

HOUSE FINANCE COMMITTEE
February 22, 2008
1:42 P.M.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [1:41:59 PM](#)

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas Jr.

MEMBERS ABSENT

Representative John Harris

ALSO PRESENT

Representative Ralph Samuels; Representative Sharon Cissna;
Representative Peggy Wilson; Representative Scott Kawasaki;
Representative Bob Buch; Suzanne Armstrong, Staff,
Representative Kevin Meyer; Sharon Kelly, Staff,
Representative Mike Chenault; Eddy Jeans, Director,
Education Support Services, Department of Education and
Early Development; Ian Fisk, Staff, Representative Bill
Thomas; Paul LaBolle, Staff, Representative Richard Foster;
Sue Stancliff, Staff, Representative Mike Kelly; Tom
Wright, Staff, Representative Mike Chenault; Michael
Pawlowski, Staff, Representative Kevin Meyer; Pete Ecklund,
Staff, Representative Kevin Meyer

PRESENT VIA TELECONFERENCE

Senator Joe Thomas, Fairbanks

ANCHORAGE:

Judy Cordell, Executive Director, Abused Women's Aid in Crisis (AWAIC), Inc.; Mary K. Hughes, Chair, Board of Regents, University of Alaska (UA); Rick Rogers, Industry Trade Association Representative, Board of Forestry; Ron Peck, President, Alaska Tourism Industry (ATIA); Carl Ekstrom, Anchorage Community Development (ACD); Todd Fletcher, UBS Financial Services; Lori Woodward, Stand Together Against Rape (STAR); Brenda Moore, Alaska Mental Health Board (AMHB); Janet McCabe, Partners for Progress, Anchorage; Jamie Bridges, Case Development Coordinator, Stand Together Against Rape (STAR); Megan Carlson, University of Alaska, Eagle River; Kirk Hoessle, President, Alaska Wildland Adventures, Girdwood; Terri L. Russi, Alaska Tourism Industry Association (ATIA); Marsha Barton, Alaska Tourism Industry Association (ATIA); Carl Wing, Student, University of Alaska; Leah Merrick, Student, University of Alaska; Kelsey Ralph, Student, University of Alaska; Lorena May, Student, University of Alaska; David Robertson, Student, University of Alaska; Marian Grishman, Student, University of Alaska; John Robertson, III, Student, University of Alaska; David Childers, Student, University of Alaska; Representative Gail Phillips, Member, University of Alaska Alumni Board; Ramona Duby; Jill Hodges, Executive Director, Alaska Brain Injury Network; Patty Wisel, Head Start Program; David S. Kasser, Vice-President Anchorage Convention Visitor's Bureau (ACVB); Steve Halloran, Anchorage, Convention and Visitors' Bureau (ACVB); Carolyn Bettles, Forget Me Not Communications; Patrick Hayes, Meeting the Challenge; Rosalie Nadeau, AKEELA; Madison Hilderbrand; Anna Sappeh, Substance Abuse Director's Association; Robert McCormick, Glacier Brewhouse; Jim Stratton, National Parks Conservation Association; Amy Oney, President, Assisted Living Association of Alaska; Sarah Scanlan, RuralCap; Gary Zimmerman, General Manager, Avis Rent-a-Car; Bruce LaLonde, Alaska Railroad Corporation (ARRC); Susan Kiger, Director, Sales and Marketing, Alaska Railroad Corporation (ARRC); Eric Hamre, Anchorage Police Department; Ruth Rosewarne, Alaska Railroad Corporation (ARRC); Matt Szundy, The Ascending Path; Kristen Lindsey, Apokrisis; Alison Kear, Covenant House-Alaska; Diane DiSanto, Municipality of Anchorage (MOA); Kathy Lum, South Central Area Health Education Center; Dee Dee Kay, Alaska Heritage Tours; Steve Judd, Alaska Tour and Travel; John Thurber, The Park Connection; Francine Harbour, President, National Alliance for Mental Illness (NAMI); Ann Reddig, Alaska Wild Berry Products; Susan Bomalaski, Executive Director, Catholic

Social Services; Abbe Hensley, Executive Director, Best Beginnings; Melinda Myers, Senior Manager, Best Beginnings; Genie Babb, University of Alaska; Susan Klein, University of Alaska-Anchorage; Anne Dennis-Choi, Executive Director, Salvation Army Clitheroe Center; Beth Lando, Student, University of Alaska, Anchorage

SUMMARY

HB 273 An Act relating to school funding, the base student allocation, district cost factors, and the adjustments for intensive services and average daily membership calculations; and providing for an effective date.

CS HB 273 (FIN) was reported out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Education and Early Development and fiscal notes #1 & #2 by the Department of Education and Early Development.

HB 310 An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date.

HB 310 was HEARD and HELD in Committee for further consideration.

HB 312 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.

HB 312 was HEARD and HELD in Committee for further consideration.

HJR 28 Proposing an amendment to the Constitution of the State of Alaska relating to the production tax revenue fund, dedicating a portion of the petroleum production tax to the fund, and limiting appropriations from the fund.

HJR 28 was heard and HELD in Committee for further consideration.

#HB273

HOUSE BILL NO. 273

An Act relating to school funding, the base student allocation, district cost factors, and the adjustments for intensive services and average daily membership calculations; and providing for an effective date.

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Representative Mike Hawker noted his appreciation for rescheduling HB 272, which had previously passed out committee and scheduled for House floor action. There had been an issue raised by the Mat-Su school district, which needed to be further addressed before being brought forward for a vote; hence, HB 272 was returned to the House Finance Committee. The issue is in regard to pupil transportation calibration, which information was not available during the previous hearing in the House Finance Committee (HFC).

Representative Hawker advised that the numbers had been calculated by Eddy Jeans, Director, Education Support Services, Department of Education and Early Development. The Mat-Su school district challenged the calculation and then following the discussions, the Department of Education and Early Development resolved the issue.

Vice-Chair Stoltze appreciated time spent resolving the issue.

