

HOUSE FINANCE COMMITTEE
April 6, 2006
1:46 P.M.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [1:46:34 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Richard Foster
Representative Mike Hawker
Representative Jim Holm
Representative Reggie Joule
Representative Mike Kelly
Representative Beth Kerttula
Representative Carl Moses
Representative Bruce Weyhrauch

MEMBERS ABSENT

None

ALSO PRESENT

Pete Ecklund, Staff, Representative Kevin Meyer; Suzanne Cunningham, Staff, Representative Kevin Meyer; Mikayla Saito, Staff, Representative Reggie Joule; Ben Mulligan, Staff, Representative Bill Stoltze; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Janet Clarke, Assistant Commissioner, Division of Finance and Management Services, Department of Health and Social Services; Bill Hogan, Deputy Commissioner, Department of Health and Social Services; Andy Pope, Juneau; Mike Ford, Alaska Native Health Board, Juneau; Robert Howard, Palmer

PRESENT VIA TELECONFERENCE

Dick Mylius, Deputy Director, Division of Mining Land and Water, Department of Natural Resources, Anchorage; Bob Swenson, Director, Division of Geophysical & Geological Surveying, Department of Natural Resources, Anchorage; John Kreilkamp, Vice President for Land Operations for Cruise West, Anchorage; Dr. Glenn Juday, University of Alaska, Fairbanks; Dr. Roland Maw, Upper Cook Inlet Driftnet Association; Dr. Kathinka White, Alaska Primary Care Association, Anchorage; Jeff Jesse, Executive Director, Alaska Mental Health Trust Authority, Anchorage; Carla

Shelton, Parent Advocate; Emily Ennis, Fairbanks Resource Agency, Fairbanks; Stacy Messerschmidt, Tok; Sydney Stredicket, Partners in Policy; Pat Lubby, Advocacy Director, Alaska Association of Retired Persons (AARP), Anchorage; Meg Mitchell, Homer; Stan Steadman, Executive Director, Center Peninsula Health Center, Aspen Dental Center; Jennifer McElroy, Dental Hygienists, Soldotna; Dr. Marguerite McIntosh, Family Doctor, Soldotna; Pamela Hawk, Anchorage Neighborhood Health Consortium; Carrie Grey Wolf, Knik River Watershed Group; Cecile Fritz, Knik River Watershed Group; Eric Uhde, Alaska Center for the Environment, Anchorage; Todd Clark, Alaska Outdoor Access Alliance, Anchorage; Patti Barber, Palmer; Ken Barber, Palmer; Dick Coutts, Butte Community Council Trail Committee, Palmer

SUMMARY

HCR 30 Creating an Alaska Climate Impact Assessment Commission.

CS HCR 30 (FIN) was reported out of Committee with "individual" recommendations and with indeterminate note #1 by the Department of Natural Resources and fiscal note #2 by the Legislative Affairs Agency.

HB 105 An Act relating to coverage for adult dental services under Medicaid; and providing for an effective date.

CS HB 105 (FIN) was reported out of Committee with a "do pass" recommendation, House Finance Committee Letter of Intent and with fiscal notes #1 and #2 by the Department of Education & Early Development and a new fiscal note by the Department of Health and Social Services.

HB 307 An Act creating the Knik River Public Use Area.

CS HB 307 (FIN) was reported out of Committee with a "no" recommendation and with fiscal note #1 by the Department of Natural Resources.

HB 493 An Act relating to reimbursement of municipal bonds for school construction.

CS HB 493 (FIN) was reported out of Committee with "individual" recommendations and with an indeterminate note by the Department of Education & Early Development.

[1:47:56 PM](#)

#HB307

HOUSE BILL NO. 307

An Act creating the Knik River Public Use Area.

ROBERT HOWARD, FRIENDS OF RESIDENCE, PALMER, testified against HB 307. He noted his last two decades seriously advocating the committing of local resources to responsible use. [Mr. Howard distributed photographs to the Committee of the area.]

