

MINUTES
SENATE FINANCE COMMITTEE
April 17, 2002
4:04 PM

TAPES

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CALL TO ORDER

Co-Chair Dave Donley convened the meeting at approximately 4:04 PM.

PRESENT

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

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

SUMMARY INFORMATION

HB 403-APPROP: OPERATING BUDGET/LOANS/FUNDS
SB 289-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 404-APPROP: MENTAL HEALTH BUDGET
SB 288-APPROP:MENTAL HEALTH BUDGET

The Committee heard public testimony from the Legislative Information Offices in Dillingham, Bethel, Sitka, Petersburg, Glennallen, Kodiak, Kenai, Cordova, Valdez, Homer, Seward and Anchorage.

#HB 403
#SB 289

#HB404
#SB288

CS FOR HOUSE BILL NO. 403(FIN) am(brf sup maj fld)(efd fld)
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds."

SENATE BILL NO. 289
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

CS FOR HOUSE BILL NO. 404(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."

SENATE BILL NO. 288
"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."

PATRICIA SEYBERG, from Dillingham, testified in Juneau about the effects of the proposed budget reductions to Emergency Medical Services (EMS) in rural areas. She detailed the services provided.

Senator Hoffman asked if the seven EMS regions cover the entire state.

Ms. Seyberg affirmed.

MAKO HAGGERTY, Chair, Kachemak Bay Parks Board testified via teleconference from Homer to request funding for state parks at the highest level. Parks are a destination, he asserted and the condition of parks leaves a lasting impression on visitors. He stressed that an entire economic sector depends on parks.

JOSH PERRY testified via teleconference from Homer that he volunteers for the State parks system. He stressed the importance of parks to visitors and residents. He urged the State to commit to investing in parks.

JOSHUA DUFFUS, Employee, Division of Parks and Outdoor Recreation,

Department of Natural Resources, testified via teleconference from Homer to urge support for state park funding, as reductions would be a "backward step." He stated improvements to parks would enhance them.

KATHEE KIEFER, volunteer for State parks, testified via teleconference from Homer to urge the Committee to not reduce State park funding.

LISA RUOFF testified via teleconference from Homer, to request the Committee add funding instead of decrease funding for the State parks budget.

JENNIFER REINHART testified via teleconference from Homer and urged a general fund increase for the University of Alaska for economic benefits.

ROGER MCCAMPBELL, Park Ranger, Division of Parks and Outdoor Recreation, Department of Natural Resources, testified via teleconference from Homer to voice that the State park system is an "incredibly efficient system." He asked the Committee to restore the budget for State parks.

Senator Leman stated that the Senate Finance Committee substitute restores half of the amount reduced by the House of Representatives. He stressed that efforts are continuing to address the park system budget.

JOEY EASEMAN, college student, testified via teleconference from Homer and urged full funding for the University of Alaska to allow people to get an education to allow them to become assets rather than burdens to the State.

KEITH IVERSON, lodge owner, testified via teleconference from Homer that the trail systems are becoming more popular and stressed that eco-tourism is a benefit.

MARILYN ROSENE, testified via teleconference from Dillingham, to emphasize that staff turnover is very high in the local school. She urged adequate funding for schools to support recruitment and retention of employees.

DOROTHY LARSON, Tribal Administrator, testified via teleconference from Dillingham to urge no decreases in funding for alcohol and drug programs as this would result in reductions or closure of programs in treatment facilities.

DEANNA HARDIN, Employee, Head Start program, testified via

teleconference from Dillingham and urged full funding for rural university campuses, as teaching certificates are required for Head Start teachers. She cited the preferential for local hiring.

CRISTY WILLER TILDEN testified via teleconference from Dillingham to urge support for treatment programs. She noted they have been flat funded for 14 years; however, costs have increased and the program has received outside support. She stressed this funding is limited and that a 20 percent reduction in grant income would result in closure of the program. She stressed that residents of the area are willing to contribute to the State's treasury in the form of an income tax.

