

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

March 25, 2003
3:00 p.m.

MEMBERS PRESENT

Representative Peggy Wilson, Chair
Representative Carl Gatto, Vice Chair
Representative John Coghill
Representative Paul Seaton
Representative Sharon Cissna
Representative Mary Kapsner

MEMBERS ABSENT

Representative Kelly Wolf

COMMITTEE CALENDAR

HOUSE BILL NO. 165

"An Act relating to community schools; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 154

"An Act relating to admission to and advancement in public schools of children under school age; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 167

"An Act relating to grants for alcoholism and drug abuse programs; and providing for an effective date."

- HEARD AND HELD

PREVIOUS ACTION

BILL: HB 165

SHORT TITLE: COMMUNITY SCHOOLS

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page	Action
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03/05/03	0437	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0437	(H)	EDU, HES, FIN
03/05/03	0437	(H)	FN1: (EED)
03/05/03	0437	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/11/03		(H)	EDU AT 11:00 AM CAPITOL 124
03/11/03		(H)	Heard & Held
03/11/03		(H)	MINUTE(EDU)
03/13/03		(H)	EDU AT 11:00 AM CAPITOL 124
03/13/03		(H)	Moved Out of Committee
03/13/03		(H)	MINUTE(EDU)
03/14/03	0539	(H)	EDU RPT 5DP 2DNP
03/14/03	0539	(H)	DP: WOLF, SEATON, WILSON, COGHILL,
03/14/03	0539	(H)	GATTO; DNP: GARA, KAPSNER
03/14/03	0539	(H)	FN1: (EED)
03/18/03		(H)	HES AT 3:00 PM CAPITOL 106
03/18/03		(H)	<Bill Hearing Postponed>
03/25/03		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 154

SHORT TITLE: UNDER SCHOOL AGE STUDENTS

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0421	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0421	(H)	EDU, HES, FIN
03/05/03	0422	(H)	FN1: (EED)
03/05/03	0422	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/11/03		(H)	EDU AT 11:00 AM CAPITOL 124
03/11/03		(H)	Heard & Held
03/11/03		(H)	MINUTE(EDU)
03/13/03		(H)	EDU AT 11:00 AM CAPITOL 124
03/13/03		(H)	Moved CSHB 154(EDU) Out of Committee
03/13/03		(H)	MINUTE(EDU)
03/14/03	0538	(H)	EDU RPT CS(EDU) NT 4DP 2DNP 1NR
03/14/03	0538	(H)	DP: WILSON, COGHILL, SEATON, GATTO;
03/14/03	0538	(H)	DNP: GARA, KAPSNER; NR: WOLF
03/14/03	0538	(H)	FN1: (EED)
03/18/03		(H)	HES AT 3:00 PM CAPITOL 106
03/18/03		(H)	<Bill Hearing Postponed>
03/25/03		(H)	HES AT 3:00 PM CAPITOL 106

BILL: HB 167

SHORT TITLE:ALCOHOLISM AND DRUG ABUSE GRANTS

SPONSOR(S): RLS BY REQUEST OF THE GOVERNOR

Jrn-Date	Jrn-Page		Action
03/05/03	0439	(H)	READ THE FIRST TIME - REFERRALS
03/05/03	0439	(H)	HES, FIN
03/05/03	0439	(H)	FN1: (HSS); FN2: (HSS)
03/05/03	0439	(H)	FN3: (HSS); FN4: (HSS)
03/05/03	0439	(H)	GOVERNOR'S TRANSMITTAL LETTER
03/13/03		(H)	HES AT 3:00 PM CAPITOL 106
03/13/03		(H)	Scheduled But Not Heard
03/18/03		(H)	HES AT 3:00 PM CAPITOL 106
03/18/03		(H)	Heard & Held
03/18/03		(H)	MINUTE(HES)
03/25/03		(H)	HES AT 3:00 PM CAPITOL 106

WITNESS REGISTER

EDDY JEANS, Manager
School Finance and Facilities Section
Education Support Services
Department of Education and Early Development
Juneau, Alaska

POSITION STATEMENT: Testified in support of HB 165 and HB 154,
and answered questions from members.

MARY RASMUSSEN, Member
Sand Lake Community Schools Board and
Anchorage Community Education Association
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition
to HB 165.

REBECCA REICHLIN, President
Alaska Association for Community Education
Girdwood, Alaska

POSITION STATEMENT: Testified via teleconference in opposition
to HB 165.

ROSEMARY REEDER, Lead Coordinator
Soldotna Community schools
Soldotna, Alaska

POSITION STATEMENT: Testified in opposition to HB 165.

CURT LEDFORD, Director

Sitka Community schools
Sitka, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165 and answer questions from the members.

TIM STEELE, Vice President
Anchorage School Board
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

DEBBIE BOGART, Director
Community Education Program
Eagle River, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

LORENA SKONBERG
Alaska Native Health Board
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

BLYTHE CAMPBELL, Chairperson
Anchorage Community Education Association
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

JONATHAN GREEN, Instructor
Anchorage Community schools Program
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

LINDA WETHERBY, Coordinator
Rabbit Creek Community schools
Anchorage, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 165.

JOYCE KITKA, Volunteer
Alaska Association for Community Education
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 165.

MARY FRANCIS, Executive Director

Alaska Council of School Administrators
Juneau, Alaska

POSITION STATEMENT: Testified on HB 165 and HB 154, and answered questions from the members.

CARL ROSE, Executive Director
Association of Alaska School Boards
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 165 and HB 154, and responded to questions by the committee.

JOHN DAVIS, Superintendent
Bering Strait School District
Unalakleet, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 154.

KEVIN MURPHY, Acting Director
Gateway Center for Human Services;
President, Substance Abuse Directors Association
Ketchikan, Alaska

POSITION STATEMENT: Testified via teleconference in opposition to HB 167.

STEPHEN SUNDBY, Ph.D., Behavioral Health Director
Bartlett Memorial Hospital and Juneau Recovery Hospital
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 167 and responded to questions by the committee.

JANET MCCABE, Chair
Partners for Progress
Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to HB 167.

MARLA LIPPARD, Clinical Director
Gastineau Human Services
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 167.

JANET FORBES, Outpatient Coordinator
Gastineau Human Services
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 167.

ELMER LINDSTROM, Special Assistant to the Commissioner
Office of the Commissioner

Department of Health and Social Services
Juneau, Alaska

POSITION STATEMENT: Testified on HB 167 and answered questions from the members.

ERIN CRUZ, Correctional Programs Director
Gastineau Human Services
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to HB 167.

ACTION NARRATIVE

TAPE 03-27, SIDE A

Number 0001

CHAIR PEGGY WILSON called the House Health, Education and Social Services Standing Committee meeting to order at 3:00 p.m. Representatives Wilson, Gatto, Coghill, Seaton, and Cissna were present at the call to order. Representative Kapsner arrived as the meeting was in progress.

HB 165-COMMUNITY SCHOOLS

[Due to technical difficulties, the first few minutes of the meeting was not recorded. The first portion was reconstructed from the committee secretary's log notes.]

CHAIR WILSON announced that the first order of business would be HOUSE BILL NO. 165, "An Act relating to community schools; and providing for an effective date."

[Recording begins here.]

