

MINUTES
SENATE FINANCE COMMITTEE
April 15, 2003
5:00 PM

TAPES

SFC-03 # 51, Side A
SFC 03 # 51, Side B
SFC 03 # 52, Side A
SFC 03 # 52, Side B
SFC 03 # 53, Side A

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately 5:00 PM.

PRESENT

Senator Lyda Green, Co-Chair
Senator Gary Wilken, Co-Chair
Senator Con Bunde, Vice-Chair
Senator Lyman Hoffman
Senator Donny Olson
Senator Ben Stevens
Senator Robin Taylor

Also Attending: CARL ROSE, Executive Director, Association of Alaska School Boards; JENNIFER APP, Advocacy Director, Anchorage American Heart Association; LAUREL TYRRELL, Parent and Resident of Central

Attending via Teleconference: *teleconference participants from the communities of Dillingham, Homer, Seward, Valdez, Cordova, Kenai, Mat-Su, Fairbanks, and Anchorage who testified on the FY 04 Operating Budget are listed in the body of the minutes in the order in which they testified*

SUMMARY INFORMATION

HB 75-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 76-APPROP: MENTAL HEALTH BUDGET

The Committee heard public testimony and the bills were held in Committee.

#hb75
#hb76

CS FOR SS FOR HOUSE BILL NO. 75(FIN) am(brf sup maj fld)
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 76(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."

This was the fourth hearing for these bills in the Senate Finance Committee.

Co-chair Green announced that public testimony would be limited to two minutes per testifier.

JANICE PEYTON testified via teleconference from Homer in support of the increased funding request by the University of Alaska. She noted that because of prior Legislative funding appropriations, the University has been able to expand its nursing, engineering, and technology programs. She credited the increase in enrollment to the University's ability to expand program offerings, and she stressed that funding reductions would force programs to be curtailed. In addition, she voiced opposition to the proposed ten percent funding reduction for the 18 adult education grant programs that are operated in the State as they provide such services as the General Equivalency Diploma (GED) program through which 25-percent of the State's high school diplomas are earned.

DEB GERMANO testified via teleconference from Homer and stated that rather than a reduction in education program funding, an increase in resources is required. She stated that the City of Homer supports its education system at the maximum level allowed by State law, and she labeled the proposed FY 04 funding reductions as "severe." She urged that further education funding options be evaluated as she stated that, "kids are a resource that can't be overlooked."

JIM BRADY testified via teleconference from Homer in opposition to the proposed elimination of the Centers for Independent Living Center (ILC) Grant program in the Department of Labor and Workforce Development budget. He asserted that contrary to the Commissioner's position that other funding sources would be available, the

alternate sources that have been identified would not be applicable to this program and that, despite repeated requests, the Commissioner has not identified appropriate alternate funding. He stressed that the benefits of the ILC program include a lower cost per person care and lower Medicaid costs, and he avowed that when these services are provided "outside of an institution," the savings to the State are approximately \$30,000 per program recipient per year. He urged the Committee to fully fund this program at the \$619,000 level.

KAREN SHEMET, Volunteer, Alliance for Fresh Air, testified via teleconference from Homer in support of funding anti-smoking education programs as, she noted that they have been successful in getting people to stop smoking and in persuading youth to not start smoking. Furthermore, she stressed, medical expenses would decrease as the result of the reduction in smoking related illnesses. She stated that kids should live in a tobacco-free environment.

DR. VI JERREL, PH.D, testified via teleconference from Homer in opposition to the elimination of the Longevity Bonus Program. She avowed that had Governor Frank Murkowski's election campaign included the proposal to eliminate the Longevity Bonus Program, he would not have been elected Governor. She noted that documentation exists that reflects the benefits of continuing the program for Alaska's seniors, and she stated that the Governor's salary as well as those of other Administration officials could be reduced to assist in funding the existing Longevity Bonus Program. In addition, she urged for full funding for the University of Alaska.

DARRELL BEHYMER, Kachemak Bay Campus Student Body President, University of Alaska, testified via teleconference from Homer to urge for full funding of the University as it "is training Alaskans to meet the current and future needs of the State." He stated that the University's momentum and student enrollment are growing, and he declared that providing good educational opportunities for students is "worth the investment."

RICHARD LIGENZA, Kachemak Bay Campus Student Body Vice President, University of Alaska, testified via teleconference from Homer and urged for full funding for the University.

BETH BRUDER, Employee, Bristol Bay Campus, University of Alaska, testified via teleconference from Dillingham to note that the campus provides educational services to 32 villages and is experiencing "exceptional" enrollment and program growth, and, in addition, is experiencing growth in partnership programs with area trade groups, Native corporations, vocational education centers, local schools and others. She attested that the University "is

training and educating local people" and, she stressed, that these efforts result in promoting "real jobs and local hire." She characterized the University as an "economic engine" for the State, and she stressed that full funding for the University would be required in order to continue the progress that has occurred.

SUSAN FLENSBURG, Environmental Coordinator, Bristol Bay Native Association, testified via teleconference from Dillingham in support of continued funding for the University. She commented that the programs offered by the University assist in providing rural residents the ability to pursue diverse employment opportunities, especially in light of the decline of employment in the area's fishing industry.

KRISTIN NYGREN testified via teleconference from Dillingham and spoke in support of continued funding for the Infant Learning Program (ILP). She shared that the services provided to infants, such as her daughter, and might be jeopardized were this program's funding reduced.

CHRIS HARRIS testified via teleconference from Seward and voiced concern regarding proposed funding reductions for Independent Living Centers. She stated that the independence and care that is provided to program recipients, who suffer from such things as coma-induced memory loss, is valuable. She also acknowledged the dedication and concern that ILC providers have for program recipients.

CANDY NORMAN testified via teleconference from Seward and stated that as a lifelong Alaskan, business owner, taxpayer, volunteer, and voter, she is opposed to the proposed budget reductions for the Independent Living Centers program. She shared that her daughter, a car accident victim who is a program recipient, has "tremendously" benefited from being able to live in her own home, in her own community, as opposed to living in a nursing home. She stated that in addition, the program helps people find jobs, return to work, and be active in their community. She commented that she is "offended and outraged" by the Department of Labor and Workforce Development's Commissioner Greg O'Claray's comments that "the ILC money is money down the drain." She urged the Committee to fully fund this program.

MARILEE CHAMPION testified via teleconference from Seward in support of continued funding for Independent Living Centers. She stated that in addition to allowing people with disabilities to live independently in their own homes and be productive members of society, the program saves the State a significant amount of money as opposed to the cost of providing nursing home care. She stated

that the ILC provided her family, and others like it, with the assistance they needed to address a family member's unexpected disability.

JENNIFER HUBER testified via teleconference from Seward regarding the benefits that her daughter has received from the Infant Learning Program. She stated that in a short period of time, her daughter has learned to communicate with words and sign language. She urged the Committee to fully fund the needs of this program so that other families, who could not afford the expenses associated with treatment on their own, could receive assistance.

