

HOUSE FINANCE COMMITTEE
March 11, 2014
1:32 p.m.

1:32:03 PM

CALL TO ORDER

Co-Chair Austerman called the House Finance Committee meeting to order at 1:32 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 David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

None

SUMMARY

HB 266 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 266 was HEARD and HELD in committee for further consideration.

HB 267 APPROP: MENTAL HEALTH BUDGET

HB 267 was HEARD and HELD in committee for further consideration.

#hb266

#hb267

HOUSE BILL NO. 266

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, and making reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund."

HOUSE BILL NO. 267

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program."

[1:32:12 PM](#)

^AMENDMENTS

Co-Chair Austerman MOVED to ADOPT Amendment 1:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representative Austerman

DEPARTMENT: Department of Environmental Conservation

APPROPRIATION: Air Quality

ALLOCATION: Air Quality

ADD: \$160,600, In-State Natural Gas Pipeline Fund -- Interagency (1232)

DELETE: \$160,600, In-State Natural Gas Pipeline Fund (1229)

DEPARTMENT: Department of Environmental Conservation

APPROPRIATION: Water

ALLOCATION: Water Quality

ADD: \$222,300, In-State Natural Gas Pipeline Fund -- Interagency (1232)

DELETE: \$222,300, In-State Natural Gas Pipeline Fund (1229)

DEPARTMENT: Department of Law
APPROPRIATION: Civil Division
ALLOCATION: Regulatory Affairs Public Advocacy

ADD: \$136,800, In-State Natural Gas Pipeline Fund --
Interagency (1232)

DELETE: \$136,800, In-State Natural Gas Pipeline Fund
(1229)

DEPARTMENT: Department of Natural Resources
APPROPRIATION: Administration & Support
ALLOCATION: State Pipeline Coordinator's
Office

ADD: \$670,300, In-State Natural Gas Pipeline Fund --
Interagency (1232)

DELETE: \$670,300, In-State Natural Gas Pipeline Fund
(1229)

DEPARTMENT: Department of Transportation &
Public Facilities
APPROPRIATION: Design, Engineering and
Construction
ALLOCATION: Statewide Design and Engineering
Services

ADD: \$692,900, In-State Natural Gas Pipeline Fund --
Interagency (1232)

DELETE: \$692,900, In-State Natural Gas Pipeline Fund
(1229)

EXPLANATION:

Code 1232 is a newly created code designed to meet accounting requirements for separation of the Alaska Gasline Development Corporation (AGDC) budget from money spent by other agencies at the request of AGDC. This is one of two fund codes that access the in-state pipeline fund established with the adoption of HB4 during the 2013 session. (The other is code 1229.)

Fund code 1229 should be used only to record the operating budget of the AGDC. Code 1232 should be used only to record AGDC's purchases of services from other state agencies. Agencies can spend code 1232 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn

from the fund without appearing in the operating budget of AGDC.

The amendment has no impact other than to ensure that AGDC has control over pipeline funds spent by other agencies.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Austerman explained that Amendment 1 provided a technical change clarifying the Alaska Gasline Development Corporation (AGDC) budget by adding a new code that allowed for better tracking of funds.

Representative Gara appreciated the explanation. He understood that the technical code did not alter the spending requirements.

Co-Chair Austerman concurred. He stated that the technical amendment improved the AGDC accounting system.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 1 was adopted.

[1:34:05 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 2:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Neuman, Austerman, Stoltze, Munoz, Holmes, T. Wilson, Edgmon, Thompson

DEPARTMENT: Administration

APPROPRIATION: Centralized Administrative Services

ALLOCATION: Office of the Commissioner

ADD:

It is the intent of the legislature that the Department of Administration coordinate with the state's Congressional Delegation; Alaska Mental Health

Trust Authority; the Department of Commerce, Community, and Economic Development; the Department of Education and Early Development and school districts; telecommunication service providers; other affected entities of the State of Alaska; and any other relevant stakeholder organization to:

1. Determine the existing broadband resources and capacity in rural Alaska
2. Identify cost sharing and cost saving opportunities
 - a. Through sharing existing broadband resources
 - b. Through partnering for expansion of broadband resources

It is the intent of the legislature that the Department of Administration provide recommendations, including possible legislation, and findings based on the results of their coordination and submit them to the House and Senate Finance Committees by January 15, 2015.

It is the intent of the legislature that the Department of Administration, Enterprise Technology Services, prepare a five-year statewide plan that includes an implementation policy for statewide information technology systems, including their procurement and support, which results in cost savings and will serve the needs of state executive branch departments, not including state corporations. It is the intent of the legislature that the Department of Administration submit a plan to the House and Senate Finance Committees by January 15, 2015.

Co-Chair Stoltze OBJECTED for discussion.

Representative Holmes explained that the amendment followed efforts of the House Department of Administration subcommittee. The amendment included intent language requesting the department to work with a variety of different stakeholders to encourage broadband access throughout the state. The goal was cost-savings and efficiency. The second part of the amendment addressed the Enterprise Technology Services (ETS). She observed many efforts to provide better services. The amendment's request included a five-year plan for cost-savings to take advantage of the services across different departments. A request was made for the departments to report back to the finance committees in January 2015.

Co-Chair Austerman stated that the commissioner of the Department of Administration understood the need for efficiency.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 2 was adopted.

[1:35:35 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 3:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Costello, Edgmon, Munoz, T. Wilson, Thompson, Austerman

DEPARTMENT: Commerce, Community, and Economic Development

APPROPRIATION: Community and Regional Affairs

ALLOCATION: Community and Regional Affairs

ADD: \$49,200 Boat Registration Fees (1216), IncOTI

EXPLANATION: This amendment restores the 25% reduction imposed by the House Finance Subcommittee for the Department of Commerce, Community, and Economic Development. This organization provides boating education and training and is the only source for required marine safety training.

Co-Chair Stoltze OBJECTED for discussion.

Representative Costello discussed the effort to move grants to named recipients out of the operating budget and into the capital budget. The committee inadvertently included the Alaska Marine Safety Education in the reduction of 25 percent. The amendment reinstated the money because the funding was derived from boat receipts.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 3 was adopted.

[1:36:21 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 4:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Stoltze, Austerman, Holmes,
Thompson, Wilson, Neuman

DEPARTMENT: Fish and Game

APPROPRIATION:

ALLOCATION:

ADD:

It is the intent of the legislature that the department maintain fishery management activities in state waters as its top priority when determining where to apply unallocated reductions included in the FY2015 operating budget and provide a fishery management activity prioritization report to the Finance Committees by October 31, 2014.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Stoltze discussed the amendment. He explained that the intent language was offered by the Department of Fish and Game at the request of the committee. The language prioritized fisheries within state waters.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 4 was adopted.