He said he served with the Trails Committee, the Mat-Su Trails Council and a founding member of the Knik River Watershed Group. Mr. Howard believes there are better ways to address problems of that region. A State recreation access area could provide a better solution. He thought that an area accessible to more than 300 thousand people and riddled with trail services will create undeniable impacts. Mr. Howard stressed the need for a management plan including a Citizen's Advisory Board. He urged that HB 307 contain stated deadlines.

[1:52:12 PM](#)

CARRIE GREY WOLF, (TESTIFIED VIA TELECONFERENCE), WILDLIFE BIOLOGIST, PALMER, testified in opposition to the legislation. She pointed out that birds and waterfowl do not have the option to leave; the Valley is part of a critical migration route. Bird watching in Alaska is a multi million-dollar business. If the bill passes, she urged that the Commissioner have the authority to restrict the type of weapons used in the critical habitat area and regulate the time of discharge in the wetlands. She advocated for sufficient funding for education, enforcement, habitat protection, sanitary facilities and trail maintenance.

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CECILY FRITZ, (TESTIFIED VIA TELECONFERENCE), KNIK RIVER WATERSHED GROUP, PALMER, thanked Representative Stoltze for initiating a plan that would help bring people together to accommodate all users and the resources in the area. She urged effective enforcement, asking how the enforcement will happen.

Ms. Fritz recommended the Committee amend Page 2, Section 41-23-190 - to include a Citizen's Advisory Board. She stated that Page 3, Lines 13-18, does not allow management of the trails near residential areas, in the dunes, or consideration of motorized use of the upland trails during the winter season.

Ms. Fritz pointed out that swans are present near that trail. She urged that the bill be amended on Line 13, inserting language "as compatible with the purposes of that section and ending the sentence after the word "ariel". She noted that with good legislation, their group could work effectively with the various agencies.

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ERIC UHDE, (TESTIFIED VIA TELECONFERENCE), ALASKA CENTER FOR THE ENVIRONMENT (ACE), ANCHORAGE, testified in opposition to HB 307, noting that it does nothing to help manage activities. ACE recommends a local management style for the area, managed as a recreation area. The Knik River is notorious for being a dangerous place and the legislation fails to tackle those problems. HB 307 limits the Commissioner of the Department of Natural Resources to manage the resources and does not provide for any "on the ground enforcement". HB 307 allows, "grand fathering" of all existing trails; he recommended that section be deleted. The planning process is the best place to address trail issues for critical habitat areas.

Mr. Uhde recommended that a Citizen's Advisory Board be established to compliment the Department of Natural Resources management. In any event, proper funding is the key. He pointed out that the fiscal note does not address enforcement and funding that is essential. In conclusion, the local population should be the ones to determine the use of management areas.

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TODD CLARK, (TESTIFIED VIA TELECONFERENCE), ALASKA OUTDOOR ACCESS ALLIANCE (AOAA), ANCHORAGE, discussed the goals of AOAA to maximize the largest use of the public resources. In South-central Alaska, there needs to be a place designated for use by motorized vehicles. HB 307 provides the opportunity for education, protection and management enforcement. He suggested that HB 307 could help solve the problems, reiterating that enforcement is the key issue.

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PATTI BARBER, (TESTIFIED VIA TELECONFERENCE), PALMER, voiced appreciation for HB 307, which protects motor home users. She agreed there needs to be greater funding for the Alaska State Troopers for proper enforcement.

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KEN BARBER, (TESTIFIED VIA TELECONFERENCE), PALMER, voiced 100% support for HB 307 and recommended no changes to the bill. Mr. Barber agreed that enforcement is essential.

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DICK COUTTS, (TESTIFIED VIA TELECONFERENCE), BUTTE COMMUNITY COUNCIL TRAIL COMMITTEE, PALMER, noted support for HB 307. He explained the need for public use designation for the Knik River valley. The traditions and rural lifestyles must be protected - hunting, fishing, prospecting & trapping. There are other parts of Alaska that offer areas of no motorized vehicles. Tourism is a choice of economic viability in the Butt area. Offering a public use designation is an option for everyone. Mr. Coutts acknowledged the need for more law enforcement but not a lot of new restrictions. There are approximately 72 public agencies that have regulations in place already for such an infrastructure.