JENNIFER JONES-MOLINA, teacher, testified via teleconference from Dillingham to inform the Committee that as a teacher she fills several roles: teacher, social worker, and classroom custodian. She stressed she needs training on how to implement State mandated programs. She urged the Legislature to put the State's children first and increase funding for schools.

Co-Chair Donley cited the National Education Association 1999 governing sourcebook, in noting that Alaska ranks very high in the per capita amount of funds it contributes to education.

PEARL STRUB, parent, representative of an agency assisting people to get employment, and board member of UA campus testified via teleconference from Dillingham and urged full funding of the University of Alaska budget. She listed the number of degrees awarded at the Bristol Bay Campus.

DON FORD, parent and school board member, testified via teleconference from Dillingham and stated that education is a resource. He asserted that costs are increasing at the same time local communities are "willingly" contributing more toward education expenses. He spoke to the limited percentage of the State budget appropriated to education.

Co-Chair Donley clarified that the 14 percent of total state funding for education referenced by the witness is "distorted". He explained that the total budget includes a "massive influx" of over one billion dollars in federal funding for highways. He expressed that the commitment to funding education in Alaska has not diminished and that over the past ten years, the Legislature has increased its investment of general funds from 28 percent to 34 percent for K - 12 education.

ANNE FRITZE, University of Alaska student, testified via teleconference from Dillingham to encourage full funding support

for the local university campus. She informed she is financially unable to move her family to Fairbanks or Anchorage where the major campuses are located, and that the Dillingham campus allows her to obtain an education while maintaining full-time employment.

SONNY LEVEQUE, Student, University of Alaska, testified via teleconference from Dillingham to remind the Committee that universities are not businesses designed to earn a profit but that providing an education benefits the economy. He spoke of student housing and the ability for students in rural areas to remain in their own homes while attending schools in their community. He also supported funding alcohol and mental illness treatment efforts.

TINA BARGER, Program Monitor, SAFE, testified via teleconference from Dillingham about the importance of continuing this domestic violence program serving the Bristol Bay Region. She highlighted the activities of the "sister" organization

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NELS ANDERSON, JR., Member, Bristol Bay Campus Council, testified via teleconference from Dillingham to thank the Legislature for the support of the past few years. He spoke of the fishing disasters that occurred in the last two years and the difficulty of fishermen in obtaining alternate employment. He urged full support of rural university campuses, as they promote economic development.

DIXIE LANDENBURGER, Team Leader, Seaview Community Services, testified via teleconference from Seward to request the Committee no reduce funding for substance abuse treatment programs. She supported the proposed alcohol tax and encouraged additional revenue sources rather than reduced services.

MELANIE WEEMS, testified via teleconference from Seward to request support for alcohol and substance abuse treatment services.

JANET BUCHANAN testified via teleconference from Seward and read a statement from Randy Crystal, a resident in a substance abuse treatment program. She quoted that he is a 48-year old man who suffers from depression and relayed his need for treatment to resume being a productive member of society.

ANGUS KUNZ testified via teleconference from Seward about his illness and the need for treatment.

SUNG KIM LINDER testified via teleconference from Seward on behalf

of the local mental health clinic and other patients of that clinic. He told of his mental illness.

DOUG DISORCIE, Employee, Prince William Sound Community College, testified via teleconference from Valdez about the independently accredited school that is a part of the University of Alaska system. He requested continued funding for the University and he listed names of students who support funding the University of Alaska.

JANICE JOHNSON testified via teleconference from Valdez to fully support funding for the University of Alaska. She believed it is the responsibility of the University to contribute to Alaska's workforce. She stressed the need for diversity in the State's education system, which rural campuses play a vital part.

CORRINE ERICKSON-ENVOY, Salvation Army, and "other social service agencies", testified via teleconference from Cordova about the need for funding alcohol and substance abuse treatment programs. She stated this is important to avoid continued prison growth.

