

MINUTES
SENATE FINANCE COMMITTEE
April 14, 2004
6:01 PM

TAPES

SFC-04 # 81, Side A
SFC 04 # 81, Side B

CALL TO ORDER

Co-Chair Lyda Green convened the meeting at approximately 6:01 PM.

PRESENT

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

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

SUMMARY INFORMATION

HB 375-APPROP: OPERATING BUDGET/LOANS/FUNDS
HB 377-APPROP:MENTAL HEALTH BUDGET

The Committee heard public testimony from the Legislative Information Offices located in Petersburg, Ketchikan, Wrangell, Sitka, Cordova, Homer, Kodiak and Kenai, and in person in Juneau. The bills were held in Committee.

#HB375
#HB377

CS FOR HOUSE BILL NO. 375(FIN) am
"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."

And

CS FOR HOUSE BILL NO. 377(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.

JEAN MACK, representing the City of Petersburg, testified via teleconference from Petersburg in opposition of using a statewide sales tax or a tourism tax to balance the State budget. She spoke of the reliance of the City on its local sales tax and bed tax. She stated that if the Legislature decided to not remit an extra one percent of the collected sales tax under the proposed legislation, SB 366, the municipalities would be in a difficult financial situation. She preferred a statewide income tax.

DIANE IVY-DAHLIN, Coordinator, Youth Court, testified via teleconference from Wrangell to urge the Committee support the program statewide. She detailed the benefits of the inception of this program in Wrangell, including reduced offenses by juveniles. She remarked that the cost of incarceration of juveniles is significantly higher than the cost to operate the youth court program. She requested the Senate fund the program in the same amount approved by the House of Representatives.

VALERY MCCANDLESS, Mayor, City of Wrangell, testified via teleconference from Wrangell about the "tremendous difference" the youth court has made in that community. She stated this program promotes "restorative justice". She also expressed interest in education funding, funding for public employees and teachers retirement systems, proposed changes to the permanent fund and the proposed statewide sales tax. She stated that the current level of the local sales and property taxes is inadequate to fund the community's needs, requiring the use of savings. She also supported funding for harbors. She recommended consideration of an income tax.

ALEJANDRO CHAVARRIA, 16 year old, representing the Ketchikan Youth Court, testified via teleconference from Ketchikan about the program, which allows defendants representation by an attorney and to be judged by their peers. He stated the youth court costs 50 percent less to operate than the traditional court system, lowers the burden on the district court, and has a low recidivism rate for

those appearing in the court.

GRETCHEN KLEIN, Coordinator, Ketchikan Youth Court, testified via teleconference from Ketchikan that the youth court has been in operation in Ketchikan for almost five years. She reiterated the information provided by Mr. Chavarria, including the 80 percent success rate and positive impact on participants. She stated that with declining funding from the State, participants have relied on increasing fundraising activities. However, she pointed out that because participants spend so much time in fund raising activities, they are not available for the desired level of training.

PAT MUZZANA, Paralegal, Alaska Legal Services Corporation, testified via teleconference from Ketchikan that the office in Ketchikan only operates part time, but handles a significant workload during its hours of operation. She told of the loss of many jobs in the community and subsequent demand for these services by low-income and elderly residents. She asked that the Senate match the actions of the House of Representatives.

BECKY BOLLING, President, Alaska Nurses Association, testified via teleconference from Ketchikan to request the Committee fully fund the public health nursing program. She did not understand the proposed funding reductions in rural communities, such as Ketchikan, that have limited services available. She understood the intent that local communities take on a larger share of providing these services, but she stressed that resources are limited and this could not be accomplished. She told of the importance of providing health care services to those in need and stressed that rather than receive care elsewhere, would go untreated. She predicted higher rates of teen pregnancy and sexually transmitted diseases.

JEANNIE MONK, Juneau Community Charter School, testified in Juneau to grants for charter schools for the Juneau school and other small charter schools. She emphasized the importance of these grants for the small charter schools to provide short-term relief and allow the schools to secure other funding and to grow and become more stable over time.

AT EASE 6:20 PM / 6:30 PM

CHRISTINE PATE, Civil Law Attorney, testified via teleconference from Sitka in favor of funding \$125,000 for the Alaska Legal Services Corporation. She emphasized the importance of legal representation for low-income people for housing, children, wages and other matters. She spoke of the high percentage of her clients

how have experienced domestic violence and need to ensure safety for their children.

TIM LOWER, Sitka Youth Court, testified via teleconference from Sitka to request the Senate appropriate funds for the program in the same amount approved by the House of Representatives. He told of the successful operation of a youth court in Sitka for four years until 2003, when lack of funding required closure of the program. He stated that the Sitka Youth Court had a zero recidivism rate during operation of the program.

JILL SIMPSON, Cordova Family Resource Center, testified via teleconference from Cordova to encourage continued support of the Alaska Counsel on Domestic Violence and Sexual Assault. She stated without adequate funding for the Counsel, agencies, such as the Cordova center, would be unable to offer services to victims of domestic violence and sexual assault. She also noted the increase burden on local law enforcement if these services were not available.

AT EASE 6:37 PM / 6:41 PM

JUDE PATE testified via teleconference from Sitka that he serves on the Alaska Legal Services Corporation board of directors and is a practicing attorney. He listed his work history, including working with the Office of Public Advocacy. Through his work, he remarked on the great demand for legal services by low income Alaskans. He understood that representation is available for criminal matters, but not for civil matters.

