

HOUSE FINANCE COMMITTEE
February 20, 2013
1:36 p.m.

1:36:08 PM

CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 1:36 p.m.

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative Lindsey Holmes
Representative Scott Kawasaki, Alternate
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

Representative David Guttenberg

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Paula Easley, Trustee Mental Health Authority; Russell Webb, Trustee Mental Health Authority;

SUMMARY

^CONFIRMATIONS: ALASKA MENTAL HEALTH TRUST AUTHORITY
BOARD OF TRUSTEES

Paula Easley, Anchorage
Russell Webb, Anchorage

1:38:20 PM

PAULA EASLEY, TRUSTEE MENTAL HEALTH AUTHORITY (via teleconference), testified to her intention to seek more accurate statewide data regarding beneficiary needs and services so that trustees could make the best decisions for allocating trust resources and for funding recommendations. She stated that within the next year the legislature would have a clearer picture of the mental health need around the state. She asserted that the trustees were aware that the cost of behavioral health services would only increase due to potential Affordable Care Act requirements and population growth. She said that intensive efforts to generate long-term revenues from trust lands and natural resources would continue to be a major focus. She felt that the trust office was performing better than ever and was making long range plans to insure that funding for future needs was in place. She noted that the trust was experiencing a rapid growth in the senior population, which was the most costly of all age groups.

[1:40:59 PM](#)

Representative Gara appreciated the past work done by Ms. Easley and the relationship he and she had cultivated. He wondered whether the trust could receive royalties from Cook Inlet gas leases.

Ms. Easley stated that the trust was working on getting natural gas leases. She said that if anything could be done, the trust land office was doing it. She said that the trust was optimistic with the exploration that was currently occurring.

Representative Gara asked if the trust currently had Cook Inlet gas leases.

Ms. Easley stated yes.

Representative Gara noted that the state was struggling with whether or not to accept the Affordable Care Act provision on federal funding to expand Medicaid. He asked if the trust had an opinion on the matter.

Ms. Easley responded that she was looking into the issue. She stated that the amount of information on both sides was overwhelming. She felt that at this point the trust would lean towards supporting the expansion. She added that on a personal level she was seldom a fan of federal government

operation, she believed that the best services could be rendered closest to the people who would benefit from them. She hoped that the state would make the most effective decision. She believed that there was considerable research being done on the issue.

[1:44:42 PM](#)

Representative Gara stated that she had his vote.

Representative Holmes appreciated the work of the board. She discussed the Long House issue and how her district was going to deal with housing people with mental illness or chronic substance abuse. She shared that similar projects had been completed in a piecemeal manner and encouraged the trust to have more community conversations concerning how to house people.

[1:46:21 PM](#)

Ms. Easley stated that she would be happy to accommodate.

[1:46:46 PM](#)

RUSSELL WEBB, TRUSTEE MENTAL HEALTH AUTHORITY (via teleconference), testified that the trust was making a serious effort to develop resources in order to build principal and increase the spendable income of the trust. He believed that the trust land office in the best shape he had ever witnessed. He shared that the trust was working to develop its resources. He noted the gas leases in Cook Inlet, multiple mining and mineral development leases, gold leases in the Fairbanks area and coal leases in other areas of the state. He admitted that none of the leases were without controversy but they hold a potential opportunity that the trustees could not ignore. He understood that the trust would be the largest contributor to services for trust beneficiaries, but he hoped to focus trust resources on the problems that were significant in the impact to the state, predominately housing.

[1:50:27 PM](#)

Representative Gara offered appreciation for Mr. Webb's work with the trust. He hoped that the trust would look into spreading some of the services around the city of Anchorage, rather than containing them to areas where land prices were low. He understood the benefit of providing

"wet" housing, but urged the trust to keep those establishments out of neighborhoods.

