

ALASKA STATE LEGISLATURE
HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

March 26, 2013

1:22 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Gabrielle LeDoux, Co-Chair
Representative Pete Higgins
Representative Shelley Hughes
Representative Lora Reinbold
Representative Dan Saddler
Representative Max Gruenberg

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

HOUSE BILL NO. 180

"An Act relating to the Alaska Challenge Youth Academy; and providing for an effective date."

- MOVED HB 180 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 180

SHORT TITLE: MILITARY YOUTH ACADEMY

SPONSOR(S): REPRESENTATIVE(S) T.WILSON

03/20/13	(H)	READ THE FIRST TIME - REFERRALS
03/20/13	(H)	MLV
03/26/13	(H)	MLV AT 1:00 PM CAPITOL 106

WITNESS REGISTER

REPRESENTATIVE TAMMIE WILSON

Alaska State Legislature

Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of HB 180.

MCHUGH PIERRE, Deputy Commissioner

Office of the Commissioner/Adjutant General

Department of Military & Veterans' Affairs (DMVA)

Joint Base Elmendorf-Richardson, Alaska

POSITION STATEMENT: Testified in support of HB 180 and answered questions.

MAJOR GENERAL THOMAS KATKUS, Commissioner/Adjutant General
Department of Military and Veterans' Affairs (DMVA)
Joint Base Elmendorf-Richardson, Alaska

POSITION STATEMENT: Testified in support of HB 180 and answered questions.

CLYDE T. (TOM) BURTON, Division Director
Alaska Military Youth Academy
Department of Military & Veterans' Affairs (DMVA)
Joint Base Elmendorf-Richardson, Alaska

POSITION STATEMENT: Testified in support of HB 180 and answered questions.

ACTION NARRATIVE

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CO-CHAIR NEAL FOSTER called the House Special Committee on Military and Veterans' Affairs meeting to order at 1:22 p.m. Representatives LeDoux, Gruenberg, Saddler, Reinbold, Hughes, and Foster were present at the call to order. Representative Higgins arrived as the meeting was in progress.

HB 180-MILITARY YOUTH ACADEMY

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CO-CHAIR FOSTER announced that the only order of business would be HOUSE BILL NO. 180, "An Act relating to the Alaska Challenge Youth Academy; and providing for an effective date."

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REPRESENTATIVE TAMMIE WILSON, Alaska State Legislature, paraphrased from the sponsor statement, which read [original punctuation provided]:

The Alaska Military Youth Academy has seen unparalleled success in serving Alaska's at-risk youth. A military-style 24-hour school, the AMYA serves only high school drop-outs between the ages of 16 and 19.

In almost 20 years of operation, the AMYA has graduated more than 4,000 cadets. Like any program the AMYA started out small and has grown to graduating about 300 cadets each year.

The funding formula that currently serves the AMYA is outdated and must be changed. It was designed to protect a fledgling program from the budget cuts associated with \$9-barrel oil prices. The AMYA has weathered the storm and proven itself as a successful program that can stand on its own merits.

With this proven track record, it is time to move the Academy to a direct appropriation based on the number of cadets that graduate.

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MCHUGH PIERRE, Deputy Commissioner, Office of the Commissioner/Adjutant General, Department of Military & Veterans' Affairs (DMVA), expressed DMVA's support of HB 180 and stated that this step is necessary to take the program to the next level of excellence.

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CO-CHAIR FOSTER opened public testimony.

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MAJOR GENERAL THOMAS KATKUS, Commissioner/Adjutant, DMVA, informed the committee the Alaska Military Youth Academy ("Academy") reaches about 300 youth per year out of the approximately 3,000 at-risk youth who drop out of the school systems. This is a very effective program with proven statistics showing a 20-year record of success. He said at this point the Academy is seeking to close the gap between the number of students who enroll and who graduate. To accomplish this, the funding formula should be driven by results-based direct appropriation with the objective to graduate the maximum number of students possible. Major General Katkus said the current formula is misguided.

