

SENATE FINANCE COMMITTEE
March 31, 2010
9:04 a.m.

9:04:33 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Dennis Egan
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Max Hensley, Staff, Senator Johnny Ellis; Don Bullock, Attorney, Legislative Legal Services; Roger Marks, Petroleum Economist, Logsdon & Associates, Legislative Budget & Audit Committee; Denise Liccioli, Staff, Senator Olson; Sam Trivette, Juneau; Shelley Hughes, Government Affairs Director, Alaska Primary Care Association; Nancy Davis, RN, President, Alaska Nurses Association, Juneau; Marie Darlin, AARP; Nancy O. Davis, Executive Director, Alaska Pharmacy Association

PRESENT VIA TELECONFERENCE

Lanetta Lundberg, Director, Human Resources, Ketchikan General Hospital; Jerry Gronen, Wasilla; Jim Lynch, Chief Finance Officer, Fairbanks Memorial Hospital; Jim Jordan, Executive Director, Alaska State Medical Association; Dr. Don Pathman, Physician, University of North Carolina; Elizabeth Ripley, MatSu Health Foundation

SUMMARY

SB 33 POSTSECONDARY SCHOLARSHIPS

SB 33 was heard and HELD in Committee for further consideration.

SB 139 INCENTIVES FOR CERTAIN MEDICAL PROVIDERS

SB 139 was heard and HELD in Committee for further consideration.

SB 174 PROF STUDENT EXCHANGE LOAN FORGIVENESS

SB 174 was SCHEDULED but not HEARD.

SB 235 CHARTER/ALTERNATIVE SCHOOL FUNDING

SB 235 was SCHEDULED but not HEARD.

SB 236 TAX CREDITS FOR EDUCATIONAL CONTRIBUTIONS

SB 236 was SCHEDULED but not HEARD.

SB 305 SEPARATE OIL & GAS PRODUCTION TAX

CSSB 305 (FIN) was REPORTED out of Committee, as amended, with a "do pass" recommendation and with a new fiscal note by the Senate Finance Committee for the Department of Revenue.

[9:05:15 AM](#)

#sb33

SENATE BILL NO. 33

"An Act creating a postsecondary scholarship grant program for Alaska residents based on high achievement and financial need."

[9:06:41 AM](#)

Co-Chair Hoffman MOVED to ADOPT CSSB 33 (FIN), labeled 26-LS0219\W, Mischel, 3/31/10.

Co-Chair Stedman OBJECTED for discussion.

Senator Ellis, sponsor, shared the following information:

I originally introduced Senate Bill 33 in 2006 as the Alaska Achievers Incentive Program.

- o Worked with student leaders
- o Gained sponsorships from Senators Thomas, Paskvan, Stevens, and McGuire
- o Endorsed by the Taylor Foundation, Juneau Assembly, and Fairbanks Assembly
- o Original bill created a hybrid need and merit based scholarship that would have provided at least \$1,000 per year to high achieving students with financial need.

The governor's introduction of the GPS legislation this past summer elevated the issue, and I am very pleased to see the slate of policy options that we will be discussing today.

- o Over the past 8 months, I have been engaged in many conversations with my legislative colleagues, financial aid experts from the University of Alaska and around the country, and hundreds of students and parents.
- o Although I am a strong supporter of the concepts expressed by the governor in his bill, I am also very concerned about the implementation of the bill, as well as the opportunity to get something passed this year.
- o SB 33 addresses those concerns in ways that reflect the many conversations I have had over my years of involvement in this issue.
 - I call this new version of SB 33 the AlaskAdvantage Grant and Loan Forgiveness Program.

AlaskAdvantage Grant and Loan Forgiveness Program

- o Adds a loan forgiveness component to the existing AlaskAdvantage Grant Program.

- Students who were eligible for AlaskAdvantage Grants can receive funds to forgive loans made through ACPE for up to four years after graduation if they attend Alaska institutions and remain in Alaska.
 - GPS is fully scholarship based, which rewards students on potential rather than performance.
- Maintains the emphasis on priority career tracks (a concern of Senator Huggins)
 - Increased grant amounts for students in preparation for hard-to-fill jobs.
 - Currently allied health, community/social service, teaching, and natural resources extraction/support
 - See article in your packet re: workforce shortage for pipeline
 - For loan forgiveness, graduates must be employed in those fields for increased awards.
 - GPS does not have any emphasis on developing Alaska's workforce.
- Adds a merit-based priority
 - Increased grant amounts for students who are performing at a high level in college.
 - For loan forgiveness, increased award depends on final GPA.
- Updates the award amounts to reflect today's cost of higher education.
 - Minimum annual award of \$1,000, maximum annual award of \$5,000.
 - Total lifetime cap (whether received in grants or loan forgiveness) of \$20,000 per student.
 - Structure allows the Legislature through appropriations process to manage the cost,

in contrast to GPS which is set up as an entitlement in which programs drive costs.