[1:37:23 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 5:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Reprs. Austerman, Stoltze, T. Wilson, Holmes, Edgmon

DEPARTMENT: Department of Fish & Game
APPROPRIATION: Commercial Fisheries
ALLOCATION: Westward Region Fisheries Management

ADD: \$200,000, Test Fisheries Receipts, (1109)

EXPLANATION: This amendment adds \$200,000 of Test Fisheries Receipts of Golden King Crab for Red King Crab Research in the Adak and Petrel Banks areas.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Austerman explained that the department utilized test fisheries on many different fisheries around the state. The money was then used for research. He mentioned a test fisheries program in the Aleutian Islands that resulted in increased research on the red king crab. The department requested an increase on authority for the test fisheries.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 5 was adopted.

[1:38:23 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 6:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reprs. Neuman, Austerman, Stoltze, Munoz, Holmes, T. Wilson, Edgmon, Thompson

DEPARTMENT: Health and Social Services

ADD: Intent Language

It is the intent of the legislature that the Department of Health and Social Services submit a report of transfers between appropriations that occurred in the first half of FY2015 by January 30,

2015, and a report of transfers in the second half of FY2015, by September 1, 2015, to the House and Senate Finance Committees and the Legislative Finance Division.

Co-Chair Stoltze OBJECTED for discussion.

Vice-Chair Neuman explained that the amendment referred to intent language in the budget. The language would allow the department up to \$50 million in transfers. The \$50 million was covered in the budget. A report was requested for the House and Senate Finance Committees and the Legislative Finance Division.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 6 was adopted.

[1:39:25 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 7:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Gara, Neuman, and Austerman

DEPARTMENT: Health and Social Services

ADD: Intent Language:

It is the intent of the legislature that the department find efficiencies, and use savings from those efficiencies, to implement priorities of the department. These priorities may include implementing the 2012 Office of Children's Services Workload Study recommendations.

EXPLANATION:

The intent of this section is to find efficiencies (and funding) within the department in order to implement the Workload Study without increasing the department's FY15 budget.

Co-Chair Stoltze OBJECTED for discussion.

Vice-Chair Neuman discussed a report offered by the Office of Children's Services regarding a workload study. She noted that three employees were relocated to work on the issue. The goal was to place more employees into the lower level and entry level positions to allow more work time with children in need. The amendment had no fiscal impact.

Representative Gara concurred with the explanation.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 7 was adopted.

[1:40:56 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 8:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Neuman, Austerman, Stoltze,
Munoz, Holmes, T. Wilson, Edgmon, Thompson

DEPARTMENT: Department of Health and Social
Services

APPROPRIATION: Behavioral Health

ALLOCATION: Services to the Seriously Mentally
Ill

ADD: \$525,000 GF/MH - Fund Code 1037

EXPLANATION:

Complex Behavioral Collaborative Project
Intensive consultative services are offered to families and programs serving individuals at the highest risk of being moved to more costly out-of-state or institutional placements due to difficult-to-manage behaviors. This project has demonstrated success in reducing long term General Fund costs by keeping these Alaskans in their homes and current placements.

Co-Chair Stoltze OBJECTED for discussion.

Vice-Chair Neuman noted that the amendment added \$525 thousand of general fund mental health money to help with the Complex Behavior Collaborative project. The program brought a group of specialists together to help recommend treatment plans for recipients.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 8 was adopted.

[1:41:57 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 9:

FY 2015 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 266(FIN) / CSHB 267(FIN)

OFFERED BY: Representative Edgmon and
Representative Austerman

PART A

DEPARTMENT: Public Safety

APPROPRIATION: Alaska State Troopers

ALLOCATION: Rural Trooper Housing

ADD: \$78,600 General Fund (1004)

ALLOCATION: Alaska Wildlife Troopers

ADD: \$112,500 General Fund (1004)

ALLOCATION: Alaska Wildlife Troopers Marine
Enforcement

ADD: \$208,900

EXPLANATION:

Part A of this amendment restores 80% of the Governor's decrements associated with the transfer of the Patrol Vessel Stimson from Dutch Harbor to Kodiak.

The decrements included in the Governor's request were split between three allocations:

1) Rural Trooper Housing: (\$98,300) UGF

- 2) Alaska Wildlife Troopers: (\$140,600) UGF
- 3) Alaska Wildlife Troopers Marine Enforcement: (\$261,100) UGF

The total of Part A restores \$400,000 UGF of (\$500,000) UGF deleted by the Governor to relocate the Stimson from Dutch Harbor to Kodiak.

PART B

DEPARTMENT: Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska Wildlife Marine Enforcement

ADD: \$155,000 General Funds (1004)

ADD: 1 PFT position

EXPLANATION:

Part B of this amendment partially restores two decrements requested by the Governor associated with decommissioning the Patrol Vessel Woldstad and replacing it with a smaller 58 foot vessel. A total of \$125,000 will be utilized to keep the Woldstad available for use during the latter portion of FY15 (repairs estimated to be completed by April 1, 2015) and \$30,000 will fund a deleted Boat Officer for one quarter of FY15.

The decrements included in the Governor's request for these related items were transmitted as follows:

- 1) (\$500,000) to decommission the Patrol Vessel Woldstad; and
- 2) (\$110,900) to delete a vacant Boat Officer IV assigned to the Woldstad.

Co-Chair Stoltze OBJECTED for discussion.

Representative Edgmon noted that the amendment allowed the Stimson to remain home-ported in Alaska. The amendment also allowed the patrol vessel Woldstad to remain home-ported in Kodiak. The amendment also restored \$400 thousand of the \$500 thousand that the Department of Public Safety proposed to cut. He stated that part 2 of the amendment pertained to the vessel Woldstad in Kodiak and recognized the fact that

the vessel would be laid up for three-quarters of the upcoming fiscal year. He noted that \$155 thousand would be added to pay for the operations for the remaining quarter.

[1:43:13 PM](#)

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 9 was adopted.

[1:43:19 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 10:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Neuman, Austerman, Stoltze, Munoz, Holmes, T. Wilson, Edgmon, Thompson

DEPARTMENT: Department of Revenue

APPROPRIATION: Alaska Mental Health Trust Authority

ADD: Intent Language

It is the intent of the legislature that the Alaska Mental Health Trust assess the potential impact of expanded broadband on long term general fund operating costs by looking at the following:

1. Existing broadband capacity (including educational and tribal health networks) that could be accessed by the state;
2. The broadband capacity needed to improve access to health care;
3. Costs of and barriers to expanding broadband; and
4. Potential long-term general fund savings attributable to expanding broadband access.

It is also the intent of the legislature that the Alaska Mental Health Trust submit a report to the legislature outlining the results of assessing the above items by January 15, 2015.

Co-Chair Stoltze OBJECTED for discussion.