NICHOLE SONGER, Family Resource Center, testified via teleconference from Cordova in opposition to funding reductions. She spoke of the consequences of a 20 percent funding reduction on many agencies particularly in rural locations.

DENNY WEATHERS testified via teleconference from Cordova to her approval of the Legislature's attempt to balance the State budget. She stated that Alaska has a republic form of government, "one in which the power and sovereignty are vested in the people and exercised by the people, either directly or through their representatives chosen by the people to whom the powers are specifically delegated." She opined that "God created man, man created the constitution and the constitution created government" which subsequently created "the public service." She stressed that many government functions are not mandated and that government agencies have "usurped the powers that rightfully belong to the people." She asserted many State programs should have further budget reductions. She quoted Thomas Jefferson warning about the consequences of a large government.

JAMES FISHER, Soldotna resident, testified via teleconference from Kenai and asked if Committee members could "look the Alaska public in the eye to explain how you failed to institute reasonable financial support for their essential State services." He warned that even limited budget reductions would result in the reduced health and safety of all Alaskans. He asked how budget reductions would improve the life of Alaskans.

ROSEMARY REEDER, Soldotna Community Schools, testified via teleconference from Kenai that the proposed budget reductions to the community schools programs would be detrimental. She informed this funding allows the program to operate facilities and also leverage additional funds.

GRACE MERKES, Head Start Program, testified via teleconference from Kenai, thanked the Senate for their support and stressed the importance of the Head Start Program for low-income children. She stated the federal government funds the program at 80 percent and the State funds it at 20 percent.

ROSEMARY BUSHON, Head Start, testified via teleconference from Kenai to urge funding for the Head Start program. She shared the positive results she has seen in the children in the program. She stated that teacher salaries are low and this needs to be addressed.

Senator Wilken asked Ms. Reeder if she was aware the Senate Finance committee substitute allocates \$300,000 to the community school program although the House of Representatives had allocated no funds for this program.

Ms. Reeder had understood the House of Representatives approved funding \$500,000 and the Senate Finance Committee reduced the amount to \$300,000.

Senator Wilken clarified that the House of Representatives approved a \$500,000 unallocated budget reduction to the Department of Education and Early Development, which the Department testified it intended to take from the Community Schools program, leaving that program with zero funding.

MARJORIE J. HAYES, Alaska Commission on Aging, Mental & Personal Health, testified via teleconference from Kenai and asked for funding for mental health and parks programs.

JASON ELSON, retired Fire Chief, City of Kenai; President, Kenai Peninsula Fire Chiefs Association; Member, Alaska Fire Chiefs Association; and Chair, Board of Directors, Southern Region Emergency Medical Services Council, testified via teleconference from Kenai to the proposed funding reductions to the State's EMS grant program. He stated the reductions would affect the services that fire departments are able to provide, notably in some communities located along the road system. He pointed out that federal funds are utilized to operate the Code Blue program, although State matching funds are required.

KATIE STAFFORD, Supervisor, Division of Family and Youth Services, and Member, National Association of Social Workers, testified via teleconference from Kenai, and spoke to children's needs in the community as the result of reduced funding for drug and alcohol treatment program as well as for mental health programs. She emphasized that more families would feel the effects of these reductions.

JAMES SHILL, Executive Director, Central Peninsula Counseling Services, testified via teleconference from Kenai regarding funding for mental health programs. He stated the proposed funding levels would affect many people who could not otherwise afford treatment.

Senator Green asked which specific mental health program the witness was testifying to.

Mr. Shill responded that the "general mental health" program funding has been reduced "in almost every budget cycle". He expressed this impacts the "working class" sector that does not have other health insurance coverage.

Senator Green countered that the Senate Finance committee substitute proposed budget reflects funding increases for all mental health services compared to the budget approved by the House of Representatives.

Mr. Shill stressed that the budgets of the past three fiscal years have been reduced for general mental health services and that the current funding proposal contains a three-percent reduction from the previous year.