EDDY JEANS, DIRECTOR OF SCHOOL FINANCE, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, stated that the Education Funding Task Force requested recalibration of pupil transportation grants. He pointed out that it had been calibrated on actual audited data from FY07, which represents the first year of the new contracts for the Rail Belt area. All the contracts contain a Cost of Living Adjustment (COLA), the only yearly adjustment except the addition of new bus routes. He referenced the audited financial statement, Pupils Transportation on Page 57, taking total expenditures in the amount of \$9.9 million dollars, dividing that by the number of students for FY07 and arriving at the amount. The amount was adjusted by the Anchorage Consumer Price Index (CPI) of 3.2 percent twice

for FY08 and FY09. Those are the rates established in Statute for FY09. Mr. Jeans pointed out that the same process was used for all fifty-three school districts and are the numbers contained in the bill's body.

Representative Gara asked if those were the formulas used to compensate school districts for actual transportation costs. Mr. Jeans recalculated the dollar amounts based in the FY07 audited financial statements and adjusted for inflation.

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Representative Hawker referred to a replacement fiscal note, not a new one, attached to the bill, conforming to the legislative budgeting approach. The previous note only reflected incremental costs for the year, but needed to indicate the consequences of forward funding.

Vice-Chair Stoltze MOVED to report CS HB 273 (FIN) out of Committee with the individual recommendations and with the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CS HB 273 (FIN) was reported out of Committee with a "do pass" recommendation and with a new fiscal note by the Department of Education and Early Development and fiscal notes #1 & #2 by the Department of Education and Early Development.

#HJR28

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HOUSE JOINT RESOLUTION 28

Proposing an amendment to the Constitution of the State of Alaska relating to the production tax revenue fund, dedicating a portion of the petroleum production tax to the fund, and limiting appropriations from the fund.

REPRESENTATIVE RALPH SAMUELS, SPONSOR, presented a graphed handout, entitled "TIME: YOUR INVESTMENT ALLY". He proposed two varying versions of HJR 28. The "short version" changes the Constitutional Budget Reserve (CBR) to an endowment type account. The money would be placed into a progressivity account and the payout would start

immediately at five percent. The Legislature could choose to reinvest the money or, if not, the money would automatically fall into the General Fund. The "long version" would phase into an endowment, however, would begin as a separate account, with all progressivity funds going separately into the CBR. In 2015, both accounts would then merge into an endowment.

Representative Samuels added, over time in either version, the money would end up in about the same place. In the proposed "long version", the payouts would not start for about five years; in the "short version", the payout begins immediately, thus making cash available.

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Representative Kelly asked which version the sponsor favored. Representative Samuels responded that he prefers the short version, as it saves the money immediately and creates the endowment.

Representative Kelly inquired if it was correct that the Constitutional Budget Reserve (CBR) and the short version are all captured from the Constitutional Budget Reserve's current balance. He wondered if the payout between the "zero" start day and 2015, would be a possible path for accessing the CBR, and then later, the Percent of Market Value Access (POMV). Representative Samuels believed that in the short version it would switch to an endowment payout and the three-quarter vote would be gone. In the long version, there would remain two accounts:

- One with the new progressivity money coming in and with a three quarter vote for remaining money; and then
- In 2015, the two accounts merging.

Representative Samuels explained the difference. The three-quarter money is available and there is no pay-out; the money automatically is reinvested to grow the fund. In the short version, when dollars are needed, pay-outs start at day one. The money could also be reinvested into the endowment.

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Representative Gara inquired about revenue projections. He agreed that the State has a phenomenal amount of money, which could be saved over the next two years, with projections amounting to \$4 billion dollars. He favored the short version approach. He believed the short version represented more money, in current dollars, than the long version.

Representative Gara noted that in 2010, the Committee would be taking the high price oil revenue dollars to project what upcoming budget deficient's or surpluses could be. Representative Samuels stated there can be many projections based on multiple variables. In the long version, there would be more money for the future. If money is simply put into the CBR, it will be spent, without looking toward future needs of the State.

Representative Gara requested graphed projected deficient spending numbers indicating the future dollar illustration. He strongly urged that available dollars be saved now.

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Vice-Chair Stoltze agreed that looking ahead is a good thing for the State to do. It is good to put away for future generations in Alaska.

Representative Crawford additionally, affirmed that forward thinking is good. He preferred the short version to save the money now for Alaska's future.

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Representative Nelson reminded the Committee that Alaska has a proud history of saving money for future generations, in places such as the Permanent Fund. Alaska is a resource government that is wealthy enough to give back and not tax, the citizens. The Constitutional Budget Reserve and the Permanent Fund have caused some unintentional obstacles. She agreed that the proposed process is the next logical step for saving money that is available now. Representative Nelson favored the short version of the proposal.

HJR 28 was HEARD and HELD in Committee for further consideration.

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#HB310

HOUSE BILL NO. 310

An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date.

HOUSE BILL NO. 312

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.

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Co-Chair Chenault explained the intended process would involve a narrative provided by each Subcommittee indicating their process in determining the proposed numbers. He noted that there are eighteen State departments with an average of seven members in each subcommittee. The subcommittee amendments were received on February 13, 2008, distributing to each subcommittee Chair. Co-Chair Chenault added there was a distribution of the Governor's amendments to all committee members and then they requested that each submit a list of proposed increments and decrements to that budget.

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Representative Gara requested that the Administration testify in response to the amendments. Co-Chair Chenault affirmed.

DEPARTMENT OF ADMINISTRATION

IAN FISK, STAFF, REPRESENTATIVE BILL THOMAS, addressed the Department of Administration & the Department of Fish and Game budget subcommittee recommendations.

Mr. Fisk listed first the decrements to the Department of Administration as adopted by the subcommittee:

- Fund source changes for salary increases; the \$139.2 General Funds were not accepted;
- A cut in the amount of \$250 thousand General Fund dollars made as an unallocated cut to the Alaska Land Mobil Radio project under Enterprise Technology Services; and
- A cut of \$400 thousand General Fund dollars from the component - State Owned Facilities Management.

Co-Chair Chenault inquired if there was a list of concerned items. Mr. Fisk replied they were listed on the website.

Representative Nelson asked what was meant by "items of concern". Co-Chair Chenault replied that some committee members had specific issues with certain items either removed or placed into the recommendations. Representative Nelson clarified that meant legislative members and not the Administration. Mr. Fisk interjected that certain items of concerns are items to look for in following year's budget.