MERCEDES O'LEARY, Student, Kachemak Bay Campus, University of Alaska, testified via teleconference from Homer and announced that because of the variety of programs offered by the University, she had opted to stay in the State and attend school. She stated that were programs reduced, she would be forced to attend an out-of-state school. She urged the Committee to support the University's funding request.

LAURA ASBUL, Student, Kachemak Bay Campus, University of Alaska, testified via teleconference from Homer to voice concern that that she and her children might be forced to attend college elsewhere were program offerings at the campus downsized as a result of the University's funding request being denied. She urged the Committee to fund the University at its requested funding level.

PEGGY FRAZIER, Student, Kachemak Bay Campus, University of Alaska, testified via teleconference from Homer and stated that she would be required to relocate were the Campus's program offerings reduced. She urged the Committee to fully fund the University's budget request.

IRIS DOUGLASS testified via teleconference from Homer and voiced concern about the negative affect the elimination of the Longevity Bonus Program would incur on many of the State's senior citizens. She also voiced concern that funding for ILC might be reduced. Furthermore, she opined that Governor Murkowski seems to be out of touch with the needs of the State's citizens.

LAURA BARTON testified via teleconference from Homer and stated that the Longevity Bonus Program has been characterized as being a charity program or a bribe to get senior citizens to remain in the State once they reached the age of 65. However, she stated that as a result of program qualification changes, the youngest person receiving program benefits is 71-years old and most of the recipients are too old to relocate and depend on the monthly monetary payments. She stated that the number of recipients is

rapidly declining due to death, and she suggested that, rather than eliminating the program, the Legislature should retain the current policy, as the program would die on its own. In addition, she urged that the funding for the Infant Learning Program be continued as by addressing infant problems at an early age, long-term problems could be lessened.

CARL ROSE, Executive Director, Association of Alaska School Boards, testified in Juneau and presented an overview on the status of K-12 education in the State. He noted that approximately 60 percent of the voters in the recent November statewide election voted in favor of school General Obligation Bonds (GO Bonds), and in addition, he declared that the majority of the candidates running for statewide office during that same election timeframe recognized education as a top priority. He stated that, as a nation, it is the value placed on the education rather than that placed "on economic or military might that defines who we are as a nation." He stated that supporting K-12 education "is a much broader issue that just balancing the budget this year." He stated that the benefits and development of such things as the Arctic National Wildlife Refuge, a gas pipeline, and other State resources might be ten years into the future, and he continued that in ten years, today's sixth graders would be graduating from our University. He urged the Committee to ask what we, as a State, are doing to ensure our future. In addition, he voiced the importance of maintaining a healthy and stable economy in order to allow these students' parents to continue to viably remain in the State. He stated that a lesson that could be learned from the downturn in the State's economy in the mid 1980's is that "once the for sale signs go up, and once the shops start to close, its already too late." He stated that as the State looks forward, "there are opportunities to strategically use State's resources." He stressed that without long-term planning, the quick-fix approach would continue. He stated that while the FY 04 budget is a "tough" scenario, the FY 05 budget projection would not be "much easier" for K-12 funding.

Mr. Rose voiced that the options currently being forwarded are a continuation of belt-tightening efforts. He noted that while other states are also experiencing budget shortfalls, such things as income tax or other types of statewide taxes are in place to assist them with addressing future funding needs. He noted that while Alaska does not currently have an income tax, it does have the Permanent Fund. He stated that, "we are rapidly coming to the realization that we have to marshal the resources" we have "to address the essential services of the State." He asked the Legislature to read newspapers and listen to the people of the State. He recalled one Legislator as saying "that the people of Alaska are going to have to beg us to put in an income tax before

we do anything." He assured the Committee that the State's citizens "are looking for other options." He voiced the personal preference for the implementation of a State income tax as opposed to the continuance of belt-tightening or further program eliminations or reductions. He shared that his two adult sons would not be living in Alaska, and one of them had remarked, "Dad, Alaska was your dream, it's not my dream." He stated that the impacts of the budget "that would be forwarded by the Senate Finance Committee are going to create some tremendous strain, not only this year," but in years to come. He urged the Committee to consider this when determining the budget.

JILL SIMPSON, Representative, Cordova Family Resource Center, testified via teleconference from Cordova to voice concern that while budget reductions are proposed that would negatively affect organizations such as the Resource Center, there continues to be an increase in "upper administrative" State personnel. She exemplified that, whereas once "there was one [unspecified] deputy commissioner, there are now three." She remarked that this increase takes funding away from programs.

JULIE JUSZKEIWICZ, Mental Health Clinician, Sound Alternatives Mental Health Center, testified via teleconference from Cordova to state her concerns regarding possible funding reductions to mental health programs and the affects those reductions would have on families. She stated that there are "continuous on-going needs for quality preventive and treatment" mental health programs.

SAMMY CRAWFORD, Vice President, Kenai Peninsula Borough School Board, testified via teleconference from Kenai and shared that the district's 41 schools serve 10,000 students. She stated that in an effort to control district expenses, in addition to reducing such things as custodian positions, 56 teaching positions have been eliminated which has resulted in increasing the student to teacher class ratio to a minimum of a 29 to one ratio. She noted that communities are "up in arms" at the prospect of consolidating schools in an effort to further contain costs, and she noted that funding for sports and other extracurricular activities might be further reduced or eliminated. She avowed that the Borough's school administration office is one of the most efficient in the State, and that her comments are being made to further enlighten Legislators to the affect that further funding reductions would have on local districts. She urged the Committee to assist districts by providing sufficient education funding as, she declared, in order to adequately fund student transportation and local debt service, additional teaching positions might be eliminated. She voiced appreciation for any support that could be provided as, she attested, the goal is to provide a quality

education to students.

LISA GREENLEAF, President, Kenai Peninsula College Student Union and Member, Statewide Coalition of Student Leaders, testified via teleconference from Kenai and noted that the College's student enrollment is steadily increasing. She stressed that while budget constraints are necessary, a quality education must be a priority as it is "the backbone of the future." She urged the Committee to invest in education and support the budgets at both the K-12 and University levels.

KATHY NEILSON, Vice President, Valdez Board of Education, testified via teleconference from Valdez and informed the Committee that the Municipality of Valdez fully supports its education system by providing the maximum amount allowed under State law. She urged the Members to do as much as possible to fund the State's education programs, as she attested that further cuts to the City's school programs and teaching positions would be "devastating." She concluded that it would be improper for the Legislature to not uphold its responsibility to reimburse school districts sixty cents on the dollar as approved by voters for the school bond issues.

