and graduates of programs such as rural development who work to bring sustainable development to communities.

CARRIE ENOCH testified via teleconference from Bethel regarding the Yukon-Kuskokwim Health Corporation [testimony inaudible].

PAULA ALBERT, Alaskan Native, testified via teleconference from Bethel that tobacco settlement funds should be spent on tobacco-related programs.

JACK CROW, Village Operations Administrator, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel about the

community health aid programs and emergency medical services offered by the Corporation.

DANA LEE HULL, Director, Community Health and Wellness, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel to ask the Committee to reconsider changing the grants to a competitive process. She spoke about the importance of prevention and the high death rates of Alaska Natives and other children living in rural environments.

SANDRA KLEVER, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel that over the past 20 years, the Corporation has "carefully nurtured the growth of village-based counselors." She stated there are now 30 counselors who serve the 54 villages in the Yukon-Kuskokwim Delta. She detailed the services these counselors provide and the impacts of budget reductions.

VICKIE GREEN, Emergency Medical Services Department, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel about the services the Department provides to Bethel and outlying villages. She spoke about training activities.

BALASSA LARSON, Supervisor, Health Aide Program, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel that this program provides primary health care and that she supervises health care for six villages. She warned of the difficulties she would have in conducting her duties if funding were reduced.

CAROL ODINZOFF, Registered Nurse, Director, Health Aide Program, Yukon-Kuskokwim Health Corporation, and Chair, Community Health Aide Directors Statewide Organization, testified via teleconference from Bethel and reiterated the services the Health Aide Program provides. She spoke of the two positions that would be eliminated if funding were reduced. She stated the program is currently 25 percent under funded.

CURT MADISON, Director, Emergency Medical Services Training Program, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel that the limited funds that are available should be leveraged to achieve the maximum benefit. He stated that the Corporation cooperates with providers in Norton Sound and other areas, but does not compete with them as the proposed grant process would require.

CHRIS BRAGG, Yukon-Kuskokwim Health Corporation, testified via teleconference from Bethel about the consequences of not funding alcohol and drug abuse treatment services. She stated that the grants should not be awarded on a competitive basis for rural

communities.

AT EASE

SFC 01 # 61, Side B

Ms. Bragg continued.

ISHMAEL ANDREW, Student, University of Alaska-Fairbanks, Kuskokwim Campus testified via teleconference from Bethel that the University has enabled him to continue his education so that he could someday return to his village as a teacher.

JANET BAVILLA, Student, University of Alaska-Fairbanks, Kuskokwim Campus, testified via teleconference from Bethel in support of funding for the University. She talked about the benefits of attending a rural school.

ROSE MARIA ASHEPAK testified via teleconference from Bethel that she is a consumer of Yukon-Kuskokwim Health Corporation mental health care services.

RAY [last name inaudible] testified via teleconference from Glennallen to request funding be withheld from the Division of Forestry. He stated the community operates a "hot shot" service and the state program competes with their efforts.

MIKE BRICKER, recovering alcoholic and addict, testified via teleconference from Bethel, as a past consumer of mental health care services in the Lower 48. Currently, he informed, he is involved with behavioral sciences. He contradicted other testimony and requested funding reductions for the treatment services. He asserted that reduced alcohol consumption would result in significant savings to all programs. He stated that Alaska Natives would not suffer from budget reductions. He said he read this testimony "tongue in cheek."

HARRY NICKOLI testified via teleconference from Bethel that the Bethel Crisis Respite Center and the Bethel Mental Health Care Center saved his life. He told of his depression and alcohol abuse, which he stated he is improving. He said that his self-esteem has improved since receiving dental care.

WALTER [Last name inaudible], Marine Advisory Agent, School of Fisheries and Ocean Sciences, University of Alaska-Fairbanks, Kuskokwim Campus testified via teleconference from Bethel that the

University provides economic benefits to the state. He requested full funding for the University.

Senator Ward noted Senator Elton was in attendance.

MAX FELIX, Director, National Council on Alcoholism, testified in Juneau about the non-profit agency with 250 chapters nationwide. He requested funding for substance abuse treatment services, especially prevention programs. He stated previous high spending on prevention and treatment during the 1980s has "paid off." However, he noted that "we're losing the battle" due to reduced funding in recent years.

TOM BOUTIN, 28-year Juneau resident, testified in Juneau to point out that the state would be in "bad shape" if fiscal restraint had not been exercised over the past several years.

BILL LEGERE, KTOO Public Broadcasting, testified in Juneau that he appreciated the Committee's funding of public broadcasting stations grants. He spoke to the increased cost of the upcoming satellite transfer and the funds allocated for FY 02 would only provide half the amount necessary to operate the new system. He listed emergency transmitting and Gavel-to-Gavel among the broadcasting services utilizing the satellite system.

Co-Chair Donley noted the proposed budget included program receipt authority sufficient to cover the satellite expenses.

