

HOUSE FINANCE COMMITTEE
March 13, 2012
2:57 p.m.

2:57:47 PM

CALL TO ORDER

Co-Chair Thomas called the House Finance Committee meeting to order at 2:57 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

SUMMARY

HB 284 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 284 (FIN) was HEARD and HELD in committee for further consideration.

HB 285 APPROP: MENTAL HEALTH BUDGET

HB 285 (FIN) was HEARD and HELD in committee for further consideration.

#hb284

#hb285

HOUSE BILL NO. 284

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, amending appropriations, and making reappropriations; and providing for an effective date."

HOUSE BILL NO. 285

"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."

[2:57:52 PM](#)

Co-Chair Stoltze MOVED to ADOPT Amendment 1.

[Representative Guttenberg requested his name be added as a co-sponsor to Amendment 1.]

AMENDMENT 1

1. OFFERED BY: Rep. Thomas by request of the Governor

DEPARTMENT: Administration
APPROPRIATION: Violent Crimes Compensation Board
ALLOCATION: Violent Crimes Compensation Board

ADD: \$340,000 Federal Receipts (1002)

EXPLANATION:

The Violent Crimes Compensation Board (VCCB) applies for a federal grant annually and can be awarded up to \$1 million based on the amount of state funds that are spent. VCCB has \$660,100 of federal authorization and is seeking an additional \$340,000 federal receipt authorization, which will provide additional grants to the victims of crimes.

In FY2012 the Board has approved payment for 604 claims. Of those, 19 claims were in excess of \$15,000. These include assault cases where serious injuries incurred, two homicides and two serious child abuse cases where the Board has set aside funds for the children's future needs, including disability

accommodations. The amount paid out on the 19 claims totals \$431,100. During this same period in FY2011 383 claims were approved and 128 in FY2010. VCCB has grant funding available to spend but lacks sufficient authority. If approved, this increase will enable the VCCB to provide grants to victims of crime for the duration of this fiscal year.

2. OFFERED BY: Rep. Costello

DEPARTMENT: Commerce, Community and Economic Development

APPROPRIATION: Community and Regional Affairs

ALLOCATION: Community and Regional Affairs

ADD: \$150,000 (per year, as an increment -IncT-for three years), General Funds, 1004

EXPLANATION: Southeast Alaska Sustainable Arts Program
The state grant would be used to develop the Southeast Alaska Sustainable Arts Program. The program will focus on reintroducing the nearly-lost art form of skin sewing and developing a cottage industry in rural communities.

The program would be spearheaded by Sealaska Heritage Institute, a nonprofit founded in 1980 to promote cultural diversity and cross-cultural understanding. The institute has a long history of running successful Native art projects, including a multi-year program that reintroduced spruce-root weaving, an endangered art form, in the Tlingit community of Hoonah.

3. OFFERED BY: Reps. Costello and Thomas

DEPARTMENT: Commerce, Community & Economic Development

APPROPRIATION: Community & Regional Affairs

ALLOCATION: Community & Regional Affairs

ADD: \$60,000, Boat Receipts, 1216 (other)

EXPLANATION: Alaska Marine Safety Education Association

Appropriated to the Alaska Marine Safety Education Association (AMSEA) for continued education and training services. The mission of AMSEA is to "[r]educe injury and death in the marine and freshwater environment through education and training provided by a network of qualified marine safety instructors."

4. AMENDMENT 27-GH2599\X.7 (Bailey 3/12/12).

OFFERED IN THE HOUSE BY REPRESENTATIVE STOLTZE

TO: CSHB 284(FIN), Draft Version "X"

Page 7, following line 28:

Insert new material to read:

"Although the legislature acknowledges that contract negotiations and management decisions are functions of the executive branch, it is the intent of the legislature that the Department of Corrections should consider the potential costs, including costs of litigation or arbitration, officer and inmate safety, and employee recruitment and retention, when evaluating any change to the historical policy of using shift staffing,"

5. OFFERED BY: Rep. Thomas

DEPARTMENT: Education and Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Early Learning Coordination

ADD: \$250,000 GF (1004) (as an IncOTI)

Intent: It is the intent of the legislature that \$250,000 GF will be provided in addition to the Governor's existing FY13 request for Early Learning Coordination, including Parents as Teachers.

EXPLANATION: This amendment will support pre-kindergarten, parent-based Parents as Teachers programs throughout the state.

6. (a)OFFERED BY: Reps. T. Wilson and Thomas

DEPARTMENT: Education and Early Development:
APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

Part A

ADD: \$500.0 GF (1004) OTI

Part B

ADD A NEW ALLOCATION to the Teaching and Learning Support Appropriation for Pre-Kindergarten Grants.

Part C

ALLOCATION: Early Learning Coordination
Decrement (2,000.0) GF (1004)

ALLOCATION: Pre-Kindergarten Grants
IncOTI 2,000.0 GF (1004) OTI

Part D

ADD INTENT to Pre-Kindergarten Grants allocation as follows:

It is the intent of the legislature that funding in the Pre-Kindergarten allocation be made available to grantees through a competitive bid process every two years beginning in FY2013. In addition, the Department of Education and Early Development is to work with grantees to ensure that all students participating in the Pre-Kindergarten programs be tested at the start and end of their participation to provide a means to measure the program's effectiveness.

EXPLANATION:

Part A of this amendment adds back \$500.0 GF to Early Learning Coordination for Pre-Kindergarten grants to restore the program to its \$2 million FY12 level. Part B creates a new allocation for the program. Part C transfers \$2 million GF from the Early Learning Coordination allocation to the newly created Pre-Kindergarten Grants allocation within the Teaching and Learning Support appropriation. Part D adds Legislative Intent.

The purpose of the amendment is to restore funding to the Pre-Kindergarten program, to clearly delineate funding and expenditures for the program, and to provide direction to ensure overall program effectiveness.

6. (b)OFFERED BY: Reps. T. Wilson and Thomas

DEPARTMENT: Education & Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Student and School Achievement

Part A
DELETE: (200.0) GF (1004) OTI

ADD: 200.0 GF (1004)

Part B
DELETE: (150.0) GFIMH (1037)

ADD: 150.0 GF/MH (1037) OTI

EXPLANATION:
Part A reverses the subcommittee transactions related to Rural Transition Services. Part B changes total base funding of \$150.0 to one time funding.

6. (C) OFFERED IN: The House Finance Committee

TO: HB 284/ HB 285

OFFERED BY: Reps. Wilson and Thomas

DEPARTMENT: Education and Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Student and School Achievement

DELETE: \$250,000 GF (1004)

DEPARTMENT: Education
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Early Learning Coordination

ADD: \$250,000 GF (1004)

EXPLANATION:
\$250.0 is added for the Best Beginnings Program.

7. OFFERED BY: Rep. Thomas

DEPARTMENT: Fish and Game
APPROPRIATION: Commercial Fisheries
ALLOCATION: Southeast Region Fisheries Management

ADD: \$120,000 General Funds, 1004

EXPLANATION: Hugh Smith Lake Sockeye and Coho Adult Enumeration

Without the Hugh Smith Lake weir, the department would not be able to evaluate whether escapement objectives are met for this important system. Data from the Hugh Smith Lake weir is also of critical importance to in-season management of several significant commercial fisheries in the region such as the District 1 (Tree Point) drift gillnet fishery, the District 1 purse seine fishery, and the region-wide troll fishery.

Lacking the information from the Hugh Smith Lake weir, the department would have to manage those fisheries in a more conservative manner. By funding this project, the state and the region should see a financial return due to increased harvest opportunity for the commercial fisheries.

8.OFFERED BY: Rep. Thomas

DEPARTMENT: Fish and Game

APPROPRIATION: Commercial Fisheries

ALLOCATION: Southeast Region Fisheries Management

ADD: \$70,000 General Funds, 1004

EXPLANATION: Southeast Alaska Shrimp Pot Fishery In-Season Management

This increment seeks support for an in-season management program for the Southeast Alaska Shrimp Pot Fishery. The department currently manages the fishery by district and section level GHs, which are determined by past fishery performance and fishery independent stock assessment surveys. There is currently no standardized in-season management methodology.

In the first year, this increment would pay for chartered vessel support; small vessel operations; personnel sea duty; air transportation; and one month of the southeast shrimp biologist's salary.

In subsequent years, it would also allow for the extension of two seasonal positions for on additional month to assist in in-season management on a limited geographic basis. In season management would be practiced in one district or section for up to 20 days. If the fishery in that district or section were to close, the vessel and department personnel would move to another district or section for the remainder of the 20-day period.