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DICK MYLIUS, (TESTIFIED VIA TELECONFERENCE), DEPUTY DIRECTOR, DIVISION OF MINING LAND AND WATER, DEPARTMENT OF NATURAL RESOURCES, ANCHORAGE, commented that the Department of Natural Resources has worked closely with Representative Stoltze & Senator Huggins on the legislation. He thought the changes made have been good. The legislation sets aside 264 thousand acres as a public use area; there is general support for addressing the concerns. The management plan offers a good opportunity to address the issues. Another key point of the bill is that it provides the Department of Natural Resources enforcement authority along with the Alaska State Troopers for citing violations. Current enforcement is not working on the ground.

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REPRESENTATIVE BILL STOLTZE, SPONSOR, thanked the Department of Natural Resources for the proposed enforcement language. He appreciated the direction the bill has moved; he pointed out he is working on an amendment that would allow groups outside government, to provide resources for organizational costs. He highlighted long-term issues of the area.

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Representative Kerttula voiced her appreciation with the proposed cleaning up; she asked how the public process would include involvement from the Department of Natural Resources. Mr. Mylius said they intend to follow the standard public project process, which takes about two years and involves public meetings to identify issues and concerns. There were hearings held on the legislation last

summer to focus on the issues. The Department will gather data to deal with issues such as a public survey regarding area use. A draft plan would be written, following the meetings on the plan and then a final plan would be written. He summarized the three rounds of public meetings. The planning team would consist of the State agencies involved in land and resource management and the borough.

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Representative Kerttula understood the time and effort put into planning, and asked if at some point a more formal group could happen. Mr. Mylius responded that had occurred from time to time in the planning efforts. Initially, there was a formal advisory board - a group that was useful but added time and expense to the process. It is known who the prime usury groups will be.

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Representative Kerttula pointed out that the enforcement section appears to be broader than normal and asked what it encompasses. Mr. Mylius replied at this time, the only ones authorized to issue warrants are the Alaska State Troopers, which includes employees from the Department of Fish and Game and State Rangers.

Representative Kerttula agreed there needs to be a "show of enforcement and commitment" to deal with the seriousness of the legislation. Mr. Mylius pointed out that the fiscal note contains funding for a position that would be responsible for patrolling the area and that the use is somewhat seasonal.

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Representative Kerttula inquired how the public use area could interact with the adjacent land. Mr. Mylius replied that most of the Bureau of Land Management (BLM) lands do not see much intensive public use. The BLM used to have a few parcels closer to the road system but most of those have been transferred to the State.

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Representative Kerttula referenced the section of the bill that addresses recognition of the existing off-road motor vehicle trails and asked if that meant "consideration". Mr. Mylius understood that it meant, "recognized". Some of those trails might need to be rerouted; the current language provides that flexibility.

Representative Kerttula asked if some of those trails were creating more debilitation, would the Department have the

authority to rehabilitate the area to bring them back. Mr. Mylius replied they have that authority.

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Representative Weyhrauch MOVED to ADOPT New Amendment #1, #24-LS0737\S.2, Bullock, 4/6/06. Co-Chair Meyer OBJECTED.

Representative Weyhrauch explained the amendment clarifies that the Commissioner cannot prohibit hunting within a marine park-system. He noted the language came from Representative Kerttula's bill, which creates a marine park in Southeast Alaska. He thought the provision fit well in HB 307.

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Representative Kelly pointed out it restates the existing wording. Representative Weyhrauch clarified that one restricts while the other prohibits. Representative Kelly asked if it would affect fishing and trapping. Representative Weyhrauch said it could not. Representative Kelly countered that it could reduce restrictions on hunting. Discussion between Representative Weyhrauch and Representative Kelly took place on the verbiage addressing hunting restrictions.

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Representative Kerttula clarified that the reason for the language in her bill was to address concerns brought forward by the territorial sportsman. She did not believe there were concerns regarding hunting but thought the issues brought forward by Representative Kelly were worth consideration.

Representative Weyhrauch WITHDREW the MOTION on Amendment #1. There being NO OBJECTION, it was withdrawn.

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Vice Chair Stoltze commented that the amendment deals mostly with Southeast park issues and does not address land and management concerns that the Knik public use area has.