Number 0092

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development (EED), informed the committee that the community schools statute was adopted in 1975 and that the intent of that statute was to assist local school districts in establishing community schools programs. The community schools grant program is currently funded at \$500,000 a year. If the program was fully funded under its statutory entitlement, it would be funded at \$3.5 million. Therefore, its current funding is at about 12 percent.

MR. JEANS explained that the grant program was enacted to provide financial assistance to encourage and assist local

districts in establishing community schools programs. The department and the administration believe that the statute has fulfilled its need and intent, as all school districts are operating some form of a community schools program. He noted that he had provided a spreadsheet to the House Special Committee on Education showing how much money school districts are reporting as expenditures in community schools, and for many, the amount identified as expended equals the exact amount received in state grants. Therefore, Mr. Jeans said he believes that a portion of those programs are being recorded in the school operating fund under general operating expenses of the school district. He noted that the legislation does have a fiscal note and this is reflected in the governor's budget to eliminate the \$500,000 allocation.

Number 0258

REPRESENTATIVE CISSNA related that at the recent Anchorage caucus meeting she had specifically asked the superintendent of the Anchorage School District whether community schools supplemented school funding. The superintendent said that the Anchorage School District had found that the community schools program was enormously important in helping provide classes that could not otherwise be afforded for summer school or for the "No Child Left Behind" supplemental classes. Representative Cissna asked Mr. Jeans if the community schools program is used in other communities to supplement regular school districts' programs.

MR. JEANS pointed out that community schools programs charge user fees to use the facility and offer additional programs outside the school day. Some of the excess receipts generated by the program go back to support other educational programs. Mr. Jeans highlighted the importance of the legislation [creating the community schools program] which was intended to be seed money from the state to start having districts provide access to school facilities after school hours for community use and activities.

Number 0410

REPRESENTATIVE SEATON said his understanding is that HB 165 eliminates the funding from the state for community schools, although it does not eliminate any authority that communities or districts have for conducting community schools activities.

MR. JEANS responded that is correct. Under HB 165, school districts will still have the authority to rent the facilities after school hours and utilize the facilities for community activities. Mr. Jeans said the department would strongly encourage such use.

Number 0470

REPRESENTATIVE GATTO related his understanding that the amount schools will have to reduce their contribution for community schools will vary from 100 percent to 8 percent or so.

MR. JEANS pointed out that the schedule he provided to the House Special Committee on Education shows that the contribution will fall below 1 percent when comparing the amount of state grant funds with the total amount that the district has expended under this program. He reiterated that the districts reflecting 100 percent expenditure to the grant amount probably are not recording actual after-school activities in the community schools fund, but rather simply absorbing that in the school's operating fund. Mr. Jeans said that he does not know if any district will have to replace 100 percent because those services are being provided through some other means.

REPRESENTATIVE GATTO inquired as to the percentage increase needed to cover the \$500,000 reduction for an average school in Anchorage.

MR. JEANS replied that Anchorage receives approximately \$152,000 from the \$500,000, which represents about 12 percent of the total Anchorage spent on community schools in fiscal year 2002.

Number 0592

REPRESENTATIVE CISSNA pointed out that HB 165 repeals the school district's statutory authority to provide community schools programs. She questioned why the committee would want to repeal this law when it is already not being funded in the budget this year.

MR. JEANS said that the community schools program has been funded at \$500,000 a year for a number of years, although this year's budget does not include funding for it. The reason there is no funding for it in the budget this year is because the department is recommending the repeal of the statute, which is part of the fiscal note process. Furthermore, this is not the only statute giving school districts the authority to utilize

their school facilities for after-school activities. He noted that there has been some discussion with regard to leaving some language in the statutes that would encourage continued community use of public school facilities after school hours. The majority of the funding that is being obtained is through user fees, not through the grant program.

Number 0726

CHAIR WILSON related that in her discussions with superintendents across the state, one superintendent said this program was one that would continue regardless of the state's funding.

REPRESENTATIVE SEATON asked if Mr. Jeans had been contacted by any districts that have indicated that they would have to abandon the community schools program.

MR. JEANS replied no.

Number 0819

MARY RASMUSSEN, Member, Sand Lake Community schools Board and Anchorage Community Education Association, testified via teleconference in opposition to HB 165. She requested that this statute not be repealed and that it be funded at the \$500,000 level. With regard to Mr. Jeans and the governor's belief that the [current] level of funding for the program does little on a statewide basis, Ms. Rasmussen agreed. Ms. Rasmussen said that the community schools program provides the state "a big bang for its buck." The amount of money going to the schools enables thousands of volunteers to pursue the mission of community schools.

MS. RASMUSSEN strongly disagreed with the statement that this program has fulfilled its intended purpose. However, she interpreted the legislation [creating community schools] to provide funding for initial development, implementation, and operation of community schools programs. She pointed out that operation is an ongoing process and she hoped that it would continue to be funded. Ms. Rasmussen emphasized the need for some base funding in order to continue the community schools programs. However, she acknowledged that the programs are not required to be funded during times in which there is not enough money. Then the grants should be prioritized. She urged the committee not to remove the statutes that acknowledge community schools. This is a time when the children need to work on exit

exams because [those graduating in] the year 2004 will be the first group required to pass the exit exams.

Number 0999

REBECCA REICHLIN, President, Alaska Association for Community Education, testified via teleconference in opposition to HB 165. She urged the committee not to repeal the community schools grant program. She pointed out that each school district receives state grant money to support its community schools program. These monies validate programs and provide leverage to seek grants and matching funds from cities and municipalities. The state funding enables the creation of a statewide network of activity. With regard to whether community schools programs are a "need" or a "want," Ms. Reichlin related that she recently spoke with the coordinator of the community schools program in the Matanuska-Susitna Borough, which receives \$47,000 in state grant funds. Those funds allowed the program to offer swim lessons, driver's education, GED [general equivalency diploma] classes, pre-school classes, and computer classes, seventy-seven activities for 1,200 youth, 700 adults, and another 2,000 contact hours. The coordinator had related to Ms. Reichlin that if this program is not funded next year, it will not be in existence. In summary, Ms. Reichlin said that the community schools program is clearly vital to the growth and development of Alaska's citizens. Lifelong learners engaged in healthy activities in a safe environment raise the quality of everyone's life. She asked members to please be proactive and strengthen the community schools network in our communities, not tear it down.

Number 1127

ROSEMARY REEDER, Lead Coordinator, Soldotna Community schools, informed the committee that Soldotna has no recreation center, no teen center, and no museum. There is only a small community library. Therefore, the Soldotna Community schools program feels that it provides the cultural, academic, and recreational opportunities for children as well as adults. With regard to the earlier question as to whether the community schools program provides any supplement to the regular school day, Ms. Reeder said she believes that is the case. She noted that the community schools program provides summer programs and enrichment programs. For example, the funds generated from the fees for men's adult basketball are used to purchase most of the balls for the middle school. The money received from the state has been used to leverage other funds. Ms. Reeder pointed out

that "the folks that the legislature thinks might help us" if this program is cut are "folks that have already cut us." The school district does not provide any funding for the community schools program. She urged the committee not to cut the community schools program.