Staff on the fishing grounds would include three personnel to sample catches on all boats participating in the fishery in the study district or section. Vessel support would entail a larger vessel for accommodations and gear storage, and a skiff to transport personnel for catch sampling. This increment would also allow for a six-day post-season fishery independent stock assessment survey to examine the effective biomass left on the grounds after the commercial fishery has closed. This survey would give integral data on the effectiveness and sustainability of in-season management. The state and region should see a financial return due to increased opportunity for shrimp fishermen.

9. OFFERED BY: Rep. Thomas by request of the Governor

DEPARTMENT: Fish and Game

APPROPRIATION: Commercial Fisheries

ALLOCATION: Commercial Fisheries Special Projects

ADD: \$300,000 General Fund/Program Receipts (1005)

EXPLANATION:

An increase of general fund program receipts authority is needed to allow for additional receipt of dive tax assessment revenue. This revenue is derived from a 7% assessment on the landed value of geoducks and red sea urchins, and a 5% assessment on sea cucumbers. These additional funds will be passed on to the Southeast Alaska Regional Dive Fisheries Association (SARDFA).

This will increase receipt authority for SARDFA from \$555,700 to a revised total of \$1,105,700 (an increment for \$250,000 was previously requested by the Governor and approved by the Fish and Game budget

subcommittee). The increase is due to both an increase in price and an increased harvest level over FY2012.

10.OFFERED BY: Reprs. Neuman and Thomas

DEPARTMENT: Fish and Game
APPROPRIATION: Sport Fisheries
ALLOCATION: Sport Fisheries

ADD: \$90,000 GF, 1004

EXPLANATION: Expand the current operation of the Little Susitna Weir.

10. (a) OFFERED BY: Rep. Thomas

DEPARTMENT: Fish and Game
APPROPRIATION: Commercial Fisheries
ALLOCATION: Southeast Region Fisheries Management

ADD: It is the intent of the legislature that the department, to the extent possible, include lingcod surveys when performing the demersal shelf rockfish surveys.

11. OFFERED BY: Reprs. Joule and Thomas

DEPARTMENT: Health & Social Services
APPROPRIATION: Public Health
ALLOCATION: Chronic Disease Prevention & Health Promotion

ADD: \$1,000,000 General Funds (1004) (as IncT for three years) IPFT

EXPLANATION:
Reversing the obesity trend in Alaska may take decades. Yet obesity's impacts to Alaskans quality of life and health costs add urgency to our actions. Obesity costs Alaska \$459 million each year. Projected SFY13 funding for the state's Obesity Prevention and Control Program's is \$375,000 GF, a level of investment dwarfed by the costs of obesity. Investing in a healthier Alaska now will save healthcare dollars in the years to come.

Adult physical activity and nutrition behaviors are established during childhood. Thus, an obesity prevention effort focusing on children and families would have the greatest overall impact. The Centers for Disease Control and Prevention's recommended obesity prevention interventions often require personnel within local communities to implement programs for families and children. This creates local jobs for Alaskan professionals working to reduce obesity's burden.

Funding will provide:

Data Collection	\$ 65.0
School Health & WeIlness	60.0
Professional Development	120.0
Healthy Futures partnership	600.0
Food System Council	50.0
1.0 FTE staff	105.0

12. OFFERED BY: Reps. Joule and Thomas

DEPARTMENT: Health & Social Services

APPROPRIATION: Children's Services

ALLOCATION: Family Preservation

ADD: \$138,000 General Funds/Mental Health (1037)

EXPLANATION:

This project provides grants to recruit and screen potential foster parents, and for training and technical assistance for parents and foster parents. These services are intended to improve the ability of parents and foster parents to effectively parent children with severe emotional disturbances and to reduce the need for out-of-home care and for residential placements. Therapeutic Foster Homes are recognized in Bring the Kids Home planning as an economical and effective alternative to costlier types of residential care for youth experiencing serious emotional disturbance.

13. OFFERED BY: Reps. Joule and Thomas

DEPARTMENT: Health & Social Services

APPROPRIATION: Public Health

ALLOCATION: Chronic Disease Prevention and Health Promotion

ADD: \$360,000 General Funds (1004) (as IncT for three years)

EXPLANATION:

Chlamydia is an asymptomatic disease known to cause silent but complicated and severe bacterial infections in the female reproductive organs. It has been identified as the number one cause of Pelvic Inflammatory Disease, conclusively linked to chronic pelvic pain, abscess formation, ectopic pregnancy and outright infertility. In 2007, chlamydia was the most frequently reported communicable disease in Alaska, with a total of 4,911 known cases. In 2006, 2007, and 2010, Alaska led the nation in infection rates with disproportionately high presence in Rural Alaska. Currently, Alaska's infection rate is twice the national average, and continues to increase.

Media Campaign	\$100,000
Increased Testing at the Alaska State Laboratory	\$155,600
Expedited Partner Therapy Pilot	\$ 45,000
Public Health Nursing (medications in areas w/out a pharmacy)	\$ 60,000

Testing/screening for gonorrhea occurs at the same time an individual is tested for chlamydia. These funds cover testing for both diseases.

13. (a) OFFERED BY: Rep. Thomas

DEPARTMENT: Health and Social Services
APPROPRIATION: Children's Services
ALLOCATION: Children's Services Management

ADD: \$200,000 OF (1004)

Intent: It is the intent of the legislature that \$200,000 OF be used for the Education and Training Voucher program within the Independent Living Program.

EXPLANATION: Supplement Employment and Training Vouchers to train and improve the success of youth covered by the Independent Living Program.

14. OFFERED BY: Representative Stoltze

DEPARTMENT: LAW A
PPROPRIATION: Civil Division
ALLOCATION: Oil, Gas and Mining

1. ADD: \$5,000.0 General Funds (1004) One-Time Increment

EXPLANATION: Section 1 of this amendment provides one-time funding for Oil & Gas (Non-Gasline) Outside Counsel & Experts.

2. ADD: \$2,900.0 General Funds (1004) On-Time Increment

EXPLANATION: Section 2 of this amendment provides one-time funding for Gas Pipeline Outside Counsel & Experts.

15. OFFERED BY: Representatives Neuman and Costello

DEPARTMENT: Department of Natural Resources
APPROPRIATION: Land & Water Resources
ALLOCATION: Mining, Land & Water

DELETE: \$75,000, General Funds, 1004

To page 28, line 9, following "directly authorizes such a program":

Delete "."
Insert "through statutory approval."

EXPLANATION: The remaining amount of \$75,000 is expected to cover the remainder of the planning and development process already underway by the Division of Mining, Land and Water.

The amendment to the intent language clarifies that the direct authorization by the legislature, which is to be given before any funding is spent on program implementation, must come in the form of statutory approval.

16. OFFERED BY: Rep. Wilson

DEPARTMENT: Natural Resources

APPROPRIATION: Parks and Outdoor Recreation
ALLOCATION: Parks Management and Access

ADD: \$87.7 OF (1004) IPFT

EXPLANATION: This amendment adds funding for a much needed Fairbanks Park Ranger position to actively manage the Lower Chatanika State Recreation Area (LCSRA). Without this position, the Division of Parks and Outdoor Recreation (DPOR) will be forced to shut down access and remove improvements to the popular Olnes Pond/Whitefish campground area. The 400 acre parcel contains two boat launches and two developed campgrounds. The area is extremely popular with the public for boating, fishing, camping, ATV riding, hiking, spear fishing, hunting, trapping, skiing, and snow machining. Moving the LCSRA from passive management to active management will decrease the amount of damage, crime, and misuse the area currently experiences.

The funds include Park Ranger salary and benefits.

17. OFFERED BY: Representative Stoltze

DEPARTMENT: Public Safety

APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska State Troopers Detachments

ADD: \$53.7 General Funds (1004)
ADD: \$18.5 General Funds (1004) One-time
Increment

APPROPRIATION: VPSO Program
ALLOCATION: VPSO Contracts

ADD: \$521.4 General Funds (1004)

ALLOCATION: VPSO Support

ADD: \$ 31.0 General Funds (1004)
ADD: \$ 42.5 General Funds (1004) One-time
Increment

EXPLANATION: This amendment restores the 25% of funding for Village Public Safety Officer (VPSO)

increments not included in the House sub-committee's recommendations.

18. OFFERED BY: Rep. Stoltze

DEPARTMENT: Public Safety
APPROPRIATION: Alaska State Troopers

Page 29, line 19, ADD new material to read:

It is the intent of the legislature that Alaska State Troopers resources be deployed to those communities that actively participate in the Rural Trooper Housing Program.

It is the intent of the legislature to honor the service of our resident Peace Officers, current and retired, by requesting that the Department of Public Safety, when able and with the approval of family members, provide a state trooper in full dress to attend funeral services of a deceased officer.

19. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: Department of Revenue
APPROPRIATION: Alaska Natural Gas Development Authority
ALLOCATION: ANGDA Operations

DELETE:	\$326,700	General Funds, 1004
	\$110,000	CIP Rcpts., 1061
	\$436,700	Total
	-3PFT	

EXPLANATION:

The Alaska Natural Gas Development Authority was set up by a voter initiative in 2002. Since then, other State entities have taken the lead in acquiring and conditioning North Slope natural gas and constructing a pipeline to transport the gas. ANGDA's purpose has been served and the Authority can now appropriately be terminated as recommended by Legislative Audit so as not to duplicate State activities.

20. OFFERED BY: Rep. Thomas

DEPARTMENT: Revenue
APPROPRIATION: Alaska Mental Health Trust Authority
ALLOCATION: Mental Health Trust Operations

ADD INTENT:

It is the intent of the legislature that the Mental Health Trust Authority (the Trust) provide the legislature with specific information regarding the planned duration of any new program it proposes to create with Mental Health Trust Authority Authorized Receipts (MHTAAR), General Fund/ Mental Health (GFIMH), or any mix of proposed funding. The Trust shall also inform the legislature of the projected outcomes of each newly created program as well as the measures that the Trust will use to evaluate those outcomes. Further, the Trust shall inform the legislature as to how long it plans to support newly created programs with MHT AAR and whether or not there may need to be ongoing or new GF IMH funding to sustain it.

EXPLANATION:

This intent language is to improve policy and budget communications between the Legislature and the Trust. In meeting its mission to improve the lives of Trust beneficiaries, the Trust often provides startup funding for programs intended to improve the effectiveness or efficiency of the state's mental health program. If successful, the Trust then may recommend that the state continue to support or expand these programs using GFIMH funds. By providing the information described above, the Legislature will be better able to understand and discuss the policy goals of the Trust and anticipate any possible future GF/MH appropriations. The legislature can decide to not back-fill any lessening of MHT AAR support for any program.

21. OFFERED BY: Reps. Edgmon and Thomas

DEPARTMENT: Department of Transportation
APPROPRIATION: Highways, Aviation and Facilities
ALLOCATION: Northern Region Highways and Aviation

ADD: \$50,000 General Funds (1004)

EXPLANATION:

An ice road provides a secure means of travel between several rural communities in Northwest Alaska. To ensure safety, and prior to clearing a road, ice thickness is measured to make sure the foundation is ideal.

During the winter months the ice road is the only road connecting Noorvik, Kiana and Kotzebue. The road allows individuals to safely travel between these communities during the winter months, and in some circumstances, reduces search and rescue efforts because there is a marked trail for people to utilize, rather than breaking a new one.

Additionally, since residents can travel between the villages, they can buy cheaper goods and fuel in Kotzebue, a major hub, and take the items back to their respective communities. Often times the goods and fuel are then transported to outlying villages, substantially reducing the living costs in remote areas of Alaska. An ice road allows people to stay in contact with each other during the long winter months and attend regional community events. Recently the housing authority, and others, have been using the road to cut costs in transporting building materials by truck to rural areas.

22. OFFERED BY: Rep. Thomas by request of the Governor

DEPARTMENT: Transportation and Public Facilities
APPROPRIATION: Highways, Aviation and Facilities
ALLOCATION: Southeast Region Highways and Aviation

ADD: \$100,000 General Fund (1004)

EXPLANATION:

This increase is for continued support of the agreement between the Ketchikan Gateway Borough (KGB) and the Department of Transportation & Public Facilities (DOT&PF) to operate the state-owned airport on Gravina Island.

The DOTIPF budget subcommittee approved the Governor's increment of \$300,000 for operating and maintenance costs of the Ketchikan airport, as well as other expenses. Efforts by the State to cover the insurance cost of the Ketchikan Airport ferries were unsuccessful due to insurance/ownership requirements. This funding will allow the KGB to continue to operate and maintain the airport.

23. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Community Campuses
ALLOCATION: College of Rural and Community
Development

ADD: \$144,000 GF 1004

EXPLANATION: The Early Childhood Education AAS and Child Development and Family Studies BA program graduates are in high workforce demand within Alaska and the United States as a whole. Federal mandates state that all Head Start teachers must have an AAS in Early Childhood by October 1, 2011 and 50% of all Head Start teachers must have a BA by October 1, 2013. The program staff and faculty within the distance Early Childhood programs plays a critical role supporting the high demand educational needs of all Head Start grantees within the State of Alaska. The program has made alterations to the curriculum content of the programs to meet the diverse cultural training needs as well as meeting standards developed by the National Association for the Education of Young Children (NAEYC). UAF CRCD works in conjunction with UAS School of Education.

24. OFFERED BY: Reps. Mark Neuman, Stoltze and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Community Campuses
ALLOCATION: Cooperative Extension Service

ADD: \$250,000 GF 1004
\$750,000 Fed. Rcpts.1 002
\$1,000,000 Total

EXPLANATION: Increase of \$250,000 in general fund dollars to the Cooperative Extension Service base budget and \$750,000 in federal receipt authority for the Future Farmers of America and 4-H programs.

25. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$175.0 OF, 1004

EXPLANATION: Alaska Moving Image Preservation Association (AMIP A) was established in 1991 to collect, preserve, catalog, and provide public access to Alaska's sound and moving image heritage. Since 2004, the AMIP A program has been installed in offices and temperature/humidity-controlled vaults at the UAA Consortium Library. This program has been operating since October 2010 under a Memorandum of Agreement with UAA. The agreement provides financial support (via a legislative grant) to AMIP A through FY12. This amendment will fund AMIPA operations in UAA's base budget as UAA is the only realistic sustainable funding option for AMIP A.

26. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$389,900 GF 1004
 \$40,000 Univ. Rcpt. 1048
 \$429,900 Total
 PFT Positions: 3

EXPLANATION: More than 25% of advanced nurse practitioners practicing in Alaska today have graduated from UAA. Currently there is insufficient faculty in this program to sustain an increase in admissions. This funding will support the equivalent of three faculty positions which will enable the University to double the number of family nurse practitioner students admitted each year. The UAA

nursing program is accessible statewide through e-learning.

27. OFFERED BY: Reps. Fairclough and Thomas by request of the governor.

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$271.0 GF, 1004

EXPLANATION: The Alaska Native Science and Engineering Program (ANSEP) is a nationally acclaimed program that is highly dependent on external funding, of which a very large portion (approx. \$1.5M) is scheduled to expire in FY12. ANSEP has already made reductions to its budget in the amount of \$1.2M. This request is to replace lost funds to maintain current core Native student programs.

28. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$350,000 GF 1004
\$40,000 Univ. Rcpt. 1048
\$390,000 Total
PFT Positions: 1

EXPLANATION: One of the highest demand health professions in Alaska is physical therapy and the demand will continue to grow with our aging population. This funding is for a faculty/liaison to coordinate three related efforts at the University of Alaska Anchorage: development of a clear pre-physical therapy track, development of partnership with one or more physical therapy schools to offer PT education in Alaska, and facilitation of a partnership or local model to offer a physical therapy assistant program in Alaska. This position would be located in Anchorage.

29. OFFERED BY: Reps. Fairclough and Thomas by request
of the Governor

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Anchorage Campus

ADD: \$354,900 GF 1004
\$190,000 Univ. Rcpts. 1048
\$544,900 Total
PFT Positions: 4

EXPLANATION: In an effort to improve graduation rates, this would fund four new academic development/student success professionals to bring the degree-seeking advisee-advisor ratio in-line with recommended national standards for four year public universities and for implementing the full MAP-Works student retention program. Making Achievement Possible (MAP) is a comprehensive student support and intervention program. Currently at the Anchorage campus Advising and Testing Center, three academic advisors try to provide educational advising for more than 454 Associate of Arts degree seeking, 900 undeclared Bachelor's degree seeking, and 4,027 non-degree seeking students. Not including the non-degree seeking students, the advisor student ratio in the center is 1:451.

30. OFFERED BY: Rep. Fairclough and Thomas by request
of the Governor

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$80,000 GF 1004

EXPLANATION: Currently, there is a memorandum of agreement (MOA) between the Department of Military and Veterans Affairs (DMVA) (to include the Alaska Army and Air National Guard (AKNG) and the Alaska Naval Militia (ANM)) and the University of Alaska (UA)).

In FY10, \$328.5 of funding for the Alaska National Guard/University of Alaska Tuition Scholarship Program

(TSP) was transferred from Department of Military and Veterans Affairs (DMVA) to the University of Alaska Anchorage Campus. Prior to FYIO, the program was funded through the DMVA and transferred to UA via a reimbursable service agreement (RSA). In FYIO, UA also requested an increment of \$171.5 to cover additional waivers. The increment was not funded.