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Mr. Mylius pointed out the fiscal note addresses two components:

- A two year planning process effort, and
- A long-term position for a manager to that area

Co-Chair Meyer noted the two employees hired for FY07 & FY08 and then one position in FY09. Mr. Mylius replied that was correct, as the first two years require funding for the planning effort. The long-term manager hired in the first two years would be involved in the planning effort. The planning position would exist only as long as the planning efforts continue. Mr. Mylius said the planning position would be placed in Anchorage; the Valley position funding would be through the State Agriculture Office, the cost covered in the fiscal note.

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Co-Chair Chenault inquired if the position could help the State Troopers. Mr. Mylius replied that it was the other way around and that they would be assisting the Alaska State Troopers. The area has become a dump ground for many stolen vehicles and requires State Trooper involvement. Enforcement will have several purposes for patrolling those grounds. Co-Chair Chenault appreciated that the hired person would be working in the field, not in an office.

Representative Kelly emphasized the area clearly is not a park. Mr. Mylius understood that; there are a few public use areas managed by the Division of Mining, Land & Water.

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Representative Weyhrauch asked if it was a critical habitat area. Vice Chair Stoltze said not as a whole but that part of the process is to identify such areas. Creating a multiple use area is the intent.

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Representative Foster MOVED to REPORT CS HB 307 (FIN) out of Committee with individual recommendations and with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CS HB 307 (FIN) was reported out of Committee with a "no" recommendation and with fiscal note #1 by the Department of Natural Resources.

#HB493

[2:39:30 PM](#)

HOUSE BILL NO. 493

An Act relating to reimbursement of municipal bonds for school construction.

Co-Chair Meyer pointed out that Amendment #1 had been adopted at the previous hearing.

Representative Joule WITHDREW Amendment #2.

Representative Joule MOVED to ADOPT Amendment #3 for discussion purposes. Co-Chair Meyer OBJECTED.

Representative Joule explained that the amendment would provide a limit of the total amount of the debt reimbursement to \$400 thousand dollars, to be allocated between districts based on their size, as done in previous years. Co-Chair Meyer noted his intent there be no 60% cap, as it would not be as attractive with the 70% amount.

PETE ECKLUND, STAFF, REPRESENTATIVE KEVIN MEYER, explained that from 2002 to 2004, there was an open-ended 70% approved and 60% non-approved reimbursement rate. Under that program, there was \$699 million dollars authorized for bonds. Last year, \$177 million dollars for bonds was authorized with a cap structure.

Representative Joule WITHDREW Amendment #3.

Representative Joule MOVED to ADOPT conceptual Amendment #4. Co-Chair Meyer OBJECTED.

Representative Joule explained that conceptual Amendment #4 would provide an effective date. Representative Joule observed that last time bonds were issued, it included a provision for rural development. Co-Chair Meyer agreed that HB 202 added funding for rural schools; he observed the importance of keeping the balance between rural and urban schools. He pointed out that rural needs have been addressed partly through the major maintenance lists.

Representative Joule WITHDREW Amendment #4.

Representative Joule MOVED to ADOPT Amendment #5, a conceptual amendment which would add an effective date clause. Co-Chair Meyer OBJECTED.

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Representative Joule explained that Amendment #5 allows rural school districts to participate in the debt reimbursement program. The amendment is technical in nature, addressing the North Slope Borough School District.

Co-Chair Meyer clarified that the amendment would allow the North Slope Borough School District to participate in the current 70/30 program, in effect until October 1st, 2006. He asked if it was intended they be included in the 60/40 reimbursement after that date. Representative Joule did not know about that eligibility.

Co-Chair Meyer asked if it would be possible to provide for Representative Joule's request.

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, explained that the proposed legislation is open to all school districts & the North Slope would qualify under the proposal. He stated that Amendment #5 would reallocate funds approved in SB 73, by taking \$2 million out of the allocation for the Anchorage School District for the North Slope Borough School District. Mr. Jeans noted that the Borough had passed the school bond package, so they would fit within the timeline but they would not be eligible for any reimbursements in the FY07 budget since they did not notify the Department of Education of their intended debt.

Co-Chair Meyer maintained his opposition to Amendment #5.