Number 1218

CURT LEDFORD, Director, Sitka Community schools, testified via teleconference in opposition to HB 165. He pointed out that the community schools program is not merely about usage of buildings and open gyms, the program provides after school activities for over half of the children in the Sitka School District; as well as, tutoring, language classes, independent studies, et cetera. He told the committee that currently there are a group of students using their spring break to build a house for Habitat for Humanity. The \$5,000 in funding helps support a wide variety of programs. Although many of the programs are kept going with volunteers from AmeriCorps and Vista, these volunteers cost money. There has been talk of raising fees. He echoed earlier testimony that adults' activities subsidize some of the programs. If this bill passes, and these cuts take place, there will be more hardship for other people. Mr. Ledford informed the committee that the community schools program gave over \$20,000 in scholarships to children who wouldn't have otherwise been able to have swimming lessons, French lessons, et cetera.

Number 1366

TIM STEELE, Vice President, Anchorage School Board, testified via teleconference in opposition to HB 165. He noted his strong support of community schools. Anchorage has a fairly large community schools program, with something on the order of 53,000 participants in 2001-2002. The state provided \$152,000 in funding. Mr. Steele pointed out that the community schools program provides additional help to students as well as bringing communities into the schools. He told the committee that if these cuts are made, the program will be unstable because the Anchorage School District considers the program marginal and not directly the Kindergarten through 12th grade (K-12) educational responsibility. Just this year, three community schools coordinators were added back due to additional funding that was received in the last budget. Since the Anchorage School District faces about \$11 million in cuts this year, Mr. Steele said she fears that this program is at risk with regard to the school district's support to make up what the state does not

provide. Mr. Steele urged the committee to not cut the funding or the enabling legislation.

Number 1484

DEBBIE BOGART, Director, Community Education Program, testified via teleconference in opposition to HB 165. She requested the committee's help in not repealing the community schools program statutes. Eliminating funding would be devastating, even to the Anchorage School District. The Community Education Program in Anchorage is an integral part of the Anchorage School District. The Community Education Program provides tutorial-enriched academic programs, and continuing education for adults; it also provides a safe neighborhood after school, in the summers, and in the evenings. She informed the committee that this past year there were over 19,000 students involved in the K-12 enrichment program. Over 1,500 students were involved in after-school academic activities. Ms. Bogart concluded by urging the committee to continue to support community education. Without state funding, the partnerships that the program has developed will be at risk.

Number 1601

LORENA SKONBERG, Alaska Native Health Board (ANHB), testified via teleconference in opposition to HB 165. She informed the committee that she is sitting in for Trudy Anderson, who had planned to speak. Ms. Skonberg said the Alaska Native Health Board passed a resolution in opposition to HB 165, which she read for the record:

Whereas the Alaska Native Health Board is a nonprofit organization established in 1968 for the purpose of promoting the spiritual, physical, mental, social, and cultural well-being, and pride of Alaska Native people;

Whereas the ANHB is a legally established statewide organization representing Alaska Natives on public health policy issues;

Whereas the ANHB membership consists of tribes and tribal organizations throughout Alaska;

Whereas House Bill 165 is an Act relating to community schools;

Whereas the Act eliminates the community schools program for children which include after school programs;

Whereas this will lead to more latchkey children in Alaska;

Whereas HB 165 would provide undue hardship on Alaskan families;

Now therefore be it resolved that the Alaska Native Health Board strongly and publicly opposed House Bill 165.

Number 1634

BLYTHE CAMPBELL, Chairperson, Anchorage Community Education Association, testified via teleconference in opposition to HB 165. She informed the committee that the Anchorage Community Education Association represents the community schools that now operate in Anchorage. Ms. Campbell strongly urged the committee not to pass HB 165. The association could not see any reason to abolish this wonderful program from the statutes, she said. Ms. Campbell pointed out that all programs involve volunteers, do good work throughout the state, and need a balanced source of funding and multiple sources of funding. The state funding is very important and allows matches with other funds, and thus eliminating the state funding will result in the program's suffering. Ms. Campbell informed the committee that she has been with the program for nearly 20 years and that lots of programs have been closed in Anchorage. The funding the state provides through this grant supports about two-and-a-half community schools in Anchorage. With other cuts the school district is facing, Ms. Campbell said she feels that this program is in serious jeopardy. Therefore, she urged the committee not to abolish the statutes that specify that community schools are a good thing.

CHAIR WILSON reminded everyone that the statute being repealed in HB 165 is not the total reference to the community schools program and that the program can continue.

Number 1729

JONATHAN GREEN, Instructor, Anchorage Community schools Program, testified via teleconference in opposition to HB 165. He informed the committee that he has taught photography classes in

the Anchorage Community schools Program for the past six years. He told the committee what a great experience it has been in doing this class. Furthermore, he was not sure where the public would go to learn to operate photography equipment. Mr. Green related his understanding that this program is being cut before considering the possibility of raising fees. Mr. Green urged the committee to keep the program going.

Number 1790

LINDA WETHERBY, Coordinator, Rabbit Creek Community schools, testified via teleconference in opposition to HB 165. She informed the committee that the Rabbit Creek Community schools has a pre-school program, a childcare program, and a Spanish program, as well as evening classes. All of the community schools programs are diverse and serve the communities in a variety of creative ways. She expressed concern that if the needs of community schools programs were diminished by the legislature, she would not want the school district to respond similarly. She viewed the community schools program as a good purveyor of education by helping children and families, especially with respect to the No Child Left Behind Act.

Number 1888

JOYCE KITKA, Volunteer, Alaska Association for Community Education, testified in opposition to HB 165. She told the committee she strongly disagrees and resents the implication that school districts are using this money to supplement their school districts' programs. Ms. Kitka said she would provide the committee with copies of the state reports that are submitted. Very few reports will include open gyms, and while it is a part of the program, it is not a part of the program that is a priority. She said she knows Mr. Jeans is a participant in the local community schools program that offers open gyms, but it is not the only thing community schools does. She said community schools need the money as seed money. Last year community schools had over 20,000 volunteers that recorded over 200,000 hours in volunteer time. She reported that the National Association for Partners in Education (NAP) said the value of a volunteer hour is \$15.62. If the committee multiplies the number of volunteer hours that community schools provides before, during, and after school, and on weekends, the members would find community schools brought in \$3,304,427 worth of services. Ms. Kitka said the \$500,000 of seed money given by the state is money well spent. Not all the volunteers will go away, but a big part of them will.

Number 1974

MARY FRANCES, Executive Director, Alaska Council of School Administrators, testified in opposition to HB 165. She pointed out that this is an example of a funded mandate that over time has been seriously underfunded. The portion of the \$500,000 in state funding for a particular district that she used to run, which was Petersburg, was \$2,000. It is safe to say that the program will not die with that \$2,000 going away, but as an administrator and as a person who represents administrators, she said she asks that the legislature not make mandates and then have them underfunded or seriously defunded over time so that it brings the program to its knees.

Number 2016

CARL ROSE, Executive Director, Association of Alaska School Boards (AASB), testified in opposition to HB 165 and responded to questions by the committee. He said that in talking about community schools it is important to remember that schools are the center of communities. He told the members that AASB has a resolution in support of full funding of community schools. Every dollar that is reduced from the funding of schools, one way or the other, comes out of the foundation formula.