For FY11-FY13 the program has remained at the \$328.5 funding level while the TSP has awarded on average \$367.0 from FY09-FY12. UA and DMVA have used a combination of other funds to make up the difference. There are four sources of funding that may be available for the National Guardsmen. The four sources include the GI bill, Army National Guard Federal Program, Air National Guard Federal Program, and the Alaska National Guard/University of Alaska Tuition Scholarship (TSP). DMV A exhausts all other eligible funding sources before using the TSP.

Currently there is only \$328.5 in base funds and the average award has been \$365.0 over the last 4 years. These additional funds would get the University to a base level of sustainment funding plus provide them with some room for growth.

31. OFFERED BY: Reps. Fairclough and Thomas by request
 the Governor

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$600,000 GF 1004
 \$273,200 Univ. Rcpts. 1048
 \$873,200 Total
 PFT Positions: 8

EXPLANATION: TRiO Student Support Services (SSS) level comprehensive advising support would be extended to about 400 of the estimated 1100 at-risk baccalaureate, AA, and AS students at UAF; SSS currently serves about 160 such students. The federally funded TRiO Student Support Services program has been very successful in retaining and graduating at-risk baccalaureate students with an academic need. The SSS six-year graduation rate surpassed that of all UAF

baccalaureate students over the past several years, by as much as 19 percentage points.

32. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$400,000 GF, 1004
\$400,000 Univ. Rcpts., 1048-
\$800,000 Total
PFT Positions: 3

EXPLANATION: In a response to state High-Demand Jobs this request would add 2 additional faculty slots, 12 teaching assistant positions and provide a peer level of support more consistent with current enrollment numbers at the College of Engineering and Mines (CEM). Student enrollment in the CEM has increased by 70% since 2006 and more than 120 degrees were awarded in FY11, a 50% increase since 2006. There are currently 750 undergraduate students majoring in engineering with only 23 teaching assistant positions.

33. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$200.0, GF, 1004
\$200.0, Univ. Rcpts., 1048
Total: \$400.0
PFT Positions: 2

EXPLANATION: Based on a 2010 statewide needs assessment and an internal review, the University of Alaska Fairbanks is planning a new Department of Veterinary Medicine within the College of Natural Science and Mathematics. According to the US Department of Labor, veterinarians are the 18th fastest growing occupation and veterinary technicians are the 13th fastest. The foundation of this new program will be an accredited "2+2 program" between UAF and the College of Veterinary Medicine and Biomedical Sciences, Colorado State University.

Students will complete their pre-veterinary program (3-4 years) and the first 2 years of their professional program at UAF. Their final 2 years will be at the veterinary teaching hospital at CSU. The University plans to enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence foods, population health of Alaskan wildlife, zoonotic disease, sustainable agriculture, toxicology, environmental contaminants, emerging disease and the effects of global warming. Equally important for the state are research, graduate veterinary education, professional services for the veterinary community, and continuing education in animal health and disease. The state funding requested will support the hire of a program coordinator and a faculty member to begin the start-up of the program which is scheduled open the summer of 2014.

34. OFFERED BY: Reps. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Organized Research

ADD: \$300,000 GF 1004
\$472,600 Univ. Rcpts. 1048
\$772,600 Total

EXPLANATION: The Resilience and Adaptation Program (RAP) at UAF was established through two grants from the National Science Foundation and has operated with that funding for nine years. NSF has a time limit for support of graduate programs and that limit has been reached, so the NSF funding will not continue. However, the RAP program has been very successful and directly addresses Alaska's needs. Hence funds are requested to allow it to continue. RAP is a graduate education and training program focusing on interdisciplinary studies in northern sustainability, resilience, and adaptation to change. The mission of RAP is to prepare scholars, policy-makers, educators, community leaders, and managers to address issues of sustainability in an integrated fashion. Through course work, an internship experience, thesis

research, and other training, students address the challenge of sustaining the desirable features of Earth's social-ecological systems at a time of rapid change. To date thesis research by RAP students has focused on: Climate-Disturbance-Human Interactions, Food Systems and Food Security, Adaptive Resource Co-Management, Sustainable Fisheries and Forestry, Alternative Energy, Rural Community Resilience and Adaptation, and Wildlife and Subsistence Resources. Since 2002 over 80 graduate students have joined RAP and 31 students have graduated from the program. Currently over 50 PhD and masters students are participating in RAP. Additional students have taken RAP course classes and participated in its many activities. Over 41 faculty members have or are currently serving as major advisors to RAP students, with six UAF schools and colleges and more than 9 home departments involved. Additional departments at UAA have also been involved. The goal for establishing RAP as a permanent program at UAF is to create the very best interdisciplinary graduate program in high-latitude sustainability science in the world.

35. OFFERED BY: Reps. Fairclough and Thomas by request of the Governor

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Juneau Campus

ADD: \$87.3 GF, 1004
\$37.7 Univ. Rcpts., 1048
Total: \$125.0
IPFT

EXPLANATION: This would fund one new position to develop and teach specific college courses that are designed to meet the needs of new students at the University of Alaska Southeast (UAS). The current status of preparatory courses at UAS is that they are not consistently offered on the Juneau campus despite the fact that most new students enroll in at least one developmental math and or English course. The position will also advise AA general studies students (100 fulltime students in the fall 2010) and coordinate startup of highly sought new summer bridge programs.

The AA general studies students do not have a faculty advisor and summer bridge programs are not currently offered at UAS. Recent growth in enrollment at UAS has been attributed to recruiting efforts. Accommodating growth will also depend on an improvement in retention.

36. OFFERED BY: Reprs. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Ketchikan Campus

ADD: \$85,000 GF, 1004

EXPLANATION: In response to State High-Demand Jobs this would move the funding for the Ketchikan-based Marine Transportation program from Technical Vocational and Education Program soft funding to General Funds to provide program funding stability. With over 6,500 credentialed mariners in Alaska, Marine Transportation is considered one of the high demand job fields in Alaska. Captains, Mates, and Pilots of Water Vessels have a projected growth rate of 8.4% through the year 2018. The UAS Marine Transportation Program offers twenty-two (22) U.S. Coast Guard-approved maritime courses and is a training partner for Alaska Marine Highway System and Southeast Alaska Sea Pilot Association. The number of students enrolled in the program has doubled in the last five years from 200 to 400. There is no change to the position count.

37. OFFERED BY: Reprs. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Ketchikan Campus

ADD: \$85,000 GF, 1004

EXPLANATION: In response to State High-Demand Jobs this would add an Assistant Professor of Fisheries Technology to the University of Alaska Southeast's Fisheries Technology program. This is necessary to offer qualified, locally trained fisheries technicians to replace the aging workforce and retiring managers

in this field. As the only 2-year e-Learning fisheries technology program in the State of Alaska, the program supports a wide number of students across Alaska. The program provides hands on intensive training to meet the demands of the private non-profit fish hatchery industry. There is no change to the position count.

38. OFFERED BY: Reprs. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Southeast
ALLOCATION: Sitka Campus

ADD: \$145,100 GF 1004
\$50,000 Univ. Rcpt. 1048
\$195,100 Total

EXPLANATION: In response to State High-Demand Jobs this would add one staff position to the Alaska Training/Technical Assistance Center (ATTAC). ATTAC has been providing training and technical assistance to communities, Native health corporations, and the Department of Environmental Conservation for over 12 years with federal EPA funding. This funding ends in the current year. Technical Vocational and Education Program (TVEP) funding is being used to continue this program for FYI2. Replacement of TVEP funding is being sought to move the Sitka-based ATTAC program from soft funding to GF to provide program funding stability.

39. OFFERED BY: Reprs. Fairclough and Thomas

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Anchorage
ALLOCATION: Kenai Peninsula College

ADD: \$375,000 GF (1004)
\$ 94,000 Univ. Rcpts. (1048)
\$469,000 Total
2PFT

Funds are requested for two faculty members and one coordinator for the Process Technology program. Demand has been huge, both by students interested in the program and by industry needing process operators. Graduates have almost doubled in five years from 26 in 2006 to 51 in 2010. During this period, KPC has

produced 189 process technology graduates; 65 at the Anchorage Extension Site and 124 at the KPC campus. This request will replace the TVEP funding and add two additional positions for the program. The large number of retiring workers in oil, gas and mining activities, and student and industry demand makes it imperative that KPC increase its capacities in this high demand program. Additional faculty are needed to meet the demand, and a program coordinator will enable more internships, increased interaction with the Alaska Process Industries Career Consortium (APICC), and summer job opportunities.