Senator Green pointed out a \$150,000 finding increase from FY 02 to services for the chronic mentally ill.

Mr. Shill clarified that services for people who are employed and therefore do not qualify for Medicaid are the ones affected by the budget reductions. He listed contractors to the petroleum industry and fishing guides and commercial fishers as examples. He agreed that the chronically mentally ill and children have not been impacted.

Senator Green clarified the Senate Finance committee substitute provides more funding than the appropriation adopted by the House of Representatives.

Senator Ward requested written documentation from the witness on the impacts of the budget reductions.

DON ROBERTS JR. testified via teleconference from Kodiak that the proposed budget as well as SB 340 "make a mockery of what a democracy is or what at least a democracy ought to be: everybody contributing what they can." He asserted that the proposed budget is the result of the "well-to-do" attempting to maintain "their privileged status on the backs of the poor and disabled." He furthered that, "cutting equally is not the same as cutting fairly."

PAT HOLMES testified via teleconference from Kodiak in support of the Senate Majority's past efforts to reduce the budget. He opined, "you've kind of got things down to the bone" and that revenue increases should now be considered. He supported a State income tax, a head tax for school funding, and a "modest" sales tax.

EVERETT STONE testified via teleconference from Kodiak to protest the elimination of food sanitation inspection positions. He told of an outbreak of contamination at a local seafood processing plant. He warned that the elimination of this position would damage the seafood industry's reputation.

Senator Leman clarified the Senate Finance Committee proposal does not eliminate this position. He asserted the Senate agrees that sanitation is important.

DAVE JONES, Director of Finance, Kodiak School District testified via teleconference from Kodiak to thank the Committee for the increased funding for pupil transportation and learning opportunity grants. He cautioned, however, that the same funding is not "maintenance", as costs increase. He told of the difficulties in attracting quality teachers to the district.

PAT CARLSON, Manager, Kodiak Island Borough, testified via teleconference from Kodiak that he recognized the difficulties of the Committee in funding programs. He asserted the permanent fund was intended for "a rainy day" and encouraged the Committee to develop a fiscal plan, focusing on fee-based services. He supported an income tax as a method to offset the costs of education.

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Mr. Carlson commented that a population-based revenue stream is necessary to offset the cost of education.

CAROLYN FLOYD, Mayor, City of Kodiak, testified via teleconference

from Kodiak to address three items. She encouraged support of revenue sharing, warning that any reduction would harm the local government in that it would require additional local taxes. She supported legislation to expand community jails, describing the conditions of the old community jail located in Kodiak and its limited ability to address juvenile offenders. She also supported funding the Marine Highway System, asserting this is the highway for many coastal communities.

PAT BRANSON, Assembly Member, Executive Director, Senior Citizens of Kodiak, as well as a member of several non-profit organizations, testified via teleconference from Kodiak about her concerns about the quality of life in Alaska that would be reduced if programs were not fully funded. She spoke of the need for adequate food sanitation in the kitchen facilities utilized by the senior citizen organization.

Senator Leman reiterated that the Senate Finance committee substitute restored most of the necessary funding for food sanitation operations and would continue to restore necessary funds.

Ms. Branson then requested increased funding for the education foundation funding formula.

MIKE MILLIGAN testified via teleconference from Kodiak about increased health care costs as they relate to veterans, inmates and all state agencies. He asserted he does not have health insurance and that he depends on his permanent fund dividend to cover his health care expenses as well as to pay his property taxes. He supported new revenues and some budget reductions.

GABRIELLE LEDOUX, Mayor, Kodiak Island Borough, testified via teleconference from Kodiak to encourage the Committee to develop a long-term fiscal plan. She warned of the consequences to local communities if this is not done.

BETTY WALTERS, Superintendent, Kodiak Island School District, testified via teleconference from Kodiak to request the Committee consider the essential services across the State, primarily education.