STEVE CATHERS, Superintendent, Valdez City School District, testified via teleconference from Valdez and opined that, "education in Alaska has been trimmed to the bone at this time." He declared that the results of a recent statewide poll concluded that all school districts have been forced to reduce staffing levels "in core academic programs." He shared that Valdez has been cutting staff for two years, and he affirmed that more reductions might be forthcoming. He stated that programs such as the Governor's "no child left behind for Alaska" program must be properly funded. He urged the Committee to restore all education funding and avowed that the adequate base allocation level should be approximately \$4,500 per student to allow Alaska to be the nation's education role model.

SFC 03 # 51, Side B 05:48 PM

Mr. Cathers continued that student transportation funding reductions would also result in staffing eliminations, fewer elective courses, less individualized instruction, larger classes, fewer staff training opportunities, and other reductions. He stated that one of the factors in electing the current Administration was the hope that economic growth would transpire. He stated that a good education would provide the necessary labor force training that would be the backbone for Alaska's resource development.

Furthermore, he decried the current trend in the oil industry of "importing commuter employees from the Lower 48 and exporting profits." He stated that budget reductions have made it difficult to recruit teachers and now, he stated, "our children will be paying the price" of inadequate education funding.

AT EASE: 5:50 PM / 6:05 PM

KRISTA TIMLIN, Coordinator, Career Center, Knik Peninsula College, testified via teleconference from Kenai and voiced concern regarding the economy of the State. She urged the Committee to support education at all levels, especially higher education opportunities in the State. She stressed that funding for the University of Alaska must continue at a rate that would allow the University to "build upon its ongoing successes."

JENNIFER APP, Advocacy Director, Anchorage American Heart Association testified in Juneau and spoke to the negative health affects of cigarette smoking and of second-hand smoke exposure. She urged that in an effort to fight the social and economic costs of tobacco related illnesses twenty percent of the State's tobacco company master settlement money should be allocated to the Tobacco Education and Cessation Funding, even though she noted that the funding should be at a higher level. She attested that the FY 03 program marketing efforts have had positive impacts on youth and parents.

AT EASE: 6:12 PM / 6:18 PM

JOHN WENSLEY, Educator and Parent, testified via teleconference from Kenai to voice his concern as a parent about the need to fully fund education in the State. He noted the consistent "campaign rhetoric" that identified education as a high priority; however, he contended, "these education concerns constantly fall by the wayside." He stated that the reductions to school programs and the loss of "veteran teachers is a sad situation." He stated that, like everything else, the cost of education is increasing, and he declared that a quality education must be provided to students. He urged the Committee to consider implementing a State income tax or to access the Alaska Permanent Fund account to assist in providing adequate education funding.

AT EASE: 6:21 PM / 6:30 PM

JOHN STEIN, Executive Director, Kids Are People, Inc, testified via teleconference from Mat-Su stated that he would be "willing to pay my fair share of the cost of State government." He proclaimed that, regardless of whether a gas tax or an income tax is implemented,

"the time has come for Alaskans to pay up." He stated that one of the primary programs offered by his organization is a tobacco prevention program, and he voiced support for the Governor's recommendation that twenty percent of the Tobacco Settlement money be used to support this cause. In addition, he urged for full funding for education, specifically for the University of Alaska, as he attested, it provides education programs, such as the nursing programs, that assist the needs of the State.

JOHN CANNON testified via teleconference from Mat-Su in opposition to the \$2.2 million reduction in the Community Developmental Disabilities Grants "as these cuts are not fair, go too deep, and seriously jeopardize the safety net for many Alaskans with developmental disabilities." He stated that it is "a disgrace" not to provide the services that these individuals require.

CATHY PENNA, Parent, testified via teleconference from Mat-Su and informed the Committee that her two autistic children would be on the wait list for services for approximately another five years. In the meantime, she shared that the limited respite time and educational tools that her family receives are invaluable in helping the family, who has no immediate family support group, to cope with the demands of everyday life. She stressed that adequate funding for the Department of Health and Social Services Infant Learning Program must be provided.

PAUL DAUPHINAIS, Director, Matanuska Susitna College, testified via teleconference from Mat-Su regarding the need to expand the educational opportunities in the Matanuska Susitna valley in order to retain residents and continue to expand and provide programs "in areas of high need" such as the healthcare field. He stated, that in order to meet the demands being placed on it, the College must "receive at least level funding."

KRIS MOORE, lifelong Alaskan and Mother of four, testified via teleconference from Mat-Su and urged the Committee to address the changing needs of the State, specifically the changes occurring in the education field. She encouraged the Committee to support teachers and others who serve children. She stated that while she believes in holding teachers and schools accountable, insufficient time and resources such as textbooks and a high student to teacher ratios often negate efforts. She urged the Committee to invest in the State's children by increasing the education foundation funding formula and pupil transportation funding.

MARCIE SCHMIDT testified via teleconference from Mat-Su and questioned the expense generated by a situation where one State agency rents from another, for she attested that the State is

renting from itself. Furthermore, she asked that additional Office of Public Advocacy positions in the Division of Family and Youth Services be budgeted, as more are necessary to adequately provide legal representation to Alaska's youth. She suggested that the Governor, Lieutenant Governor, and commissioners lower their monetary compensation in order to allow these individuals to join in "the economic struggle" of reduced State services.

TRISH WALTER, testified via teleconference from Mat-Su, and stated that "it appears ... that the Legislature is trying to balance the budget on the backs of people who can least afford it," in particular, senior citizens and people with disabilities. She stressed that many of these people are currently on wait lists and are not receiving the services they need. She avowed that she would be willing to pay a State sales tax or an income tax, in order for adequate services to be provided to those who need assistance.

JANET GIRARD testified via teleconference from Mat-Su to state that many of Alaska's senior citizens would be willing to assist the State with its financial crisis if only they had the means to do so. She stated that the medications that are required by "the aging process" are very expensive and are difficult to acquire when health insurance is not adequately available; therefore, she urged that the Longevity Bonus program be continued to assist seniors, as other options are limited.

FRANK GIRARD testified via teleconference from Mat-Su in support of the continuation of the Longevity Bonus Program as many recipients "would starve or lose their home" without it. He reminded that no "new" seniors are eligible to receive the Bonus, that those in the program are aging, and that the program is phasing out. He stressed that seniors require the funding. He suggested that the State could pursue revenue-generating alternatives such as the elimination of the church property tax exemption or the implementation of a State lottery.

ANGELA ROSAR, Representative, City of Houston, testified via teleconference from Mat-Su to inform the Committee of the importance of the municipal revenue sharing program to small communities such as Houston. She stated that any curtailment in this funding would result in employee layoffs and a reduction in city programs and services such as fire fighting. She urged the Committee to not reduce funding to this program.

AT EASE: 6:47 PM / 6:54 PM

LAUREL TYRRELL, Parent and Resident of Central, testified in Juneau in support of the Alyeska Central School Correspondence Program.