MR. ROSE said the argument that these funds are seed money is a familiar argument in education. There are a number of things that were given seed money to provide a program, and as the programs start to take root, the money goes away. It places an increased burden on schools. A number of people across the state are dependent on many of the programs that are provided. He told the committee he thinks the partnership that exists with the legislature to at least fund those things that are valued is important. He said he knows most of the committee values community schools because he has heard them say so, and he hopes the committee will maintain that level of support and commitment.

Number 2067

REPRESENTATIVE GATTO asked, if the funds were relabeled from seed money to grant money, whether it would make a difference.

Number 2079

MR. ROSE responded that schools get a lot of money from peripheral areas such as pupil transportation and LOGs [Learning Opportunity Grants]. If those monies go away, it is an increased burden on the foundation formula. He told the committee he was very surprised this fall when he realized a number of people who talk about the foundation formula did not understand that the foundation formula is there to provide for facilities, heat, lights, and all the peripheral costs, and not just instruction in the classroom. This is a larger discussion; when there is talk about funding for education, all of the education dollars are leveraged, and there is great demand placed on schools with the No Child Left Behind Act and the Quality Schools Initiative. He told the committee school boards want to do the right thing and want to do a good job, but this could be the "death of a thousand cuts."

Number 2109

REPRESENTATIVE CISSNA told the committee that she has put together community schools programs, and has for many years rented space in the schools for various community meetings. It did not seem to be the same program and she did not go through the same people to do it. Representative Cissna said the schools can continue to rent out space, but that is really different from the community schools program. She asked Mr. Rose if these two functions are part of the same program.

Number 2137

MR. ROSE replied that he is not qualified to comment on each individual district's programs.

Number 2164

MR. SWEENEY told the committee that he wanted to clarify an earlier statement that there are other references to community schools in state statute; he said that is not the case. There are references to schools' being able to use the facilities outside of the normal school day. He reiterated that the statutes in this bill are the only references to community schools. He told the committee if there is concern that community schools would go away by removing these statutes, he believes there is a way that community schools could stay in statute, but still eliminate the \$500,000 in grants.

Number 2197

CHAIR WILSON commented that in talking with administrators at the schools, she was assured that community schools would not go away if they did not receive these funds; however, there will have to be some effort to make up for the funds in some other way. Chair Wilson said she wants to be sure school districts can still run community schools without a problem.

Number 2208

MR. SWEENEY replied that there would not be a problem for the schools to continue offering community schools programs. He said the department agrees with Chair Wilson that the elimination of the grants would not mean the elimination of community schools statewide. Mr. Sweeney said eliminating the language about community schools means that there is no other reference to them in statute. However, he reiterated that this would not impact the schools' authority to run community schools programs.

Number 2225

REPRESENTATIVE SEATON told the committee that he is concerned about the elimination of the statute because it is a concern expressed in testimony before the committee and something he heard when he was back in his district. He said he would like to see the bill modified so that there is still reference in statute that says the legislature supports community schools, even though the legislature is not funding them. He asked Mr. Sweeney if he thinks this is something that could be done easily or if it would require another hearing before the committee.

Number 2254

MR. SWEENEY replied that he could not speak to that change without talking with the governor's office. He said he believes there is an easy way to tweak the first section of the bill to show that the state still encourages school districts to utilize their facilities as an extension of the school day for community schools programs. Passing this bill would eliminate the idea of having community schools grants, which he said the governor believes has fulfilled its service, since now every district does have community schools programs up and running.

Number 2269

REPRESENTATIVE COGHILL suggested that a precedent has been set for use of facilities in the districts. He said he does not

believe it is necessary to add language in support of community schools unless it is the intent of the legislature to provide funding. This bill would not forbid school districts from continuing the practice of charging for opening the buildings or allowing an administrator to use the buildings for a variety of programs.

Number 2294

CHAIR WILSON said that she wants the committee to be comfortable with the language, but agrees with Representative Coghill that there is nothing in the bill that prevents school districts from continuing their community schools programs. Chair Wilson said she is comfortable with the bill.

Number 2309

REPRESENTATIVE CISSNA told the committee she is not comfortable with the bill because it does not talk about funds, but talks about repealing sections of statute. She asked how the bill could be tweaked if the bill actually repeals eight sections of statute. Representative Cissna said running community schools programs is different from renting space. When renting space it is just a question of filling out a form, but with community schools programs there are many differences. She cited the examples of advertising classes, and having many people coming into the school at night. The whole school is alive at night. She said this is very different.

Number 2351

CHAIR WILSON repeated her earlier statement concerning her conversations with several superintendents of schools and that none of them mentioned that they were concerned that these services would disappear.

Number 2363

REPRESENTATIVE SEATON commented that he agrees with Chair Wilson that the superintendents who are in place right now have a structure that they are working with and that when reference in statute goes away, those superintendents will continue the programs. He said his concern is that the legislature is setting state policy in place for all future superintendents that have not been involved in this system and have not grown up with this. So the fact that the legislature does not have any

mention or encouragement for the continuation of community schools programs is an important point.

TAPE 03-27, SIDE B

Number 2380

REPRESENTATIVE SEATON said he understands that the governor's intent is to eliminate the funding. The legislature is setting the policy for all future superintendents who may come from outside this state and may not be familiar with community schools. Representative Seaton said he sees this as a system policy, and would like to see the committee work with the Department of Education and Early Development to accomplish their goal and the legislature's as well.

Number 2357

CHAIR WILSON announced that no further action would be taken on HB 165 until Thursday's meeting [April 3, 2003].

[HB 165 was held over.]

HB 154-UNDER SCHOOL AGE STUDENTS

Number 2337

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 154, "An Act relating to admission to and advancement in public schools of children under school age; and providing for an effective date."

Number 2318

EDDY JEANS, Manager, School Finance and Facilities Section, Education Support Services, Department of Education and Early Development, testified in support of HB 154 and answered questions from the members. He told the committee the Department of Education and Early Development and Governor Murkowski have requested that the committee hear this bill because it has come to the department's attention over the last couple of years that there are a number of school districts in the state that are enrolling basically all four-year-olds in their communities into what is called a two-year kindergarten program. The department has discouraged districts from entering into this practice. The statute does have a loophole in it that allows districts to provide early entry of under-school-aged students if they are ready for the program that is being

offered. That is where the department runs into problems because the program offered has broad language that leaves it wide open for districts to interpret the language the way they like. The department is not looking at this as a mechanism to keep the four-year-old that is an exceptional child out of public schools early. This is simply a way to provide direction to all school districts that the intent of this legislation was not to enroll all four-year-olds. The districts that are practicing this are getting 14 years of funding as opposed to 13 years of funding through the foundation program. Mr. Jeans said there is a fiscal note that shows a \$3.9 million savings to the foundation program.

