

HOUSE FINANCE COMMITTEE
March 04, 2004
6:01 PM

TAPE HFC 04 - 45, Side A
TAPE HFC 04 - 45, Side B
TAPE HFC 04 - 46, Side A

CALL TO ORDER

Co-Chair Harris called the House Finance Committee meeting to order at 6:01 PM.

MEMBERS PRESENT

Representative John Harris, Co-Chair
Representative Bill Williams, Co-Chair
Representative Kevin Meyer, Vice-Chair
Representative Mike Chenault
Representative Eric Croft
Representative Hugh Fate
Representative Richard Foster
Representative Mike Hawker
Representative Reggie Joule
Representative Carl Moses
Representative Bill Stoltze

MEMBERS ABSENT

None

ALSO PRESENT

Representative David Guttenberg.

PRESENT VIA TELECONFERENCE

Carter Crawford, Arctic Alliance, Fairbanks; Cameron Leonard, Alaska Legal Services, Fairbanks; Brenda Stenfill, Interior Alaska Center for Non-violent Living, Fairbanks; Antonia Graffia, Fairbanks; Jeanette Grasto, Alaska Mental Health Board/ National Alliance for the Mentally Ill, Fairbanks; Joy Price, National Alliance for the Mentally Ill, Fairbanks; Greg Petrowich, KUAC, University of Alaska Fairbanks; Diane Darnall, Fair Air, Fairbanks; Marta Mueller, Fairbanks; H.B. Telling, Fairbanks; Jackie Bisbee, North Pole; Becky Snow, Fairbanks; Else Guttenberg, Fairbanks Native Association, Fairbanks; Luck Hopkins, Fairbanks; Gordon DePue, Fairbanks; Taber Rehbaum, Fairbanks; Ian Michael Herbert, Fairbanks; Elizabeth Olson, Fairbanks; v Karen Parr, Fairbanks; Ruthamae Karr, Fairbanks; Mary Calmes, Fairbanks; Tim Quintal, Fairbanks; Art Hansen, Fairbanks; Gerald Brown, Fairbanks; Jennifer House, Finance Director, Fairbanks Memorial Hospital,

Fairbanks; Julie Maier, Fairbanks; Nancy Baker, Fairbanks; Thomas Walker, Fairbanks; Marilyn Russell, Fairbanks; Philip Martin, Fairbanks; Sandra Trumboer, MADD; Lizanne Hanson, Fairbanks; Mike Prax, North Pole; Carrie Dershin; Scott Palder, Fairbanks.

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hb375

GENERAL SUBJECT(S):

HB 375-APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 377-APPROP:MENTAL HEALTH BUDGET

Public Testimony - Fairbanks

The following overview was taken in log note format. Tapes and handouts will be on file with the House Finance Committee through the 23rd Legislative Session, contact 465-2156. After the 23rd Legislative Session they will be available through the Legislative Library at 465-3808.

LOG	SPEAKER	DISCUSSION
	TAPE HFC 04 - 45 SIDE A	
000	Co-Chair Harris	Convened the House Finance Committee meeting to take statewide testimony on the operating budget from Fairbanks.
129	CARTER CRAWFORD, ARCTIC ALLIANCE, FAIRBANKS	Testified in support of funding for the community-matching block grants program.
508	Representative Hawker	Observed that community grants were zeroed in the Governor's FY04 budget and restored by the House to \$1 million. The grants remain at \$1 million in the FY05 budget.
650	CAMERON LEONARD, ALASKA LEGAL SERVICES, FAIRBANKS	Expressed concern with reductions to Alaska Legal Services, which was zeroed out in the current budget. This is the only legal service for low-income families.
856	BRENDA STENFILL, INTERIOR ALASKA CENTER FOR NON- VIOLENT LIVING, FAIRBANKS	Testified in support of funding for the domestic violence and sexual assault shelters.
1037	ANTONIA GRAFFIA, FAIRBANKS	Testified in support of funding for the domestic violence and sexual assault shelters.
1312	JEANETTE GRASTO, ALASKA MENTAL HEALTH BOARD/ NATIONAL ALLIANCE FOR THE MENTALLY ILL,	Testified in support of funding for community mental health programs. Voiced opposition to further cuts to the mental health budget. Voiced opposition to the cuts in Medicaid Services.