She shared that she has tried numerous educational correspondence programs for her children and has found that the courses offered by this school are good. She urged that funding for the program be extended one more year in order for the school to regroup as, perhaps a charter school, and to allow transition time for students currently in the program.

AT EASE: 6:56 PM / 7:00 PM

Co-chair Wilken chaired the following portion of the meeting.

JERI LANIER, Representative, Family Center Services of Alaska and Member, Alaska Mental Health Board, testified via teleconference from Fairbanks to urge the Committee to carefully consider where budget reductions are made, specifically that community service programs should be maintained, that the Denali KidCare program should be fully funded, and that local field grants be continued as they are more efficient than State or federally run programs.

DONNA JORDAN, Parent, and Member, Governor's Council for Disabilities and Special Education, testified via teleconference from Mat-Su and urged the restoration of the \$2.2 million in funding for the Infant Learning Program services. She shared that one of her two severely disabled children has a more promising future as the result of the early intervention provided by the program. She noted that approximately 1,300 children are on a wait list for this service, and that the program, as opposed to institutionalizing children, is beneficial to the State in the long run. In addition, she urged that funding be provided for a community parent support group as it enables families "to move forward."

HARRY JENKINS testified via teleconference from Fairbanks and told the Committee "to leave the Longevity Bonus Program alone," as he noted, in ten years, it would be "phased out" due to the natural deaths of its senior citizen recipients.

CANDY WAUGAMAN testified via teleconference from Fairbanks and asked the Committee to reconsider the proposed reductions to the Alaska State libraries. In addition, she voiced concern regarding the "strong" support for the Governor's budget proposals.

VICKI HORODYSKI, Foster Parent, Coordinator of the Fetal Alcohol Syndrome (FAS) Parent Support Group and Member, Fairbanks, FAS Diagnostic Team, testified via teleconference from Fairbanks to share her involvement with FAS children. She stated that without appropriate intervention and support, these children could experience secondary disabilities such as chronic unemployment,

social problems, mental illness, poverty, criminal acts, and more. She noted, that while some children who experience FAS, might never be totally independent, services to them must be provided because she declared, that although they did not create their situation, they must live with it. She stated that their quality of life could benefit from adequate program funding. She avowed that were this funding not forthcoming, then funding would be required for other institutions such as prisons, hospitals, and homeless shelters.

TABER REHBAUM, Representative, Arctic Alliance for People (AAP), testified via teleconference from Fairbanks to urge the Committee to fully fund the Department of Health and Social Services community matching block grant program as it is important to the forty human services providers that AAP represents. She declared that these funds would support efficient and cost effective services and would, in the long run, save the State millions of dollars in such things as incarceration expenses. She informed the Committee that the Fairbanks North Star Borough Assembly has adopted a resolution in support of funding this program at the FY 02 \$1.7 million level. She stressed that this program is the "biggest bargain" in the State and urged that the funding be restored.

CORA WAGGONER testified via teleconference from Fairbanks in support of funding for the Independent Living Center program that allows people to live independently and is three times less expensive than were the State to provide institutional care for them. She stated that the Anchorage Independent Learning Center program allows people who are deaf, blind, and mildly handicapped to live and work independently, which she avowed, enhances a person's self-worth.

CINDY FRANKENBACH testified via teleconference from Fairbanks that, while she has a neurological disorder, she is able to live independently with the assistance of a personal care attendant. [It was noted that the personal care attendant was reading Ms. Frankenbach's comments because her disorder prevents her from speaking]

SFC 03 # 52, Side A 07:09 PM

Ms. Frankenbach urged the Committee to support the continuation of the Independent Living Program because in addition to being less expensive than nursing home care, it enables people such as herself to live independently in their own home.

LARRY ATKINS testified via teleconference from Fairbanks and shared the benefits he has received from the Independent Living Center program. He stated that as a result of the training provided him, he plans on operating his own business and "becoming a more viable member of the community." He attributed his and others' successes to the program, and he stressed that these programs provide an economical benefit to the State.

ANDY HARRINGTON testified via teleconference from Fairbanks and voiced that, "Alaska is the tax-free extreme." He attested that while Alaskans are getting "a free ride today," it is inevitable that some sort of tax would be forthcoming. He voiced that a State income tax would be preferred as it could be claimed as a deduction on the federal tax return. In addition, he stated that non-profit human service agencies are more economical than State-run programs, and therefore, he urged the Committee to continue funding the Community Matching grant program, as supported in the Governor's budget proposal.

Co-Chair Wilken informed that "only one out of five Alaskans" would be able to deduct the State income tax amount on their federal income tax statement and he continued, of that twenty percent, only about 25-percent "would be able to benefit as they approach the \$8,500 taxable income level."

MARGIE VAUGHT, Staff, Access Alaska, and Mother of a child with multiple disabilities, testified via teleconference from Fairbanks and urged that the budget for the Independent Living Program be restored as she voiced the hope that her child might one day be able to live independently as opposed to being institutionalized. Furthermore, she declared that institutionalizing people does not make fiscal sense and is contrary "to our obligations as a society."

GEORDIE CARROLL, Representative, Access Alaska, testified via teleconference from Fairbanks and, as a disabled person, urged the Committee to restore funding to the Independent Living Program. He attested that the cost of independent living is less expensive than institutional care.

CONNIE SNIDER, Access Alaska Recipient, testified via teleconference from Fairbanks and stated that as a person who is able to live independently because of funding from the independent living service provider Access Alaska, she voiced "disbelief" that independent living program funding is proposed to be reduced. She stated that institutional care is more expensive and negatively affects people's dignity.

OLAN ORNSETH testified via teleconference from Fairbanks and advocated for full funding of the University's Board of Regents' budget request as well as for K-12 schooling. He stated that he had earned his fisheries degree through the University system, and he likened a reduction in University funding "to shooting ourselves in the foot." He stated that, in addition to providing a quality education, the University is awarded research grants that generate additional revenue for the State even though, as noted by Senator Bunde, those grants do not directly benefit the State's general fund. Mr. Ornseth declared that, while this is a "good point," it also supports the argument for a State income tax because, as the grant monies funnel through the University to the private sector, a healthy economy could result. Thus, he concluded, were an income tax in place, a healthy private sector would, in turn, benefit the State.

JO PEDERSEN, Access Alaska Recipient, testified via teleconference from Fairbanks and urged for continued funding of the Independent Living Program as these type of agencies provide a valuable service to people.

DAVID JACOBSON testified via teleconference from Fairbanks to state that he is testifying as a person with a disability, as a parent of a child with a disability, as a member of the State Independent Living Council, and as [indiscernible] for fourteen years to urge for the restoration of the Independent Living Program funding as it would be the most efficient choice and "the greatest choice" for persons living with disabilities. He stated that the benefits these programs provide across the State outweigh the option of placing these people in nursing homes. He stated that this funding "belongs in the budget."