Vice-Chair Neuman discussed the intent language. He credited the committee with their hard work over the interim to review issues in the Department of Health and Social Services budget. Through the discussions he worked with the Alaska Mental Health Trust on broadband opportunities. He wondered what might be used to reduce the Department of Health and Social Services budget by using existing services. He noted that there were no additional funds used in the amendment. He preferred to utilize the resources available to help reduce the cost in Department of Health and Social Services. He wished to increase the department's efficiency.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 10 was adopted.

[1:44:43 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 11:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Thompson and Austerman

DEPARTMENT: Revenue

APPROPRIATION: Alaska Mental Health Trust Authority

ALLOCATION: Mental Health Trust Operations

ADD: \$49,900 Mental Health Trust Admin Receipts (1094) - Inc

EXPLANATION:

The Alaska Mental Health Trust Authority (the Trust) Board of Trustees seeks restoration of funds previously approved by the Board of Trustees which were not included in the Governor's original or amended FY2015 budget requests.

The Trust's administrative budget supports essential work of the Board of Trustees as

well as the administrative operations of the Trust. The funding is necessary for the Trust to continue to meet the Trust's statutory obligations, fulfill its mission and maintain support functions.

Reasonable and necessary expenses to be funded by restored funds include honorariums and associated costs of holding additional meetings that Trustees have requested to be scheduled, which assists them in their important planning and deliberative decision making processes. Other costs include anticipated contractual increases associated with performance of the Trust's annual audit (due to new real estate investments acquired and managed by the Department of Natural Resources, Trust Land Office) as well as increases in contracts for fiscal analysis, legal consultations, and program analysis - all reasonable expenses which aid Trustees and staff in their essential duties. Finally, the increase will cover cost of living adjustments which the Trust is required to pay.

This MHTAAR Administration funding was approved by the Board of Trustees at the September 4-6, 2013 board meeting. This funding does not create a new position.

Co-Chair Stoltze OBJECTED for discussion.

Representative Thompson discussed the amendment that would restore \$49,900 of mental health trust administrative receipts to their budget. The funding was requested by the trustees to help with essential work including administrative operations. He stated that the funding was necessary for the trust to continue to meet their statutory obligation by covering the cost of additional meetings already requested by the trust in deliberative decisions. The funding would cover anticipated contractual increases associated with the performance of the trust's annual audit. The increase would also cover the cost of living adjustments that the trust was required to pay.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 11 was adopted.

[1:46:13 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 12:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Representative Austerman

DEPARTMENT: Transportation & Public Facilities

APPROPRIATION: Highways, Aviation and Facilities

ALLOCATION: Central Region Highways and Aviation

ADD: \$71,000, Vehicle Rental Tax Receipts, (1200)

DELETE: \$71,000, General Funds, (1004)

EXPLANATION: This amendment replaces \$71,000 unrestricted general funds with available Vehicle Rental Tax Receipts.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Austerman stated that the amendment moved \$71 thousand out of the vehicle rental tax receipts, which were not fully expended. The funds would be moved to the Department of Transportation and Public Facilities.

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

[1:46:54 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 13:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Stoltze and Austerman

DEPARTMENT: Alaska Court System

APPROPRIATION: Alaska Court System

ALLOCATION: Trial Courts

DELETE: \$21,900 General Funds (1004)

EXPLANATION: The Court System has recently been advised that lease cost increases associated with the Nome Court House will not be needed until FY16. This amendment decreases the \$104,300 appropriated by the House Subcommittee for existing facility leases.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Stoltze stated that the amendment was the only decrement in the Courts budget. He pointed out that the reprieve from the lease costs was for one year only.

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

[1:47:56 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 14:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee
TO: HB 266 / HB 267
OFFERED BY: Reps. Austerman, Neuman, Edgmon, T. Wilson, Holmes, Munoz

ADD LANGUAGE

Insert the following language in a new section following section 4 in HB 266 and following section 8 in HB 267.

LEGISLATIVE INTENT. It is the intent of the legislature that the Departments of Corrections, Health and Social Services, and Labor and Workforce Development, along with the Alaska Mental Health Trust Authority, Alaska Housing Finance Corporation, and the Alaska Court System, continue to work collaboratively to identify common clients who are being released from correctional institutions and do the following:

1. Develop and implement a comprehensive, complementary, non-duplicative plan for providing substance abuse, mental health, housing and employment services to those who are released from correctional institutions.

2. Use the plan to assist the Departments, Authority, agency, and Court System in improving treatment and other outcomes for recently released inmates with the goal of reducing correctional system recidivism rates.

3. Gather and analyze data on the substance abuse, mental health, employment and housing services needed and the services provided to the released clients.

4. Propose effectiveness and efficiency measures for the new plan.

5. Jointly report on plan implementation and data findings to the legislature by February 2, 2015.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Austerman stated that Vice-Chair Neuman addressed the issue of recidivism in the Department of Corrections budget. The intent language resulted from work with Department of Health and Social Services, Department of Transportation and Public Facilities and the Alaska Mental Health Trust Authority (AMHTA). He stated that the amendment was an effort to control the recidivism problem.

Vice-Chair Neuman added that the goal was to reduce drug and alcohol abuse. He noted that people in corrections were asking for help to refrain from alcohol and drug abuse. He spoke about a recent conversation with a person released from corrections without a convenient place to live. The plan would allow for greater assistance in similar scenarios.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 14 was adopted.

[1:50:38 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 15, 28-GH2671\P.5, Wallace, 3/10/14, (copy on file):

Page 53, following line 3:

Insert a new bill section to read:

"* Sec. 5. CRIME VICTIMS' RIGHTS. (a) It is the intent of the legislature to increase crime victims' access to the criminal justice process, to improve communication between criminal justice agencies and crime victims, and to ensure that crime victims' legal rights are not denied. Crime victims in this state

should be treated with dignity, respect, and fairness as guaranteed by the Constitution of the State of Alaska. The Department of Law, Department of Corrections, Department of Public Safety, and the division in the Department of Health and Social Services responsible for juvenile justice should continue to partner with the office of victims' rights to improve the criminal justice process for crime victims.

(b) One of the surest ways to affect each victim's sense of fairness and justice is through clear and consistent communication by agency staff to crime victims. Timely communication to crime victims helps to ensure victims' notice and opportunity to be heard at key stages of criminal investigations and prosecutions. Police officers and prosecutors, upon first contact with crime victims, are required by law to inform crime victims about the office of victims' rights. Law enforcement agencies, prosecutors, corrections agencies, social service agencies, and the courts should make every reasonable effort to ensure that victims' legal rights are preserved. Victims' privacy and dignity should be protected throughout the process. A timely and fair disposition of criminal charges promotes public trust, including victims' trust, in the criminal justice process. Timely, full, and prompt financial restitution to crime victims also provides crime victims with a tangible sense that the criminal justice system has acted to restore the victim."

Renumber the following bill sections accordingly.