- o Other GPS concerns addressed by AlaskAdvantage Grant and Loan Forgiveness
 - Non-traditional students - continuing education, workers changing careers, older first-time students - are ineligible for GPS, but qualify for this bill.
 - Many rural students are disqualified for the GPS by the curriculum requirements that are not available in 20% of Alaska high schools.
 - Those requirements also create an unfunded mandate of uncertain cost on local school districts and REAA's.

Senator Ellis listed several options if no bill can pass:

- o Fund existing AlaskAdvantage Grant Program - currently receiving no General Fund.
- o Fund existing UA Scholars Program - currently receiving no General Fund.
- o Task force to continue studying the transformative scholarship concepts in the Governor's Scholarship Program

[9:12:36 AM](#)

MAX HENSLEY, STAFF, SENATOR JOHNNY ELLIS, dispelled the idea that this legislation was the old loan forgiveness program. There are several significant differences: it only includes students who attend college in the state of Alaska, it has a limited cost, and it is more easily tracked because it is limited to loans made through the state's loan programs.

Mr. Hensley reported on the sections of the bill:

- Section one amends the purpose of the AlaskAdvantage Grant Program to include loan forgiveness.

- Sections 2, 3, and 9 are conforming amendments to add 'loan forgiveness' to the title of the chapter.
- Section 4 defines the size of the program, set at \$10M annually in this draft.
- Section 5 extends the current priority for career tracks and adds a merit-based priority for students with a GPA over 3.0, with a higher priority for students with a GPA over 3.5.
- Section 6 outlines the qualifications for loan forgiveness - Alaska resident, graduated from Alaska higher education, in good standing on their repayment.
- Sections 7 and 8 set the level of awards per student.

[9:16:02 AM](#)

Senator Thomas asked how the allocation for loan forgiveness and/or grants is made to eligible students. Mr. Hensley clarified that the decision is left up to the Commission on Postsecondary Education. The current program places the highest priority on the students with the most need. Senator Thomas spoke in support of the changes in the bill.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered.

[9:17:08 AM](#)

Senator Olson asked about the fiscal note from the Department of Revenue for \$25,000. Mr. Hensley said that fiscal note refers to the previous version of the bill and there wasn't a new note yet.

[9:18:03 AM](#)

Co-Chair Stedman noted two old fiscal notes which require updating.

Senator Ellis thanked the committee for hearing the bill.

SB 33 was heard and HELD in Committee for further consideration.

AT-EASE [9:19:07 AM](#)
RECONVENED [9:22:10 AM](#)

#sb305
SENATE BILL NO. 305

"An Act relating to the tax on oil and gas production; and providing for an effective date."

[9:22:29 AM](#)

Co-Chair Stedman informed the committee about a new CS for SB 305 and a new Senate Finance Committee zero fiscal note. He said there was also a small technical amendment to the new CS. He noted that public testimony had been previously taken on the bill.

[9:23:04 AM](#)

Co-Chair Hoffman MOVED to ADOPT a CS for SB 305, labeled 26-LS1577\T, Bullock, 3/30/2010, as the version before the committee.

Co-Chair Stedman OBJECTED.

[9:23:34 AM](#)

DON BULLOCK, ATTORNEY, LEGISLATIVE LEGAL SERVICES, reminded the committee about the definition of production taxes and lease expenditures. The production tax value of oil and gas is what the tax is applied to. Starting with PPT and ACES, the production tax value is basically the gross value at the point of production minus allowable lease expenditures under AS 43.55.165 adjusted under AS 43.55.170. Because the lease expenditures are related to the production tax value, whenever oil and gas are separated for tax purposes, lease expenditures must be allocated. They are addressed in the bill.

Mr. Bullock explained that currently the allocations are required because of special provisions that relate to oil and gas produced in Cook Inlet, as well as gas produced outside of Cook Inlet and used in the state. The tax is basically "25 percent plus". The 25 percent rate is applied to the production tax value of all oil and gas. The "plus"

is a progressive tax that increases in rate as the production tax value rises above \$30. The main difference between Version T and the previous version of the bill is that the new version provides for a progressive tax on gas, whereas the previous version just had a progressive tax on oil.