40. OFFERED BY: Reprs. Stoltze and Thomas

DEPARTMENT: Alaska Court System

APPROPRIATION: Alaska Court System

DELETE: "Budget requests from agencies of the Judicial Branch are transmitted as requested".

EXPLANATION: This amendment removes unnecessary conditional language.

41. OFFERED BY: Reprs. Neuman, Stoltze, and T. Wilson

DEPARTMENT: Health and Social Services

APPROPRIATION: Public Health

ALLOCATION: Women, Children and Family Health

ADD: Page 19, following line 13, insert new material to read:

"No money appropriated for public health and allocated to women, children, and family health may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services."

Co-Chair Thomas OBJECTED for purpose of discussion.

Co-Chair Thomas gaveg the committee the opportunity to read Amendment 1.

[2:59:05 PM](#)

AT EASE

[3:16:55 PM](#)

RECONVENED

Co-Chair Thomas started the discussion on Amendment 1.

Representative Gara asked for clarification on 06a (DEED). He understood that the intention was to restore \$2 million in annual funding, but the amendment said every two years. He indicated that it could be read to mean \$1 million each year.

Representative Wilson responded that it is a grant program for \$2 million each year for two years.

Co-Chair Thomas referred to 02 (DCCED) as a grant application for the Southeast Alaska sustainable Arts Program for Sealaska Heritage. He wanted to inform that he was a director of the Sealaska Board.

Co-Chair Thomas WITHDREW his objection to Amendment 1. There being NO further OBJECTION, Amendment 1 was adopted.

Representative Gara informed that his wife was a physical therapist.

[3:19:51 PM](#)

Representative Doogan MOVED to ADOPT Amendment 2. Co-Chair Thomas OBJECTED for discussion.

OFFERED IN:	The House Finance Committee
TO:	HB 284/HB 285
OFFERED BY:	Rep. Mike Doogan
DEPARTMENT:	Administration
APPROPRIATION:	Enterprise Technology Services
ALLOCATION:	Alaska Land Mobile Radio
ADD:	\$2,650,000 Fed (1002)

DELETE: \$2,500,000 UGF (1004); \$150,000
 GF/Prgm (1005)

EXPLANATION:

This amendment deletes \$2.5 million UGF and \$150,000 DGF for the Alaska Land Mobile Radio system, and gives the Department of Administration the receipt authority to request full funding for the system from the federal government.

In 2010, the federal government announced it would no longer pay to help maintain infrastructure for the ALMR system and would shift infrastructure costs to the State of Alaska. The State of Alaska and local municipalities were compelled to switch to the ALMR system by federal law, and federal agencies continue to use the ALMR system.

(In the FYI3 capital budget, there is also \$8,697,500 UGF in spending for ALMR hardware and software infrastructure upgrades. It is the intent of the amendment sponsor to transfer the responsibility for ALMR infrastructure back to the federal government.)

Representative Doogan explained that the amendment would take the Alaska Land Mobile Radio system (ALMR) and allow the Department of Defense to continue to fund it as they had in the past. The Department of Defense built the system and guaranteed continued payment, but changed their mind. Now about 80 percent of the maintenance costs are paid for by the state. A report was promised by February 2012 to find a way to solve the problem of ALMR costing more than expected, but there have been no reports. The administration has introduced \$2,500,000 unrestricted general funds and \$150,000 in general funds. In addition, there will be a capital budget request. The amendment would allow the defense department to do as they need and not commit the state to a lot of money for the system.

Representative Neuman looked at the program in the House Finance subcommittee. The Department of Public Safety testified that most divisions recognize the problem and there was no substitute as of now. The subcommittees asked for a cost sharing analyzes to break down who will pay for what portion. The Department of Defense uses the program

also. The subcommittee was waiting for a report. If the program were eliminated then many volunteer fire departments, public safety divisions, and municipalities would not have the ability to communicate with each other. He would like to see some cuts in ALMR and some cost sharing for the program, but he opposed the amendment.

Co-Chair Thomas agreed with both statements. There are plans to try and make it work.

Representative Doogan asked for a committee vote on the amendment.

Representative Guttenberg agreed with the chair. He remembered when all departments were pulled into the program. He does not know what capabilities the departments throughout the state might need. There needs to be some push-back on the program.

[3:27:26 PM](#)

Representative Gara agreed with all who spoke. The problem is that the state was backed into the program. The original plan was to determine if the legislature wanted to spend \$2.5 million a year on the program, but the state told local first responders to purchase the ALMR equipment. Now there are many communities who have spent the money on the equipment. If the program is pulled, then there was a lot of wasted money spent. One solution could be to allow ALMR for those areas off the phone and communication grid. He shared the concerns of the cost and the problem with how to get out of the commitment.

A roll call vote was taken on the motion to adopt Amendment 2.

IN FAVOR: Doogan

OPPOSED: Gara, Guttenberg, Joule, Neuman, Wilson, Costello, Edgmon, Fairclough, Thomas, Stoltze

The MOTION FAILED (10/1).

[3:29:50 PM](#)

Representative Doogan MOVED to ADOPT Amendment 3, 27-GH2599\X.2, Bailey, 3/16/12. Co-Chair Thomas OBJECTED for purpose of discussion.

AMENDMENT 3

OFFERED IN THE HOUSE BY REPRESENTATIVE DOOGAN
TO: CSHB 284(FIN), Draft Version "X"

Page 5, line 22:

Delete "22,721,400"
Insert "14,721,400"
Delete "19,484,200"
Insert "11,484,200"

Page 5, line 23:

Delete "22,721,400"
Insert "14,721,400"

Page 5, following line 27:

Insert new material to read:

"That portion of the amount appropriated by this appropriation that is for tourism marketing is contingent on a qualified trade association as defined in AS 44.33.125(j) providing a dollar-for-dollar match for the amount appropriated. The amount of the dollar-for-dollar match may not exceed \$8,000,000."

Representative Doogan explained that the amendment would provide a dollar to dollar match for state money and the tourism association. Technically it cuts \$8 million out of the budget and leaves \$8 million in on the assumption that all or part will be matched. He explained that beginning in FY 07 there was a 50/50 match with the industry putting in \$5 million and the state putting in \$5 million. In the following year there was \$4.2 million that was matched. Since that time, the numbers have gone south. The industry put in \$2.7 million and the state put in \$9 million. In FY 11, the state put in \$16 million and FY 12 \$12 million. Now the FY 13 request is for \$16 million with no increase in the match from the industry. He declared that the industry contribution was just enough to produce the Vacation Planner and the state was almost paying the entire cost of the tourism marketing effort. He did not believe it should go in that direction. The cruise industry has abandoned its responsibility in promoting tourism and given it to the state.

Representative Costello responded that the budget subcommittee has looked at that the issue. There is a long

history in the state of supporting economic development activities that provide a return on the investment and the return is significant. For every dollar the state spends on tourism marketing, \$15 is returned. She announced she will not be supporting the amendment.

Co-Chair Thomas noted that the trade association does not get any of the money. It was fixed in a supplemental and an adopted committee substitute that the Vacation Planner will be done in house. The 50/50 portion is gone and the state has brought the marketing plan back in-house. He noted that the money is trying to help a struggling industry. He indicated that he will not vote for the amendment.

[3:36:13 PM](#)

Co-Chair Stoltze indicated that it is not as relevant regarding the cruise industry, but the state was supporting interior, land based independent tourism groups. There is a lot of direct employment in the state from tourism. He continued that the industry is suffering and the state must do what it can to help the small companies in Alaska who depend on tourism. He understood the philosophy behind Representative Doogan's argument, but will vote against the amendment.

Representative Gara agreed with Representative Doogan that the state paying for it all. In most states there is a tourism tax and then a tax credit for the industry doing a marketing campaign. The state would end up with the tax revenue. The state of Alaska does not get any revenue from the non-ship tourism industry. Over the last three years, there has been a negative amount of taxes. He reiterated that the state is giving the industry \$16 million and receiving nothing back. He believed the industry should contribute. It seems fair to have a 50/50 match. He hoped something could be done.

Co-Chair Thomas informed that he was in an industry that pays 50 percent of the marketing costs. He has tried to get them to pay more. He supported the \$16 million to tourism because the revenue shows up in local sales tax.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Doogan

OPPOSED: Fairclough, Guttenberg, Joule, Neuman, Wilson, Costello, Edgmon, Stoltze, Thomas

The MOTION FAILED (9/2).

[3:42:51 PM](#)

Representative Guttenberg WITHDREW Amendment 4.