Page 58, line 28:
Delete "sec. 25(j)"
Insert "sec. 26(j)"

Page 70, line 22:
Delete "sec. 15(b)"
Insert "sec. 16(b)"

Page 76, lines 13 - 14:
Delete "secs. 8(c), 9, 10(b), and 25 - 27"
Insert "secs. 9(c), 10, 11(b), and 26 - 28"

Page 76, line 15:
Delete "sec. 12(h)(1)"

Insert "sec. 13(h)(1)"

Page 76, line 20:

Delete "Sections 30 and 34"

Insert "Sections 31 and 35"

Page 76, line 21:

Delete "Section 26(c)"

Insert "Section 27(c)"

Page 76, line 22:

Delete "secs. 35 and 36"

Insert "secs. 36 and 37"

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Stoltze discussed the bill related to victims' rights. He credited Representative Holmes with her efforts on the amendment. He stated that the acuity of awareness was not available for the rights of victims of crime. He noted that the measure was very popular in the state. He stated that Alaska was continuing to work on victim rights for the people of Alaska. The intent language served as a reminder to several departments involved in the administration of justice. The measure was an expectation of behavior for every branch of government to have a role in protecting and ensuring the rights of victims of crime. He stated his passion for the issue.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 15 was adopted.

[1:53:34 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 16:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 266 (FIN)

OFFERED BY: Rep. Austerman

REVISE LANGUAGE: Decrement \$2,267,813 General Funds (1004) by amending sec. 23(k) to read:

(k) The sum of \$126,642,396[128,910,209] is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2015, from the following sources:

General Fund
\$107,342,396[\$109,610,209]
School Fund (AS 43.50.140)
19,300,000

EXPLANATION:

Based on recent projections, the amount of state aid required for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2015 is estimated to be \$2,267,813 less than originally requested. Reasons for a lower projection include anticipated projects not approved, debt for several projects sold later than anticipated, and a larger premium received than anticipated.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Austerman noted that the amendment was brought by the administration for \$2,267,813 for school construction reimbursement that was not utilized and added it back into the budget.

Co-Chair Stoltze WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 16 was adopted.

[1:54:27 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 17:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Reps. Costello, T. Wilson, Neuman

DEPARTMENT: Department of Health and Social Services

APPROPRIATION: Public Health

ALLOCATION: Chronic Disease Prevention and Health Promotion

DELETE: \$720,000 General Fund (1004)

EXPLANATION: This decrement removes funding for the advertising and research portion for the "Play Every Day Campaign." More specifically the proposed contract work listed below.

Table C. (Provided by the Department of Health and Social Services)

Contract 1: Northwest Strategies - Main Deliverables Amount

Provide social marketing consultation and a three-year strategic plan to build a campaign that helps reduce childhood obesity in Alaska. \$160.0

Develop public education materials that include TV and radio PSAs, print and online materials, a website, social media, and a library of images and video. \$130.0

Provide social marketing technical assistance and training to DHSS's nine new school district grantees to improve public education statewide. Provide social marketing consultation to the Alaska Alliance for Healthy Kids. \$10.0

Acquire and place media that effectively reaches the target audience statewide, hitting the CDC target for Gross Rating Points (GRPs) to impact behavior change. \$350.0

SUBTOTAL \$650.0

Contract 2: Hayes Research Group - Deliverable

Focus groups to inform motivational messages, and one survey to evaluate the effectiveness of the messages. \$70.0

CONTRACTS TOTAL \$720.0

Co-Chair Stoltze OBJECTED for discussion.

Representative Costello explained that the amendment reduced the operating budget by \$720 thousand as part of an overall obesity prevention effort. She clarified that her intent was not to comment on the quality and importance of the effort. She opined that the television advertising portion of the program could be postponed during the times of tight budgets. The classroom portion of the effort was valuable. She offered the amendment because of the current budget environment.

Representative Holmes respectfully disagreed with the amendment sponsor. She stated that she heard from the department that obesity was its largest challenge and led to increases in Medicaid costs. She stressed that obesity was the state's number one health challenge.

Representative Wilson wondered if television could change the children's behavior. She wondered if placing Physical Education classes back into school curriculum would help solve the problem. She opined that television was not the best method for directing the important information. She encouraged Physical Education in the public schools to address the issue of childhood obesity. She would prefer to spend the funds helping children in the schools.

Representative Gara acknowledged that obesity prevention was a large issue. He noted that Representative Costello and Senator McGuire discussed the possibility of a physical education task force. He agreed that the state was deficient in physical education due to the increase in mandates. He mentioned that poor food choices for school lunches and child activity levels were also culprits in childhood obesity. Vice-Chair Neuman supported the amendment based on the restraints in the Department of Health and Social Services budget. He stated that the reduction was not an easy one, but he supported the amendment.

Representative Edgmon appreciated the comments, but opposed the amendment. He discussed the cost and benefits of the program. He pointed out the benefits of prevention and awareness in both rural and urban Alaska.

Representative Munoz expressed interest in the campaign as a gentle reminder to stay active. She found the campaign to be successful.

Representative Guttenberg stated that the Division of Public Health addressed the importance of diabetes and obesity during subcommittee hearings. He acknowledged that affecting kids was challenging. He believed that the Play Every Day campaign was valuable and effective. He pointed out that the state expense curve might be affected by the campaign.

Representative Costello mentioned that the amendment addressed only part of the program. The classroom portion of the program would remain intact to aid in reducing childhood obesity. She noted that the Healthy Futures portion of the program would remain intact. She mentioned her son's activity level and how he benefited from the messages provided in the classroom.

A roll call vote was taken on the motion.

IN FAVOR: Neuman, Thompson, Wilson, Costello, Austerman, Stoltze

OPPOSED: Edgmon, Gara, Guttenberg, Holmes, Munoz

The MOTION PASSED (6/5).

[2:05:16 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 18:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Reps. Stoltze and Neuman

DEPARTMENT: Transportation and Public
Facilities

APPROPRIATION: Marine Highway System

ALLOCATION:

ADD:

It is the intent of the legislature that the department eliminate any future issuing of free annual passes for vehicles of state agencies, state employees, or retirees and their families on the Alaska Marine Highway System.

Co-Chair Stoltze OBJECTED for discussion.

Co-Chair Stoltze stated that the amendment's intent language appeared in the budget last year. He recalled conversations with people involved in the negotiation process about the issue of free passes. The issue was not about free passenger service, but about free vehicle

service. He noted that a vehicle passage was quite expensive and space on the ferries was limited. He stated that the change would yield approximately \$1 million in benefit per year. He stated that the benefit was offered to employees and their families, both residents and non-residents. He stated that inaction by the legislature was a statement of support. He acknowledged that the topic was not easy to introduce, but he felt that the amendment allowed for prudent fiscal action. He explained that the benefit was not universal for transportation related items in the state. He offered the amendment in the spirit of fiscal prudence.