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DEPARTMENT OF FISH AND GAME

Mr. Fisk summarized the changes made by the subcommittee to the budget submitted by the Department of Fish and Game:

- Cut \$156 thousand General Fund dollars to the Subsistence Division for a recording and data base accessibility project;
- Cut \$151 thousand General Fund dollars from Commercial Fishery Database project;
- Cut \$75 thousand dollars from the Hunter Education shooting range component, funded through the Fish and Game fund; and
- The Subcommittee did not take action on a total of \$7.28 million dollars of the Governor's proposed amendments related to reduced federal funding.

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DEPARTMENT OF CORRECTIONS

Representative Hawker reviewed the work done by the Department of Corrections subcommittee. He explained the process taken by the subcommittee:

- 1st Looked at the Administration's proposed changes; and
- 2nd Segregated the discretionary, policy calls & non-discretionary choices

Representative Hawker continued, the subcommittee included all non-discretionary requests. The discretionary requests were all considered in terms of sustainability & long-term understanding.

He pointed out that the subcommittee had authorized \$4.58 million less General Fund dollars & 25 less employees than the requested amount. There was an overall increase of \$6.16 million dollars to that budget.

The process used is referred to as a "truth in budgeting approach", working with the departments to determine their real needs. The budgets are not based on vacancy factors. A large part of the increase funding in the Department results from filling vacant positions. The subcommittee approved funding for a community residential center half-way house contracts. The Department had proposed several temporary housing projects some of which were included. Some of the expansion projects were postponed.

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Representative Hawker pointed out the amount of dissent in the subcommittee when addressing the discretionary issues. The Department proposed expansion into several programs, which were not approved, in the absence of any plan for the expansion since there was no long range plan accompanying the requests. He encouraged that any new request should be accompanied with a strategic approach for population management, rehabilitation and recidivism reduction beyond construction of new confinement facilities. All requests need to be coordinated throughout all affected departments.

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Representative Hawker addressed specific decrements proposed to the Governor's submitted budget.

- The subcommittee did not fund \$451.8 thousand for substance abuse programs, which previously had been

- discontinued because there was not a coherent plan presented;
- The same reason applies for the \$310 thousand dollar request for a sex offender treatment program. Testimony indicates it is not treatable.
 - Did not fund the \$30 thousand dollars requested for an in-state offender population;
 - Did not fund the chaplaincy program for \$28 thousand dollars, which the Department previously denied last year.
 - Did not provide for the \$331.8 thousand dollars into the Arsat program;
 - Did not fund the out of State sex offender treatment program in the amount of \$150 thousand dollars;
 - The correctional association accreditation program position was deleted from the budget;
 - The Palmer offender temporary housing positions were not funded;
 - \$263 thousand dollars for temporary housing positions at Spring Creek was not included;
 - The distributive justice model was reduced by \$50 thousand General Fund dollars; and
 - Medical staffing for an expansion in the amount of \$346 thousand dollars was not funded.

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Representative Hawker continued:

- Two mental health court clinicians pending approval of a Court budget were not funded; and
- There were significant fund source changes in the Permanent Fund crime funds. which were moved to inmate health care, benefiting every inmate equally.

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DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Representative Hawker pointed out that the Department of Health and Social Services subcommittee budget considerations were addressed in a public manner. The meetings identified the discretionary, non-discretionary funding. The subcommittee approved a budget that is approaching \$2 billion General Fund dollars on human

services in the State of Alaska. That is an increase of \$103 million General Fund spending dollars from last year. The \$103 million dollars was \$33 million dollars less than the amount requested by the Department's original budget.

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Representative Gara requested a list of the items removed from the Governor's proposal.

Representative Hawker outlined the highlights of the Department of Health and Social Services budget changes made by the subcommittee.

Representative Hawker noted that the subcommittee followed the approach of the "truth in budgeting". The Department's entitlement programs were fully funded including the federal cost shifting and anticipated Medicaid Program growth. The subcommittee looked at the base levels of funding in the State's Medicaid program. It was recognized that there was an "excessive cushion" in the base funding. The subcommittee agreed upon \$15 million dollar reductions to the General Fund and federal funds. The budget did not make any reductions to the Senior Benefits Program. The Adult Dental Program did not receive any further incremental funding increases.

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Representative Hawker directed remarks to the other increment requests within the Department of Health and Social Services. The State knew that we would be facing massive federal fund cuts to Medicaid. The providers can no longer "make ends meet". He urged that the existing structure foundations be addressed this year before any new program ventures. He commented on the tribal-based services to rural Alaska and how that was different from the other programs. The Senate is working closely with that concern. As a result, the subcommittee funded zero in the budget for that concern because of the timing. The other projects do not provide the information to make a fact based decision.

Representative Hawker pointed out the discussion occurring with the Alaska Mental Health Trust Authority (AMHTA) and their roll into the future. The results scrutinized where

those programs are moving; most of the program increments were restored.

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Representative Hawker reiterated that programs not honored, had been based on extensive discussions, committee testimony and statewide testimony. He cautioned about funding the programs with hidden consequences such as the National Accreditation for all statewide providers-\$200 thousand dollars, which could have become a \$1-\$2 million dollar program over the next couple years.

He addressed the privatization of services at the Pioneer Homes and Alaska Psychiatric Institute (API) and the increases to the prior authorization contracts with Medicaid.

The AMHTA recommendations related to the new housing trust initiative were removed. Representative Hawker stated it was premature to place operating funds into the budget when the Legislature has not made the policy decision to move forward with the venture.

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Representative Hawker indicated that the subcommittee had asked each area to strategically determine their needs. The Department did identify other sourced funds for receipt support services, adding those to the affected line-base. The preference was to first reduce General Fund spending.

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Representative Hawker addressed some small requests, which he thought should be handled in the base budget. A grant in the amount of \$600 thousand dollars for the Department to issue grants to only six schools to contract with someone to address the needs of children. He noted the importance of "substance" to each request.

He illustrated a request for \$300 thousand dollars for the human bio-monitoring program, which would make people aware of the hazards of mercury in Alaskan wild fish. He thought a program like that should be addressed by the Department of Fish and Game.

