

MINUTES
SENATE FINANCE COMMITTEE
March 15, 2007
9:33 a.m.

CALL TO ORDER

Co-Chair Bert Stedman convened the meeting at approximately [9:33:52 AM](#).

PRESENT

Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice Chair
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas
Senator Fred Dyson

Also Attending: REPRESENTATIVE KEVIN MYERS; MICHAEL PAWLOWSKI,
Staff to Representative Kevin Meyer

Attending via Teleconference: There were no teleconference participants

SUMMARY INFORMATION

HB 18-POSTSECONDARY MEDICAL & OTHER EDUC. PROG.

The Committee heard from the bill's sponsor. One amendment was adopted and the bill reported from Committee.

[9:34:18 AM](#)

Co-Chair Stedman communicated that an anticipated presentation about a Public Employees Retirement System (PERS) Cost Share proposal has been delayed as the information is still being reviewed. Further scheduling information would be forthcoming.

[9:34:47 AM](#)

#hb18

SENATE CS FOR CS FOR HOUSE BILL NO. 18(SED)

"An Act amending the functions and powers of the Alaska Commission on Postsecondary Education; and relating to the repayment provisions for medical education and postsecondary degree program participants."

This was the third hearing for this bill in the Senate Finance Committee.

Co-Chair Stedman communicated that the intent today would be to report this Washington, Wyoming, Alaska, Montana, and Idaho postsecondary medical education program (WWAMI) legislation from Committee.

[9:35:10 AM](#)

Co-Chair Stedman communicated that his and Co-Chair Hoffman's offices have discussed with Representative Kevin Meyer, the bill's sponsor, concerns about the physician shortage in Alaska, particularly in Rural Alaska. As a result of these discussions, an amendment was developed which would further incentivize graduates of the WWAMI program to practice in the State.

Amendment #1: This amendment inserts a new section into the bill following line 17 page 2 as follows:

*Sec. 3. AS 14.43.510(b) is amended to read:

(b) If a program participant under (a) of this section has graduated from the medical education program for which the financial support was received and is employed in the state in the field for which the person received the financial support, including employment in the state in a medical residency program, the repayment obligation shall be forgiven and considered a grant in an amount equal to the following percentages plus accrued interest:

(1) for employment in rural areas of the state,

(A) one year employment, 33 1/3 percent;

(B) two years employment, an additional 33 1/3 percent;

(C) three years employment, an additional 33 1/3 percent;

(2) for employment in areas of the state that are not rural,

(A) [(1)] one year employment, 20 percent;

(B) [(2)] two years employment, an additional 20 percent;
(C) [(3)] three years employment, an additional 20 percent;
(D) [(4)] four years employment, an additional 20 percent;
(E) [(5)] five years employment, an additional 20 percent.

This amendment adds another new bill section following line 28 on page 2 as follows.

*Sec. 5. AS 14.43.510 is amended by adding a new subsection to read:

(i) In this section, "rural" means a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

New text underlined [DELETED TEXT BRACKETED]

Senator Olson moved Amendment #1.

[9:35:44 AM](#)

Co-Chair Stedman objected for purposes of discussion.

REPRESENTATIVE KEVIN MEYER, the bill's sponsor, thanked the Committee for considering this legislation. It has garnered widespread support from members of the Senate and the House of Representatives.

Representative Meyer voiced his approval of the amendment.

[9:36:48 AM](#)

MICHAEL PAWLOWSKI, Staff to Representative Kevin Meyer, explained that the amendment would change the program's loan obligation provisions in that the loan obligation of a WWAMI student who, after completing their residency program, returns to the State and practices for three years in a Rural area or five years in a non-Rural area would be forgiven.

Mr. Pawlowski also noted that the definition of a rural community is specified in the amendment. The definition is similar to that specified for the rural payback provisions of the Teacher Education Program; the difference being that the minimum size of a community was increased to 7,500 as that was deemed the size required to support physician services.

[9:38:06 AM](#)

Mr. Pawlowski pointed out that a listing of communities and their populations [copy on file] had been distributed to Members. This would allow them to determine whether a community qualified for rural or non-rural status.

Mr. Pawlowski concluded that the adoption of this amendment would encourage WWAMI graduates to practice in rural communities.

[9:38:42 AM](#)

Co-Chair Stedman removed his objection to Amendment #1.

Senator Olson asked whether data was available to support the position that providing additional forgiveness incentives to WWAMI graduates for practicing in Rural Alaska would be successful.

[9:39:14 AM](#)

Mr. Pawlowski communicated that no such data was available; however, the Alaska Commission on Postsecondary Education has deemed the incentive "workable" since a similar incentive plan that encourages teachers to work in rural communities has been successful.

[9:39:33 AM](#)

There being no further objection, Amendment #1 was ADOPTED.

[9:39:47 AM](#)

Co-Chair Stedman, while voicing support of the program, asserted that the implementation of the expanded program should be monitored "going forward". This would assist in averting any detrimental impact on the State's operating budget and insure

that the need to increase physician service in the State to offset such things as retiring physicians and increased population demands was being met.

Co-Chair Stedman stated that the costs of the program were specified in Department of Education and Early Development (DOE) fiscal note #1.

[9:40:30 AM](#)

Co-Chair Stedman deemed the University of Alaska's FY 2008 budget as "the appropriate place" in which to address the cost of expanding the WWAMI program. That budget is currently being developed.

Co-Chair Stedman supported moving the bill from Committee with the aforementioned DOE fiscal note and the House Finance Committee's zero fiscal note #2.

[9:41:11 AM](#)

Senator Olson emphasized "the importance of this bill". It would assist in increasing the number of doctors in both urban and rural areas of the State. It would also help address the physician shortage projected to result from doctors who will be retiring in the future and the impact that would be experienced by an aging State population.

Senator Olson moved to report the bill, as amended, from Committee with individual recommendations and accompanying fiscal notes.

There being no objection, SCS CSHB 18(FIN) was REPORTED from Committee with two previous zero fiscal notes: fiscal note #1 from the Department of Education and Early Development and fiscal note #2 from the House Finance Committee pertaining to the University of Alaska.

Co-Chair Stedman noted that the bill would move forward with recognition of the need to accommodate the impending deadline for the following year's WWAMI program student enrollment.

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[9:42:31 AM](#)

ADJOURNMENT

Co-Chair Bert Stedman adjourned the meeting at [9:42:46 AM](#).