Number 2231

JOHN DAVIS, Superintendent, Bering Strait School District, testified via teleconference in opposition to HB 154. He said Governor Murkowski has proposed several reductions in education funding in an effort to control state expenditures in line with revenues, and HB 154 is one of them. He asked why any reasonable person would object to the needed sacrifice to accomplish this goal. Mr. Davis said his concern is twofold. The cost of the bill when saving money is in the short term. This is about providing services to a group of children who are the most vulnerable and the most educationally needy. He said the reduction of funding for the program will not create the \$3.9 million savings represented. He contended that the bill will cost his district and the state additional funds, remedial services, and other special services to help a segment of the student population that needs all the help it can get. Second, the students most impacted by this bill are not large in number and do not hold sway as many others do with other concerns. He asked the committee not to ask more of these children than would be asked of others. Early childhood education is clearly one of the best investments in a child's education.

CHAIR WILSON asked Mr. Jeans how much more it would cost the state if every school started having two-year kindergarten.

Number 2175

MR. JEANS replied that the department has estimated that it would cost approximately \$60 million to the foundation program if all four-year-olds in the state were enrolled in public schools. The other piece of this equation that the committee needs to be aware of is that any students that the state provides funding for through the foundation program

automatically become eligible for space under the school construction guidelines. In other words, the state would have to build bigger schools to serve a larger population. He said it is not just the foundation program that is being addressed; it is the foundation program as well as school construction.

Number 2138

CARL ROSE, Executive Director, Association of Alaska School Boards, testified in opposition to HB 154 and responded to questions by the committee. He told the committee he agrees with the comments the members just heard from Superintendent Davis. There is an inconsistency that the committee is looking at here. In 1998 the legislature passed the High School Graduation Qualifying Exam (HSGQE) and it was recognized by everyone then that it was the wrong end to start. That recognition of the problem started the movement towards benchmark examinations. What was determined after looking at the benchmark scores was that the most critical benchmark was the third grade because it was apparent to many that the kids who were not on step by the first benchmark would not be able to take advantage of the stronger curriculum that was going to be offered. This had brought in the discussion of a preparation gap. That preparation gap is children who come to school, some of the most needy that Superintendent Davis was talking about, who do not have a grasp of numbers, letters, or colors. Some of these students are going to be placed in a situation at some point in time where they will be measured up to standards, and if they do not have the tools they need by the time they hit the third-grade benchmark, they will be at risk.

MR. ROSE said that he was looking at statistics that come off a web site that show in the large urban areas in terms of reading, writing, and math, there is 75 percent proficiency in reading, 87 percent proficiency in writing, and 67 percent proficiency in math. He contrasted that with large Western and Interior REAAs [Rural Education Attendance Areas], and large Western single-site schools where the numbers drop off dramatically, from 75 percent in reading to 24, 22, and 10 percent proficiency; in writing from 87 percent to 56, 49, and 47 percent proficiency; and in math from 67 percent to 30, 37, and 20 percent proficiency.

Number 2016

MR. ROSE said the data is clear that the people who are availing themselves of this particular program are the kids who need it

most. That is the inconsistency where the state has placed an emphasis on student standards and benchmarks, and even retitled the department of education to the Department of Education and Early Development. He asked where the emphasis on early development is. He said he agrees that there are other ways in some communities to provide early development, but in communities where proficiency is low, the only place these children can go is the public school system. Mr. Rose asked in talking about inconsistency and the preparation gap to make sure kids are prepared to take advantage of the rich curriculum the state will be offering them. He questioned how to deal with this in areas that do not have the ability to do it for themselves. It is a policy call that he hopes the committee will look at that is not just about saving money or of having a fear that every school district will avail itself by enrolling all four-year-olds. Mr. Rose said he believes this is an opportunity for those kids who need enrichment to get it, and he hopes that more emphasis will be placed on early development.

Number 1982

CHAIR WILSON commented that this is a policy call. Do the members believe the state should be offering a two-year kindergarten program or not?

REPRESENTATIVE SEATON asked if Mr. Rose is suggesting that the state limit the two-year kindergarten to rural districts and prohibit the urban districts from having the same sorts of funding.

Number 1959

MR. ROSE responded that is not what he is suggesting. He clarified his comments by saying that some kids can avail themselves of programs and have an opportunity to receive the kind of enrichment they need, while other kids do not. As a system, even through the foundation formula, the state tries to account for that through the factoring that is done. He said he is not suggesting that the state have two years of kindergarten as a policy call. The question is how the kids whom need it most can get the kind of assistance and enrichment they need. That is the policy question that needs to be addressed.

Number 1937

REPRESENTATIVE CISSNA commented that many parents do not want their children to leave for school at an early age. This would

not require two years of kindergarten; it only says they could attend.

REPRESENTATIVE SEATON commented that many districts, including urban districts and his district on the Kenai Peninsula, are going through severe cuts because of a drop in student population. If the two-year kindergarten program is available, he said he is sure the Kenai Peninsula School District will encourage everyone that it can possibly get to take advantage of the program because it is a full-time equivalent for another segment of students. Representative Seaton said that it would not be necessary to build new schools; in fact, there are plenty of rooms in the existing schools. But there would definitely be a need for funds for more teachers.

Number 1865

REPRESENTATIVE COGHILL asked Mr. Jeans, if this bill passes, whether youngsters who demonstrate the ability to progress through the grade levels would be able to enroll.

MR. JEANS responded that he is correct.

REPRESENTATIVE COGHILL asked if he is correct in assuming there is some discretionary measure with the districts on enrollment policy.

Number 1850

MR. JEANS responded that he is correct.

REPRESENTATIVE COGHILL commented that this bill would not be kicking kindergarteners out of school, but narrowing the scope.

MR. JEANS said he has made an effort to be very clear that this bill is not intended to prohibit the exceptional four-year-old from enrolling in kindergarten with the expectation that the child will advance to the first grade in the next year. This simply addresses an issue that the department has become aware of since collecting student-level data from all school districts. Some districts appear to be enrolling all four-year-olds in their public schools and holding them at the kindergarten level for a two-year period.

Number 1778

MARY FRANCIS, Executive Director, Alaska Council of School Administrators, testified on HB 154. She pointed out that exceptional children, both gifted and with special needs, do have access to early participation in school programs. That is mandated by law.

CHAIR WILSON clarified that with or without this bill, exceptional children on both ends of the scale will be served.

MS. FRANCIS replied that is correct. She said there is an appropriate screening device, which is part of the law. School administrators developed a psychological test that students are required to take for exceptionality that shows their preparation for kindergarten, with the total expectation that they were fully able to meet the kindergarten expectation and not spend two years at that level.

CHAIR WILSON announced that the committee would take a brief at-ease at 4:15 p.m. The committee reconvened at 4:18 p.m.

Number 1718

CHAIR WILSON announced that HB 154 would be held over.

HB 167-ALCOHOLISM AND DRUG ABUSE GRANTS

Number 1699

CHAIR WILSON announced that the next order of business would be HOUSE BILL NO. 167, "An Act relating to grants for alcoholism and drug abuse programs; and providing for an effective date." Chair Wilson stated that this is the third hearing for this bill and there are individuals on line that did not have time to speak to the bill in previous hearings.

CHAIR WILSON noted for the record that Representative Kapsner has joined the meeting.