[2:09:12 PM](#)

Representative Gara understood the value of the amendment. He wondered about retaining the benefit for retirees and their families.

Co-Chair Stoltze opined that Representative Gara's notion could be offered in a separate amendment. He defended the Alaska Marine Highway as coastal Alaska's highway corridor, but the state struggled to provide ferry service to some areas. He mentioned the rising cost of fuel inhibiting the marine highway. He mentioned the salary denial for the executive branch and noted that the practice would become more common with the fiscal climate in the state. He understood that the issue might be negotiated in the bargaining agreement. He wished to view all potential costs that eroded the ability to provide services. He stated that the Alaska Marine Highway utilized a large portion of the state's transportation budget. He found difficulty justifying the spending to those constituents in the state who did not benefit from the service.

Vice-Chair Neuman discussed the Department of Transportation and Public Facilities budget, which was reduced by approximately \$3 million. He noted that future budgets would be in question without some reductions. The amendment asked the people who use the ferry system to help fund the ferry system.

[2:13:51 PM](#)

Co-Chair Austerman stated that he did not support the amendment. He believed that the legislature had the responsibility of approving the contracts and the funding

for them. He stated that the negotiated contract contained the benefit and the state was in the process of negotiations. He felt it appropriate for the negotiation parties to determine the process with the passenger vehicle benefit. He recalled that the administration could be asked to renegotiate if the legislature was unhappy with the results. He thought that the appropriate avenue was to respect the negotiation process.

Representative Gara stated that he was unaware of the issue of negotiated contracts. He asked if the state employee provision was part of the collective bargaining.

Co-Chair Austerman replied that the vehicle passes were negotiated in the collective bargaining agreement.

Representative Gara understood.

A roll call vote was taken on the motion.

IN FAVOR: Thompson, Wilson, Costello, Holmes, Neuman, Stoltze

OPPOSED: Edgmon, Gara, Guttenberg, Munoz, Austerman

The MOTION PASSED (6/5).

[2:16:35 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 19, 28-GH2671\P.2, Gardner/Wallace, 3/6/14 (copy on file):

Page 56, line 30, following "associations":

Insert "for the following purposes:

- (1) promotion of seafood and seafood by-products that are harvested in the region and processed for sale;
- (2) promotion of improvements to the commercial fishing industry and infrastructure in the seafood development region;
- (3) establishment of education, research, advertising, or sales promotion programs for seafood products harvested in the region;
- (4) preparation of market research and product development plans for the promotion of seafood and their by-products that are harvested in the region and processed for sale;
- (5) cooperation with the Alaska Seafood Marketing Institute and other public or private boards,

organizations, or agencies engaged in work or activities similar to the work of the organization, including entering into contracts for joint programs of consumer education, sales promotion, quality control, advertising, and research in the production, processing, or distribution of seafood harvested in the region;

(6) cooperation with commercial fishermen, fishermen's organizations, seafood processors, the Alaska Fisheries Development Foundation, the Fisheries Industrial Technology Center, state and federal agencies, and other relevant persons and entities to investigate market reception to new seafood product forms and to develop commodity standards and future markets for seafood products"

Co-Chair Stoltze OBJECTED for discussion.

Representative Costello explained that language in the budget must be offered in the full finance committee. She informed the committee that the issue was discussed in the Department of Commerce, Community and Economic Development budget subcommittee who favored the amendment's introduction in the House Finance Committee. She noted that the amendment took a current state statute and placed it in the language portion of the budget. She noted that statute AS 44.33.065 addressed the Regional Seafood Development Associations (RSDA) that were created to promote and market their fishery and seafood products. She noted two RSDA's funded through a 2 percent development tax paid by the members. The amendment stressed that the purpose of the funds was to promote the fishery.

Representative Edgmon understood the intent of the amendment, but did not support the amendment. He stated that the amendment was directed to the RSDA in the Bristol Bay region. He corrected that 1 percent of RSDA operations were passed back to the Department of Commerce, Community and Economic Development.

A roll call vote was taken on the motion.

IN FAVOR: Wilson, Costello, Holmes, Munoz, Neuman, Thompson, Stoltze

OPPOSED: Edgmon, Gara, Guttenberg, Austerman

The MOTION PASSED (7/4).

2:20:00 PM

Co-Chair Austerman MOVED to ADOPT Amendment 20:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Representatives Gara and Guttenberg

DEPARTMENT: Labor and Workforce Development

APPROPRIATION: Business Partnerships

ALLOCATION: Business Services

ADD: \$2,391,700 GF (1004)

EXPLANATION: This amendment will restore the base funding in the governor's requested budget for the Alaska Youth First Program. This program provides grants to organizations across the state to assist Alaskans - both school age students and adults - in job readiness and career counseling. Restoration will help offset losses of job and career counselors school districts have been forced to cut the past three years.

Co-Chair Stoltze OBJECTED for discussion.

Representative Gara discussed the amendment. He stated that the minority felt that the series of education amendments were important. He expressed willingness to compromise if another committee member offered a different suggestion. He stated that the Alaska Youth First program was relatively new to most Alaskans. The program provided job training, career counselling in schools and with non-profit entities where the youth were trained for the workforce. He explained that guidance counsellors across the state were lost in the schools due to budget cuts. He pointed out the \$2.3 million reduction from the governor's proposal. The amendment would restore the governor's proposal. He stated that \$2.3 million of career counselling would be lost for

at-risk youth without the amendment. He explained that he would prefer to have an at-risk youth in a job than in the corrections system.

Representative Gara listed the services provided by the Alaska Youth First program. In Anchorage, Ninestar used the funds to pay for the first month of work for at-risk youth. He stated that 90 percent of the youth remain in their jobs after the first 30 days were paid for with the funds. He noted that Ninestar reached out to the Mat-Su valley where job training and job placement were provided for homeless and at-risk youth. He quoted a business that employed the youth: "this program is extremely important for youth in our community wishing to get a fresh start into the employment world." He mentioned other centers that served youth statewide to train and get them into work. He stated that the Fairbanks North Star Borough School District served approximately 2500 youth with career counselling. Dillingham provided job training and placement services to 130 students. A portion of the funding was used for career counselors and school districts and another portion went to non-profit entities. All of the funds were used to enable gainful employment for youth, a substantial portion of who were at-risk youth. He offered to accept a different funding amount if there was evidence that a portion of the program was not working.

[2:25:42 PM](#)

Representative Guttenberg stated that the students testifying about their experience with the program impressed him. The students experienced benefits that were otherwise unavailable. He noted that the societal kick offered through the program made a difference in the kids' lives. He suggested that keeping youth off the street would prevent further social problems. He spoke to the many benefits of the Alaska Youth First program.