	FAIRBANKS	
1557	JOY PRICE, NATIONAL ALLIANCE FOR THE MENTALLY ILL, FAIRBANKS	Testified in support of funding for community mental health programs. Expressed concern with reductions to Alaska Legal Services, which was zeroed out in the current budget.
1809	GREG PETROWICH, KUAC, UNIVERSITY OF ALASKA FAIRBANKS	Voiced support for continuation of funding for the public broadcasting satellite infrastructure.
2011	Representative Fate	Would loss of the transponder affects medical services and village health aids.
2126	Mr. Petrowich	Could not respond, but observed that there are community health programs offered by the service.
2153	Representative Hawker	Questioned why the University did not pay for the service.
2313	Mr. Petrowich	Pays a portion of the cost, and brings in money through course work, but there are multiple use of four channels. He estimated that the users would not have sufficient funds to pay for the service.
2414	Mr. Petrowich	In response to a question by Representative Hawker, observed that the state leases space from a private provider. Public broadcasting provides services for free, not everyone in the state can afford the cost of cable.
2507	Representative Fate	Clarified that federal funds are used for the tele-medical services.
2615	DIANN DARNALL, FAIR AIR, FAIRBANKS	Voiced support for funding for tobacco prevention and cessation programs.
2759	Representative Hawker	Questioned if the tax on tobacco should be increased.
2822	Ms. Darnall	Stressed that the prevention of youth smoking would be enhanced by a tax increase.
2914	Representative Hawker	Observed that the \$1 million appropriation in the FY05 budget is at the full 20 percent funding level.
3023	MARTA MUELLER, FAIRBANKS	Voiced support for the University of Alaska. Noted support for additional revenue measures.
3210	Vice-Chair Meyer	Questioned if she supports the Percent of Market Value.
3321	Ms. Mueller	Expressed support for the POMV plan.
3401	H.B. TELLING, FAIRBANKS	Spoke in support of additional funding for education.
3446	JACKIE BISBEE, NORTH POLE	Testified in support of funding for Department of Labor and Workforce Development, vocational rehabilitation

		programs.
3603	BECKY SNOW, FAIRBANKS	Voiced opposition to the cuts in Medicaid Services. Spoke in support of additional funding for education. Noted support for additional revenue measures. Expressed support for the POMV plan. Expressed support for implementation of a statewide income tax. Testified in support of full funding for public broadcasting.
3902	ELSE GUTTENBERG, FAIRBANKS NATIVE ASSOCIATION, FAIRBANKS	Testified in support of the Alcohol Safety Action Program, Department of Health and Social Services (ASAP).
4230	Representative Hawker	Noted that the Department of Health and Social Services has proposed a cut off of the program for the youth ASAP program. He observed that the Subcommittee has restored a full six-month funding for the adult ASAP program.
4518	LUCK HOPKINS, FAIRBANKS	Spoke in support of the Governor's increments for the University.
		TAPE HFC 04 - 45, Side B
4544	GORDON DEPUE, FAIRBANKS	Noted support for an examination of PERS, which he feels is an unfunded liability. The average contribution is 16.5 percent, which is higher than the 11 percent average for the private sector.
3932	TABER REHBAUM, FAIRBANKS	Testified in support of funding for the community-matching block grants program. Expressed concern with reductions to Alaska Legal Services.
3640	IAN MICHAEL HERBERT, FAIRBANKS	Spoke in support of additional funding for education and the University. Expressed support for implementation of a statewide income tax and encouraged a tax to the oil companies.
3124	ELIZABETH OLSON, FAIRBANKS	Spoke in support of additional funding for education. Expressed support for implementation of a statewide income tax.
3018	Representative Chenault	Asked what cuts were made to education.
2940	Vice-Chair Meyer	Increased K-12 by \$8 million dollars. The Governor's budget funded the formula at full cost but enrollment is down so that amount has been cut. He guaranteed that the House Finance Committee would continue to look at greater funding for education.
2834	KAREN PARR, FAIRBANKS	Spoke in support of additional funding for education. She pointed out that if there continues to be teacher reduction, there will be a dismantling of important