Number 1616

KEVIN MURPHY, Acting Director, Gateway Center for Human Services in Ketchikan; President, Substance Abuse Directors Association, testified via teleconference on HB 167. He said he believes this is an important bill because of the tremendous impact on programs that will be required to raise the cash match across the state. Many programs are already facing waiting lists. He told the committee that 70 percent of people that need treatment

either do not get it or cannot afford it, and the programs serve many of these people. To ask the programs to go back to their communities to pay for an additional 15 percent at this time is really difficult. Mr. Murphy asked the committee to look at an increase of 12.5 percent off the 10 percent match. The programs could at least trim budgets, and the small programs could live with that and not face having to cut services or kill programs. He thanked the committee for their time and asked for consideration of an alternative position to the 25 percent reduction.

Number 1532

CHAIR WILSON agreed that HB 167 will implement a 25 percent reduction in the grant funding for alcohol and drug abuse programs, and that while these programs are not funded 100 percent by grant funds, the reduction will have an impact on the programs.

Number 1504

STEPHEN SUNDBY, Ph.D., Behavioral Health Director, Bartlett Memorial Hospital and Juneau Recovery Hospital, testified in opposition to HB 167 and answered questions from the members. He said he agrees with Mr. Murphy on the impact of these reductions. There have not been increases in funding in over 10 years, so the communities have had to pick up the slack. He told the committee that the Juneau community well overmatches the 25 percent, so they interpret this as a 15 percent reduction in their grant. What that means is that the hospital will take an \$84,000 cut. Currently, the hospital receives a little over \$560,000. With that reduction, including benefits, that is a loss of a counselor. So services are going to be reduced if this passes. He asked that the bill not be passed as is because it will reduce services.

Number 1453

CHAIR WILSON asked Dr. Sundby what the full budget is for the Juneau Recovery Hospital.

DR. SUNDBY told the committee that the full budget is \$2.8 million. He said it receives \$560,000 from AIDEA [Alaska Industrial Development and Export Authority]. So Juneau Recovery Hospital has met the 25 percent match for years. He commented that what he believes he hears is that this bill will

reduce AIDEA's budget for grants. So what AIDEA will have to do is reduce the grant dollars somewhere.

CHAIR WILSON inquired if that means this hospital will take a 15 percent reduction.

DR. SUNDBY replied that is correct; it will be a 15 percent reduction. He said the way he understands the bill is that the in-kind reimbursement will go from 10 to 25 percent, so it would be a 15 percent cut in the grants that will have to be made up by the communities.

REPRESENTATIVE SEATON said he wants to clarify how the numbers work with this bill. He said if a community is already matching over 25 percent, which is what this bill would accomplish, the grant amount would actually get decreased as if there were a match. Even though the hospital is already matching that amount, the hospital will not get the same grant previously obtained.

DR. SUNDBY responded that is correct. Even if AIDEA were to keep the Juneau Recovery Hospital at the same grant amount, the money would have to be made up somewhere else.

Number 1360

REPRESENTATIVE KAPSNER asked how this reduction will impact people. If the program loses one counselor, how many people will be impacted by that loss? Are some of these people Title 47 individuals in treatment? What does this reduction mean to a waitlist for families and jobs?

DR. SUNDBY replied that the outpatient counselors are carrying a caseload of just under 30. If the program were to lose a counselor, that means there are 30 people, just at this moment, that would not be receiving treatment. So these individuals would have to be waitlisted. If those individuals were in treatment for six months, the reduction would impact 60 individuals per year at the barest minimum who would have to be waitlisted.

Number 1315

REPRESENTATIVE KAPSNER asked what it means when an individual has to be waitlisted.

DR. SUNDBY responded that it means the individual is placed on a list and as soon as someone comes off of treatment and there is a slot open, then the individual begins treatment.

REPRESENTATIVE KAPSNER asked if people who are on waitlists typically keep on abusing substances until they begin treatment.

DR. SUNDBY said that is correct.

REPRESENTATIVE KAPSNER commented that these individuals do not just wait until there is room for them in the program.

DR. SUNDBY replied that if they can wait, then these individuals probably would not need the treatment.

CHAIR WILSON asked if there is a waitlist right now.

DR. SUNDBY said that for many programs there are waitlists, but for the Juneau Recovery Hospital there is no waitlist currently. If someone needs treatment today, the hospital can have him or her assessed within a week and into treatment right away. If the hospital were to lose a counselor, then that would put a bigger load on the counselors there, and it is a contributing factor in the turnover rate. The more asked of counselors, the more the stress level goes up, and the more likely the hospital will lose staff. This is a major issue for all of the treatment providers.

REPRESENTATIVE KAPSNER asked Dr. Sundby if the 60 people per year he mentioned are only for the Juneau Recovery Hospital, not statewide.

DR. SUNDBY responded that is not statewide. He clarified that the number he provided is a conservative estimate for the Juneau Recovery Hospital.

Number 1227

REPRESENTATIVE CISSNA commented that if an individual who is on the waitlist begins or continues to drink, in order for the treatment to be successful the individual must be sober.

DR. SUNDBY told the members that it is essential to strike when the individual is willing to come into treatment. If the individual does not get in right away, there is a lost opportunity. In response to Representative Cissna question about detoxification, Dr. Sundby said individuals are placed in

a medically managed detoxification program if it is available. Currently, that is available and there is no waitlist for that treatment; however, for services beyond that such as outpatient services, an individual may have to wait in line to get that treatment. It is not a very good option, because the individual has probably gone back out and will likely have to go through detoxification again.

Number 1150

MR. MURPHY responded to Representative Kapsner's earlier question concerning the number of individuals on waitlists. He said that he will supply the committee with the numbers. Mr. Murphy told the committee that the number is significant, especially with respect to women and children's programs. Alcohol and drug abuse treatment programs are being asked to lessen the impact on the Division of Family and Youth Services, where parents and children have substance abuse issues. This is a population group that has a very high percentage of those needing treatment. There continues to be a greater and greater need of higher-treatment capacities. That is one of the primary reasons this legislation is so crucial at this time. It is essential that the state not reduce treatment capacity.

REPRESENTATIVE KAPSNER said that because she is pregnant, she is very concerned about Fetal Alcohol Syndrome (FAS). She asked if individuals who have been identified under Title 47 are waitlisted.

MR. MURPHY responded that pregnant women are a first priority and are not waitlisted. Also, anyone who is using needles or may have other health-related issues are at the top of the priority list, and a bed would be found for those individuals.

Number 1015

REPRESENTATIVE KAPSNER asked what would happen if a mother had small children.

MR. MURPHY responded that the Women's Resource Center in Anchorage does accommodate some children, but it has had to cut its beds from 45 to 17 beds in the last year and a half. There is a definite shortage for a patient who needs placement with small children.

Number 0990

REPRESENTATIVE GATTO commented that it is so important to get pregnant women into treatment as soon as possible. He asked Mr. Murphy, if a woman walks in who is pregnant, whether his facility would be able to admit her into treatment right away, or whether she would be placed first on the list to prevent the disaster that will inevitably occur.

MR. MURPHY replied that the City of Ketchikan contributes to this program, so between the city and the state grants, the program would find a treatment bed for this woman. He said that for people who come to the treatment facility and show a desire for treatment, his program will find a bed for them or work with them while they are on the waiting list.