CARL BERGER, Member, Bethel City Council, testified via teleconference from Bethel on his own behalf. He asked why only budget reductions are being considered, such as funding for State parks, public broadcasting, and international trade. He stressed that revenue sources must be considered. He asked the Senate Majority to participate in efforts to create a long-term fiscal

plan. He asserted that the State income tax should be reinstated.

BOB MEDINGER, University of Alaska graduate, Director, University of Alaska-Fairbanks, Kuskokwim Campus, testified via teleconference from Bethel that fully funding the University of Alaska would provide qualified workers for health care and other needed fields.

BING SANTAMOUR, Former Student, Alumni, Chair, Advisory Council, University of Alaska-Fairbanks, Kuskokwim Campus, testified via teleconference from Bethel about the importance of funding this facility. She stressed that an educated public should be considered.

ALEXANDRIA MORTENSON, Student, University of Alaska-Fairbanks, Kuskokwim Campus, testified via teleconference from Bethel in support of funding rural university campuses. She stressed that education provides tools to build stronger communities.

KEN ROBERSON, Vice-Chair, Copper River EMS Council, testified via teleconference from Glennallen about the EMS services the council provides and the area it covers. He stated the amount of funding has decreased over the last 15 years and has never increased. He remarked that this has resulted in the need to charge higher rates for services and to provide lower quality patient care.

DAVE LEMAIRE, Copper River EMS, testified via teleconference from Glennallen to reiterate the previous witness. He listed the revenue generated from the 911 tax and the increased equipment costs.

MARNIE GRAHAM testified via teleconference from Glennallen to address funding for public education. She asserted that Quality Schools initiatives and the No Child Left Behind Act are only as good as the funding to implement them. She told of the poor conditions of the school facility and informed that her salary in an education facility is lower than it was when she was hired despite incremental increases and pay raises, because they do not keep pace with inflation.

MARILYN MENISH MEUCCI testified via teleconference from Petersburg that the legislators are in Juneau for the benefit of Alaska. She asserted that the Legislature is reducing funding for "everything that helps our State function and be a place that people want to live in and raise a family." She stressed that legislators must become focused and develop a long-term fiscal plan. She opposed a sales tax because Petersburg has a local sales tax, and she supported an income tax.

BILL TREMBLEY, Member, City Council, testified via teleconference

from Petersburg that although the Legislature has met budget reductions, it is time to restore funding. He stated that it is time for an income tax. He compared the revenue generated by timber activities to the higher amounts generated by tourism. He did not support a statewide sales tax.

PAUL ANDERSON, President, Thomas Bay Power, and past candidate for State Senate, testified via teleconference from Petersburg that "it has been raining for the past seven years". He urged the Committee not hamper the future governor and administration. He stated that if the permanent fund must be utilized, it should be done.

MARLYS TEDIN, Member, State Parks Advisory Board, testified via teleconference from Sitka about the location of the State parks in the Sitka area along the road system. She stated these parks could not be closed and are heavily used by tourists and that the boat ramps are needed for search and rescue operations. She supported a state income tax.

SCOTT MCADAMS testified via teleconference from Sitka to express support for maintaining and expanding social service agencies. He stated these agencies provide important services as well as provide living wages to employees.

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JAN MACCLARENCE, Alaska Mental Health Board and Executive Director, Abused Women's Aid in Crisis, testified via teleconference from Anchorage on behalf of the mental health community and the Anchorage social services community. She detailed the services provided by these organizations and the consequences of funding reductions.

PETER MACKSEY, Community Schools testified via teleconference from Anchorage that he did not approve of the proposed funding reductions. He suggested reducing the budgets of the Alaska Science and Technology Foundation and the Alaska Industrial Development and Export Authority, offering land sales and reusing equipment in rural communities rather than purchasing new.

Co-Chair Donley commented that he related to the witness's concerns.