Mr. Bullock pointed out that the title of the bill has been amended to reflect the contents of Version T and is narrowed to address the progressive rates.

[9:25:51 AM](#)

Mr. Bullock addressed the first section of the bill, which amends AS 29.60.850(b), and did not appear previously in Version P, the earlier version of the bill. It says that money that is generated by the progressive taxes on oil and gas is available for appropriation to the Community Revenue Sharing Fund. The Fund was made for the purpose of making community revenue sharing payments to municipalities, reserves, and communities for public purposes. It is not a dedicated fund, it merely identified money that is available for appropriation.

Mr. Bullock explained that Section 2 amends AS 43.55.011(e), the main tax provision, to make separate references to the monthly progressive taxes on oil and gas. The progressive tax on oil, gas produced in Cook Inlet, and gas produced elsewhere and used in the state are used to determine the rate, which is the average amount of those three values compared to \$30. If that amount is greater than \$30, the rate is increased.

Mr. Bullock related that Section 3 Amends AS 43.55.011(g) to have the tax rate determined using the production tax values of oil and the production tax values on a BTU equivalent basis of gas produced in Cook Inlet and gas produced elsewhere and used in the state. Gas in and outside of Cook Inlet are subject to caps on the tax. They are considered "tax-favored production".

Mr. Bullock explained that Section 4 provides for a progressive tax applicable to gas production that is not included in AS 43.55.011(g) as amended in Section 3 of the bill. It provides that the tax rate is applied to the production tax value of a BTU equivalent of gas. There was no counterpart to this section in the earlier version of

the bill. For both progressive taxes in (g) and (p), there is no change in the range from which that tax rate is determined.

[9:28:55 AM](#)

Mr. Bullock stressed that every time there is a change in the tax scheme, there must be a corresponding change in the installment payments. Section 5 amends AS 43.55.020(a) to describe the determination of the amount of a monthly installment. There is also a makeup payment at the end of the year. The monthly payments should reflect one-twelfth of the liability for the tax for the year.

Mr. Bullock said that Section 6 Amends AS 43.55.020(d) relating to a settlement with the royalty owner, by adding references to the production tax on gas. He emphasized that the production tax values are what the tax rates are applied to.

Mr. Bullock explained that Section 7 amends AS 43.55.160(a), relating to the determination of the production tax value of oil and gas, by providing the means for determining the production tax value of oil and the production tax value of gas separately. It also reorders some subparagraphs.

[9:30:38 AM](#)

Mr. Bullock noted that Section 7 in the prior version amended the same section. This version provides for determination of the value with reference to both oil and gas.

Mr. Bullock informed the committee that Section 8 relates to the allocation of lease expenditures between oil and gas. Currently, the Department of Revenue has the authority to make the allocation under AS 43.55.165(h). Section 8 of Version T amends that section by requiring that the Department of Revenue consider allocating lease expenditures in proportion to the BTU equivalent barrels of oil and gas produced from each lease or property. The purpose is to provide a reasonable allocation of expenditures between oil and gas. He explained how taxes were on the gross value at the point of production prior to PPT and ACES, which is now the starting point for determining the production tax value. Since lease

expenditures are applied to the gross value at the point of production to determine the production tax value, the leases for oil and gas need to be allocated separately.

[9:32:21 AM](#)

Mr. Bullock spoke of Section 9 as being similar to the provision in Section 8. This section adds a new subsection, AS 43.55.170(d), which has to do with adjustments to lease expenditures. It directs the Department of Revenue to consider allocating adjustments based on the proportion of the BTU equivalents of oil and gas produced.

Mr. Bullock turned to Section 11 which makes progressive tax provisions in the bill retroactive to January 1, 2010. There was no similar provision in the earlier bill. Because of the retroactive effect and because installment payments will be made after December 31 and before the effective date, Section 10 requires that should there be an installment payment, that underpayment would be made up at the first installment payment due after the effective date.

Mr. Bullock concluded with Section 12 which makes the Act take effect immediately.

[9:33:58 AM](#)

Mr. Bullock said there were some sections in the previous version that don't have corresponding provisions in the current bill. Sections 3, 4, and 8 in the previous version are no longer needed.

[9:35:08 AM](#)

Senator Thomas asked if Section 4 is specific to producers with production in both Prudhoe Bay and Cook Inlet. Mr. Bullock clarified that the tax caps apply after the tax is determined.