ANNIE HOPPER, Program Director, Family Counseling and Adoption Program, testified via teleconference from Fairbanks and asked the Committee to increase, rather than decrease, funding for the Family Preservation and Support grant programs. She attested that a funding reduction would severely affect these programs statewide by incurring inadequate staffing, food and other services, and would compromise many programs' operations. She stated that the grants provided to programs "are not luxuries but are necessities," She also stressed the importance of providing appropriate funding for the Community Matching Grant program.

TRACY BRADSHAW testified via teleconference from Fairbanks in support of funding for the Independent Living Centers. She stressed that the State would be responsible for the cost of taking care of many of these people were they forced to live in nursing homes.

DIANN DARNALL testified via teleconference from Fairbanks and urged the Committee to fully fund the Tobacco Cessation and Education Program. She cited the level of funding that is recommended by the Center for Disease Control, and she noted that the program's public awareness programs are having an impact. She stressed that the Tobacco Settlement money should be used as intended rather than being used to fund other things.

ED SHELLINGER, AARP, testified via teleconference from Fairbanks, in support of continuing the Longevity Bonus Program as it is. He stated that Legislative commitment to "the contract" should not be broken.

CHRIS FAETH testified via teleconference from Fairbanks in opposition to the proposed budget reductions to the Independent Living Program. He stated that, as a person who is terminally ill with cancer, the cost of living in a nursing home would be three times more expensive than the cost of living independently. He stated that his independence is important, as he came to Alaska to participate and not "to give up."

CYNTHIA HENRY, Member, University of Alaska Board of Regents, testified via teleconference from Fairbanks to voice support for the increased University funding as proposed in the Governor's budget. She urged the Committee to support that funding level, as the University is moving forward in its program development and adequate funding would allow that momentum to continue. She also mentioned that the University is endeavoring to increase the level of private funding it receives.

PETER BOWERS testified via teleconference from Fairbanks, in support of adequate funding for K-12 education, the University, and the Department of Health and Social Services programs. He also urged the Committee to reconsider implementation of a state income tax, as he attested a lot of money from the fishing, tourism, and oil industries leaves the State.

DEREK MILLER, Student and Student Regent, University of Alaska Fairbanks, testified via teleconference from Fairbanks in support of adequate K-12 and University education funding. He attested that the increase in the number of Alaska high school students enrolling at the University and expanding University program offerings is indicative of the success of the program.

BEN ANGEL, Coalition of Student Leaders and Student, University of Alaska, testified via teleconference from Fairbanks and thanked Co-Chair Wilken for his "forward-thinking" support of the University of Alaska system in spite of his concerns involving University

"accountability" and the level of student services that are available at the University. He stated that instead of providing State "handouts or subsidies to individuals," the citizens of the State desire that the money invested in institutions and programs such as the University of Alaska, provide "a high rate of return to the people of Alaska." He noted that while the investment in the University would not return benefits to the State's general funds, it would benefit the economy of the State by producing "one productive individual at a time." He summarized that funding for K-12 education and the University should be viewed as "a necessity" rather than as "a luxury."

HETTIE HUME testified via teleconference from Fairbanks and urged the Committee to increase funding for autism programs in the State, as she noted, that early intervention improves the quality of life. She stated that the number of individuals being diagnosed with autism could be characterized as reaching epidemic numbers either as a result of better diagnosis or environmental issues. She noted that early intervention also reduces long-term expenses. She urged that separate legislation be introduced to address this issue, as it is now the third-leading childhood illness. She asked whether any funding is specifically being proposed to address autism in the Special and Supplemental Service program in the Department of Education and Early Development or the Infant Learning or Behavioral Health programs in the Department of Health and Social Services.

Co-Chair Wilken responded that the testifier should "be encouraged" by the Governor's Initiative that was started by Congressman Ted Stevens to address this issue via the Department of Education and Early Development.

TODD HUME testified via teleconference from Fairbanks and urged the Committee to provide funding for a preschool special education program to specifically address autism, as he attested that none currently exist and that early intervention helps and sometimes cures this affliction.

JOHN WITTER, grandfather of an autistic child, testified via teleconference from Fairbanks and stressed that early diagnosis and intervention of this condition "is critical." He noted that only one doctor in Anchorage specializes in autism and that the State must provide a specific program through which children with this disorder could be identified and treated.

KAREN WOOD, Gerontologist and Senior Citizen advocate, testified via teleconference from Fairbanks to voice the negative impacts that would result from the elimination of the Longevity Bonus

Program. She reviewed the basis for the establishment of the program, and "respectfully asked" the Committee to honor the original commitment of the program and allow the State's seniors to live with "independence and dignity."

MARTA MUELLER testified via teleconference from Fairbanks and surmised that the State's financial difficulties arise "from paying for on-going expenses with one-time revenue sources." She stated that several programs such as the Alaska Science and Endowment Fund and the Learning Opportunities Grant funds as well as the Constitutional Budget Reserve (CBR) are being used to fund programs that users consider "on-going and essential." She countered that, rather than cutting programs, diversified funding sources such as an income tax must be implemented to replace one-time revenue sources. She stated that the State's education system and the economy must "be buffered from the crazy swings" of the oil industry." She urged for full funding for education. She also stated that there is an "Alaskan disconnect, a gap between the reality of our State's financial challenge and our residents perception." She stated that education is the remedy to reconnecting politicians and the State's citizens.

JIM LYNCH testified via teleconference from Fairbanks and spoke in favor of funding for K-12 education and the University. He urged that the Governor's budget proposal for the University be supported.

RON DIXON, Chair, Tanana Valley Campus Community Advisory Council, testified via teleconference from Fairbanks and urged the Committee to support the Governor's proposed budget for the University of Alaska. He stated that the University has been accountable and responsible in that it is continually responding to the needs of the State by providing training programs for such things as the oil industry and the medical fields.

AMY KRIER testified via teleconference from Fairbanks and spoke in favor of K-12 education funding. She noted that others have testified as to the funding needs for pupil transportation, the base student allocation, staff salaries, and other requirements like the federal "No child left behind" program, and she highlighted the quality education that teachers are providing to Alaskan youth. She stated that Legislators and all residents are responsible for providing a quality education to our children and that education should not be penalized by the desire to curb State spending. She applauded efforts to develop alternate school funding sources; however, she warned that the current education system must not suffer in the meantime.

GLENN HACKNEY testified via teleconference from Fairbanks and noted that contrary to the Governor's recent remarks about fairness, there is not a single decision that is made that could not be misconstrued by someone to be unfair. However, he stated that the Governor missed the mark when he proposed to eliminate the Longevity Bonus program. He stated that legislation "capping the program and letting it die naturally" was acceptable, and that "pulling the plug" on that program now that people have built it into their lifestyle is unacceptable. He urged the Legislature to leave the Longevity Bonus Program alone.