OFFERED IN: The House Finance Committee

TO: HB 284/ HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: Department of Corrections

ADD: Intent: It is the intent of the legislature that the Department of Corrections not implement the blended staffing model until after January 1,2013, when the Department shall provide an analysis to the legislature showing the potential costs or savings and the impact on minimum staffing levels at the institutions. It is also the intent of the legislature that the Department of Corrections work with and gain the approval of the legislature before implementing such a model.

Representative Guttenberg explained that the amendment reflects an amendment already in Amendment 1. The intention was for the Department of Corrections to get a hard look at the blended staffing model.

Representative Gara WITHDREW Amendment 2.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$300,000 GF (1004)

Intent: It is the intent of the legislature that these funds will be provided in addition to the Governor's existing FYI3 request for Early Learning Coordination, including Parents as Teachers.

EXPLANATION: This amendment will support pre-kindergarten, parent-based Parents as Teachers programs throughout the state.

3:43:20 PM

Representative Gara pointed out that Amendment 5 was in Amendment 1, but there was some language to be fixed

Co-Chair Thomas agreed it was an unintended oversight.

Representative Gara MOVED to AMEND Amendment Number 5 DEED in the Amendment Number 1 packet.

Co-Chair Thomas agreed that the language was supposed to be amended before adopting Amendment 1. If there is no objection, 'Early Learning Coordination, including.' will be deleted. Representative Gara agreed.

Co-Chair Stoltze asked Co-Chair Thomas if the committee must rescind the previous action and re-adopt the amendment. He added that as budget amendments, they should be prepared cleanly.

Co-Chair Thomas wondered if it was possible to wait on it. Representative Gara recommended taking care of it now.

Co-Chair Thomas noted that it was necessary to go back rescind the motion to adopt Amendment Number 1. Co-Chair Stoltze added that it would be part of Amendment 1.

Co-Chair Thomas OBJECTED for purpose of discussion. He referred to number 5 in Amendment 1 and declared that the words 'Early Learning Coordination, including' should be deleted.

Co-Chair Thomas WITHDREW his OBJECTION. He asked if there was any further objection to moving Amendment 1.

Representative Wilson OBJECTED.

Representative Wilson commented that Early Learning Coordination was where the money will be in the budget because that is where Parents as Teachers is currently, so she could not understand why it needed to be removed. Early Learning Coordination is the actual designation and then Best Beginnings, Parents as Teachers, Rural Cap, and Head Start are all underneath that part, and therefore she believed the addition to be correct and already in Amendment 1.

Co-Chair Thomas responded that it should be specific that the funding was going to the Parents as Teachers program. Representative Wilson believed it already said that it will go under Early Learning Coordination, but then into the Parents as Teachers to match up with the \$300,000 that is currently there. There is not a separate allocation for Parents as Teachers within the education budget. Co-Chair Thomas noted that he wanted it put on the record that that is where we want the money to go.

Vice-chair Fairclough noted that when the legislation was before the committee several years ago, Parents as Teachers was losing federal funding and Best Beginnings was where the House Finance committee placed the money. In the senate, it was amended to share the early learning money with Parents as Teachers because the money was going away. Now the decision is who will receive the money. That is our intent and our policy to make, but there is a little bit more history between competing organizations that are providing early learning in different communities.

Co-Chair Stoltze noted that procedurally the action to adopt Amendment 1 has been rescinded in total, but that action will not be available again.

Representative Gara expressed that Representative Wilson was correct that the money should go to the Early Learning Coordination section and that is said in the allocation part. The intent of the amendment is for money to go to Parents as Teachers. If the clause that was just deleted was left in, the department could take it out of Parents as Teachers and put it into other Early Learning Coordination programs, which was not the sponsor's intention. Co-Chair Thomas believed that after the present discussion they the department will know the original intent. Representative Gara agreed.

Co-Chair Stoltze remarked that it is intent language.

Representative Gara WITHDREW Amendment 5 with that understanding.

Co-Chair Stoltze remarked that the original Amendment 1 must be readopted.

Co-Chair Thomas MOVED to ADOPT Amendment 1. There being NO OBJECTED Amendment 1 was adopted.

[3:49:34 PM](#)

Representative Gara MOVED to ADOPT Amendment 6.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$4,000,000 GF (1004)

DELETE: \$1,500,000 GF (1004) OTI

EXPLANATION: This amendment removes the existing \$1.5 million on appropriation and places \$4.0 million in the base budget for the successful, proven pre-k program. The initial intent upon launching the pilot pre-k program was to expand the program by increasing funding by \$2 million each year for five years.

Representative Wilson objected.

He remarked that when the pilot pre-K program was started it was designated at \$2 million a year, then after it was proven successful; it would go up \$2 million a year. It was the intention of the prior administration and has proven to work. Amendment 6 is aimed at honoring the original intention of the pilot pre-K program.

Representative Wilson remarked that in the original Amendment 1 the \$2 million had its own allocation. Some of the statistics were not complete for all children so some

of the statistics may not be true numbers. Language was added to indicate that all children must be pre- and post-tested. She opposed the amendment.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg
OPPOSED: Edgmon, Fairclough, Joule, Neuman, Wilson,
Costello, Doogan, Thomas, Stoltze

The MOTION FAILED (9/2).

[3:53:38 PM](#)

Representative Gara MOVED to ADOPT Amendment 7. Co-Chair Thomas OBJECTED for purpose of discussion.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$300,000 GF (1004)

Intent: It is the intent of the legislature that these funds will be provided in addition to the Governor's existing FY13 request for Head Start funding.

EXPLANATION: This amendment will support Head Start programs throughout the state. These funds are in addition to the Governor's existing FY13 request for Head Start funding. Proposed FY13 state funding for Head Start is approximately \$2 million less than in FY04. There are currently over 1,200 students on Head Start waitlists across the state. This increment will help reduce that waitlist and allow more children to receive the academic benefits of Head Start.

Representative Gara stated that there is a patchwork of early education programs in the state. Alaska is one of the few states that does not have a statewide program. Pre-K is

not available to the vast majority of students in Alaska. On Head Start in the past seven years there have been two increments that have fallen behind inflation. In 2002, Head Start funding was a little over \$9 million, today it is \$7 million. He noted that existing programs are working, but would like it to be more comprehensive to all families in Alaska.

Representative Gara WITHDREW Amendment 7.

[3:56:33 PM](#)

Co-Chair Stoltze noted that Best Beginnings was supported by private industry and local communities.

Representative Gara WITHDREW Amendment 8.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep. Gara, Rep. Guttenberg

DEPARTMENT: Health and Social Services

APPROPRIATION: Public Health.

ALLOCATION: Epidemiology

ADD: \$145,000 GF (1004)

EXPLANATION: This amendment will support efforts to decrease chlamydia rates in Alaska. Alaska has the highest rate of chlamydia infection in the nation in 2010, and has had the highest rate or second highest rate every year since 2000. Untreated chlamydia can cause infertility in both men and women.

\$100,000 will be used for a media campaign to inform high risk individuals and providers about chlamydia so these people can seek testing and treatment, if necessary. \$45,000 will be used to provide medications for the treatment of chlamydia to patients and partners of patients who do not have insurance.

Representative Gara WITHDREW Amendment 9.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285
OFFERED BY: Rep. Gara, Rep. Guttenberg
DEPARTMENT: Health and Social Services
APPROPRIATION: Children's Services
ALLOCATION: Children's Services Management
ADD: \$250,000 GF (1004)

Intent: It is the intent of the legislature that these additional funds be used for the Education and Training Voucher program within the Independent Living Program.

EXPLANATION: Supplement Employment and Training Vouchers to train and improve the success of youth covered by the Independent Living Program.

Representative Doogan MOVED TO ADOPT Amendment 10.
Representative Gara OBJECTED for purpose of discussion.

OFFERED IN: The House Finance Committee
TO: HB 284/HB 285
OFFERED BY: Rep. Mike Doogan
DEPARTMENT: Military & Veterans Affairs Alaska
APPROPRIATION: Alaska Aerospace Corporation
ALLOCATION: Alaska Aerospace Corporation
DELETE: \$1,569,000 GF (1004)
DEPARTMENT: Military & Veterans Affairs
APPROPRIATION: Alaska Aerospace Corporation
ALLOCATION: Alaska Aerospace Corporation Facilities Maintenance
DELETE: \$6,473,300 GF (1004)

EXPLANATION:
This amendment deletes all general fund dollars for the Alaska Aerospace Corporation. The corporation was founded to develop the aerospace industry in Alaska.

In FY12, the legislature appropriated one-time funding of \$4 million due to a lack of private contracts and insufficient federal funding. In FY13, the department is requesting \$8 million in general funds for their base budget to continue to support what was supposed to be a self-sustaining corporation.