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Representative Hawker discussed that the most controversial cuts were the reductions to the administrative staff of the Department. He pointed out that the Public Information office housed twenty-three staff positions. Representative Hawker recommended a 25% reduction in that staff from the request. Additionally, the subcommittee asked the Commissioner's office to implement an overall salary reduction. He suggested that there were two people doing same job tasks within the division of public health arena.

Another controversial deletion was to the Department's Office of Faith Based Initiative. The faith-based group spent most of their budget on travel. The subcommittee did not reauthorize the renewal of the Faith Based Initiative office.

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Representative Hawker explained that some of the fund source changes were deferred to the larger committee. The Department believes that fund sources were no longer accessible and sub-planted with General Funds for salaries and wages.

The subcommittee did approve each increment of Medicaid services funding, while closely scrutinizing a reduction to the base.

The subcommittee did not approve a program to provide secured Detox. He pointed out that Title 47 takes people off the streets, which involves law enforcement & community service patrols. The Anchorage Police Department was not aware of what was happening with the request nor was the AMHTA. Instead, the subcommittee did fund the second request in the amount of \$500 thousand dollars for the 1st stage of planning and design for a center replacement.

Representative Hawker concluded testimony on the Department of Health and Social Services subcommittee budget proposals.

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

PAUL LABOLLE, STAFF, REPRESENTATIVE RICHARD FOSTER, noted that the budget adopted by the subcommittee is the Governor's amended budget with the exception of the \$735 thousand dollars moved into the Department of Administration for retirement costs.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Mr. LaBolle continued, the Department of Transportation and Public Facilities budget was more complicated. There were two major new programs considered.

- The operator apprenticeship program for \$1 million dollars was denied. The subcommittee urged that the request come before the full House Finance Committee; and
- The non-federal bridge identification & cataloguing program consisting of the actual cataloguing and including an inspection section was approved by the subcommittee.

Mr. LaBolle addressed increments and decrements. All requests less than \$20 thousand dollars were denied and the subcommittee recommended that the Department absorb those costs. The remainder were allowed as they were "bumping against" their direct cost allocation programs:

- Minor increment for \$15 thousand General Fund dollars for the Chena Campground, which is owned by the Department of Natural Resources. Mr. LaBolle recommended that it be included as inter-agency receipts.
- A \$30 thousand dollars for Fox Springs component was denied.
- The subcommittee added two decrements to the budget department requests. One for \$200 thousand dollars for an environmental clean-up and compliance. The subcommittee recommended that work be performed by the Department of Environmental Conservation.
- A decrement to the Commissioner's Office in the amount of \$151 thousand dollars, which removed the deputy commissioner position for the Alaska Marine Highway Operations.

Mr. LaBolle identified certain fund source changes, pointing that those over \$20 thousand dollars were granted.

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Mr. LaBolle explained that the Alaska Marine Fund had a funding source change of \$4.4 million dollars with a \$217.6 thousand dollar increment rolled into it for the Kendicott and Tuskinina ferry exchange offering reduced services and revenues. He pointed out that since that was a one time situation, it should be covered with a one-time increment. All the Governor's non-General Fund amendments were accepted.

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DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

SUE STANCLIFF, STAFF, REPRESENTATIVE MIKE KELLY, addressed the changes that the Department of Commerce, Community and Economic Development made during the subcommittee process. She pointed out that the subcommittee did accept the Governor's amendment recommendations. The Governor's amended budget was \$163.7 million dollars; the subcommittee closed out with recommendations at \$163.4 million dollars.

The subcommittee made the following changes:

- Deleted one deputy commissioner position;
- Deleted one special assistant position including the funding;
- Community Assistance & Economic Development component funded for a new grant administrator;
- In the Office of Economic Development, the subcommittee deleted a development manager position and restored a different development manager;
- Alaska Seafood Marketing Institute (ASMI) received an authorization of \$125 thousand General Fund dollars for their overseas marketing;
- The Alaska Aerospace Development Corporation (AADC) received federal receipt authorization in the amount of \$3.2 million dollars;
- Alaska Energy Authority (AEA) received federal receipt training funds in the amount of \$200 thousand dollars;

- The subcommittee did not accept the Governor's proposed increment of \$1.4 million dollars for the Power Cost Equalization (PCE) program;
- The subcommittee authorized an increase for insurance legal costs in the amount of \$175 thousand dollars;
- In Consumer Affairs and Investigation, the subcommittee increased funding for staff support by \$354 thousand dollars and deleted one administrator of investigation position; and
- Regulatory Commission of Alaska (RCA) received increased legal costs at \$1 million dollars.

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DEPARTMENT OF NATURAL RESOURCES

Ms. Stancliff addressed the changes made by the subcommittee for the Department of Natural Resources budget. The subcommittee accepted the Governor's amended budget as the working base. She pointed out that the proposed budget submitted by the Governor was \$132.4 million dollars; the House subcommittee adopted a budget of \$130.4 million dollars with a difference totaling 1.5%.

The following actions were taken by the subcommittee:

- Denied proposed increments of \$25 thousand dollars for changing a part-time position to a full time position;
- Denied the proposed increment for \$391.7 thousand dollars for funding three new position in the Oil and Gas Development component;
- Denied the proposed increment of \$85 thousand dollars for funding a new position in the Claims, Permits and Leases Division;
- Denied proposed increment of \$56.7 thousand dollars funding one new position in the Land Sales and Municipal Entitlements section;
- Denied the proposed increment of \$100 thousand dollars of receipt authority and water development;
- Reduced a fund source change of \$100 thousand dollars to water development;
- Denied a proposed increment of \$308.3 thousand dollars for three new positions in water development;
- Denied proposed fund source changes of \$85 thousand dollars for forest management and development;

- Denied proposed increment of \$95 thousand dollars for one new position in geological development; and
- Denied proposed increment of \$70.9 thousand dollars funding one new position for the assertions and litigations.

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ALASKA COURT SYSTEM

TOM WRIGHT, STAFF, REPRESENTATIVE MIKE CHENAULT, provided an overview of the changes made by the subcommittee to the Alaska Court Systems, Governor's proposed budget.