LISA VILLANO, Lathrop Parent Teacher Student Association (PTSA), Social Service Volunteer, TBC Advisory Board, Alaska Association for Community Education, testified via teleconference from Fairbanks to note that, on behalf of these organizations, adequate funding is needed to continue to provide for education, quality of life, safe communities, and services in a community to attract and retain residents.

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Ms. Villano urged the Committee to consider these things when making funding decisions.

JULIE WILD-CURRY, Student, University of Alaska, Fairbanks campus, testified via teleconference from Fairbanks and thanked Co-Chair Wilken for his support of education. She referenced a letter-to-the-editor that she had written that was published in various newspapers in the State that urged that the Governor's proposed University operating budget be supported as the University, in addition to providing great educational opportunities, provides an economic benefit to the State.

Co-Chair Wilken asked Ms. Wild-Curry to fax a copy of her letter-to-the-editor to the Committee.

JAKE POOLE testified via teleconference from Fairbanks and urged for full funding for K-12 education and for the University's Board of Regents' budget request. He stated that because of adequate funding, the University has had "unparalleled success" during the past four years with increasing the number of Alaska students who stay in or return to the State to attend college as well as increasing the number of out-of-state students. He voiced that the House of Representative's budget proposal would negate the University' forward momentum.

CARL BENSON testified via teleconference from Fairbanks and urged full funding for K-12 and University budget requests, as he attested, education is essential to the future of Alaska. In addition, he voiced opposition to shifting the Department of Fish and Game Habitat Division to the Department of Natural Resources. He also urged for municipal revenue sharing to be fully funded. He stated that the State's population growth, combined with inflation, places additional burdens on the services of local governments, and that the State, rather than cutting the budget, must provide adequate funding by raising revenue by re-instituting a State income tax. He stated that this would be much easier to administer and would raise more revenue than implementing a variety of user fees and other taxes.

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Co-Chair Green chaired the remainder of the meeting.

KATHLEEN FITZGERALD testified via teleconference from Anchorage and asked that the developmental disabilities (DD) program reductions being proposed in both the Governor and House of Representatives' budgets be restored. She stated that the proposed reductions would undo years of work that have been developed to provide a safety net and hope to people that they would receive services. She attested that contrary to what is being said; existing core services would be negatively affected. She shared that she is personally "despaired" by the actions being presented and the affect it would have on people in need of assistance.

Co-Chair Green announced that, due to the quantity of people wishing to testify from the Anchorage area, testimony would be limited to one minute.

DEBBIE OSSIANDER, Representative, Association of Alaska School Boards, testified via teleconference from Anchorage and stated that education funding is inadequate as it is and does not provide for inflation or mandated services. She stated that increased class size, reduced staffing levels, and the elimination of elective classes are occurring throughout the State. She continued that the proposed student foundation formula funding would not provide sufficient funding as local districts are not able to absorb further expenses; specifically pupil transportation expenses. She urged the Committee to increase education funding and to support such things as community schools.

ED EARNHART testified via teleconference from Anchorage and declared "you can't run a good government without paying for it." He urged the Committee to "wake up," and incorporate adequate

revenue streams into the budget to provide for the things that are required.

BETH EDMANDS Representative, Governor's Council on Disabilities and Special Education, testified via teleconference from Anchorage to request that \$250,000 be restored to the Early Intervention Infant Learning Program and \$2,158,300 be restored to the Developmental Disabilities Community Grant Program. She stated that both of these programs provide essential services to individuals and would save the State money in the long run.

MARIAH L. GODES testified via teleconference from Anchorage to voice that as a person with a disability she has benefited from the DD grant program. She urged that the DD grant program be adequately funded as it has allowed her to be independent.

BRYAN KNIGHT, Representative, Governor's Council on Disabilities and Special Education testified via teleconference from Anchorage to ask that funding for programs that assist people with disabilities not be reduced.

TIM MORGAN, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and informed the Committee that 47,000 children are transported to and from Anchorage's schools each school day. He stated that districts should be fully funded to ensure that school bus transportation, which is the safest mode of transportation in the nation, could continue to be provided. He asked that this safe mode of transportation not be compromised as the result of short-funding education.

ZAK YOUNG, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and stated that his job is to provide a safe environment for the students he transports to school. He noted that the proposed \$10.7 million reduction in transportation funding would jeopardize the safety of our children as more children would be forced to walk to school or parents would be forced to drive them to school.

PAULA ARTZ, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and commented that the bus driver transportation training she teaches is intensive and that student transportation funding should not be reduced as it provides the safest mode of transportation to and from school.

STEVE LESKO President, Alaska Association of Developmental disabilities, testified via teleconference from Anchorage to point out that DD funding grants are proposed to be reduced approximately five million dollars, which equates to approximately a 25-percent

funding reduction. He stated that this level of reduction does not meet his definition of the word "fair." He urged the Committee to restore a minimum of \$2.2 million. Furthermore, he stated that a letter to the Committee would be forthcoming that identifies the needs of the program. He quoted the saying, "evil thrives when good people do nothing," and he voiced his belief that the Committee members "are good people."

CARL EVERTSBUSCH, Representative, Key Coalition, testified via teleconference from Anchorage and urged for the restoration of \$2.2 million in DD grant funding in the Governor's proposed budget as it would provide short-term temporary assistance to families in crisis, low cost grants, training to families to utilize generic community services, and medical funding money to those who do not qualify for Medicaid. He stated that no alternate funding mechanism has been identified to address these situations. He noted that while the State's fiscal situation is recognized, people with disabilities should be allowed to remain at home in their communities.

ARLISS STURGULEWSKI testified via teleconference from Anchorage and declared that, "this legislature is giving short shift to maintaining and growing the State's economy." She noted that economic benefits, jobs and economic diversification would be negatively affected by the elimination of funding for the Alaska Science and Technology Endowment Fund (ASTF). She stated that University funding should also be provided.

WILLIAN THEUER, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and explained that, in addition to providing the safest mode of transportation for children, the school bus transportation system provides "cohesiveness" to students' families who rely on that transportation being provided every day so that other family obligations, such as jobs, could be met. He urged for full funding for pupil transportation.

GRESINE JACOBS, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and explained that as a parent, she depends on school buses to safely transport her children to school. She noted that otherwise, her children would be required to travel by foot across several busy streets, and since children could be preoccupied at times, could be approached by strangers or unleashed animals, and might have to walk in the dark, she has concerns.

LINDA WETHERBY, Rabbit Creek Community School, testified via teleconference from Anchorage to voice that community schools

provide a broad variety of programs such as a preschool program, language program, adult and evening educational classes, and family activities. She stated that these programs enhance lives, and she urged that funding not be reduced for community schools.