AT EASE 6:43 PM / 6:58 PM

CHRISTINE ABRAHAMSON, Fireweed Academy, testified via teleconference from Homer about this small charter school, which is part of the Kenai Peninsula School District. She expounded on the benefits of charter schools as advocates of the needs of children and as fiscal efficient operations. She requested the Committee retain adequate funding for education and charter schools. She informed that at the elementary level, students have participated in mock trials in the youth court.

MARNA MCGONEGAL, Harborview Elementary School Parent Teacher Association, testified in Juneau that she moved her family from Utah to receive better education without the threat of gang activities and 35 students in each class. She told of the class size of 18 students and significant parental involvement at Harborview. She informed that librarian positions have been reduced

as well as services for students who speak English as a second language. She requested increased funding for education to avoid the situation she experienced in the State of Utah.

SHELAGH SANDS, Harborview Elementary School Parent Teacher Association, testified in Juneau that the reading scores of students at the school have dropped and that funding is inadequate for a reading teacher position. She also reported that the school has no music teacher and other teaching positions have been reduced.

TONY NEWMAN, Parent of charter school student, testified in Juneau to thank Senator Dyson and rep wyrock for support of small charter schools. He relayed his conversations with parents across the State and found that the current statutes governing small charter schools are inadequate and must be changed. He exampled that parents must spend significant time in fundraising activities. He surmised this is discouraging to others in forming new charter schools.

AT EASE 7:08 PM / 7:10 PM

DEBORAH GERMANO testified via teleconference from Homer to express concern that proposed budget reductions would affect those least able to provide for themselves. She supported broad based taxes, the percent of market value method of managing the Permanent Fund. She did not support a statewide sales tax, as it would negatively impact local communities.

WHITNEY CUSHING, President, Statewide Youth Court of Alaska, testified via teleconference from Homer that participants in the youth court represent the best of Alaskan youth. He stated that the youth court benefits the State in that it is less expensive to operate than the regular court system. He furthered that offenders are less likely to appear in court again after completion of the youth court program. He stressed that the youth court program is operated by volunteers, and that without State funding, would be unable to continue.

RICHARD WARRINGTON, Brain Injury Awareness, testified via teleconference from Kenai to encourage support of a fiscal plan that would provide services for disadvantaged Alaskans, including the mental health court, youth court, services for seriously injured adults, and treating youth within the State rather than sending them to facilities outside Alaska. He reported that Alaska has the highest rate of brain injury and that the Alaska Mental Health Board has undertaken efforts to provide treatment within the State.

AT EASE 7:18 PM / 7:28 PM

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D. SCOTT SMITH, Executive Director, Safe Harbor, testified via teleconference from Kodiak that the Governor's recommended budget reductions of \$200,000 would not allow the facility to operate and would leave the island of Kodiak without inpatient treatment services for substance abuse. He disputed charges that the Governor has made that the facility is not utilized by Kodiak residents, and cited information to the contrary. He shared his contributions in the years after receiving substance abuse treatment. He warned of the consequences of closure of the facility, including increased instances of domestic violence, homelessness and criminal activity.

Co-Chair Green understood that the Legislature is unable to directly impact which facilities receive the grant funding. She asked the occupancy rate of the facility.

Mr. Smith explained the four-bed facility, of which only two beds receive State funding. He requested the legislators pressure the Governor to provide funds to Safe Harbor.

WILTON NELSON, Safe Harbor, testified via teleconference from Kodiak about the high incidences of substance abuse in the community and the benefits of the treatment provided by the program.

DAVID ELUSKA, JR., Resident of Akiak, testified via teleconference from Kodiak that Safe Harbor has benefited him and that he has learned much about himself.

JEANNIE INGA, Safe Harbor, testified via teleconference from Kodiak that her significant other is a resident of Safe Harbor and the treatment has made a difference in his life. She wanted others to benefit from the services as well.

DEBBIE GROTHE, Resident of Soldotna, Brain Injury Awareness-Traumatic Brain Injury, testified via teleconference from Kenai about her 18-year-old niece who received a severe brain injury as a result of a car accident. She detailed the hospital treatment and in-home care of Nicole and the high probability of improvement of her health. However, she informed that Blue Cross insurance would not cover the treatment expenses of a facility in California where she has been accepted as a patient. She requested information on

other services that may be available to assist her niece.

TRAVIS WOODALL, Employee of Safe Harbor, testified via teleconference from Kodiak to request the Committee use its leverage to prevent the Governor from eliminating funding for the program.

MONTE HAWYER, Director, Brother Francis Shelter testified via teleconference from Kodiak about the efforts of the organization to prevent people from becoming homeless. He stated that funding mental health treatment is morally, socially and fiscally "the right thing to do". He informed that costs would become higher in the future if these services were not funded adequately in the present.

SUSAN POLLARD, Alaska Kids Count, testified in Juneau on behalf of education. She remarked on the importance of developing a fiscal plan that provides adequate funding for education. She supported spending from the Constitutional Budget Reserve Fund, broad based taxes and other proposals. However, she stated she was unwilling to accept no action.

LYNN SHEPHERD testified in Juneau to request funding for libraries, museums and archives. She noted that funding has been reduced for these facilities for many years. She listed positions that must be filled, including a curator for the Sheldon Jackson Museum in Sitka and an electronic archivist in Anchorage.

Senator Dyson understood that the climate control is deteriorating some records in the archive facility in Juneau and asked the witness' information on this matter.

Ms. Shepherd admitted she has heard rumors of this problem. She shared that she has visited the facility and has seen the massive amount of paperwork and therefore did not dispute that the rumors could be true.

AT EASE 7:50 PM / 7:57 PM

Co-Chair Green thanked those who provided testimony.

The bills were HELD in Committee.

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Co-Chair Wilken announced the agenda for the next meeting.

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at 07:59 PM