Mr. Wright listed the changes:

- \$75 thousand dollars adopted for the costs related to the Supreme Court justice appointment in Fairbanks;
- \$100 thousand General Fund dollars adopted for a Ketchikan security screening;
- \$250 thousand dollars adopted for the elimination of vacancy savings requirement for judicial positions;
- Authorization for \$250 thousand dollars for the wellness contractual funds for treatment replacing General Funds;
- \$357 thousand dollars allocated for the juror process enhancement;
- \$69.3 thousand dollars for lease increases for certain parking lots;
- \$154 thousand dollars for the Homer Court House expansion;
- \$600 thousand dollars allocated for additional efficiency and improvements to court proceedings;
- \$85 thousand dollars to fund one Court Magistrate Service (CMS) analyst;
- \$1.7 thousand dollars for the Commission on Judicial conduct to raise capital for the minimum required for large equipment;
- \$2 thousand dollars for the Commission on Judicial conduct to reduce personal services; and
- \$737 thousand dollars for Mental Health Authority Trust projects.

OFFICE OF THE GOVERNOR

Mr. Wright noted that the subcommittee adopted the Governor's budget and made the following changes at the request of the Governor:

- Deleted \$8.4 thousand dollars in Capital Improvement Projects (CIP) receipts to decrease excess CIP reauthorization for the statewide celebration commission;
- \$352 thousand dollars for the Alaska Gas Inducement Act (AGIA) fiscal note for the executive office;
- Deletion of a position totaling \$41.1 thousand dollars in the Governor's house;
- Increment of \$26.6 thousand dollars in the Governor's office to off-set anticipated expenditures; and
- Increment of \$521 thousand dollars to increase the Division of Elections for anticipated increased workload.

DIVISION OF ELECTIONS

Mr. Wright continued:

- \$2.7 thousand dollars for the statewide primary elections;
- \$53 thousand dollars for postage and rent increase expenditures since FY07; and
- \$774 thousand dollars for the statewide primary general elections funding to cover the cost of the pamphlets;
- Decrement of \$57 to the adjusted cost of the fiscal note for SB 172;
- \$20 thousand dollar reduction in the FY09 request;
- Increment of \$106 thousand dollars for the statewide primary for the presidential election in November; and
- Decrement of \$41 thousand dollars in CIP receipts reductions.

LEGISLATURE

Mr. Wright pointed out the actions taken by the subcommittee for funding of Legislature concerns:

- Adjusted the position count to FY08 figures to the new finance staff position in both the House and Senate;

- \$6.8 thousand dollars in salary and allowances to increase the benefit charges in allowance accounts;
- \$5 thousand dollars for administration purposes, which is a fund source change;
- Fund source change of a General Fund decrement in the amount of \$17 thousand dollars session expenses for statute sale receipts with a corresponding increment of that amount of Inter Agency (IA) receipts;
- Session expenses increment of \$130 thousand dollars for telecommunications;
- Decrement of \$1.6 thousand dollars for increased subscription receipts, which is a funding source change with a corresponding increment of that amount;
- Decrement of \$55 thousand dollars for the fiscal note for the Declaration of Honor;
- Decrement of \$10 thousand dollars for the Regulatory Commission of Alaska task force [HCR 8];
- Decrement of \$18.5 thousand dollars for the civics education advisory task force [HCR 6];
- Decrement of \$35.1 thousand dollars for the Penware Regional Conference;
- Decrement of \$100 thousand dollars again for the Penware Conference;
- Decrement of \$60 thousand dollars for the removal of the climate impact assessment commission;
- \$200 thousand dollar decrement removing funding for the annual government meeting to be held in Anchorage.

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DEPARTMENT OF REVENUE

Tom Wright addressed the increments and decrements made to the Department of Revenue through subcommittee actions:

- Increment of \$600 thousand dollars partial funding in the Tax Division for the audit master positions;
- \$1.13 million dollar increment in the Tax Division for contract funding for the three contract auditors outlined in the fiscal note for HB 2001;
- Increment of \$120.9 thousand dollars in the Tax Division for a programmer analyst V;
- To the Treasury Division, an increment of \$126 thousand dollars for increased house investment management;

- Increment of \$25 thousand to the retiree health insurance major medical fund for increased investment management costs; statutory designated program receipts (SDPR), for the State Bond Committee financial advisor services on the budget;
- Increment of \$300 thousand dollars for the Alaska Retirement Management Board for an independent actuary audit;
- Office of the Commissioner decrement deleting a position transferred from Alaska Natural Gas Transportation Act (ANGTA);
- Increment of \$254 thousand for the Alaska Mental Health Trust Authority (AMHTA) for newly approved positions in the FY09 operating budget;
- Increase of \$893 thousand dollars to Alaska Housing Finance Corporation (AHFC) to correct a salary adjustments funding source;
- Decrement of \$759 thousand dollars in federal receipts for AHFC; and
- An increment of \$11.4 thousand federal receipts for project based contracts at AHFC program expenses.

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UNIVERSITY OF ALASKA

Mr. Wright identified the increments and decrements made by the subcommittee to the University of Alaska:

- Decrement of \$1.3 million dollars in statewide services and programs for utility cost increases;
- Decrement of \$206 thousand dollars in statewide programs and services on adjusted base salary cost increases;
- Increment of \$255 thousand dollars for statewide programs and services to eliminate the use of corporate dividends in the operating budget;
- Decrement of \$757 thousand dollars in statewide programs and services, a 5% unallocated General Fund reduction;
- University campuses, a decrement of \$3.7 million dollars, denying the General Fund portion of the appropriation step increases;

- Decrement to the University campuses in the amount of \$128.9 thousand dollars for library information technology & other operation costs;
- Decrement of \$300 thousand dollars, which denies a portion of General Fund request to prepare Alaskans for jobs in health services; and
- Decrement of \$966 thousand dollars, a denial of General Funds for the climate impact on Alaskan natural resources research.

Mr. Wright addressed the two amendments, which the subcommittee adopted. The first was for \$1.3 General Fund dollars, \$205 thousand federal funds for University campuses for the new contract terms. The second amendment accepted a \$90 thousand dollar increment for statewide programs and services for the University mental health trust clinical internship program.