JOAN FISHER, Executive Director, Anchorage Health Center, testified via teleconference from Anchorage that she understood the difficulties in balancing the budget as she does that in her job as well as the people the organization serves do in their own lives.

RICH SEWELL, Board Member, Alumni Association, University of Alaska-Anchorage, testified via teleconference from Anchorage to support full funding. He appreciated the increased funding in the past several years after many years of "neglect". He informed of the number of alumni residing in Co-Chair Donley's election district.

CHERIE NORTHON, Professor, School of Engineering, University of Alaska-Anchorage, testified via teleconference from Anchorage about the need for an addition faculty position to allow students to obtain a certificate in the newly instituted Geographic Information Systems program in one year rather than two or more years.

SISTER MOREEN MCPORTLAND, Admissions Advocate, Catholic Social Services and Interim Director, St. Francis House, testified via teleconference from Anchorage and described the services the organization provides to allow recipients to take control of their lives. She stated that the volunteer coordinator position is funded through this grant and that the center employs three State employees with the remainder of the work conducted by volunteers.

SARA JACKSON, Manager, St. Francis House, Catholic Social Services, testified via teleconference from Anchorage that she appreciated the Committee has reinstated most funding for human services management grants.

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Ms. Jackson continued that she favors the establishment of a State income tax.

JOHN RILES, Physician Assistant, Anchorage Neighborhood Health Center, testified via teleconference from Anchorage in favor of full funding of Chronic and Acute Medical Assistance (CAMA) program. He listed the ailments the patients have who are served by this program and the importance of receiving medication.

PHILIP KAUFMAN, Social Worker, Division of Family and Youth Services, testified via teleconference from Anchorage to stress that the high caseloads harm children and told of the delays of providing the necessary services. He stressed the importance of treatment of children remaining in their homes, but pointed out that if counselors are unavailable, the child must be removed. He stated that funds would be better spent for these programs than for new trucks and equipment.

ROBIN KORNFELD, Board Member, Alaska Public Broadcasting, and Employee, NANA Regional Corporation, testified via teleconference from Anchorage about the job losses that budget reductions would have on public broadcasting.

MARK WOLBERS, University of Alaska-Anchorage, testified via teleconference from Anchorage that the University is beginning to meet its faculty needs. He cited the US News and World Report indicating that the University of Alaska-Anchorage employs 56 full time faculty positions, which he asserted is "embarrassing".

LEIGH CARRIGAN, mother of six, and Board Member, Infant Learning Program/Programs for Infants and Children, testified via teleconference from Anchorage about the federal funding that would be lost without an adequate state appropriation. She told of her son's hearing disabilities and the positive results of his participation in the programs.

TIM HUNTERBERGER, Faculty Member, University of Alaska-Anchorage testified via teleconference from Anchorage to request full funding of the University. He noted the House of Representatives approved funding at the previous year level, and that it has been suggested that flat funding is adequate. However, he stressed expenses have risen and that programs must be expanded.

KATHY HARRISON, Infant Learning Program/Programs for Infants and Children, testified via teleconference from Anchorage about the program and to urge the Committee to not approve the \$1 million reduction to the program as proposed. She warned that if the program becomes one based on income needs, federal funds would be lost. She stressed that providing these services while children are young would save money in the long term.

MERRILEE HARRELL, 1997 Honors Graduate, University of Alaska-Anchorage testified via teleconference from Anchorage that she has received her law degree and is practicing in Anchorage. She stated the State needs qualified workers such as engineers and even politicians. She stressed that when Alaskan students are sent Outside to be educated, money is sent out as well and that many former residents do not return.

EVA STANLEY, Disabled Alaskan, testified via teleconference from Anchorage that she would often go hungry if not for the programs provided by the Catholic Social Services.

GEORGE SMITH, Disabled Alaskan, testified via teleconference from Anchorage about his reliance on Catholic Social Services programs and the limited resources available through state-run programs.