Number 0907

JANET MCCABE, Chair, Partners for Progress, testified in opposition to HB 167. She told the committee that Partners for Progress is the nonprofit organization that works with Judge Wanamaker's' wellness court [Anchorage Wellness Court]. The organization supports the development of therapeutic courts throughout the state. She asked the members to look at the second page of the handout she provided to the committee titled "Alaska Almanac of Alcoholism and Jail".

MS. MCCABE told the committee her organization is opposed to this bill for three major reasons. First, the treatment agencies are really important to the therapeutic courts. These are key elements to their success, since without treatment, agencies there would be no working therapeutic courts. These agencies are already strapped for money, and this bill would require that they raise another 15 percent of the cost at the same time that municipal revenue sharing is being reduced. This actually gives community alcohol-abuse programs a double cut. She pointed out that alcohol abuse is hugely expensive to the state and the public. Regardless of an individual's view of alcoholics, it is a practical matter that treatment be delivered. Of the 8 or 9 percent of problem drinkers, each problem drinker will affect at least four additional people - mothers, fathers, children, families, victims, et cetera. This means that between 30 to 40 percent of Alaska's population is affected by alcoholism. Some of the problems are pretty obvious, for example, driving under the influence of alcohol [DUI], child abuse and neglect, poor health and dependence, domestic violence, and all the costs associated with this problem. The cost of alcohol abuse in Alaska is \$453,000,000.

Treatment programs like this should not be cut. It is important to think of the long-term problem.

Number 0725

MS. MCCABE told the committee that one Fetal Alcohol Syndrome (FAS) child will cost the public about \$1.4 million over the child's life. Alcohol abuse is the gorilla in our midst, and community programs designed to address alcohol abuse should not be cut. The final reason for opposition to this bill is that last year when the legislature passed HB 225 increasing the tax rate on alcoholic beverage sales, it was directed that half of the tax collected be deposited in the Alcohol and Drug Abuse Treatment Fund. Much of this money comes from local businesses and communities, and she said it does not seem consistent with the previous policy to cut treatment money this year. In conclusion, she said she believes this bill is contrary to the intent of the Alcohol Beverage Sales Tax last year and especially harmful to the Alaska population overall.

Number 0649

MARLA LIPPARD, Clinical Director, Gastineau Human Services, testified in opposition to HB 167. She told the committee that Gastineau Human Services (GHS) provides correctional services, substance abuse, and mental health treatment, and is opposed to HB 167, which would raise the match from 10 to 25 percent. All regions of Alaska currently lack the treatment capacity to deal with their local needs. The demand far exceeds the capacity to provide treatment. The statistics just given by Partners for Progress demonstrate that it makes no sense to lower the treatment capacity. Public safety, emergency health services, and the criminal justice system end up paying more. Families and communities end up paying more in personal losses. If the formula from respected national research shows \$7 is paid for every \$1 invested in treatment, she said this kind of cut will cost the state an estimated \$21 million in other costs. Across Alaska, programs will have to find an additional \$3.6 million in their communities to make up the difference, when most municipalities are struggling to keep core services. Ms. Lippard told the committee that treatment facilities in some communities are going to close. Treatment programs have not had an increase to their budgets, primarily through state grants, in 10 years. It has already cost their operating budgets 25 percent.

MS. LIPPARD said that HB 167 would cut \$1.5 million out of programs serving thousands in the Anchorage bowl area. It would cut nearly \$250,000 for programs out of Bristol Bay. It would cut more than \$500,000 in programs serving Southeast communities, and nearly \$350,000 out of the Fairbanks area. Gastineau Human Services serves 300-400 indigent and low-income individuals in the Juneau area every year. It is done on a \$360,000 budget and cannot be done on any less. There is a waitlist at any time of approximately 70 people. In summary, Ms. Lippard asked the committee to consider 12.5 percent or 15 percent, but not 25 percent, as a reduction.

Number 0425

JANET FORBES, Outpatient Coordinator, Gastineau Human Services, testified in opposition to HB 167. She said GHS has a waiting list that is two to three months out. That is one to two people per day that are waiting for assessments. It puts the community at risk and it puts families at risk. Gastineau Human Services receives referrals from the court system at enormous rates. The inmate substance abuse treatment (ISAT) program was cut from the prisons, so that means GHS will be getting those individuals into the treatment programs. If this money is cut, GHS will probably lose two or three counselors, while the number of individuals who require case management will continue to rise. This will put more and more people at risk. She urged the committee to definitely consider not cutting this funding.

Number 0331

MS. FORBES noted that GHS's treatment program picks up FAS issues, mental health issues, and medical issues, and serves the person as a whole. This bill is not just cutting treatment of chemical dependency. She urged the committee not to cut these programs. She agreed with Ms. Lippard's statement that possibly 12 percent or 15 percent, but not 25 percent [would be an acceptable reduction].

CHAIR WILSON asked if GHS collects statistics to see what percentage is successful.

Number 0246

MS. FORBES replied that it does keep statistics, which are turned in to the state. Recovery is a process and GHS normally sees individuals once, twice, or even three times through the system. That is not uncommon. Gastineau Human Services has had

individuals who have come through the program that were chronic alcoholics. These are people that lived on the street, that are now leading fruitful lives. At times they relapse, but they keep coming back, and that is the key. These people are employed, off the street, and not into the criminal justice system as they used to be.

CHAIR WILSON asked what percentage have been successful through the GHS program.

MS. LIPPARD responded that for individuals who complete GHS's program, after one year approximately 70 percent have full-time employment.

CHAIR WILSON asked what is the percentage of those who complete the program.

MS. LIPPARD replied that 40 percent complete the program. She told the committee that GHS has assistance in getting completion because many [referrals] are court-mandated.

CHAIR WILSON asked for clarification that of the 40 percent who complete the program, 70 percent are full-time employed after one year.

MS. LIPPARD commented that GHS surveys these individuals at that one-year mark, and while they may be employed when surveyed, does not mean they have been employed the entire year. It is a state survey that is designed and worded by the state. The question reads something like: "Are you employed full-time (30 to 40 hours)."

Number 0065

REPRESENTATIVE KAPSNER asked Ms. Lippard if she knows of other indicators of success. She said she knows there are functional and working alcoholics. If so, what are those indicators?

MS. LIPPARD said an obvious indicator is whether the individual is drunk or not.

REPRESENTATIVE KAPSNER asked if an indicator could be fewer family visits to the shelter or that the individual was a binge drinker, but not to the extent that the person lost his/her house, car, or job.

MS. LIPPARD said that there are indicators such as fewer visits to the hospital, or law enforcement involvement. She offered to forward the outcome statistics to the committee that she feels might be helpful.

TAPE 03-28, SIDE A

Number 0001

CHAIR WILSON asked Mr. Lindstrom if he could present the committee with statistics on the success of treatment programs throughout the state. Are there some programs that have been more successful than others?

Number 0068

ELMER LINDSTROM, Special Assistant to the Commissioner, Office of the Commissioner, Department of Health and Social Services, testified on HB 167 and answered questions from the members. Mr. Lindstrom asked the members to look at the "Chemical Dependency Treatment Outcome" study that he referred to at the last committee hearing on this bill. This study was done in 1998, and while the department does collect ongoing data, the department does not have any more recent reports to share with the committee.