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Co-Chair Meyer pointed out that the Anchorage bonds failed, but through the new election, they would qualify.

Co-Chair Meyer questioned if the North Slope Borough School District understood that they would be responsible for 100%.

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Mr. Ecklund explained that the list at the time crafted, did not include projects for the North Slope Borough.

Representative Joule WITHDREW Amendment #5. Co-Chair Meyer said he would support the amendment if it did not take funds away from other school districts. Mr. Jeans pointed out that under the debt program, districts have to submit their projects separately.

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Co-Chair Meyer acknowledged disappointment that Anchorage voters did not approve the 70/30-school bond reimbursement. He hoped at the 60/40 level, the district would bond without a cap be in place.

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Representative Weyhrauch indicated his support for the legislation & the proposed mechanism. Co-Chair Meyer pointed out that the legislation is a form of municipal revenue sharing. Representative Hawker offered full endorsement for financing in the proposed legislation.

Vice Chair Stoltze asked clarification regarding reimbursement. Co-Chair Meyer stated that the current 70% is in effective until October 2006.

Representative Foster MOVED to REPORT CS HB 493 (FIN) out of Committee with individual recommendations and with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CS HB 493 (FIN) was reported out of Committee with "individual" recommendations and with an indeterminate note by the Department of Education & Early Development.

#HCR30
[2:57:06 PM](#)

HOUSE CONCURRENT RESOLUTION NO. 30

Creating an Alaska Climate Impact Assessment Commission.

Co-Chair Meyer MOVED to ADOPT work draft #24-LS1605\L, Kane, 4/06/06, as the version of the bill before the Committee. There being NO OBJECTION, it was so ordered.

REPRESENTATIVE REGGIE JOULE, SPONSOR, spoke in support of the legislation. He stated that the Resolution attempts to create an Alaska climate impact assessment commission to identify and address issues relating to climate changes. There are already economic impacts to the infrastructure. The legislation places a group together to bring greater understanding in planning for the anticipated changes. The Commission would consist of two members from each body and 11 public participants.

JOHN KREILKAMP, (TESTIFIED VIA TELECONFERENCE), VICE PRESIDENT FOR LAND OPERATIONS FOR CRUISE WEST, ANCHORAGE, voiced support for the legislation. Cruise West is a small ship cruise line with 9 vessels in operation in Alaska that travels to 23 statewide communities. The vessels have seen damage from back-to-back storms in the Nome area. He pointed out that the ice gap has been shrinking, requiring an additional day to be reached by ship. He suggested that the Commission look at the affects on docks, bridges and roads. A changing climate affects travelers coming to Alaska, and the future of tourism to Alaska.

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DR. GLENN JUDAY, (TESTIFIED VIA TELECONFERENCE), PROFESSOR OF ECOLOGY, SCHOOL OF NATURAL RESOURCES, UNIVERSITY OF ALASKA, FAIRBANKS, noted he has been involved in accessing climate change for over a quarter century. He mentioned a series of papers he published in 1982 providing important

criteria regarding serious information on climate change. He was happy that considerations were being made and that there is a process now happening. The real question is what can be done now. There are many questions on the issues coming.

He said the fiscal note is modest given the intention of the legislation to assist in the process of transferring information. He urged that the bill pass from Committee.

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DR. ROLAND MAW, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, UNITED COOK INLET DRIFTNET ASSOCIATION, testified in support for HCR 30. He complimented the sponsor of the legislation, noting that he fully supports previous testimony. The Cook Inlet area is currently struggling with salmon returns into the upper Inlet. There is a lack of rainfall from the 50-year norm and water temperatures are up to the limit for salmon survival. Kenai supports the bill, having great concerns regarding the issues. Dr. Maw looked forward to serving on the Commission.

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BOB SWENSON, (TESTIFIED VIA TELECONFERENCE), DIRECTOR, DIVISION OF GEOPHYSICAL & GEOLOGICAL SURVEYING, DEPARTMENT OF NATURAL RESOURCES, ANCHORAGE, offered to answer questions of the Committee.

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Representative Weyhrauch questioned why retreating sea-ice could affect polar navigation and raise security concerns.