[3:21:10 PM](#)

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

MICHAEL PAWLOWSKI, STAFF, REPRESENTATIVE KEVIN MEYER, addressed the increments and decrements adopted by the Department of Environmental Conservation subcommittee. The subcommittee adopted the FY09 adjusted base as the beginning point. The following changes were made:

- In the Environmental Health Services component, the subcommittee did not accept the proposed changes made by the Governor for the unrealized fund source & changes for salary increases in the General Government Unit (GGU);
- Spill Prevention and Response, \$619 thousand General Fund dollars were transferred from the industry preparedness operations component to the contaminated sites component & an equal amount of the 470 Funds were transferred;
- Water Quality Division, the Governor's initial request for the Ocean Ranger program was increased from \$2.26 million dollars to \$3 million dollars; and
- A decrement of \$231 thousand dollars was taken to reduce long-term vacancy positions in the water quality division.

[3:23:46 PM](#)

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

PETE ECKLUND, STAFF, REPRESENTATIVE KEVIN MEYER, provided an overview of the changes made by the Department of Education and Early Development subcommittee.

He identified the proposed changes:

- Two requests for the school performance incentive program. The first was a number section request denied for \$2.5 million dollars and a language section request that was open-ended. The subcommittee placed \$4.8 million dollars into that area;
- Teaching & Learning support funding increased by \$50 thousand dollars;
- Denial for a new General Funded program of \$414 thousand dollars;
- Switch from AMHTA monies to the Center for Autism training;
- Funding source switch for Rural Secondary Transition program;
- Denial of federal back-fill request for the data system in the amount of \$610 thousand dollars;
- Denial of increment for the statewide mentoring program in the amount of \$500 thousand dollars;
- Denial of increment request for \$600 thousand dollars for a Head Start Grant;
- Denial for a new General Fund early reading program in the amount of \$307 thousand dollars;
- Denial of an increment for \$100 thousand dollar amendment request for the above listed program;
- Mt. Edgecombe, there was an error in the Governor's submitted budget, and a one time item that was not removed in the amount of \$26 thousand dollars;
- Approved a \$350 thousand dollar increase for food services;
- The subcommittee approved \$200 thousand dollars for the State facilities rent for a new archives storage area;
- Library operations decrement in the amount of \$65 thousand dollars; and
- Post-secondary education component funding source change.

[3:27:32 PM](#)

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

SUZANNE ARMSTRONG, STAFF, REPRESENTATIVE KEVIN MEYER, spoke to the changes made by the Department of Labor and Workforce Development subcommittee:

The changes were:

- Commissioner's Office and Administrative Services decrement of \$179 thousand dollars for correcting unreasonable fund source changes for salary adjustments due to the GGU contract;
- Declined to accept \$93 thousand dollars in General Funds for the Office of Citizenship Assistance;
- Declined to accept \$110 thousand dollars for one full time position related to AGIA, however, did approve \$95 thousand dollars for the position;
- Declined to accept a position for an Alaska Vocational Technical Center recruiter;
- Declined to accept the amendment for \$195 thousand General Fund dollars for SW Alaska Vocational Center;
- \$835 thousand dollars had been requested for AGIA related training programs, however, the subcommittee decided to create a new RDU to fund the initiatives with three allocations created: 1) workforce training information services, 2) regional training center development & 3) cooperative training.

[3:29:36 PM](#)

DEPARTMENT OF LAW

Vice-Chair Stoltze summarized the changes made by the Department of Law subcommittee.

The subcommittee made the following changes:

- Removed \$9.6 million dollars for litigation attorneys;
- Replaced \$5 million dollars in General Fund for litigation attorneys;
- Recommended language be adopted to allocate \$400 thousand General Fund dollars to the Criminal Division;
- Decrements for a new para-legal office manager;

- Decrement of one half restoration of lost federal drug offender juvenile accountability division in the event that the agency is not able to obtain other funds;
- Increments included two special federal offender attorneys, one Indian law attorney, & one appellate attorney;
- Approved two administrative amendments to pay increased lease costs; and
- Deferred \$4.7 million dollar increment for oil and gas mining.

[3:32:51 PM](#)

DEPARTMENT OF PUBLIC SAFETY

Vice-Chair Stoltze provided an overview of the work undertaken by the Department of Public Safety subcommittee. The following changes were made to that budget:

- Contingency language in the amount of \$874 thousand federal dollars for grants;
- The requests for fuel and utilities were redirected for attention by the full Finance Committee;
- Recommended an increment for additional travel costs associated with fire prevention and enhanced training for trooper enhancement;
- Data base specialist position was approved but the subcommittee asked them to use funds within the Department to fund it;
- Recommended that partial funding for increased vehicle costs, trooper dispatching and transportation costs be accepted;
- Recommended that \$144 thousand General Fund dollars be used to replace unrealizable receipts for support services;
- Intent language was added to address that Permanent Fund Felon funds should be used for CDVSA program funding;
- Recommended intent language that the Department provide additional State trooper coverage for international border communities; and
- \$220 thousand dollar increment for the Fire Safety Council was deferred to the full Finance Committee consideration.

HB 310 & HB 312 were HELD in Committee for further consideration.

RECESS: [3:39:28 PM](#)
 RECONVENED: [4:06:41 PM](#)

The following portion was taken in log note format. Handouts will be on file with the House Finance Committee through the 25th Legislative Session, contact 465-6814. After the 25th Legislative Session they will be available through the Legislative Library at 465-3808.