Representative Wilson wished for statistics proving that the program was working. She was unable to obtain the statistics taken by the Department of Labor and Workforce Development. She stressed that entire programs must be cut to reduce the budget. Most money was federally matched by general funds. She took the cut seriously. She stressed the need for statistics proving the program's effectiveness.

[2:30:34 PM](#)

Representative Gara appreciated that Representative Wilson did not take the cuts lightly. He hoped that unanswered questions were tended to prior to the end of session. He understood cutting a wasteful program or one that was low on the list of priorities, but he questioned cutting a program that made such a large impact on the lives of individuals. He found evidence that the program enabled youth to obtain gainful employment. He pointed out the excuse that the money was not available. He noted that \$8 billion worth of mega projects were questionable and he hoped that the same standards were applied to those projects.

A roll call vote was taken on the motion.

IN FAVOR: Costello, Gara, Guttenberg, Munoz
OPPOSED: Edgmon, Holmes, Neuman, Thompson, Wilson,
Austerman, Stoltze

The MOTION FAILED (4/7).

[2:33:44 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 21:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Representatives Gara and Guttenberg

DEPARTMENT: Education and Early Development

APPROPRIATION: K-12 Support

ALLOCATION: Foundation Program

ADD: New Language Section: Sec. 14(b)

The sum of \$101,000,000 is appropriated from the general fund to the Department of Education and Early Development to be distributed as state aid to districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D) for the fiscal year ending June 30, 2015.

Renumber sections accordingly.

EXPLANATION: This amendment would reflect the equivalent of a \$404 Base Student Allocation increase in the event a base student allocation bill to reverse the recent course of educator cuts does not pass.

Co-Chair Stoltze OBJECTED for discussion.

Representative Gara explained that the amendment would distribute a \$404 increase in the Base Student Allocation (BSA) through the foundation formula to the various school districts. The state lost over 600 education staff with further layoffs expected under the governor's proposal. He stated that parents across the state were concerned about the education policy. He requested a reversal of the cuts. According to a recent legislative research report, the largest school districts in the state would require a \$315 Base Student Allocation (BSA) increase to retain staff.

Representative Gara noted that Alaska ranked 48th in third grade reading level. Employers reported that students were graduated prior to achievement of workplace readiness. The governor's proposal would result in approximately 1000 lost staff by next year. He mentioned the major education reforms of 2007 and 2008. The reforms ended discrimination against rural school districts by increasing the cost-of-living factor. He noted that the state paid a larger portion of the unfunded pension liability for Public Employees' Retirement System (PERS) and Teachers Retirement System (TRS) for school districts. The funds were placed into a trust fund. He suggested that classroom funding was a separate issue.

Representative Gara continued that teachers must teach to the individual student. As class sizes expanded, teachers were at a disadvantage. He revealed that many parents contacted his office with statements about leaving Alaska because of the faulty education system. When families leave, Alaska's economy suffered. He urged the committee to support the amendment.

[2:39:07 PM](#)

Co-Chair Austerman pointed out that HB 278 would arrive in committee with a proposed increase to the BSA. He asked if the increase of \$101 million would go to the BSA.

Representative Gara replied that the funds would be distributed through the BSA formula.

Representative Holmes expressed sympathy, but would not support the amendment. She stated that the omnibus bill would include the BSA and a hearing in committee was imminent. She anticipated the discussion about the prudent increase in the level of BSA. She supported increases in the BSA, but wished to postpone a decision until HB 278 was heard in committee.

Representative Guttenberg appreciated the focus on the issue. He expressed frustration about postponing difficult issues. He stated that the best time to address the issue was the present. He pointed out that quality schools often determined a family's chosen location. He supported the amendment.

[2:43:26 PM](#)

Representative Wilson explained that the education subcommittee did not discuss the formula portion, it was considered a policy decision. She wished to have facts and figures from the department before she made a decision.

Representative Edgmon appreciated the amendment's intent. He anticipated the arrival of HB 278, which included a provision for the K-12 formula. He stated that he would support an increase to the BSA in the governor's bill. He stated that solving the issue was important to bring the session to a close. He thought that the committee might be better served by waiting for the upcoming legislation. He commented that education was a large and important topic each and every session and the negotiation process was crucial.

[2:46:21 PM](#)

Representative Gara offered to distribute legislative research reports regarding the avoidance of cuts to education. He stated that Anchorage required an increase of \$251, Fairbanks required \$275, Juneau required \$450, Kenai required \$270, Kodiak required \$400 and Mat-Su required an increase of \$250. He noted that the last version of HB 278 would result in a fourth year of cuts. The funding in the amendment would be distributed as a BSA increase.

Co-Chair Austerman commented that the state and municipalities shared responsibility for funding education. He believed that some of the large districts had not funded to the cap. He welcomed a discussion regarding the responsibility for funding education.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg

OPPOSED: Edgmon, Holmes, Munoz, Neuman, Thompson, Wilson, Costello, Stoltze, Austerman

The MOTION FAILED (2/7).

[2:49:41 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 22:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266

OFFERED BY: Representatives Gara and Guttenberg
DEPARTMENT: Education and Early Development
APPROPRIATION: Teaching and Learning Support
ALLOCATION: Pre-Kindergarten Grants
ADD: \$2,000,000 GF (1004)

EXPLANATION: This amendment will allow more students to participate in Pre-K. High-quality Pre-K programs have been proven to improve a child's chances of succeeding in school and in life. Children who attend high-quality programs are less likely to be held back a grade, less likely to need special education, and more likely to graduate from high school and college. They also have higher earnings as adults and are less likely to become dependent on welfare or involved with law enforcement.

The current \$2 million program only serves roughly 300 students. This "pilot" program started in FY10 and was intended to become a statewide effort once its success was shown. It has proven successful.

Co-Chair Stoltze OBJECTED for discussion.

Representative Gara explained the Pre-K amendment. He noted the previous governor and education commissioner started a pilot Pre-K program. Alaska provided Pre-K to approximately half the percentage of that provided by other states. Youth who experience Pre-K earn more money and graduate high school and college in higher numbers. The pilot program had proven itself with an increase in reading comprehension and intellectual achievement. The goal was to expand the program across the state to a greater number of students. He appreciated the Parents as Teachers program. He pointed out that Head Start funding increased twice in 14 years. He wished to see Pre-K promoted.

[2:52:51 PM](#)

Representative Thompson believed in Pre-K, but most Pre-K options educated young children for half of one day. He stated that the projection of \$2 million for 300 students was higher than the BSA. He hoped to see legislature address the important issue again when the state is flush with money.

Representative Holmes stated that she supported Best Beginnings, Imagination Library, Parents as Teachers and Headstart. She wished to address education during the upcoming conversation about the BSA. She wished to support Pre-K with the proposed increase, but would focus her education efforts on the K-12 system.