MIKAYLA SAITO, STAFF, REPRESENTATIVE REGGIE JOULE, responded that the receding sea ice is opening up polar-regions and that passage for the vessels is of concern. The security revolves around the many docks and ports for the foreign entry.

Representative Joule discussed the possibility of the North West Passage opening up with increased traffic.

[3:18:10 PM](#)

Representative Kerttula MOVED to ADOPT to Amendment #1, amending Page 2, Line 30, Subsection (d) to read:

(d) A member that is knowledgeable in the area of and management and restoration of wildlife and natural resources.

Co-Chair Meyer OBJECTED.

Representative Kerttula pointed out a technical change, deleting "that" and inserting "who". The Department of Law advised that the Legislative Branch couldn't mandate the participation of the Executive Branch. The Department of Natural Resources is comfortable with the amended language.

Vice Chair Stoltze questioned the request. Representative Kerttula stated it could be placed in the intent language that someone from the Department of Natural Resources is involved on the Commission. Vice Chair Stoltze indicated he has served on various commissions and had not heard that objection. Representative Kerttula pointed out that the issue deals with the separation of powers.

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Representative Joule commented that in earlier testimony, it was suggested some departments could serve in an ex officio capacity and hoped the legislation would reach a broader audience.

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Representative Kelly commented on the composition of membership. Representative Joule clarified that the language of the bill addresses membership changes.

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Co-Chair Meyer WITHDREW his OBJECTION to Amendment #1. There being NO further OBJECTION, it was adopted.

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Representative Weyhrauch noted his appreciation to Representative Joule for introducing the legislation.

Representative Kerttula MOVED to REPORT CS HCR 30 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HCR 30 (FIN) was reported out of Committee with "individual" recommendations and with indeterminate note #1 by the Department of Natural Resources and fiscal note #2 by the Legislative Affairs Agency.

#HB105

[3:29:09 PM](#)

HOUSE BILL NO. 105

An Act relating to coverage for adult dental services under Medicaid; and providing for an effective date.

Representative Foster MOVED to ADOPT work draft #24-GH108\F, Mischel, 4/5/06, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

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BILL HOGAN, DEPUTY COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, explained that the Department is proposing changes to the range of adult dental services allowed in the Medicaid program. The adult dental coverage currently provides only emergency dental care. The legislation would enhance the existing emergency dental program to include preventive and restorative care. The expanded program would benefit those most in need as well as Alaskan seniors. A proposed cap of \$1150 per year would allow for a full set of dentures over a two-year period.

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Mr. Hogan continued, infections of the mouth can result in all sorts of physical problems. Dental infections can be passed to unborn infants and can keep a person unemployed given the decayed teeth. The Alaska Mental Health Trust (AMHT) has a mini grant program, annually dispersing over \$700 thousand dollars on dental care programs for their beneficiaries. If the bill passes, those Medicaid dollars could be used.

The Division of Vocational Rehabilitation has noted they spend annually about \$100 thousand dollars to help people with dental concerns, increasing the possibility they can become employed.

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JANET CLARKE, ASSISTANT COMMISSIONER, DIVISION OF FINANCE AND MANAGEMENT SERVICES, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, pointed out that the revised fiscal note was based on the committee substitute and was reduced from the original note. FY07 number reduction of \$3.5 million dollars estimate to \$2.6 million dollars providing a reduction to general funds. The fiscal note request for the first year assumes coverage for 25% of a full year.

Ms. Clarke explained how the fiscal note had been reduced. She mentioned the utilization assumptions. In looking back at those assumptions, it was changed to a 15% utilization the first year, 25% the second year and then up to 35% the following year, which reduces some costs.

She indicated how much the State spends on emergency dental coverage, factoring in the savings. When HB 105 was introduced last year, it was based on a federal-Medicaid percentage of 50%; our congressional delegation was able to change that to 57.5% federal participation, saving in the General Fund requirement. The Alaska Mental Health Trust Authority has agreed to maintain their funding level. AMTA will be investing significant dollars during the next four years.

Ms. Clarke pointed out that the committee substitute sunsets after FY09. She offered to answer questions of the Committee.