JOELLE HALL, Alaskans for Tobacco Free Kids, testified via teleconference from Anchorage to thank the Legislature for creating the Tobacco Use Education and Cessation Fund. She reminded the Committee of the commitment to allocate 20 percent of Alaska's tobacco settlement income to this program. She asked this continue to occur. She spoke to the success and importance of tobacco cessation programs. She requested to be taxed on her income so she could deduct that amount from her federal income taxes.

ED EARNHART testified via teleconference from Anchorage that some legislators are "mean spirited" in attitudes toward the poor and those who are incarcerated. He suggested that instead the legislature should develop other revenue sources. He supported an income tax applied to high-income earners. He complained about longevity bonuses paid to wealthier older Alaskans.

LUKE SULLIVAN, 15 years old, Member, Alaska Cancer Society, Youth Coalition, testified via teleconference from Anchorage about the misperceptions of teenagers who smoke. He asserted these young people are not always from "bad families" and are poor.

BRITTNEY HUFF, Alaska Cancer Society, testified via teleconference from Anchorage to stress the peer pressure at her school to smoke. She requested that 20 percent of tobacco settlement funds be allocated to smoking cessation and prevention programs.

CHRISTINE STURGIS testified via teleconference from Anchorage that she works in the child protection field. She was encouraged that the proposed funding reductions are less than approved by the House of Representatives, but she urged that services could not be cut. She warned of the consequences.

MYRA CASEY, 22-year Anchorage Resident, testified via teleconference from Anchorage that she came to the State as a single parent and that her grown children are successful in part because she was able to receive many services. She stressed that many adults in the correction system were abused or neglected as children. She stated that society owes children the right to grow up in healthy environment.

TRAVIS ERICKSON testified via teleconference from Anchorage that he has been involved in child protection services for many years. He told of his view of social workers as a tired overworked woman with one arm tied behind her back making her best effort to assist children.

Senator Green stressed the Senate Finance committee substitute

includes funding for every social worker position as requested by the Governor as well as \$4 million more than the amount approved by the House of Representatives. She furthered that funding for family and youth services has increased \$4 since the previous year.

Mr. Erickson clarified that he acknowledged and appreciated that no funding reduction would be made to social worker positions and to the Balloon Project.

Senator Green and Mr. Erickson continued debating the matter of funding for family preservation and substance abuse treatment.

MARILYN BORELL testified via teleconference from Anchorage to encourage the Committee to fully fund the University of Alaska. She stated this is necessary for those students who could not afford to attend school out of State. She added those who could afford out of state tuitions also must be considered to entice them to attend college in Alaska.

PATRICK LUBY, American Association of Retired People (AARP), testified via teleconference from Anchorage to urge continued support of the food safety program in the Department of Environmental Conservation. He told of the food services provided for elderly residents, which must be inspected to qualify for federal funding.

Co-Chair Donley informed this item had been sufficiently funded. He noted that in all other states, food inspections is function of local governments and asked if witness agreed this should be done locally.

Mr. Luby stressed he is not an expert in the matter; however he surmised if the duties were transferred, the argument would be made that the State was placing an unfunded mandate on local governments.

ERICA JOSELY, Social Worker, testified via teleconference from Anchorage to thank the Committee for restoring funding for social workers. She was concerned with lack of a long-term fiscal plan and encouraged such a plan rather than continued budget reductions because they would affect children.

DON VALESKO, Business Manager, Public Employees Union, testified via teleconference from Anchorage that he is optimistic about the future of the State. He referenced several testifiers requesting that funding not be reduced for the programs they represent, yet also asserted they are willing to contribute to the State's operating expenses. He charged that the legislature must "get in tune with public's message" and develop a plan for economic

development.

STEVE BYE, Supervisor, Cook Inlet Tribal Council, welfare to work program, testified via teleconference from Anchorage about his involvement in the program. He stated the change of philosophy has reduced the caseload of public assistance counselors, but stressed further efforts are necessary. He told of the families still trying to find work, often complicated by addictions. He shared his concern regarding the elimination of the hold harmless provision of the permanent fund dividend program in meeting income qualifications for public assistance benefits.