[2:55:09 PM](#)

Representative Wilson reminded that the pilot program should apply funding to different types of preschools to enable further information for the department. She wondered about expenses related to other increases. She stated that the program cost the state approximately \$16 thousand per student. She explained that the funding would address voluntary preschools. She noted that the Department of Health and Social Services was also responsible for some childcare funding. She mentioned that many bush communities raised their own funds for Pre-K efforts. She shared a story about educating her 4 year old granddaughter at home. She argued that Pre-K could be addressed in a variety of different ways. She encouraged the committee to vote against the amendment.

[2:58:33 PM](#)

Representative Guttenberg supported the amendment because he felt that all children deserved the opportunity to benefit from the grants. He spoke to the benefit of the Imagination Library and Best Beginnings. He shared a story about a young girl at the post office with her Imagination Library book.

[3:00:15 PM](#)

Representative Gara corrected that the funds did not have to go to the most expensive Pre-K option. He stated that Parents as Teachers cost a fraction of the funds required for a Pre-K classroom. The grant funds could be allocated for Parents as Teachers. The Department of Education and Early Development would administer the grants. If the department achieved a more expensive program, the money could be used for Pre-K programs that were more efficient.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Edgmon
OPPOSED: Holmes, Munoz, Neuman, Thompson, Wilson,
Costello, Austerman, Stoltze

The MOTION FAILED (3/8).

[3:01:54 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 23:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Guttenberg and Gara

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska

ALLOCATION: Budget Reductions/Additions -
Systemwide

ADD: \$424,500 (\$357,100 UGF 1004 /
\$67,400 UNIV RCPT 1048)

EXPLANATION: This increment will complete the mandatory comprehensive advising program across the University of Alaska.

UAF College of Rural and Community Development Student Advisors

UAF CRCD campuses deliver courses that allow students to receive education and training in or near their home community. Rural campuses offer students certificate and associate degree programs that lead to jobs and the preparation needed to transfer to a baccalaureate program if desired. This project supports two student advisors to be housed at the Bristol Bay Campus and Kuskokwim campus. A Research Specialist will also be supported to perform degree audits, so that student advisors can contact non-completing, degree-seeking students to encourage them to complete their degree.

UAS First Year Advisor

The goal of this position is to continue to increase the retention of first-year students.

The most critical transition in every student's career happens during the first six weeks.

This position will deliver services directed solely to first-year-students such as:

- Teach first-year courses that are currently not offered, building off new student orientation.
- Take a leading role in delivering a student leadership program focused on first year students.
- Manage and integrate critical student transition efforts that are currently offered on an ad hoc basis.

UAS Disability Support Provider

Students seeking accommodations for disabilities are one of the fastest growing sub-populations at UAS. On the Juneau campus, there has been a 73% increase in requests from 2009 to 2012. This increment is critical to fulfilling our student learning mission, especially when the new 120- bed residence hall fills with a diverse pool of traditional-age full-time students in the fall of 2014. Currently UAS has a .5 FTE professional staff dedicated to providing this service

and has been utilizing temporary hires to meet current needs. These positions will have a direct and positive impact on retention rates, credit hours, and efficiency of student services.

Co-Chair Stoltze OBJECTED for discussion.

Representative Guttenberg explained that the amendment would increase advisors in three different university campuses. He discussed reports from college students claiming that an advisor offered the necessary help to allow them to succeed. He noted that the advisors were placed in the different locations to help students and increase the retention rate allowing the state investment to flourish. He opined that the advisor program operated efficiently by incentivizing education for university students in Alaska.

Representative Munoz believed that the program was worthwhile. She reminded the committee that the university had the authority to move funds within the system through the authority of the single appropriation. She supported efforts to add counselling funds. She recalled that \$544 thousand was added in FY 13 to a program called Making Achievement Possible. Four permanent full-time positions were added. She continued that \$873 thousand was added for student support services for comprehensive advising that paid for 8 permanent full-time positions in FY 13. She mentioned that an addition of \$125 thousand for an advisory position for performance success was offered in the same year. In FY 14, the effort was expanded to include \$400 thousand in mandatory comprehensive student advising at UAS and positions at Anchorage, Kodiak, Mat-Su, Kenai and Valdez. She requested that the committee vote against the amendment.

[3:05:52 PM](#)

Representative Gara stated that retaining students through their first year of college allowed them to attain a two or four year degree. The program worked in other places and the amendment would allow funding to complete the program at University of Alaska Southeast and University of Alaska Fairbanks. He stated that the graduation rate for the university was approximately 26 percent. The national public college graduation rate was 56 percent. The amendment was aimed at repairing the problem at a cost of

\$357 thousand. He agreed with Representative Munoz that other campuses had the advisor positions funded. The amendment would allow for statewide advisors in the university. He added that the request was made by the Regents.

A roll call vote was taken on the motion.

IN FAVOR: Guttenberg, Gara

OPPOSED: Holmes, Munoz, Neuman, Thompson, Wilson, Costello, Edgmon, Stoltze, Austerman

The MOTION FAILED (2/9).

[3:08:29 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 24:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Guttenberg and Gara

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska

ALLOCATION: Anchorage Campus

ADD: \$727,900 (\$652,900 UGF 1004 / \$75,000 UNIV RCPT 1048)

EXPLANATION: This increment will provide funding for the Alaska Area Health Education Center (AHEC) program that provides critical healthcare workforce development activities in each region across the state.

The AHEC System is key to growing, strengthening and diversifying the healthcare workforce. AHEC is housed at the University of Alaska Anchorage and the Program Office sets the direction for annual and long-term performance. AHEC centers are located in five regions: Southcentral, Southeast, Northwest, the Yukon Kuskokwim Delta, the Interior and the Program Office in Anchorage.

AHEC activities use the Alaska Health Workforce Coalition's strategies to engage, train, recruit and retain healthcare workers.

The AHECs use live and distance-delivered continuing education and training opportunities, health career presentations and job fairs, job shadows, internships, clinical rotations, preceptor / clinical coach development and health career camps, each according to regional needs.

Engaging Potential Healthcare Professionals:

AHECS reached 816 students and 64% stated they were more interested in health careers after the AHEC activity. AHECs also coordinated 245 job shadows across Alaska.

Training Healthcare Professionals:

AHECS coordinated and funded 225 clinical rotations and developed six new clinical sites, expanding Alaska's capacity for training students and getting them through school.

Recruiting Healthcare Professionals to Work in Alaska Communities:

The Department of Labor and Workforce Development provided data to assess programmatic impact by tracking how many students since 2006 are working in Alaska. 1,089 students have graduated and 843 (77%) are working in Alaska. 18% work in a rural borough or census area. This percentage is considerably higher than average rural recruitment rates, which range nationally between 8-12%.