MR. LINDSTROM asked the members to look at the Executive Summary of the report. These bullets will give the committee a good sense of the types of outcomes that the department felt confident provided good data at that point in time. It is quite consistent with outcomes in other jurisdictions. Generally speaking, clients in outpatient treatment who receive at least 50 hours of care have the best chance of success. There is a somewhat less successful rate for residential patients because those patients are more severely impacted than folks that are in outpatient treatment at the outset. He told the committee he does not have any really current data, but he said he believes this might be useful information for the committee.

Number 0231

REPRESENTATIVE KAPSNER asked if the statistics are comparable with other states.

MR. LINDSTROM responded that these outcome statistics are very comparable with other jurisdictions. He pointed to the [undated] "Dear Reader" letter in the packet [Chemical Dependency Treatment Outcome Final Report - December 1998] where

it says [paragraph four, last sentence], "These findings also compare very positively to studies done at programs elsewhere in the nation." Mr. Lindstrom said he would follow up with the division to see if there is more current data available, but he believes this is the best and most credible information collected.

CHAIR WILSON read the first bullet in the Executive Summary, where it said:

Of Alaskan patients surveyed, 56 percent of those in outpatient programs abstained from alcohol for one year after treatment, compared to 42 percent of residential patients. Outpatients in the study received an average of 59 hours of care, while patients in residential programs received an average of 39 days of inpatient care.

Number 0366

MR. MURPHY told the members that he has been working with a committee for the last six months that includes the Division of Alcoholism and Drug Abuse, the Division of Mental Health and Developmental Disabilities, and the Center for Substance Abuse Treatment to have a web-based evaluation system that will be coming on line in the next six months. In terms of having an integrated outcome data system, this is something the Substance Abuse Directors Association has pushed for. He said this program will provide the outcome data needed on a daily basis to assist in policy decisions.

Number 0481

MR. LINDSTROM told the committee that the department would be happy to sit down with the committee and have an in-depth briefing and discussion on the subjects of outcome, treatment, and success.

Number 0499

REPRESENTATIVE COGHILL pointed out that the issue is as huge and deep as the committee wants to go in Alaska, and that there are some specifics in the package that he wants to ask Mr. Lindstrom about. Representative Coghill said there are 58 programs out of the 115 programs that are exempted from the match requirements. There are 15 programs that are under-\$30,000 grants that show a 10 percent match rate. He said he got a letter from Pamela

Watts in which she suggested that these programs be held harmless. Representative Coghill asked if that is true under this particular legislation.

MR. LINDSTROM responded that while he has not counted up the numbers, he suspects that Representative Coghill has counted accurately. These are the small suicide-prevention grants for small communities that are exempted entirely. Some other prevention grants were exempted entirely, such as the local match requirement for some small treatment programs, very specifically serving women and children for some of the reasons the members have heard in previous testimony. The department retains the ability under statute to further exempt programs from the match on an individual basis. However, the department wants to caution the committee that an exemption from a program would by all likelihood require further reductions elsewhere in the grants.

Number 0664

MR. LINDSTROM said he does not intend to turn the meeting into a budget meeting, but asked the members to look at the budget proposed by the governor relative to the current work plan in the current year. There is a significant increase when all funding sources are considered of about \$4 million for substance abuse programs. The department is focusing on those program areas mentioned earlier, specifically, women and children, and adolescents in rural areas. There are a whole host of changes that are going on, and there are losses of federal funds in some areas, a loss of mental health trust funds in some areas, and some increases in mental health trust funds in other areas. A lot of things are going on in the budget, but the bottom line and the demonstration of this administration's commitment to substance abuse treatment "when you net all of those out" is that there is about a \$4million increase in funding.

MR. LINDSTROM said what was heard from a lot of treatment providers this afternoon is that it will not be easy to get there. He said he is not underestimating the problems folks were describing with regard to how difficult it will be to meet the enhanced match requirement, nor does he want to minimize the work that providers and the state will have to do to help generate additional Medicaid funding into the programs. But if everyone works together and things go as the administration believes it can, he said the end result for fiscal year 2004 will be an increase in total funding for substance abuse treatment programs in the state.

Number 0776

MR. LINDSTROM said that in the absence of this bill's passing, he does not want any of the providers to believe that necessarily means that the \$1.6 million associated with this bill will somehow magically be restored to the budget. These funds are out of the budget as proposed by the governor, and it will be a budget reduction in the absence of this bill.

REPRESENTATIVE COGHILL reiterated that there is a provision in this bill to provide exemptions where it can be demonstrated as necessary. At this point, over half of the programs have already demonstrated that need. Thirteen of those programs are in those exempt areas or Class A grant awards, which are \$30,000-limit grants. A significant portion of the programs are being relieved of this possible reduction. He said for those that are not exempt, community effort will be appropriate.

CHAIR WILSON announced that she will hear the last person signed up to testify today. At the next meeting there will not be any testimony taken.

Number 0894

ERIN CRUZ, Correctional Programs Director, Gastineau Human Services, testified in opposition to HB 167. She told the members that she sees 700 people per year come through the community residential center; 10 percent of those go through the treatment programs, and they are all indigent and coming out of prison. These people need to have treatment before they can go to school, work, or get on their feet.

Number 0950

MS. CRUZ told the committee if this treatment goes away there will be other repercussions that will occur. There will be an increase in domestic violence, an increase in fetal alcohol syndrome, and other domino effects with these people not getting into treatment. There will probably be a \$40,000 cut, but [GHS is] dealing off of a budget of \$360,000. The budget has already been dropped to \$330,000, and if another \$40,000 is cut, the legislature needs to understand that there will be repercussions. It will affect not only alcoholics, but also their families. There will be a lot more people in hospitals. Ms. Cruz said that while she hears all the numbers, the real

impact is what will happen to the people. She pointed out that one in six people in Alaska is an alcoholic.

Number 1010

REPRESENTATIVE CISSNA asked about the workforce issue. She said she is aware of the enormous pressure on nonprofit organizations with cuts to the budgets and rising insurance costs. She asked if the decrease in funding will affect GHS's ability to get workers and retain them.

Number 1075

MS. CRUZ responded that this cut will absolutely affect its employees. She said GHS has been working on the 2004 budget and finds that it will be a \$153,000 loss in the behavioral health programs, and two programs have ended that were very beneficial to this community. Many programs are at or just below the break-even point, and GHS is really scrambling for grants. She told the committee that May 1 is the last day of the recycling program, the junk busters program will end, and several other programs cannot be done anymore. Gastineau Human Services will lose one to three counselors. Its personnel work at 150 percent, and it is not possible to ask more of them. There has been discussion about cutting wages, but if that is done, GHS will lose people.

Number 1123

CHAIR WILSON commented that these are not easy decisions that have to be made, and no matter what the members do, it affects people.

CHAIR WILSON announced that next Thursday this bill will be heard again. This has been the third hearing on HB 167, so testimony will not be taken at that meeting.

Number 1167

REPRESENTATIVE COGHILL asked if there would be a vote on a proposed amendment today.

CHAIR WILSON stated that there would not be any votes taken today. At the next meeting there will be discussion among committee members, and amendments will be taken up at that time. [HB 167 was held over.]

ADJOURNMENT

There being no further business before the committee, the House Health, Education and Social Services Standing Committee meeting was adjourned at 5:04 p.m.