Representative Doogan explained that the amendment would delete over \$6 million from the Department of Military Affairs. The proposed amount is for the Alaska Aerospace program that has been a loser since the beginning. From 1993 until 2006, there has been a net operating loss every year except in 2001. In 2011 the net operating loss was \$4.7 million and in 2010 almost \$6 million. He did not understand why that was happening, but the program was not making any progress to pay for itself. The trend is in the wrong direction, the amounts are in the wrong direction and he believed the state made a mistake in supporting the program. He could not continue to support the program. Presently the plan is to reconfigure a different sort of payload, but the program has no experience and the company representation is not solid. The program is not a good expenditure of state funds. He urged the members to support the amendment.

Representative Wilson interjected that Alaska has a state of the art aerospace program. The legislature put \$6 million in the program last year and there is an \$8 million request. The aerospace representatives said if there was not a contract by July 2012, they would begin to shut the program down. Lockheed Martin indicated there is now a contract underway and new opportunities are available since the federal government is getting out of the business. She is excited about the process. She believed that with the money that has already been invested, the legislature needs to give the program a full year to work. She opposed the amendment.

Vice-chair Fairclough spoke in opposition of the amendment. She noted that part of the money referred to by Representative Doogan was a depreciation of the original investment that was skewing the overall look of the performance. Since 2001 the depreciation started to kick in a larger way. There has been a gross operating income, not a loss. The program is writing off the original investment

with the depreciation. She believed the program was managing their assets very well.

[4:03:43 PM](#)

Representative Gara agreed with Vice-chair Fairclough that some of the loss was depreciation, but on an annual basis the legislature has put in \$3.5 million a year to keep the program afloat. It has only launched one rocket a year. If the argument is that the \$10 million will turn the program around to become successful, then he believed the program should be sold.

A roll call vote was taken on the motion.

IN FAVOR: Doogan, Gara

OPPOSED: Edgmon, Fairclough, Guttenberg, Joule, Neuman, Wilson, Costello, Stoltze, Thomas

The MOTION FAILED (9/2).

[4:05:22 PM](#)

Representative Guttenberg WITHDREW Amendment 11.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Rep Guttenberg

DEPARTMENT: Department of Natural Resources

APPROPRIATION: Parks and Outdoor Recreation

ALLOCATION: Parks Management and Access

ADD: \$199,900 GF (1004)
IPFT

EXPLANATION:

This amendment adds a much needed Fairbanks Park Ranger position to actively manage the Lower Chatanika State Recreation Area (LCSRA). Without this position, Division of Parks and Outdoor Recreation will be forced to shut down access and remove improvements to the popular Olnes Pond! Whitefish Campground area. The 400 -acre parcel contains two boat launches and two developed campgrounds. The area is extremely popular

with the public for boating, fishing, camping, ATV riding, hiking, spear fishing, hunting, trapping, skiing and snow machining.

Moving the LCSRA from passive management to active management will decrease the amount of damage, crime and misuse the area experiences. Between spring 2009 and spring 2011 four fatalities have occurred in the Lower and Upper Chatanika State Recreation Areas under passive management. Of the four deaths, two involved ATV's, one was due to drowning and one involved a person found in a van.

The funds include Park Ranger salary, benefits, and equipment and training costs. The LCSRA alone could provide an estimated \$8,000 in additional revenue from park fees if it was cleaned, refurbished and staffed.

If this position is funded, DPOR would immediately work to establish, recruit and hire the position, and begin the training process.

Representative Guttenberg WITHDREW Amendment 12.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$400,000 GF (1004); \$443,100 Univ Rcpt (1048)

EXPLANATION: Alaska Veterinary Program Partnership

Based on a 2010 statewide needs assessment and an internal review, the University of Alaska Fairbanks is planning a new Department of Veterinary Medicine within CNSM. According to the US Department of Labor, veterinarians are the 18th fastest growing occupation and veterinary technicians are the 13th fastest. This new professional program is possible thanks to many years of recruiting key faculty and investing in infrastructure capable of supporting biomedical

research and academics. The foundation of this new program will be an accredited "2+2 program" between UAF and the College of Veterinary Medicine and Biomedical Sciences, Colorado State University.

Students will complete their pre-veterinary program (3-4 years) and the first 2 years of their professional program at UAF. Their final 2 years will be at the veterinary teaching hospital at CSU.

One of our primary goals is to promote the "one health" concept -a collaborative effort between human medical, veterinary medical, and public health professions. We will enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence foods, population health of Alaskan wildlife, zoonotic disease, sustainable agriculture, toxicology, environmental contaminants, emerging disease and the effects of global warming.

Equally important for the state are research, graduate veterinary education, professional services for the veterinary community, and continuing education in animal health and disease. The state funding requested will support the hire of two essential faculty members, a veterinary anatomist and a veterinary clinical sciences faculty member to take the lead on second year anesthesiology and surgery courses. UAF will seek Board approval for a special professional tuition rate of \$20,000/year. Tuition revenue will cover one support staff member, other operating expenses, and additional faculty.

Representative Guttenberg spoke about the number of people who testified for the program. There is a lack of veterinarians in Alaska.

Representative Guttenberg WITHDREW Amendment 13.

OFFERED IN: The House Finance Committee

TO: HB 284 I HB 285

OFFERED BY: Rep. Guttenberg, Rep. Gara

DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus

ADD: \$300,000 GF (1004)
\$332,325 Univ Rcpt (1048)
\$632,325 Total

EXPLANATION: Based on a 2010 statewide needs assessment and an internal review, the University of Alaska Fairbanks is planning a new Department of Veterinary Medicine within CNSM. According to the US Department of Labor, veterinarians are the 18th fastest growing occupation and veterinary technicians are the 13th fastest. This new professional program is possible thanks to many years of recruiting key faculty and investing in infrastructure capable of supporting biomedical research and academics. The foundation of this new program will be an accredited "2+2 program" between UAF and the College of Veterinary Medicine and Biomedical Sciences, Colorado State University.

Students will complete their pre-veterinary program (3-4 years) and the first 2 years of their professional program at UAF. Their final 2 years will be at the veterinary teaching hospital at CSU.

One of our primary goals is to promote the "one health" concept -a collaborative effort between human medical, veterinary medical, and public health professions. We will enhance veterinary coverage in Alaska by training veterinarians with an understanding of Alaskan needs. Specific interests include but are not limited to: public health, rural veterinary medicine, quality and safety of subsistence foods, population health of Alaskan wildlife, zoonotic disease, sustainable agriculture, toxicology, environmental contaminants, emerging disease and the effects of global warming.

Equally important for the state are research, graduate veterinary education, professional services for the veterinary community, and continuing education in animal health and disease. The state funding requested will support the hire of two essential faculty

members, a veterinary anatomist and a veterinary clinical sciences faculty member to take the lead on second year anesthesiology and surgery courses. UAF will seek Board approval for a special professional tuition rate of \$20,000/year. Tuition revenue will cover one support staff member, other operating expenses, and additional faculty.

4:06:40 PM

Representative Gara MOVED to ADOPT Amendment 14. Co-Chair Thomas OBJECTED for further discussion.

OFFERED IN: The House Finance Committee

TO: HB 284\HB 285

OFFERED BY: Representative Gara

DEPARTMENT: University of Alaska

APPROPRIATION: UA Community Campuses

ALLOCATION: College of Rural and Community Development

ADD: \$144,000 GF (1004)

EXPLANATION: This increment would provide funding for Early Childhood Program Support -College of Rural and Community Development. The additional funds would allow for increased capacity for early childhood educators to take the curriculum necessary to meet new federal requirements.

Back-up from the University of Alaska FY13 Budget Requests (Camouflage Book)

UAF Early Childhood Program Support -College of Rural and Community Development (GF: \$144.0, NGF: \$0.0, Total: \$144.0) This request, in addition to enabling rural residents statewide to qualify for jobs, is very important to the education of pre-K children. The Early Childhood Education AAS and Child Development and Family Studies BA program graduates are in high workforce demand within Alaska and the United States as a whole. Federal mandates state that all Head Start teachers must have an AAS in Early Childhood by October 1, 2011 and 50% of all Head Start teachers must have a BA by October 1, 2013. The program staff

and faculty within the distance Early Childhood programs plays a critical role supporting the high demand educational needs of all Head Start grantees within the State of Alaska. The program has made alterations to the curriculum content of the programs to meet the diverse cultural training needs as well as meeting standards developed by the National Association for the Education of Young Children (NAEYC). UAF CRCD works in conjunction with UAS School of Education.

Representative Gara pointed out that Amendment 14 was already in Amendment 1. The program will go a long way to help early childhood education.

Representative Gara WITHDREW Amendment 14.

Representative Guttenberg MOVED to ADOPT Amendment 15. Co-Chair Thomas OBJECTED for discussion.