DERI LYNN JOHNSON, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and stated that of the 800 school related transportation fatalities occurring annually on a national level, the majority result from private vehicle accidents or students who walk to school. She stated that reducing pupil bus transportation funding would result in an increase in parents delivering their children, would raise pollutant emissions, would increase danger to children who would be required to walk to school, and disrupt family schedules. She urged that pupil transportation funding be maintained.

JODY MCINTOSH, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and expressed anger at the proposed reduction to pupil transportation funding as it could result in increased dangers to pupils. She stressed that current programs are run efficiently and safely.

LARRY WIGET, Executive Director, Public Affairs, Anchorage School District, testified via teleconference from Anchorage to voice, on behalf of the Anchorage School District Superintendent, that the Governor's proposed education funding reductions "would absolutely devastate" efforts that have been undertaken by the Anchorage school district to improve student achievement. He stressed that fully funding the student foundation formula does not equate to adequately "funding all components of the education budget." He stated that this would also apply to funding for the University. He quoted the Superintendent as saying that, "an education is the ticket out of poverty, it's a ticket to a successful workforce, it's the ticket to safe and healthy families where children are stable and strong." He urged for full and increased school funding.

STEVE KALMES, Director of Transportation, Anchorage School District, testified via teleconference from Anchorage and stated that 40-percent of the City's school buses transfer special education children who equate to approximately five percent of the overall student population. He stated that because the District is required by federal law to provide special education bus transportation, the four million dollar pupil transportation reduction specified in the budget could only be removed from the \$9.6 million remaining regular bus service funding. He stated that were this done, either "a significant number of routes" would be eliminated which would result in children being required to walk to school or that the classroom dollars "would be severely cut."

ALAN MITCHELL testified via teleconference from Anchorage to voice opposition to "any State funding of the southern intertie project, the duplicate power line between Anchorage and the Kenai Peninsula." He observed that the Committee appears to support this position as it has earmarked \$27 million in interest that was earned on a prior intertie grant to be appropriated to the Alaska Debt Retirement Fund. He stated that this action is contrary to the action of the House of Representatives action, which desires to use that interest to further subsidize the southern intertie project. He opined that this project is not cost effective as studies indicate, "that it would provide fifty cents of benefits to every dollar of cost." He stated that this would equate to a \$70 million loss to the State's economy. Furthermore, he stated that were the project cost effective, there would be no need for the State to fund it, as the Railbelt electric utilities would be able to fund and build it without the State's assistance. He stated that better uses of the funding would be to fund education and reduce school debt.

DEBORA STUDNEK, Anchorage School District School Bus Driver, testified via teleconference from Anchorage and urged the Committee to fully fund education "as the youth of today are the State's greatest investment." She asked that any proposed education funding reductions be reconsidered.

PAT REYNAPA, Registered Nurse, testified via teleconference from Anchorage to voice support for funding the Tobacco Cessation and Education program. She stated that the documented progress of the program, to date, "has been encouraging." She urged that twenty-percent of the Tobacco Settlement be allocated to fund this program.

BILL BOUWENS, Member, Alaska Tobacco Control Alliance (ATCA) testified via teleconference from Anchorage and urged the Committee to fund the Tobacco Cessation and Education program fund at the allowable twenty percent level.

SHERRY BYERS, Member, ATCA, testified via teleconference from Anchorage and urged the Committee to fund the Tobacco Cessation and Education program at the twenty percent level of the Tobacco Settlement monies. She stated that the results of the programs have "been amazing."

PHIL KALUZA testified via teleconference from Anchorage and spoke in opposition to the southern intertie funding as proposed by the House of Representatives. He urged that the interest earnings be instead used to fund education needs in the State.

TIM STEELE, Member, Anchorage School Board, testified via teleconference from Anchorage and reminded the Committee of campaign promises in support of education. He stated that contrary to the Governor's interpretation that full funding means funding the base student education foundation formula, full funding should include sufficient funds for such things as debt reimbursement, transportation, out of district tuition funding, funding for community schools, as well as to provide for the costs associated with mandated programs. He avowed that schools "can't do more with less."

PATRICIA SENNE, President, Alaska Nurses Association, testified via teleconference from Anchorage and urged for support of the Governor's proposed budget increase for the University. She stated that the University's nursing programs assist in providing the number of the nurses who would be required in the State.

RYAN WOLCOTT, Seventh Grade Student, Alyeska Central Correspondence School, testified via teleconference from Anchorage and stated that it appears that Legislators have not been listening to the testimony that has been presented in support of continuing the Alyeska Central Correspondence School. He stated that the teaching services provided by the School are excellent. He noted that were he to attend public school in Anchorage, the cost would be approximately the same as that being paid for him to participate in the Alyeska Central Correspondence School program.

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Mr. Wolcott urged the Committee to "save" Alyeska Central School "as it is the best."

CINDY MICHOU testified via teleconference from Anchorage to voice that Alyeska Central School would be needed more than ever because the Anchorage school district "would not be receiving the level of funding they need, especially for the summer school students." She urged the Committee to fully fund K-12 education.

JAKE METCALFE, President, Anchorage School Board, testified via teleconference from Anchorage and advocated for full funding support of K-12 and University funding. He stated that the proposed budget reductions proposed by the Governor "would pit lower achieving students against higher achieving students." He suggested that Committee Members spend a day in an elementary school classroom in order to witness, "how hard our teachers work and what type of education our children are receiving." He stated that

rather than promoting economic development, the proposed education reductions would impose "economic destruction." He opined that the Anchorage School District is being run efficiently. He suggested that the money in the Permanent Fund should be considered to support economic development.

RICH SEWELL, Past President and current Member, University of Alaska Anchorage Alumni Association, testified via teleconference from Anchorage and stated that in regards to economic development, the University should be considered as an investment rather than an expense. He asserted that the State should double the University's budget request.

TINA DELAPP, Director, School of Nursing, University of Alaska Anchorage, testified via teleconference from Anchorage and urged support of K-12 and University funding. She stated that proposed House of Representatives budget reductions slated for the University "would decimate crucial programs," would lead to students seeking their education outside of the State, "fail to address crucial workforce shortages," and lead to "a decline in the health and economic status" of the State." She urged the Committee to support the Governor's proposed University budget.

BARBARA HAYR, Coordinator, Fair Valley Community School, testified via teleconference from Anchorage and urged full funding for K-12, University, and Community Schools. She stated that community schools provide after-school tutoring programs and other programs geared to improving student academic performance. She voiced disbelief that any reductions in education programs are being considered this year.

VICKY MARTIN testified via teleconference from Anchorage and voiced support for continuing the Alyeska Central Correspondence School Program, as it is a quality program "and the only viable choice for many families." She stated that closing this school would not be a cost-saving measure.

HALEY RUDELL, Student, Alyeska Central Correspondence School, testified via teleconference from Anchorage and voiced strong support for continuing the program as opposed to eliminating it.