Senator Huggins referred to Section 8 and asked if there was a separate effective date for the allocation of lease expenditures for oil and gas. Mr. Bullock said the department is required to have separate effective dates now. Section 8 introduces a new provision which suggests the department should consider allocating on a BTU-equivalent basis.

ROGER MARKS, PETROLEUM CONSULTANT, LOGSDAN & ASSOCIATES, LEGISLATIVE BUDGET & AUDIT, explained that the department had the authority to adopt regulations for a cost allocation method to implement the tax as it currently works. The method the department adopted is the method in Version T.

[9:37:48 AM](#)

Senator Egan asked about the sunset date of 2022 in Section 5, page 6, line 21. Mr. Bullock said the special tax breaks for Cook Inlet gas and gas produced and used within the state are applicable before 2022. Senator Egan understood that the tax breaks go away in 2022.

Co-Chair Stedman WITHDREW his OBJECTION to adopting Version T. There being NO OBJECTION, it was so ordered.

Co-Chair Hoffman MOVED to ADOPT Amendment 1:

Page 9, line 29

Delete "oil produced during a month from"

Co-Chair Stedman OBJECTED.

Mr. Bullock explained that the amendment corrects an oversight made when drafting the bill. It removes extraneous language.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, Amendment 1 was adopted.

[9:40:32 AM](#)

Senator Olson asked about the distinction between Cook Inlet gas and other gas fields above the 68th parallel. He wondered if the Nenana gas field was included. Mr. Bullock responded that the law applies to all gas and oil produced in the state. The special provisions are narrowly focused on gas and oil produced in Cook Inlet and gas produced outside of Cook Inlet and used in the state. Senator Olson commented that those who live above the 68th parallel "feel like a stepchild".

[9:41:55 AM](#)

Mr. Marks explained the fiscal note by discussing some of the technical changes made in the bill. He related that two

progressivity buckets have been established. One represents current oil and gas activity, and the other bucket is export gas. The progressivity surcharges for oil and Cook Inlet and in-state gas would be calculated together. If the two were to be separated, progressivity on oil would increase and there would be a tax increase, which is not the intent of the bill. There was a concern about keeping the bill revenue neutral.

Mr. Marks pointed out that in the previous version of the bill there was some discussion of a credit for the difference between the taxes calculated after the bill passed and before. That was deemed to be cumbersome, so the two buckets were rated for progressivity. No current activity would see a tax increase. Export gas would not dilute the oil progressivity factor. The Department of Revenue fiscal note is a zero note because of the changed progressivity structure.

Co-Chair Stedman added that it would simplify the process so the industry does not have to do two sets of calculations. Mr. Marks said that was correct.

[9:46:24 AM](#)

Senator Huggins asked if progressivity on gas in this bill is the same as it currently is. Mr. Marks concurred.

[9:47:01 AM](#)

Co-Chair Hoffman MOVED to report CSSB 305 (FIN) out of Committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

CSSB 305 (FIN) was REPORTED out of Committee, as amended, with a "do pass" recommendation and with a new fiscal note by the Senate Finance Committee for the Department of Revenue.

#sb139

SENATE BILL NO. 139

"An Act establishing a loan repayment program and employment incentive program for certain health care

professionals employed in the state; and providing for an effective date."

[9:49:01 AM](#)

Co-Chair Hoffman MOVED to ADOPT CSSB 139 (FIN), labeled 26-LS0503\N, Mischel, 3/29/10.

Co-Chair Stedman OBJECTED.

Senator Olson, sponsor, related that the bill establishes a loan repayment program and employment incentives for a number of health care professionals employed throughout the state. It addresses an immediate need. The bill distinguishes itself from other scholarship bills by providing immediate results when filling vacancies. It does not require waiting for students to "come through the pipeline" before they can begin their practice. It also targets experienced providers who are ready to go to work. The funds will be issued after the work has been performed and payments will be stopped if the practitioner leaves the state or designated area. It is not a loan and has no defaults. There is a preference for Alaskans; however, graduates from elsewhere can come to Alaska to take advantage of the loan repayment program.

Senator Olson stressed that one of the focuses is on recruiting physicians because of their expertise.