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CLYDE T. (TOM) BURTON, Division Director, Alaska Military Youth Academy, DMVA, explained that the focus of the Academy is on the

quality of its service to students, parents, communities, and the state. He said the Academy provides direct support for key programs such as the Choose Respect campaign, and students come for many reasons, only one of which is academic. Most important is to provide students with an opportunity to change their lives and proceed to a successful future. The mission of the Academy is to improve the situation of the youth in Alaska.

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[CO-CHAIR FOSTER passed the gavel to CO-CHAIR LEDOUX.]

REPRESENTATIVE HUGHES stated her support for the program. She asked whether the legislation will allow the Academy to grow and reach more than 10 percent of at-risk students.

MR. BURTON said the Academy has the ability to grow incrementally; ultimately, structural limits will be reached, but at this time, the camp is "sized correctly." At 10 percent of Alaska's drop-out population, the Academy has had more of an impact than has any other state. Although the exact estimate is unknown, he opined the Academy can raise its effective rate to 15 percent or 20 percent.

REPRESENTATIVE HUGHES asked whether students are ever turned away.

MR. BURTON said the Academy does not turn anyone away, which is different from other programs which "screen for success." The Academy's philosophy is to provide all that is possible for students in eight core components that include life skills, job skills, academics, and physical fitness, in order to build a sound body and mind.

MAJOR GENERAL KATKUS added that the National Guard is involved in this program because 20 years ago the number of at-risk youth and drop-outs was seen as a security risk to the nation. Therefore, the U.S. Department of Defense (USDOD) put resources towards addressing that problem. Through a direct appropriation, communities and government will also become involved, and the program could expand with more recruitment and a different emphasis. He advised that a new system of funding, in response to DMVA's justification for funds and articulation of goals and objectives, is the correct way to secure the right amount of support and funding, instead of by a formula "on autopilot."

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REPRESENTATIVE HUGHES asked whether a direct appropriation would result in benefits such as additional access to federal funding.

MAJOR GENERAL KATKUS said currently, receiving federal funds offsets state funds, thus if federal funds are received state monies have to be returned to the Department of Education and Early Development (EED). This happens late in the year and there is no incentive to seek additional funding. Under a direct appropriation, DMVA can seek additional funding and grants to grow the program without being penalized.

MR. BURTON agreed. For example, an increase in the graduation rate led to increased federal funds, but the funds went to EED and were not a net gain to the Academy.

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REPRESENTATIVE SADDLER asked for the proportion of federal to state funds allotted to the Academy.

MAJOR GENERAL KATKUS said Alaska provides approximately 70 percent and the federal government provides approximately 30 percent, which is "reversed" when compared to other states.

REPRESENTATIVE SADDLER asked whether DMVA is concerned about abandoning a fixed, reliable, formula in the face of looming state and federal budget challenges.

MAJOR GENERAL KATKUS opined all funding sources whether fixed, formula, or direct appropriation, are not secure at this time. However, the best way to face funding challenges is for the leadership of the Academy to articulate its needs. In further response to Representative Saddler, he said it is possible the Academy will receive more funding through direct appropriation because it supports many of the governor's programs and additional investments in the program will result in big payoffs.

REPRESENTATIVE SADDLER expressed his support for the program.

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REPRESENTATIVE GRUENBERG noted HB 180 changes the name of the Academy to the Alaska Military Youth Academy. He said there is a technical issue in that the bill will not just affect funding

but will involve the establishment of the Academy. He opined the "catch line" should "be amended to reflect what's going on in the bill."

MAJOR GENERAL KATKUS deferred to the sponsor.

REPRESENTATIVE GRUENBERG, after further reflection on this issue, asked the committee to disregard his comments regarding the "catch line" because the entire statute is being repealed.

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[CO-CHAIR LEDOUX passed the gavel to CO-CHAIR FOSTER.]

REPRESENTATIVE GRUENBERG then pointed out that repealing a statute in the middle of the fiscal year and establishing a different regime - with an effective date of January 1 - may cause a problem for continued funding.

MR. PIERRE said he and the sponsor worked carefully to address the funding transition from one year to the next. Legislative Legal Services, Legislative Affairs Agency, and the Department of Law determined the January 1 date was appropriate, because there was no rush to make the change. Instead, the goal was how to best move the Academy division forward, thus the Base Student Allocation (BSA) formula funding will continue in July, and this fall the new budget process will begin with a "general match plan" and justification for a direct appropriation that will go into effect July 1, 2014, Fiscal Year 2015 (FY 15). In further response to Representative Gruenberg, he explained that DMVA will receive funds in July 2013, for the next year.