TIME	SPEAKER	DISCUSSION
	CO-CHAIR CHENAULT	Convened the House Finance Committee in order to hear statewide public testimony on the operating budget proposal on February 22 nd , 2008 as a continuation of the February 21 st meeting.
		ANCHORAGE PUBLIC TESTIMONY
4:06:49 PM	JUDY CORDELL, EXECUTIVE DIRECTOR, ABUSED WOMEN'S AID IN CRISIS (AWAIC), INC.	Indicated her support for a 5% increase to domestic violence prevention. She noted that over half of the shelters in Alaska finished the year in the red. She urged that the Legislature match the current \$1 million federal dollars for State dollars. She pointed out that costs have steadily increased and that the health care insurance has gone up.
4:11:53 PM	MARY K. HUGHES, CHAIR, BOARD OF REGENTS, UNIVERSITY OF ALASKA	Emphasized her concern that the House Finance Committee had reduced the University budget. She mentioned that the management issues are being resolved and that a letter regarding the personnel costs had been distributed so that the issues would not be repeated. She pointed out her support of the Governor's budget, stressing concern about providing the dollars needed by Alaskan employers for jobs.
4:14:53 PM	RICK ROGERS, INDUSTRY TRADE ASSOCIATION REPRESENTATIVE BOARD OF	He pointed out that federal funding is "drying up" making it difficult for the agency. The agency is a successful State program, which has a duty to oversee the program. A funding source

	FORESTRY	change was unanimously endorsed; the program is vital in supporting a struggling timber industry. He urged reconsideration of restoring the \$150 thousand dollars.
4:18:02 PM	RON PECK, PRESIDENT, ALASKA TRAVEL INDUSTRY ASSOCIATION (ATIA)	Spoke in support for full funding of the travel industry budget, funding the core budget request of \$8.9 million dollars, supporting the independent marketing increment for an additional \$1 million dollars.
4:19:50 PM	CARL EKSTROM, ANCHORAGE COMMUNITY DEVELOPMENT (ACD), ANCHORAGE	Voiced support for full funding of the tourism industry. He clarified that all future allocations for the Anchorage Community Development (ACD) depend of the funding growth of tourism.
4:21:47 PM	TODD FLETCHER, UBS FINANCIAL SERVICES	He pointed out that UBS Financial Services have many clients that rely on the State tourism industry. He urged the State to fully fund Alaska's core tourism business.
4:22:35 PM	LORI WOODWARD, STANDING TOGETHER AGAINST RAPE (STAR)	Noted that she is a board member of Standing Together Against Rape (STAR) agency. She urged that the current funding for Council on Domestic Violence and Sexual Assault (CDVSA) sustain as proposed by Governor Palin. Public awareness regarding sexual assault has grown statewide. She pointed out that costs continue to rise, with higher insurance costs, etc; CDVSA needs to be competitive in the work force. She emphasized that additional dollars are vital.
4:25:47 PM	BRENDA MOORE, ALASKA MENTAL HEALTH BOARD (AMHB)	Noted that she is a member of the Alaska Mental Health Board and Christian Health Associates (CHA). She pointed out that CHA does not receive funding. Neither of these agencies receive State funding. She addressed funding for behavioral health early intervention increment as proposed to be cut from the Governor's budget. Medicaid does not cover most substance abuse treatment. Most of the providers are at the breaking point with long

		waiting lines for all clients with a lack of core services. Many shelters and substance abuse treatment programs are being cut back and closing doors.
4:28:40 PM	JANET MCCABE, PARTNERS FOR PROGRESS, ANCHORAGE	Noted that she represents Partners for Progress. She read a message from Mayor George Sullivan regarding the Anchorage Wellness Court and how effective it is in helping to treat repeat offenders. The program also helps to cut the costs of police prosecution and prison sentences.
4:30:35 PM	JAMIE BRIDGES, EDUCATION DEVELOPMENT COORDINATOR, STAR	Itemized the importance of increased funding for the programs ability to provide meaningful services for crisis intervention to victims of sexual assault.
4:33:09 PM	MEGAN CARLSON, UNIVERSITY OF ALASKA, EAGLE RIVER	Spoke in support of the Governor's increments for the University.
4:35:20 PM	KIRK HOESSLE, PRESIDENT, ALASKA WILDLAND ADVENTURES, GIRDWOOD	Spoke in support of funding for the Alaska Travel Industry Association, \$8 million dollars for Alaska tourism marketing and a \$1 million dollars for the independent grant component.
4:37:51 PM	TERRI L. RUSSI, ALASKA TOURISM INDUSTRY ASSOCIATION (ATIA)	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
4:38:50 PM	MARSHA BARTON, ALASKA TOURISM INDUSTRY ASSOCIATION (ATIA)	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
4:40:23 PM	CARL WING, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of the Governor's proposed increment for the University budget.
4:41:58 PM	LEAH MERRICK, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of full funding for the University as proposed by the Governor.

4:43:32 PM	KELSEY RALPH, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of full funding for the University.
4:44:20 PM	LORENA MAY, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of the Governor's proposed increment for the University budget.
4:45:52 PM	DAVID ROBERTSON, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of the Governor's proposed increment for the University budget.
4:48:03 PM	MARIAN GRISHMAN, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of the Governor's proposed increment for the University budget.
4:49:07 PM	DAVID CHILDERS, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of full funding for the University. He expressed concerns regarding proposed reductions to the University's budget.
4:51:30 PM	JOHN ROBERTSON, III, STUDENT, UNIVERSITY OF ALASKA	Spoke in support of full funding for the University. He expressed concerns regarding proposed reductions to the University's budget.
4:53:06 PM	GAIL PHILLIPS, PAST LEGISLATOR, MEMBER OF THE UNIVERSITY OF ALASKA ALUMNI BOARD	Testified against reductions to the University's budget. She addressed two components specifically: The proposed cut to the \$3.7 million dollar increment for salary adjustments & the \$1.3 million dollar cut to increased utility costs.
4:55:04 PM	RAMONA DUBY	Voiced support for the Governor's proposed budget for Mental Health services. She mentioned the suicide rate in the State of Alaska.
4:57:41 PM	JILL HODGES, EXECUTIVE DIRECTOR, ALASKA BRAIN INJURY NETWORK	Testified in support of the Behavioral Health grant component for \$100 thousand dollars for brain injury training for providers.
5:01:02 PM	PATTY WISEL, HEAD START	Spoke in support of the Governor's proposal for the Head Start program