[9:51:14 AM](#)

DENISE LICCIOLI, STAFF, SENATOR OLSON, explained the changes in the bill. The first change is on page 1, line 8, and on page 2, lines 9-10, the words, "by the state" were added in order to limit loan repayments to loans held by the state. The second change was made by adding a new section on page 5, beginning on line 9. The section provides clarification to the department for the intention of the legislation to limit the number of participants to 90 per year, regardless of whether the participant was a new participant or a continuing participant. It would also provide guidance to ensure that at least three of each practitioner type was reserved for filling in a very hard-to-fill location. The intention is to address health care shortages in various areas of the state.

[9:53:58 AM](#)

Senator Thomas wondered if there was an hour requirement prior to receiving a license for certain participants. Ms. Liccioli said the bill targets those who are or who would be licensed by the state to practice their preferred occupation.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, Version N was adopted.

Senator Olson said the bill addresses in a comprehensive manner, important health care issues.

[9:56:12 AM](#)

Ms. Liccioli provided information about the bill:

Alaska is facing a serious shortage of healthcare practitioners, especially in the rural areas of our state, and it is projected to worsen significantly in the next few decades. Senate Bill 139 is intended to address this issue by establishing a program to immediately begin filling the vacant healthcare practitioner positions throughout the state.

This legislation will establish a direct incentive and loan repayment program, for loans held by the State of Alaska, in the Department of Health and Social Services. The program is designed to be competitive with incentives offered by other states and attract and retain healthcare practitioners.

SB 139 will provide direct incentives and loan repayments for 10 different health care occupations, categorized by "Tier". Tier 1 slots include physicians, pharmacists and dentists. Tier 2 slots include dental hygienists, registered nurses, certified nurse practitioners, physician assistants, physical therapists, clinical psychologists, and clinical social workers holding at least a master's degree in social work.

The slots are also categorized by whether they are in a "regular" site, which can be located anywhere in the state; or whether they are in a "very-hard-to-fill" site, which can be located only in areas designated as such by the Commissioner of Health and Social

Services. The sites would not be exactly the same as the federal designations.

The amount of the incentive for each slot varies according to location and the category, or "Tier", of healthcare provided. Tier 1 slots have incentives of up to \$35,000 per year at a regular site, or up to \$47,000 per year at a very-hard-to-fill site. Tier 2 slots have incentives of up to \$20,000 per year at a regular site, or up to \$27,000 per year at a very-hard-to-fill site.

The bill provides direct incentives and loan repayments for 9 slots or positions for each occupation. The bill requires that at least 3 of the 9 slots for each occupation are reserved for "very-hard-to-fill" positions; the remaining slots for each occupation can be anywhere based on applications and need. The fiscal note allows for funding of 6 positions in "very-hard-to-fill" locations. Priority will be given to sites that treat patients who are uninsured and who have medical assistance or Medicare coverage. The maximum slots for which an incentive or loan payment is made in any given year is capped at 90. She emphasized that it is 90 per year in order to provide more flexibility.

[9:59:28 AM](#)

Eligible individuals are provided their incentive and/or loan repayment in quarterly installments, only after working the previous three months, for a contract term of 3 years. The program allows for a possible extension up to an additional 3 years, but has a lifetime maximum of 6 years for any individual to participate. Individuals would have to apply for an extension. Payments stop immediately if the practitioner leaves their position.

There is no risk of loan default since it is not a loan program and funds are only issued after the work is performed.

The employer of the participant will be required to match the amount provided to the participant based on the employer's ability to pay, as determined by the

Commissioner. The match can range from nothing to 50% of the total. For purposes of the fiscal note, a 25% match is assumed, to allow for that range.

SB 139 is an effective way to address the shortage of healthcare practitioners quickly and targets experienced practitioners who are ready to work. Although preference can be given to Alaskans, practitioners can be from anywhere in the nation. If passed, this legislation is expected to attract healthcare practitioners from all areas of the country, which will give us a bigger pool of qualified, experienced healthcare professionals from which to choose; and which will help to assure our ability to fill the available slots.

The program established by this bill will be an effective complement -- not a replacement -- to other programs such as WWAMI and would fill the gap existing while students are going to school and until they are able to practice their chosen field. In other words there will be immediate results for filling vacancies; no waiting for a student to become a practitioner.

It is critical that we promptly address Alaska's healthcare shortages in order to ensure that all Alaskans have adequate access to medical care. SB 139 helps us to save and improve the lives of our constituents by allowing us to provide for those who cannot wait until tomorrow to get the care that they need today.

[10:01:57 AM](#)

Senator Thomas referred to page 5 and asked if the person can receive loan repayments if they are not yet licensed, but are in the program. Ms. Liccioli pointed to page 5, line 21, to show that they must become licensed within 90 days of their first day of employment.