REPRESENTATIVE GRUENBERG asked about the impact on the Academy's ability to receive federal funds during the federal fiscal year.

MR. PIERRE assured the committee there will not be a negative impact due to the timing, but the Academy will be in a position to receive federal funds if they become available.

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REPRESENTATIVE GRUENBERG stated that according to documents provided in the committee packet, the Academy was formed in 1994, but AS 14.30.740 was not enacted until 2002. He asked for the statutory framework that was utilized between 1994 and 2002.

MR. PIERRE said funding was through direct appropriation. There was match funding, but the fledgling program at that time was unable to produce satisfactory results; however, the environment and needs of the Academy have changed and direct appropriation is needed now.

REPRESENTATIVE GRUENBERG asked whether there was regulation or statutory authority prior to 2002.

REPRESENTATIVE T. WILSON acknowledged the legislature was giving money to the Academy without authority, which led to its placement in statute. One additional reason for this change, in addition to the fact the Academy is successful, is to ensure the Academy has the funds it truly needs rather than estimates for each year.

REPRESENTATIVE GRUENBERG surmised the Academy began in 1994 with no authority, the funding program was put in statute in 2002, and now the Academy is established in Section 2 of HB 180. He expressed his strong support of the program and suggested it should be established permanently in law by an amendment to page 2, line [4], that replaces the word "may" with the word "shall" in the bill.

REPRESENTATIVE T. WILSON said her understanding is that the Academy has already been established. Furthermore, because there is a companion bill, she is more comfortable with the language as written.

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REPRESENTATIVE GRUENBERG cautioned that without other legislation, a future administration could abolish the Academy.

REPRESENTATIVE T. WILSON maintained her preference for the language in the bill.

REPRESENTATIVE SADDLER asked for the reason behind the name change.

MR. PIERRE responded that the sponsor and leadership at DMVA sought to establish the name throughout statute and that the Academy is commonly known as the Alaska Military Youth Academy.

REPRESENTATIVE SADDLER has heard the Academy referred to as the Youth Corps.

MR. PIERRE noted DMVA seeks to avoid confusion with Job Corps and Youth Academy or the Academy is distinct from that.

REPRESENTATIVE HUGHES inquired as to the amount of funding acquired by the Academy this year.

MR. PIERRE estimated total funding for the Academy was \$9.3 million.

REPRESENTATIVE HUGHES pointed out that if HB 180 passes, funding for the Academy will be reduced from the EED budget and she stressed that should not be construed as a cut to funding for education.

REPRESENTATIVE T. WILSON will ask EED to reflect that change.

MR. PIERRE clarified the amount is roughly \$6 million.

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REPRESENTATIVE REINBOLD stated that she has heard wonderful testimony regarding the Academy.

REPRESENTATIVE HIGGINS recalled meeting with Mr. Pierre and appreciated his confidence in the program. He has known youths who have done well at the Academy.

MR. PIERRE attributed the Academy's success and that of DMVA to the leadership of General Katkus and the governor.

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REPRESENTATIVE HUGHES asked how many graduates go into the military or on to college.

MR. BURTON said after the most recent graduation of 144 students, 33 went into the military. The Academy reaches almost 100 percent placement, which means graduates return to high school, go on to college, find a full-time job, or join the military. Other successes are in physical fitness and respect for family.

REPRESENTATIVE T. WILSON added that students return to their community with a support team to follow their progress.

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The committee took an at-ease from 2:01 p.m. to 2:02 p.m.

[2:03:04 PM](#)

CO-CHAIR FOSTER, after ascertaining no one else wished to testify, closed public testimony.

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REPRESENTATIVE SADDLER moved to report HB 180 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, HB 180 was reported from the House Special Committee on Military and Veterans' Affairs.

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ADJOURNMENT

There being no further business before the committee, the House Special Committee on Military and Veterans' Affairs meeting was adjourned at 2:03 p.m.