		funding and proposed increase to that program in the amount of \$600 thousand dollars. She added support for Resolution #208-01 from the Alaska Head Start Association. There has been six years of either reduced or flat funding for that program.
5:03:21 PM	DAVID S. KASSER, VICE PRESIDENT, ANCHORAGE CONVENTION VISITOR BUREAU (ACVB)	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:05:59 PM	STEVE HALLORAN, ANCHORAGE, CONVENTION AND VISITORS' BUREAU (ACVB)	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:08:10 PM	CAROLYA BETTES, FORGET ME NOT COMMUNICATIONS	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:10:30 PM	PATRICK HAYES, MEETING THE CHALLENGE	Testified in support of funding for substance abuse prevention and treatment programs.
5:12:49 PM	ROSALIE NADEAU, AKEELA	Testified in support of funding for substance abuse prevention and treatment programs. She expressed concern with reductions to the Governor's proposed \$1.75 million increment. Akeela has experienced a 62% reduction.
5:15:55 PM	MADISON HILDERBRAND	Testified in support of funding for substance abuse prevention and treatment programs.
5:18:22 PM	ANNA SAPPEH, SUBSTANCE ABUSE DIRECTOR'S ASSOCIATION	Testified in support of funding for substance abuse prevention and treatment programs.
5:20:29 PM	ROBERT MCCORMICK, GLACIER	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for

	BREWHOUSE	marketing and the \$1 million dollars for the independent grant.
5:22:10 PM	JIM STRATTON, NATIONAL PARKS CONSERVATION ASSOCIATION	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:23:35 PM	AMY ONEY, PRESIDENT, ASSISTED LIVING ASSOCIATION OF ALASKA	Spoke in support of Medicaid rate increases for assisted living.
5:29:09 PM	SARAH SCANLAN, RURALCAP	Spoke to Governor's recommendation for funding for early learning initiative. Headstart has been a successful program for forty years. Allowed us to engage more parents. Serves urban as well as rural Alaska in 102 communities. Federal funds for Headstart have been cut. \$600,000 for Headstart is critical and \$400,000 also critical.
5:33:15 PM	GARY ZIMMERMAN, GENERAL MANAGER, AVIS RENT-A-CAR	Also represents the car rental industry in general. Asked for support for tourism in Alaska. He referred to the 10% rental tax's contribution to the general fund. He stressed that they are investing in the industry and ask the State to do the same.
5:36:09 PM	BRUCE LALONDE, ALASKA RAILROAD	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:37:25 PM	SUSAN KIGER, DIRECTOR, SALES AND MARKETING, ALASKA RAILROAD	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:38:44 PM	ERIC HAMRE, ANCHORAGE POLICE DEPARTMENT	Spoke in support of STAR.
5:39:54 PM	RUTH ROSEWARNE,	Spoke in support for full funding to Alaska Travel Industry Association of

	ALASKA RAILROAD	the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:40:22 PM	MATT SZUNDY, THE ASCENDING PATH	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:41:35 PM	KRISTEN LINDSEY, APOKRISIS	Internet business that has grown and thrived because of tourism. 95% of clients are in tourism. Spoke in support of funding to the Alaska Travel Industry Association: \$8 million for Alaska tourism marketing and a \$1 million dollar independent grant.
5:43:28 PM	ALISON KEAR, COVENANT HOUSE ALASKA	Testified in support of funding for substance abuse prevention and treatment programs for youth.
5:47:11 PM	DIANE DISANTO, MOA	Testified in support of funding for substance abuse prevention and treatment programs.
5:50:42 PM	KATHY LUM, SOUTH CENTRAL AREA HEALTH EDUCATION CENTER	Spoke in support of the Governor's increments for the University.
5:52:35 PM	DEE DEE KAY, ALASKA HERITAGE TOURS	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:55:42 PM	STEVE JUDD, ALASKA TOUR AND TRAVEL	Spoke in support for full funding to Alaska Travel Industry Association of the Governor's proposed \$8 million dollars for marketing and \$1 million dollars for the independent grants.
5:57:32 PM	JOHN THURBER, THE PARK CONNECTION	Spoke in support for full funding to Alaska Travel Industry Association of the Governor's proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
5:58:18 PM	FRANCINE HARBOUR, PRESIDENT, NATIONAL	Testified in support of continued funding for statewide mental health programs. She addressed mental illness and programs that help people lead

	ALLILANCE FOR MENTAL ILLNESS (NAMI)	stable and recovering lives.
6:02:25 PM	ANN REDDIG, ALASKA WILD BERRY PRODUCTS	Spoke in support for full funding to Alaska Travel Industry Association of the proposed \$8 million dollars for marketing and the \$1 million dollars for the independent grant.
6:03:59 PM	SUSAN BOMALASKI, EXECUTIVE DIRECTOR, CATHOLIC SOCIAL SERVICES	Requested increased funding for the human services matching grants funding in the budget to \$3 million dollars. She listed the programs that receive the funds. Nearly 50% of the clients served have come to Anchorage from rural areas.
6:06:12 PM	ABBE HENSLEY, EXECUTIVE DIRECTOR, BEST BEGINNINGS	Encouraged continued support for extensive funding for early childhood education programs. She pointed out the proposed reduction to Head Start in the amount of \$600 thousand dollars. She asked that the \$407 thousand dollars be reinstated from the Early Learning Program. The return on investment from early learning programs are on those funds will be critical for the future of Alaska. Those children are extraordinary. Children that have access to these type programs are more likely to graduate from high school.
6:10:31 PM	MELINDA MYERS, SENIOR MANAGER, BEST BEGINNINGS	Testified in support for the \$407 thousand dollars funding line item recommendation for the early learning funding as requested in the Governor's proposed budget.
6:12:58 PM	GENIE BABB, UNIVERSITY OF ALASKA	Spoke in support of full funding for the University of Alaska.
6:14:21 PM	SUSAN KLEIN, UNIVERSITY OF ALASKA ANCHORAGE	Spoke in support of the Governor's proposed increments for the University.
6:16:01 PM	ANNE DENNIS-CHOI, EXECUTIVE DIRECTOR, SALVATION ARMY CLITHEROE	Addressed alcoholism and chemical dependency problems in the State. She testified in support of funding for substance abuse prevention and treatment programs. Medicaid does not

	CENTER	cover the majority of individuals suffering from addictions. With the growing dependence on Medicaid, grant funding has decreased.
6:20:16 PM	RECESSED	To February 23 nd - Saturday