Co-Chair Donley clarified that the permanent fund dividend is not constitutionally mandated.

EMILY NENON, American Cancer Society, testified via teleconference from Anchorage to thank legislature for creating the Tobacco Youth Education and Cessation fund. She asserted that tobacco use remains the number one cause of preventable death in Alaska.

EILEEN THOMPSON, 1994 Graduate, and Board Member, Alumni Association, University of Alaska-Anchorage, testified via teleconference from Anchorage to urge fully funding the University. She told of her two children who would attend the University of Alaska.

KAREN HODGE, "Mental Illness Consumer", testified via teleconference from Anchorage about her history in overcoming her illness.

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Ms. Hodge continued that the proposed funding level for the Alaska Mental Health Board would require the Board to hold one less meeting each year and she spoke to the importance to her of each meeting.

BONNY HEADLY, Head Start, University of Alaska-Anchorage, testified via teleconference from Anchorage to support education on "both ends of the spectrum" in both early development and secondary education. She told of the difficulties of teaching with limited resources.

TRACY ELLSWORTH, voter, testified via teleconference from Anchorage about brain research as it relates to early education. She told of the benefits of healthy environments for young children, giving examples of specific children.

ROCKEY PLOTNIK, Chair Elect, Alaska Tobacco Control Alliance, testified via teleconference from Anchorage about the statewide organization's comprehensive plan was budgeted at \$8.1 million. She stated that the 20 percent of tobacco settlement funds deposited to the Tobacco Use Education and Cessation Fund would be \$6.6 million. She urged the Committee maintain this level of funding.

BRENDA NEWBURN testified via teleconference from Anchorage about the relationship between children and parents. She noted parenthood does not come with a manual. She told of a bumper sticker "children are people too".

DAVE LANDERD, Lifelong Alaskan, and small business owner, testified via teleconference from Anchorage that he has "no ax to grind" as a social services representative. However, he asserted "I think what you're doing is just wrong." He stated he is willing to pay income taxes to support social services. He warned of the consequences of not providing these services expressing, "you're going to turn this State into the moral equivalent of a car up on blocks."

SUSAN TRAPP, testified via teleconference from Anchorage to warn if budget reductions are made to substance abuse treatment and mental health services the consequences would be realized in correctional and public safety aspects. She stated she had been arrested 83 times.

NANCY BUSHEY, director of a residential substance abuse treatment center, testified via teleconference from Anchorage about her concerns to reductions to substance abuse treatment programs.

JOHN PENDREY, treatment coordinator at the same residential substance abuse treatment center, and President, Alaska Chemical Dependency Counselors Association, testified via teleconference from Anchorage that chemical dependency is a family disease.

ELAINE DAHLGREN, Director, Volunteers of America, testified via teleconference from Anchorage that the organization provides substance abuse treatment to youth. She told of the trend of increased alcohol and drug dependency and warned that not treating addictions would only increase this trend.

Co-Chair Donley thanked the testifiers.

Senator Hoffman hoped the members would remember the testimony of the witnesses today when considering amendments to the committee substitute.

Senator Green reminded that the "simplest computations" on the increase to the Department of Health and Social Services budget is \$105 million, which she pointed out, is the amount of the budget of up to four other State agencies.

Co-Chair Donley noted the \$105 million for Department of Health and Social Services is required in a year with a projected \$850 million deficit. He stressed that the State budget in Alaska is 2.7 times the national average in per capita spending, which is almost twice the amount of the second highest state. He furthered that Alaska has the most "generous" entitlement spending.

Senator Hoffman understood but noted the budget increases are for entitlement programs in which the State has little control. He stated that other programs, such as substance abuse, where the State has control, must be funded because of the impact on families.

ADJOURNMENT

Co-Chair Dave Donley adjourned the meeting at 08:17 PM