OFFERED IN: The House Finance Committee

TO: HB 284\HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$300,000 GF (1004); \$236,300 Univ Rcpt (1048)

EXPLANATION: Resilience and Climate Adaptation Program (RAP) in Graduate Studies.

The Resilience and Adaptation Program (RAP) at UAF was established through two grants from the National Science Foundation and has operated with that funding for nine years. NSF has a time limit for support of graduate programs and that limit has been reached, so the NSF funding will not continue. However, the RAP program has been very successful and directly addresses Alaska's needs. Hence funds are requested to allow it to continue. RAP is a graduate education and training program focusing on interdisciplinary studies in northern sustainability, resilience, and adaptation to change. The mission of RAP is to prepare scholars, policy-makers, educators, community leaders, and

managers to address issues of sustainability in an integrated fashion. Through coursework, an internship experience, thesis research, and other training, students address the challenge of sustaining the desirable features of Earth's social-ecological systems at a time of rapid change. To date thesis research by RAP students has focused on: Climate-Disturbance Human Interactions, Food Systems and Food Security, Adaptive Resource Co-Management, Sustainable Fisheries and Forestry, Alternative Energy, Rural Community Resilience and Adaptation, and Wildlife and Subsistence Resources. Since 2002 over 80 graduate students have joined RAP and 31 students have graduated from the program. Currently over 50 PhD and masters students are participating in RAP. Additional students have taken RAP course classes and participated in its many activities. Over 41 faculty members have or are currently serving as major advisors to RAP students, with six UAF schools and colleges and more than 9 home departments involved. Additional departments at UAA have also been involved. The goal for establishing RAP as a permanent program at UAF is to create the very best interdisciplinary graduate program in high-latitude sustainability science in the world.

Representative Guttenberg remarked on the successes of the program.

Representative Guttenberg WITHDREW Amendment 15.

Representative Guttenberg WITHDREW Amendment 16.

OFFERED IN: The House Finance Committee
TO: HB 284/HB 285
OFFERED BY: Rep. Guttenberg, Rep. Gara
DEPARTMENT: University of Alaska
APPROPRIATION: University of Alaska Fairbanks
ALLOCATION: Fairbanks Campus
ADD: \$150,000 GF (1004)
\$236,300 Univ Rcpt (1048)
\$386,300 Total

EXPLANATION: The Resilience and Adaptation Program (RAP) at UAF was established through two grants from the National Science Foundation and has operated with that funding for nine years. NSF has a time limit for support of graduate programs and that limit has been reached, so the NSF funding will not continue. However, the RAP program has been very successful and directly addresses Alaska's needs. Hence funds are requested to allow it to continue. RAP is a graduate education and training program focusing on interdisciplinary studies in northern sustainability, resilience, and adaptation to change. The mission of RAP is to prepare scholars, policy-makers, educators, community leaders, and managers to address issues of sustainability in an integrated fashion. Through coursework, an internship experience, thesis research, and other training, students address the challenge of sustaining the desirable features of Earth's social-ecological systems at a time of rapid change. To date thesis research by RAP students has focused on: Climate-Disturbance Human Interactions, Food Systems and Food Security, Adaptive Resource Co-Management, Sustainable Fisheries and Forestry, Alternative Energy, Rural Community Resilience and Adaptation, and Wildlife and Subsistence Resources. Since 2002 over 80 graduate students have joined RAP and 31 students have graduated from the program. Currently over 50 PhD and masters students are participating in RAP. Additional students have taken RAP course classes and participated in its many activities. Over 41 faculty members have or are currently serving as major advisors to RAP students, with six UAF schools and colleges and more than 9 home departments involved. Additional departments at UAA have also been involved. The goal for establishing RAP as a permanent program at UAF is to create the very best interdisciplinary graduate program in high-latitude sustainability science in the world.

Representative Guttenberg WITHDREW Amendment 17.

OFFERED IN: The House Finance Committee

TO: HB 284/HB 285

OFFERED BY: Representative Guttenberg

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska Southeast

ALLOCATION: Juneau Campus

ADD: \$90,100 UGF (1004); \$22,900 Univ Rcpt (1048)

EXPLANATION: Elementary Education Faculty with a
Literary Focus

ALLOCATION: Sitka Campus

ADD: \$145,100 UGF (1004); \$50,000 Univ Rcpt
(1048) EXPLANATION: Alaska Technical Assistance
Center Director

APPROPRIATION: University of Alaska Anchorage

ALLOCATION: Anchorage Campus

ADD: \$100,000 UGF (1004); \$20,000 Univ Rcpt
(1048) EXPLANATION: INBRE Cellular Development
Biologist

ADD: \$250,000 UGF (1004)

EXPLANATION: ISER Alaska Education Policy
Research

ALLOCATION: Kenai Peninsula College

ADD: \$375,000 UGF (1004); \$94,000 Univ Rcpt
(1048) EXPLANATION: Process Technology Jobs for
Resource Development

APPROPRIATION: University of Alaska Fairbanks

ALLOCATION: Fairbanks Campus

ADD: \$400,000 UGF (1004); \$400,000 Univ Rcpt
(1048) EXPLANATION: Support for Increased
Engineering Retention and Graduation

ADD: \$210,000 UGF (1004); \$140,000 Univ Rcpt (1048)
EXPLANATION: Commercialization of University
Intellectual Property for Business Development

ADD: \$250,000 UGF (1004); \$46,600 Univ Rcpt (1048)
EXPLANATION: Indigenous Studies Ph.D. and Alaska
Native Knowledge Network

ADD: \$500,000 UGF (1004); \$226,400 Univ Rcpt (1048)
EXPLANATION: High Performance Computing for Alaskan
Research

ADD: \$285,000 UGF (1004); \$178,900 Univ Rcpt (1048)
EXPLANATION: Preservation of Alaska's Art and Culture

ADD: \$547,200 Univ Rcpt (1048)
EXPLANATION: Sikuliaq On-shore Staff Support

APPROPRIATION: UA Community Campuses
ALLOCATION: College of Rural and Community Development
ADD: \$144,000 UGF (1004)
EXPLANATION: Early Childhood Program Support

APPROPRIATION: University of Alaska Statewide Program
Services
ALLOCATION: System wide
ADD: \$350,000 UGF (1004)
EXPLANATION: Tech Prep High School to College
Bridge Program System

Representative Guttenberg mentioned that not all the schools were in the budget.

Vice-chair Fairclough mentioned many school programs that were already in Amendment 1.

[4:10:26 PM](#)

Representative Doogan MOVED to ADOPT Amendment 18.
Representative Gara OBJECTED for discussion.

OFFERED IN: The House Finance Committee

TO: CSHB 284(FIN), Draft Version "X"

OFFERED BY: Rep. Doogan, Rep. Gara, Rep. Guttenberg

Page 76, line 19:

INSERT: New Sec. 30 to read:

PERMANENT FUND. The sum of \$2,000,000,000 is appropriated from the general fund to the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska).

Renumber sections accordingly.

EXPLANATION: This amendment deposits \$2 billion into the principal of the Alaska permanent fund.

Representative Doogan indicated he had not had the opportunity to speak to the finance chairman who has a larger version of the bill in his committee. He had the intention of introducing a much slimmer version on the bill on the House floor.

Representative Doogan WITHDREW Amendment 18.

Representative Gara MOVED to ADOPT Amendment 19. Co-Chair Thomas OBJECTED for discussion.

OFFERED IN THE HOUSE BY REPRESENTATIVES GARA and GUTTENBERG

TO: CSHB 284(FIN), Draft Version "X"

Page 76, line 24, following "FUND.":
Insert "(a)"

Page 76, following line 28:
Insert new subsections to read:
"(b)the sum of \$1,500,000 is appropriated from the budget reserve fund (AS 37.05.540(a))to the constitutional budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).
(c) the sum of \$1,500,000 is appropriated from the budget reserve fund(AS 37.05.540(a)) to the constitutional budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska)."

Page 77, line 6, following "29,":
Insert "31 (b), "

Representative Gara indicated there was a typo that the intention was to place \$1.5 billion in the constitutional budget reserve.

Representative Gara WITHDREW Amendment 19.

Co-Chair Stoltze MOVED that legislative finance division and legal services be directed to make appropriate conforming or technical changes to HB 284 and 285 when producing the final bills.

HB 284 was HEARD and HELD in committee for further consideration.

HB 285 was HEARD and HELD in committee for further consideration.

Vice-chair Fairclough appreciated the entire House Finance Committee sitting as a whole on the University budget. She thanked the University for looking hard at their budget that is now moving toward \$1 billion.

#

ADJOURNMENT

The meeting was adjourned at 4:15 PM.