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Representative Kelly inquired about the reallocation of funding within the Department. Ms. Clarke advised that making cuts to the Medicaid program is complicated and difficult. She stated that if the Department is not aligned with the Legislature on what direction it is going into the Medicaid program, there will be many criticisms for making such reductions. To find money internally would be difficult.

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Representative Kerttula inquired if most similar programs begin with a sunset. Ms. Clarke replied that there have been programs with a sunset such as Senior Care; sunsets are becoming a trend of this Legislature. Representative Kelly was not comforted with the sunset concept, realizing the enormity of the Department's budget.

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Representative Hawker disagreed. The point of establishing a short windowed sunset, offers the Legislature the option of making a policy call, rather than creating it into perpetuity; the sunset offers a trial time. He noted that the bill has been restructured to avoid concerns of continued growth.

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ANDY POPE, JUNEAU, spoke in support of the legislation. He noted that he represented the seniors at Mountain View Senior Center, many of whom are low-income and have fallen through the cracks of dental care reimbursement. He commented that the \$1100 dollar threshold would help tremendously for initial dental care expenses and then the seniors could pay the rest with their Permanent Fund Dividend (PFD). He urged passage of HB 105.

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MIKE FORD, ALASKA NATIVE HEALTH BOARD, JUNEAU, stated that they completely support HB 105. The committee substitute provides a cautious approach and allows taking a look at the program. The proposed legislation is a prudent, practical and critical for many residents of the State. He urged that it pass quickly from Committee.

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DR. KATHINKA WHITE, (TESTIFIED VIA TELECONFERENCE), REPRESENTATIVE FOR THE ALASKA PRIMARY CARE ASSOCIATION, ANCHORAGE, testified in strong support of the proposed legislation. Dental infections of the tooth, gums, tissue and bone are infectious diseases. Dental problems, except in early stages, are irreparable and cumulative.

Dr. White stated that oral disease is associated with many other problems. As many as 80% of the premature infants born in the United States can be attributed to the infectious oral diseases. Providing emergency dental care may relieve acute symptoms. She urged passage of the bill, stressing the need to address oral health and improved access to dental care.

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JEFF JESSE, (TESTIFIED VIA TELECONFERENCE), CEO, ALASKA MENTAL HEALTH TRUST AUTHORITY, ANCHORAGE, reiterated support for HB 105. He mentioned the seriousness of the sunset provision and offered to answer questions of the Committee.

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CARLA SHELTON, (TESTIFIED VIA TELECONFERENCE), PARENT ADVOCATE, emphasized the importance of adult dental services and urged passage of the bill.

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EMILY ENNIS, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, FAIRBANKS RESOURCE AGENCY, FAIRBANKS, testified in support of dental care for adults & children with developmental disabilities. Preventative dental care is a necessary investment that goes hand-in-hand with the other disability services offered by the State. She urged the Committee's support in passage of the legislation.

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STACY MESSERSCHMIDT, (TESTIFIED VIA TELECONFERENCE), TOK, spoke in support of HB 105.

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SYDNEY STREDICKET, (TESTIFIED VIA TELECONFERENCE), PARTNERS IN POLICY, spoke in strong support of HB 105.

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PAT LUBBY, (TESTIFIED VIA TELECONFERENCE), ADVOCACY DIRECTOR, ALASKA ASSOCIATION OF RETIRED PERSONS (AARP), ANCHORAGE, noted that Medicaid has never provided any dental care coverage and consequently, some older people stay away from dentists because they cannot afford it. The result is bad oral health, which adds to other physical health concerns. He stressed it is a real concern faced by real Alaskans. He urged passage of HB 105, because it is good public health legislation.

MEG MITCHELL, (TESTIFIED VIA TELECONFERENCE), HOMER, cited her experience in working with individuals with disabilities, noting the need for adults on Medicaid to receive dental care. She expressed strong support of the legislation, pointing out there are 40,000 adults in Alaska that need the coverage but cannot afford it. She urged passage of HB 105.

STAN STEADMAN, (TESTIFIED VIA TELECONFERENCE), EXECUTIVE DIRECTOR, CENTER PENINSULA HEALTH CENTER, ASPEN DENTAL CENTER, KENAI, stated that his clinic has seen many patients that desperately need such services. He urged passage of HB 105.