SEAN RUDELL, Student, Alyeska Central Correspondence School, testified via teleconference from Anchorage and stated that the Legislators do not seem to be hearing any of the testimony that has been presented in support of the correspondence program. He voiced that closing this program would not save the State money, and that the option of attending "overcrowded schools in need of repair" where the "teachers are overworked" would not meet the needs of

many students such as himself.

FAY VON GEMMINGEN, President, Alaska Municipal League, testified via teleconference from Anchorage and informed that in addition to a downturn in the economy of many communities as well as population decreases, such things as increasing operating costs and higher insurance rates are hindering Alaska's local economy. She urged the Committee to not reduce local municipal revenue sharing programs and school funding, as this would place additional burdens on local businesses.

TAMELA RAMICKE testified via teleconference from Anchorage to voice support for continuing funding for programs that assist the developmentally disabled.

VISTORIA SHAVER, Representative, Food Bank of Alaska, testified via teleconference from Anchorage and urged that funding for the Human Services Matching Grant program be restored. She noted that in addition to providing basic funding for human service programs such as food and shelter, this is the only State funding the Food Bank of Alaska (FBA) receives.

CHERYL SCOTT, Families of Disabled Children, testified via teleconference from Anchorage and shared her experiences with her adopted child who suffers from developmental conditions resulting from a premature birth and fetal alcohol syndrome. She stated that services such as the Infant Learning program, K-12 special education programs including bus transportation, DD programs, and Medicaid waivers are some of the things that her family requires in order to be able to care for their son. She stated that funding reductions in these services would negatively impact families and individuals. She stated that rather than being "a vegetable" as originally diagnosed, her son, as a result of these programs, has become an independent and production member of society. She urged that disability program funding be restored.

RAY KREIG, Chairman, Chugach Consumers, testified via teleconference from Anchorage, and urged the Legislators to support the Governor's request that the \$27 million in accrued interest that has been generated from the southern intertie power system program be returned to the general fund rather than being allocated to the Railbelt Energy Fund. He stated that the Southern intertie project would not be economical, and, he attested that "were it not for the deplorable suppression" of Chugach Electric management, it "would have been abandoned" long ago. He urged the Committee to not use public funds to further "this dubious project" and to recover other funds that have been allocated. He stressed that the money should be allocated to the general fund or "be reappropriated to

benefit South Central Alaska's utility or "general government school debt reduction."

MARY MARKS, Member, Anchorage School Board, testified via teleconference from Anchorage and stated that, as a member of the Board, she is responsible for 50,000 students. She stressed that no reduction in K-12 education funding occur as full funding is required in order to meet mandated education requirements.

REGINA MANTENFEL testified via teleconference from Anchorage and urged for full funding support for the Anchorage Human Services Block Grants that provide funding for such things as literacy programs and the Anchorage Neighborhood Health Center. She asked how many of the Members have participated in the program denoted on the Alaska Permanent Fund Dividend (PFD) application that would allow for some of their PFD to be donated to certain non-profit education and human services organizations.

Senator Taylor responded that he and many of his colleagues have participated in the program in the past. He noted his support in developing that program and stated that people should be encouraged to consider participating in it.

LOU THEISS, Girdwood Resident, testified via teleconference from Anchorage regarding the need to continue community school funding, especially in communities such as Girdwood, where other options are limited and the school, alone, might be too small to meet the community's need for after work and after school activities.

KYM WOLCOTT testified via teleconference from Anchorage in support of continued funding for the Alyeska Central Correspondence School program. She argued that, contrary to the Department of Education and Early Development's position that eleven other education options exist; several correspondence programs would not be operating statewide programs. She also stated that closure of the program would not result in any cost savings, and that absorbing these students back into their district schools would serve to worsen over-crowding conditions. She concluded that were Governor Murkowski and his administration committed to providing a quality education in the State, they would not close Alyeska Central Correspondence School.

JOELLE SHALL, Representative, Alaska Tobacco for Kids, testified via teleconference from Anchorage and stated that the full twenty-percent of the Tobacco Master settlement funding should be spent on Tobacco Cessation and Education programs rather than being spent on other non-related projects.

JOHN STEINER, Anchorage School District, testified via teleconference from Anchorage and voiced understanding for the fiscal challenges facing the State and the tough decisions that Legislators must make. He noted, however, that any further education funding reduction from the FY 03 funding levels would not be possible. He suggested that funding be decreased or deferred for other discretionary programs, as he declared funding for education could not be categorized as discretionary, as funding must be available to provide quality education opportunities to students as they advance, each year, toward graduation. He stated that the "no child left behind" program must be upheld.

ALLISON BUTLER, Biology Instructor, University of Alaska Anchorage, testified via teleconference from Anchorage and pointed out that insufficient funding of the University system would not only negatively affect the programs that the University offers, it also would negatively affect the future workforce of Alaska, especially in health care programs such as nursing.

JILL GATES, Member, Alaska Tobacco Control Alliance, and former Director, Prevention Program, American Cancer Society, testified via teleconference from Anchorage and strongly recommended that the Tobacco Cessation and Education program be funded at the full twenty-percent level. She stated that these programs are successful and save lives.

LEE GORSUCH, Chancellor, University Alaska Anchorage, testified via teleconference from Anchorage in support of Representative Norm Rokeberg's legislation that would establish a funding source to fully fund K-12 education and University funding "by repealing the supplemental contribution to the Alaska Permanent Fund." He noted that, while several funding options have been investigated over the years, this would be an "appropriate and adequate" approach.

SHIRLEY EVANS, Representative, Developmental Disability Community, testified via teleconference from Anchorage and requested that the \$2.2 DD funding be reinstated in the budget. She shared how this funding assisted her family with caring for their disabled daughter and allowed the family's needs to be addressed.

GRAHAM SIEBE, Student, University Alaska Anchorage, testified via teleconference from Anchorage and communicated to the Committee "the strong momentum" of progress that has been occurring at University campuses. He stressed that without adequate funding this momentum would be negatively affected. He stated that continued momentum would allow the University to develop "the future leaders of Alaska" rather than losing them to other states.

CAROL COMEAU, Superintendent, Anchorage School District, testified via teleconference from Anchorage and implored the Committee to restore K-12, pupil transportation, and school debt reimbursement funding levels that are proposed to be reduced in the FY 04 budget. She stated that K-12 education, the Alyeska Central Correspondence School, and the University each provide essential services and should not be pitted against each other. She asked that Committee Members "remember their commitment to education when they ran for office" as the State's students and educators deserve Legislators' full support.

REBECCA REICHLIN testified via teleconference from Anchorage and asked for that full funding for education be provided in the budget. She stressed that opportunity grant money, pupil transportation funding, and debt reimbursement funds are critical to schools. She also noted that all age groups benefit from the services that are provided by community schools, and she asked that funding for these programs not be eliminated.

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ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at 09:25 PM