[10:03:00 AM](#)

Co-Chair Stedman noted two fiscal notes; one zero note from the Department of Education and Early Development, and one fiscal note from the Department of Health and Social Services for \$2,882,300 in general funds to cover the estimated cost of incentive payments and to hire one

additional full-time staff person to administer the program. Ms. Liccioli believed the two new notes reflect the new CS.

[10:04:15 AM](#)

LANETTA LUNDBERG, DIRECTOR, HUMAN RESOURCES, KETCHIKAN GENERAL HOSPITAL (via teleconference), spoke in favor of SB 139. She highlighted the benefits of the legislation.

[10:06:00 AM](#)

JERRY GRONEN, WASILLA (via teleconference), explained that he is a student who will accumulate \$70,000 in student loans. He testified in favor of SB 139 and the reimbursements and incentives it provides.

JIM LYNCH, CHIEF FINANCE OFFICER, FAIRBANKS MEMORIAL HOSPITAL (via teleconference), spoke in favor of SB 139. He brought up the problem of retiring health care workers and the difficulty of trying to fill positions, especially in rural areas.

JIM JORDAN, EXECUTIVE DIRECTOR, ALASKA STATE MEDICAL ASSOCIATION (via teleconference), spoke in favor of the legislation. He said the pool of physicians available for recruitment from around the country has been reduced by a growing tendency of a reduction in patient care hours. He highlighted the results of health care reform in Massachusetts in 2006.

[10:12:15 AM](#)

DR. DON PATHMAN, PHYSICIAN, UNIVERSITY OF NORTH CAROLINA (via teleconference), spoke of his experience studying the outcomes of loan repayment and incentive programs in the health profession. He referred to handouts provided to the committee. He agreed with SB 139 and testified about the effectiveness of the loan repayment incentive.

[10:15:35 AM](#)

ELIZABETH RIPLEY, MATSU HEALTH FOUNDATION (via teleconference), spoke in favor of SB 139. She listed the benefits of her program. She voiced concern about understaffing. She referred to a resolution included in the members' packets. She shared statistics about medical providers.

[10:19:14 AM](#)

SAM TRIVETTE, JUNEAU, spoke in favor of SB 139 because it would attract health care workers and increase care for retirees. He spoke of keeping retirees in Alaska and the necessity to providing health care for them.

SHELLEY HUGHES, GOVERNMENT AFFAIRS DIRECTOR, ALASKA PRIMARY CARE ASSOCIATION, testified in favor of SB 139. She shared concerns about the shortage in Alaska of primary care providers. She urged passage of the bill.

[10:24:09 AM](#)

NANCY DAVIS, RN, PRESIDENT, ALASKA NURSES ASSOCIATION, JUNEAU, added her organization's support for SB 139.

MARIE DARLIN, AARP, testified in support of SB 139. She reminded the committee that Alaska would lose if seniors move away due to inadequate health care.

[10:26:48 AM](#)

NANCY O. DAVIS, EXECUTIVE DIRECTOR, ALASKA PHARMACY ASSOCIATION, spoke in favor of the legislation. She said the bill will allow health care workers to be recruited.

[10:27:52 AM](#)

Senator Olson stressed that Alaska is losing the battle to keep up with adequate health care providers. He emphasized that large school debt is forcing medical professionals to work in major metropolitan areas. This legislation allows the state to have an incentive program. Alaska is one of three states that do not currently have such a program. He requested the committee's support for the bill.

[10:28:54 AM](#)

Senator Huggins agreed with Senator Olson about not losing any battles. He thanked Senator Olson for sponsoring the legislation.

SB 139 was heard and HELD in Committee for further consideration.

SENATE BILL NO. 174

"An Act relating to professional student exchange program availability and conditions for loan forgiveness."

SB 174 was SCHEDULED but not HEARD.

SENATE BILL NO. 235

"An Act relating to charter school approval and funding."

SB 235 was SCHEDULED but not HEARD.

SENATE BILL NO. 236

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes or for a college facility; and providing for an effective date."

SB 236 was SCHEDULED but not HEARD.

SENATE BILL NO. 224

"An Act establishing the governor's performance scholarship program and relating to the program; establishing the governor's performance scholarship fund and relating to the fund; relating to student records; making conforming amendments; and providing for an effective date."

SB 224 was SCHEDULED but not HEARD.

ADJOURNMENT

The meeting was adjourned at 10:29 AM.