		programs. Teachers will be leaving the State. It would take years to rebuild programs.
2438	Representative Chenault	Asked about the shortage of teachers in the Fairbanks area. He asked if Fairbanks funds to the cap. Ms. Parr thought it was funded close to the cap. Inflation has eaten up the buying power. Representative Chenault agreed that the State has not kept pace with the education needs.
2047	RUTHAMAE KARR, FAIRBANKS	Voiced support for funding for tobacco prevention and cessation programs. Expressed support for implementation of a statewide income tax.
1615	MARY CALMES, FAIRBANKS	Commented on ways to raise money to fund programs. Expressed support for implementation of a statewide income tax.
1454	TIM QUINTAL, FAIRBANKS	Expressed support for implementation of a statewide income tax and noted support for additional revenue measures so that support services and education can be fully funded. He added concerns with the PERS and TRS drain on the system.
1257	Representative Stoltze	Asked if there should be a moratorium on retirement incentive programs.
1229	Representative Fate	Asked about consideration given to income tax.
1158	Mr. Quintal	A graduated tax would be painless.
1140	ART HANSEN, FAIRBANKS	Testified in support of funding for community mental health programs. He added that there needs to be alternatives to the court system option. Keep the patients out of jail. Spoke in support of additional funding for education.
942	Representative Fate	Commented on jail & substance abuse concerns currently existing in the State prisons. He asked about the difference between alcohol and drug abuse.
843	Mr. Hansen	Did not know, however, other works in the Mental Health field testify that alcohol and abuse go together. Domestic abuse & child abuse go together.
754	Representative Fate	Voiced appreciation for all those coming out to testify for education from Fairbanks.
715	GERALD BROWN, FAIRBANKS	Commented on the role of government to the people in the State. Spoke in support of additional funding for education. Testified in support of funding for community mental health programs. Mr. Brown commented on how to

		fund these projects should come from income and expressed support for implementation of a statewide income tax and a statewide income tax. Permanent Fund should be used as a revolving loan fund. An endowment fund. Expressed support for the community matching grant program in the Department of Health and Social Services.
		TAPE HFC 04 - 46, Side A
013	JENNIFER HOUSE, FINANCE DIRECTOR, FAIRBANKS MEMORIAL HOSPITAL, FAIRBANKS	Voiced opposition to the cuts in Medicaid Services.
344	JULIE MAIER, FAIRBANKS	Spoke in support of additional funding for education. Expressed support for implementation of a statewide income tax.
704	NANCY BAKER, FAIRBANKS	Expressed support for implementation of a statewide income tax. Tax is not a penalty, but a privilege. Expressed support for the POMV plan if there is also an income tax.
1208	Representative Fate	Questioned if Ms. Baker supports a spending limit.
1234	Ms. Baker	Did not have an opinion on a spending limit. She observed that the lowest income individuals are suffering the worst effects of the reductions.
1342	Vice-Chair Meyer	Observed that an income tax would cost \$8 million a year to implement. The Percent of Market Value would not have a cost to implement.
1451	Ms. Baker	Spoke against implementation of a income tax.
1552	THOMAS WALKER, FAIRBANKS	Spoke in support of the Governor's increments for the University.
1726	MARILYN RUSSELL, FAIRBANKS	Spoke in support of additional funding for education. Expressed support for implementation of a statewide income tax and increased taxes on the oil industry.
2410	PHILIP MARTIN, FAIRBANKS	Spoke in support of additional funding for education. Noted support for additional revenue measures.
2654	LIZANNE HANSON, FAIRBANKS	Spoke in support of additional funding for education.
3011	MIKE PRAX, NORTH POLE	Spoke in support of reductions to the budget. He emphasized the people need to take responsibility for themselves.
3338	SANDRA TRUMBOER, MADD	Support of funding for women's shelters and alcohol and action programs.
3549	CARRIE DERSHIN	Support for the community matching block grants.

3942	Representative Foster	Recognized the wiliness of testifiers to pay for services. He observed the reduction of revenue to the state. The state's income has been reduced by approximately half of its funding since the 1980's. He observed the need for multiple revenue measures.
4139	SCOTT PALDER, FAIRBANKS	Testified in support of a citizen review of cases of children taken from their homes by Division of Family and Youth Services.
	<u>ADJOURNMENT</u>	The meeting was adjourned at 8:25 PM

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