JENNIFER MCELROY, (TESTIFIED VIA TELECONFERENCE), DENTAL HYGIENIST, SOLDOTNA, noted the great need for adult Medicaid recipients to receive dental benefits and echoed support for passage of the legislation.

DR. MARGUERITE MCINTOSH, (TESTIFIED VIA TELECONFERENCE), FAMILY DOCTOR, SOLDOTNA, testified in support of the legislation. As a family practitioner in private practice, she noted costs for medical concerns that begin with dental issues. She pointed out incidents of adults contracting lung infections resulting from a lack of dental care over the years. She urged passage of HB 105.

PAMELA HAWK, (TESTIFIED VIA TELECONFERENCE), DENTAL OPERATIONS MANAGER FOR ANCHORAGE NEIGHBORHOOD HEALTH CENTER, ANCHORAGE, noted that she had seen many patients suffering from dental infections, and that those people can only receive tooth extractions. She noted, many individuals would like to receive preventative care prior to the extraction. She addressed the high cost for root canals and restorative treatments; she stated that dental care is completely prohibitive for anyone that does not have dental

health benefits and insurance. Ms. Hawk thanked the Committee for consideration of the bill and urged passage.

PUBLIC TESTIMONY CLOSED.

Co-Chair Meyer MOVED to ADOPT Amendment #1. Vice Chair Stoltze OBJECTED.

SUZANNE CUNNINGHAM, STAFF, REPRESENTATIVE KEVIN MEYER, explained that the amendment was brought forward at the request of the Department of Health and Social Services, because the wording in the draft committee substitute was of concern. The proposed change to Page 2, Line 6, clarifies that the Department will pay for preventive and restorative dental services as well as minimum treatment.

The second change on Page 2, Lines 16-18, instead of only palliative treatment, the Department requests "immediate relief of pain and/or the spreading of infection and provided by a licensed dentist". Janet Clarke acknowledged they had requested the change for clarity purposes.

Vice Chair Stoltze WITHDREW his OBJECTION. There being NO further OBJECTION, it was adopted.

Representative Weyhrauch MOVED to ADOPT Amendment #2. Vice Chair Stoltze OBJECTED.

Representative Weyhrauch explained that amendment would remove the initial portion of the bill, making it into intent language and putting it into a House Finance Committee Letter of Intent.

Representative Hawker indicated his support of the amendment, pointing out the precedent to include intent in a Letter of Intent rather than in the bill itself.

[4:12:57 PM](#)

Vice Chair Stoltze REMOVED his OBJECTION to the amendment. There being NO further OBJECTIONS, conceptual Amendment #2 was adopted.

In response to Co-Chair Meyer, Representative Hawker noted that a great deal of time was spent on the revised fiscal note, which adequately reflects an excellent return on the investment.

[4:14:32 PM](#)

Representative Kelly asked clarification between emergency and continuing care.

Ms. Clarke responded that the statute clarifies emergency dental care very well as the "immediate relief of pain and acute infection". That definition is maintained in the legislation. She noted that other services were defined as "preventative and restorative" and that restorative services were being added in the legislation, while emergency services remain in tact. She reiterated that there is a cap of \$1,150 for total restorative services each year.

4:17:18 PM

Representative Hawker addressed the criticism of the bill as a "new program". He emphasized that dental services were provided under the existing Medicaid program; he explained that the readjusted program toward preventative maintenance, in the hope that emergency services would then be reduced in the new model. He stressed the cap as being unique to the program, which allows his strong support of the bill.

Representative Kelly noted he too supports the bill, however, expressed concern regarding the sustainability of the program within the Department's budget. He noted the escalation of that Department's budget in addition to what is going on with the public employee retirement system.

Representative Weyhrauch MOVED to REPORT CS HB 105 (FIN) out of Committee with individual recommendations and with the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HB 105 (FIN) was reported out of Committee with a "do pass" recommendation, House Finance Committee Letter of Intent and with fiscal notes #1 and #2 by the Department of Education & Early Development and a new fiscal note by the Department of Health and Social Services.

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ADJOURNMENT

The meeting was adjourned at 4:22 P.M.