JOAN CAHILL, 20-year Juneau resident, testified in Juneau to the proposed \$1.2 million allocation of a total \$25 million tobacco settlement funds to tobacco-related programs. She stated that the Center for Disease Control has suggested that the \$8.1 million is the minimum amount necessary to be effective for smoking cessation and prevention in Alaska. She asserted, "There is something immoral going on here," that the tobacco companies are "laughing at our expense all the way to the bank," and "we are pawns of the tobacco company".

ALICE RARIG, Juneau Area State Parks Advisory Board, testified in Juneau in support of fully funding the requested increment for the Division of Parks. She said this funding would enable employment of summer staff for maintenance efforts. She told of the condition of many parks due to inadequate funding in recent years.

JIM DOUGLAS, Extension Agent, 4-H Southeast Alaska, Extension Agent, 4-H Kodiak, Extension Agent, Home Gardening and Community Resource Development for the area from Angoon to Cordova, and State 4-H Program Leader on the Administrative Team, Cooperative

Extension Service, University of Alaska-Fairbanks, testified in Juneau to request fully funding the University of Alaska budget. He stated that the expansion of his duties occurred over the past three years with the "gutting" of the University budget. He noted that with the loss of senior staff, the Cooperative Extension Service lost over 150 years of knowledge.

IRIS CORTES, Staff and Student, University of Alaska-Southeast, testified in Juneau that one reason she moved to Juneau was because of the presence of a small university. She supported full funding for the University of Alaska.

TIA ANDERSON, Student Body President, University of Alaska-Southeast, testified in Juneau to ask those members of the public present at the meeting how are in support of funding for the University to stand. She remarked that the University of Alaska is, "a child of the state." She stated that with the position of Career Counselor vacant, she has been unable to receive assistance with finding employment within the state after she graduates.

Co-Chair Donley noted the Department of Labor and Workforce Development operates an employment service, which could assist the witness in her job-seeking efforts.

MCKENZIE MATAYA, Student, University of Alaska-Southeast, testified in Juneau that full funding of the University would be beneficial to the school and the economy of Juneau. She stated that she came to the University from out of state and would love to stay in Alaska after graduating.

MARK GRAVES, Student, University of Alaska, and life-long Alaskan, testified in Juneau that he has an interest in the state's economy. He urged full support of the University of Alaska budget increase, which would benefit the entire state. "I'm asking you to invest now for a better tomorrow."

JOE HOLSTEIN, Student and Employee, University of Alaska-Southeast testified in Juneau that he fully supports the University's programs.

BRAD DUNCAN, Student and Employee, University of Alaska-Southeast testified in Juneau about his involvement in the University's IT Knowledge Worker Program, which was funded by the Legislature. He noted that when he enrolled in this program, he had to sign a contract promising to stay in Alaska for two years after graduating and obtain employment in the information technology field. He stated that with additional funds, more programs like this could be implemented.

PAM WATTS, Executive Director, Advisory Board on Alcoholism and Drug Abuse, testified in Juneau to request funding of the Division of Alcoholism and Drug Abuse. She reiterated testimony received throughout the day regarding the consequences budget reductions to alcohol and drug abuse treatment services would cause.

SHANNON KEMPTON, Student, University of Alaska, testified in Juneau that the University is important to her and that funding the University is "an investment in our future."

STACEY AUGHE, Student, University of Alaska, testified in Juneau that she supports fully funding the University.

MATTHEW WOOD, Student, University of Alaska-Southeast, testified in Juneau that he is originally from Oregon. He stated he came to Alaska because the University of Alaska offers small classrooms and an intensive accounting program. He cautioned that without the requested funding, the library project could not be completed. He spoke of attending classrooms in temporary buildings.

RYAN [OR BRIAN] GREEN, Full-Time Honor Student, University of Alaska-Southeast testified in Juneau that funding increases appropriated the previous year were used to recruit out of state students. He said he is one of those as he originates from Utah and that he chose the University of Alaska over Brigham Young University primarily because of class size.

PHIL LINDEKEY [Last name not provided], Student and Employee, University of Alaska-Southeast testified in Juneau about his studies in the technology field. He said there are many "awesome" programs planned but not yet implemented due to lack of funding. He asked the Committee to fully fund the University of Alaska request.

TYLER BISHOP testified in Juneau that he came to the state two years ago on a scholarship from the University of Alaska Foundation. He asserted the Committee should fully fund the University, as it is the "economic engine behind Alaska." He said that by funding the University, the Legislature is funding health care, industry and technology.

KATHRYN CURRIT, Sophomore, University of Alaska-Southeast testified in Juneau that she "really really really" believes in the \$16.9 million budget increase for the University. She stated the increased funding would help the University better its programs. She noted a Mental Health Counselor is needed.

KATHLEEN MOORE testified in Juneau that she was a University of

Alaska-Southeast student the previous semester and would be again in the next semester. She stated she is in fully support of funding for the University.

SFC 01 # 62, Side A

#

ADJOURNMENT

Co-Chair Dave Donley adjourned the meeting.