Retaining Alaska's Healthcare Professionals:

AHEC's workforce retention strategy centers on providing and improving access to continuing education and professional development. This strategy is widely recognized as a key to health workforce retention. In 2013, 1,171 unique participants attended AHEC training and professional development and 45% were from rural communities. The Rural Veterans' Health Access trainings touched 108 providers and 309 additional participated in the Alzheimer's training series, of which 56% reported a plan to implement a change in their practice.

Co-Chair Stoltze OBJECTED for discussion.

Representative Guttenberg discussed the growing segment of healthcare. The amendment for the Alaska Area Health Education Center (AHEC) would help guide students into healthcare tracks. He noted that AHEC was recognized for efficiency in distant learning, training opportunities and clinical placement. He compared the program to a job fair. He noted that the program focused students on career opportunities in deficient fields. He discussed the high cost of locum healthcare providers.

Representative Guttenberg spoke to the benefit of retaining local community members. He noted that the health of the state was stronger with the local health care providers. He spoke about the various communities with strategies to train and retain with distance learning. The program encouraged students to follow the career tracks.

[3:11:11 PM](#)

Representative Munoz stated that the university could approve the funding through the single appropriation authority granted. She highlighted the healthcare certificate and degree programs. She spoke to FY 10 approval of \$1 million for health occupation training programs and \$2.2 million for the graduate medical education family practice residency. In FY 13, the state approved \$429 thousand for the University of Alaska Anchorage nurse practitioner program and \$390 thousand for the physical therapy program. She added that the legislature approved funding for the Bristol Bay campus for expansion of the nursing program in FY 14. She requested that the committee vote against the amendment.

Representative Gara stated that the single appropriation methodology might be effective in another year. He noted that the university was receiving \$15 million less this year than last. He stated that the operating budget included \$15 million less than the governor's proposed budget. He was unsure about where the money would come from. He suggested cutting the physical therapy and engineering programs. The single appropriation concept was an unsure prospect with less funding in the budget.

[3:13:51 PM](#)

Representative Munoz stated that the subcommittee approved the negotiated labor contracts and operational funding for the Mat-Su and University of Alaska Anchorage sports facility. She believed that the reductions were closer to \$11 million.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg

OPPOSED: Holmes, Munoz, Neuman, Thompson, Wilson,
Costello, Edgmon, Austerman, Stoltze

The MOTION FAILED (2/9).

[3:15:12 PM](#)

Co-Chair Austerman MOVED to ADOPT Amendment 25:

FY15 OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: HB 266 / HB 267

OFFERED BY: Representatives Guttenberg and Gara

DEPARTMENT: Health and Social Services

APPROPRIATION: Senior and Disability Services

ALLOCATION: Senior Community Based Grants

ADD: \$325,000 GF (1004)

EXPLANATION: This amendment will help fund the Caregiver Support Program. This program is available to unpaid family caregivers of persons age 60 and over and to grandparents or older individuals who are relative caregivers of a child who is not more than 18 years of age. The program helps keep Alaskans out of institutional care by providing respite, caregiver training, equipment and home modifications.

Co-Chair Stoltze OBJECTED for discussion.

Representative Guttenberg discussed the amendment and the grant to support unpaid caregivers. He pointed out the rising number of seniors in the state. He discussed a chart

he viewed earlier in committee displaying the growing expense of programs. He discussed smart funding, which allowed people to remain in a lower portion of the expense scale. He stressed the importance of supporting people who were doing the work themselves. He spoke about caregivers helping with dementia and those caring for children with disabilities. The funding added in the amendment would support the effort. He noted that each Alaskan would eventually face similar situation. He noted that similar programs simply supported the efforts of other people. He opined that the efforts were cost effective and added to the quality of life for all Alaskans. He added that the program expansion would allow more seniors and people in need to benefit from the services. He urged the support of the committee.

[3:19:32 PM](#)

Vice-Chair Neuman agreed that the program was important to Alaskan seniors and was funded at \$1,026,600. The amendment included additional funds that were not requested by the department. He referred to current budget restraints. He requested that members vote against the amendment.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg

OPPOSED: Munoz, Neuman, Thompson, Edgmon, Wilson, Costello, Holmes, Stoltze, Austerman

The MOTION FAILED (2/9).

[3:21:42 PM](#)

AT EASE

[3:22:41 PM](#)

RECONVENED

Co-Chair Austerman thanked the committee for their hard work. He stated that the CS with incorporated amendments would be available in the morning with the final bill. He spoke about prior years' 7.2 percent average growth of the state operating budget. The goal in 2013 was for zero growth as recommended by the governor. In 2014 the governor proposed a \$30 million cut to the operational agencies. The CS reflected an approximately \$50 million reduction from FY 14's budget. He stressed the need to get a handle on

overall spending. The budget in front of the committee was a portion of the overall budget. He pointed out that the FY 13 budget was \$1.3 billion. Last year's capital budget was reduced to \$798 million. He anticipated a budget in the \$500 million range.

Co-Chair Austerman recalled predictions that a correction for \$1 billion shortfall would be indicated in FY 15, when the shortfall was indeed \$2.3 billion. He stressed the need to get a hold of the budgets to move the process forward and avoid accessing another funding source.

[3:26:34 PM](#)

Representative Guttenberg thanked Co-Chair Austerman for forcing the issue of slowing the growth of government. He believed that government should be doing what the people need with the greatest efficiency. He acknowledged that Vice-Chair Neuman had a difficult job chairing the Department of Health and Social Services and the Department of Transportation and Public Facilities subcommittees.

[3:27:42 PM](#)

Vice-Chair Neuman discussed the progressivity factor built into the budget. He advocated for working together to brace for the future. He expressed concern about effects of a reduced budget to communities. He stated that control of the operating budget would provide necessary funding for infrastructure projects. He reviewed the message sent to industry with an expanding operating budget. He wondered if the state appeared as an attractive endeavor for the industry. The state's bills were paid by resource development. He hoped for larger projects in the state to increase employment opportunities for Alaskans. He discussed the effects on the family unit of a reduced Department of Health and Social Services budget. He enjoyed the challenge of working on the Department of Health and Social Services budget.

[3:32:16 PM](#)

Representative Gara thanked the committee members for working with the minority. He appreciated the good nature of his fellow legislators.

Co-Chair Austerman expected closing comments from committee members tomorrow.

Representative Wilson stated that obtaining data about the Youth First Program was not her responsibility. She expressed dismay about the lack of data provided by the departments. She stated that decisions could be made based on numbers or data regarding the effectiveness of programs. She required accurate data regarding the effectiveness of programs. She required better communication with the departments. Without evidence of success, a program was eligible for elimination.

[3:37:06 PM](#)

Co-Chair Stoltze MOVED to authorize the Division of Legislative Finance and Legislative Legal Services to make technical and conforming changes to both HB 266 and HB 267 to incorporate the amendments adopted today. There being NO OBJECTION, it was so ordered.

ADJOURNMENT

[3:38:29 PM](#)

The meeting was adjourned at 3:38 p.m.