Mr. Webb appreciated the comment. He stated that his work with various entities required different tactics. He opined that housing for the people served by the trust was unwelcome in virtually any neighborhood. He said that the challenge of the trust was to try to find appropriate housing for the people it served, while respecting the desires of the community. He shared that the difficulty was finding ways of developing housing that was less concentrated. He understood that people in communities were concerned about potentially dangerous problems. He assured the committee that the trust was sensitive to locations for the housing projects. He relayed that he lived in Downtown Anchorage and encountered the mentally ill on a daily basis as he walked the trail system.

[1:55:09 PM](#)

Representative Gara stated that one of the areas that the trust held a coal lease was in the Chuitna Coal Mine area, which would tear up 17 miles of salmon stream and replace it in 30 years. He hopes that Mr. Webb would exert any control he had over the development of the project in order to limit the environmental devastation.

[1:56:08 PM](#)

Mr. Webb was aware of and shared some of the concerns. He reminded the committee that he retained a different role as a trustee than he had in his private life. He assured the committee that the trust was attempting to be sensitive to the larger community as resources were developed. He offered that none of the members of the board were mining experts. He stressed that the trustees were eager to listen to the concerns that people brought for the as resource development work progressed. He said that the trust had the responsibility to address the concerns to the best of its abilities.

[1:57:42 PM](#)

Ms. Easley interjected that the state requirements during the regulatory process required the most stringent restrictions on impact to the residents and businesses in the area of the Chuitna Coal Mine. She believed that the regulatory process was reasonable and was confident that

the involved departments would do everything in their power to ensure that people were protected.

[1:59:02 PM](#)

Co-Chair Stoltze queried the growing demographic of people with autism and drug addiction. He wondered how Mr. Webb would prioritize funding.

Mr. Webb replied that he focused on those with the greatest need. He thought that the assistance should go to the most vulnerable. He saw alcohol as an issue with the longest and most severe impact on the state both directly and indirectly. He believed that getting ahead of the curve regarding domestic violence and child abuse should be a priority. He advocated for focusing resources on those problems that caused the state the most profound difficulties.

[2:03:00 PM](#)

Ms. Easley agreed with Mr. Webb. She said that the impacts of substance abuse were could be found across the board. She thought that the focus should be on prevention. She expressed concern at the lack of available jobs in the places where they were needed. She noted that people felt more dignified when they could provide for their families. She advocated for opportunities, particularly in rural areas, for jobs in the natural resource industry. She opined that the sense of hopelessness felt from being unemployed set the stage for domestic violence and substance abuse.

[2:06:36 PM](#)

Co-Chair Stoltze appreciated the comments. He noted that Representative Wilson had joined the meeting.

Representative Munoz asked about the development plan for the sub-port land in Downtown Juneau.

Ms. Easley stated that an attempt to develop the land had yet to work out. She said that plans for the land had been placed on hold for the time being.

Co-Chair Stoltze thanked the trustees for their service.

[2:09:05 PM](#)

Ms. Easley noted that the trust had been focusing on the employment of beneficiaries. She reiterated that when the economy was thriving there would be more opportunities for trust beneficiaries to become employed.

Co-Chair Stoltze stated that the committee could not block a confirmation.

Representative Costello MOVED that the names of Paula Easley and Russel Webb be forwarded from the House Finance Committee as reconfirmations to the Alaska Mental Health Board of Trustees on February 20, 2013.

There being NO OBJECTION, it was so ordered.

Co-Chair Stoltze discussed housekeeping.

Vice-Chair Neuman stated that budget subcommittee overviews were complete.

Co-Chair Stoltze further discussed housekeeping.

[2:13:26 PM](#)

Representative Kawasaki queried when a list of invited testimony for the February 21, 2013 meeting would be available.

Co-Chair Stoltze said tomorrow.

Vice-Chair Neuman stated that the invited testimony for HB 24 would include a representative from the National Rifle association.

Representative Gara spoke to the invited testimony. He hoped that the testimony would be as balanced as possible.

Co-Chair Stoltze believed that there would be vigorous debated from both sides.

Co-Chair Stoltze reminded the committee that it would be the first hearing of the legislation.

ADJOURNMENT

The meeting was adjourned at 2:16 p.m.