

SENATE FINANCE COMMITTEE

March 22, 2013

9:04 a.m.

[9:04:31 AM](#)

CALL TO ORDER

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

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair
Senator Anna Fairclough, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Donny Olson

MEMBERS ABSENT

Senator Kevin Meyer, Co-Chair
Senator Lyman Hoffman

ALSO PRESENT

Brad Reich, Mayor of Kiana, Kiana; Lon Garrison, Association of Alaska School Board, Sitka; Bobby Wells, Northwest Arctic Borough School District; Jim Kacsh, Self, City of Cordova.

PRESENT VIA TELECONFERENCE

Betsy Brennan, President, Nome School Board, Nome; Sandy Solenberger, Volunteer, Imagination Library, North Slope, Barrow; Sally Russell, Assistant Director, UAF Kuskokwim Campus, Bethel; Jane Teague, Parent, Tok; Todd Poage, Superintendent, Alaska Gateway School District, Tok; Scott MacManus, Assistant Superintendent, Alaska Gateway School District, Tok; Virginia Walsh, Arctic Women In Crisis, Barrow; Lisa Morrow, Arctic Women In Crisis, Barrow; Peggy Cowan, Superintendent of Schools, North Slope Borough School District, Barrow; Naomi Michalsen, Women in Safe Homes, Ketchikan; Gretchen Klein, Prince of Wales Health Network, Prince of Wales; Leah Canfield, Ketchikan Indian Community Behavioral Health, Ketchikan; Rick Pickrell,

Ketchikan Indian Community Behavioral Health; Cary Case, Petersburg WAVE, Petersburg; John Bringhurst, Petersburg School District, Petersburg; Kim Kilkenny, Petersburg Mental Health Services, Petersburg; Liz Cabrera, Petersburg Economic Development Council, Petersburg; Pete Hoepfner, Cordova Schools Board, Cordova; Barb Bryson, Retired Educator, Valdez; Judy Almy, Speech Pathologist, Valdez; Vicki D'Amico, Sitkans Against Family Violence, Sitka; Sarah Bell, Kettleson Memorial Library, Sitka; Tim Fulton, Sitka School Board, Sitka; Ed Gray, Parent of Sitka Schools Student, Sitka; Tristan Guevin, Sitka Tribe of Alaska, Sitka; Nancy Douglas, Sitka Native Education Program, Sitka; Mim McCnells, Mayor, City and Borough of Sitka; Jim Seeland, UAS Fisheries Technology, Sitka.

SUMMARY

HB 65 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 65 was HEARD and HELD in committee for further consideration.

HB 66 APPROP: MENTAL HEALTH BUDGET

HB 66 was HEARD and HELD in committee for further consideration.

#hb65

#hb66

CS FOR HOUSE BILL NO. 65(FIN)

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

CS FOR HOUSE BILL NO. 66(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program and making a reappropriation; and providing for an effective date."

Co-Chair Kelly discussed that public testimony on the operating and mental health budgets would be heard during the meeting.

[9:06:05 AM](#)

BETHEL, NOME, KOTZEBUE, UNALASKA, BARROW, TOK, DELTA
JUNCTION

[9:06:25 AM](#)

BETSY BRENNAN, PRESIDENT, NOME SCHOOL BOARD, NOME (via teleconference), spoke in support of education. She stated that the goal of public education was to help all students to learn, grow, and develop. She stressed that students were the state's future. She was proud of the education students in the district received. She pointed to a decrease in the district's dropout rate and increased Work Keys results. She emphasized that Pre-K programs offered needed preparation for students prior to their entry into the school system. She emphasized that a loss of funding for Pre-K would significantly harm Nome students. She relayed that operating costs had continued to increase.

[9:09:03 AM](#)

AT EASE

[9:11:14 AM](#)

RECONVENED

[9:12:49 AM](#)

SANDY SOLENBERGER, VOLUNTEER, IMAGINATION LIBRARY, NORTH SLOPE, BARROW (via teleconference), spoke in support of the Best Beginnings program. She shared that a free book was sent to approximately 85 percent of kids on the North Slope. She explained that it was difficult to get books for children in remote villages. She stressed that Best Beginnings had enabled parents to take action to improve their children's learning environment. She shared that books provided by the program to children were treasured. She highlighted that the key to success was the ongoing organization and training for volunteers by Best Beginnings. She pointed to the success of a DVD that had been released by the program that demonstrated how to help brain development in young children. She asked the committee to restore the Best Beginnings and Parents as Teachers programs to the governor's proposed level.

[9:16:09 AM](#)

SALLY RUSSELL, ASSISTANT DIRECTOR, UAF KUSKOKWIM CAMPUS, BETHEL (via teleconference), testified in support of the therapeutic court program primarily based on public safety. She discussed accidents related to drinking and driving; individuals many times did not intend to hurt or kill another person. She emphasized that some individuals used the therapeutic programs to change their lives and deal with addiction problems; the programs provided valuable tools for individuals.

Co-Chair Kelly explained that money for the therapeutic court program was included in the Senate version of the operating budget.

[9:19:34 AM](#)

JANE TEAGUE, PARENT, TOK (via teleconference), urged support for early childhood education and development. She discussed preparation for her daughter's next learning environment. She supported the Parents as Teachers program. She pointed to the value of the experience for children in the community. Supporting children at an early age helped with their development. She urged support for early education programs.

[9:23:05 AM](#)

TODD POAGE, SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), spoke in support of education funding. He provided a brief background of the school district. He discussed initiatives the school district had implemented to enhance student learning opportunities including preschool programs, reinstatement of music and counseling programs, the establishment of a professional learning community, and other. He supported an increase to the Base Student Allocation (BSA) and forward funding of education. He stated that the current BSA of \$5,680 had not been increased since 2010. The board had supported a resolution the past year for increases in education funding.

Co-Chair Kelly asked about temperatures in Tok. Mr. Poage replied that Tok had an average temperature low of 32 degrees below zero.

[9:27:32 AM](#)

SCOTT MACMANUS, ASSISTANT SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), testified in favor of increases to education funding. He pointed to gains made in the school district. He communicated that the district was doing all it could to support its teachers with tools needed to provide the best education to students; increased costs were making it more challenging to provide quality education. He pointed to high costs of energy and heat in the district; the district had taken steps to address the issues including its biomass energy and heat system, upgrades to lighting systems, and other. He mentioned challenges related to increasing health insurance, heating, fuel and other operating costs. He pointed to the difficulty of hiring quality teachers given that Alaska had not kept up with inflation costs. The district was anticipating decreases to programs for the following year including staff reductions and cuts to the food service program. He supported an increase to the BSA. He encouraged the committee to include funding that would allow the district to provide quality funding to education.

Co-Chair Kelly asked about the district's insurance premium for 52 employees. Mr. MacManus replied that the insurance premium was slightly under \$1.2 million.

Vice-Chair Fairclough remarked on the state's current fiscal system. She elaborated that due to the decline in oil production the state was in a deficit. She understood that education was critical. She asked Alaskans to come forward to help the legislature come up with a solution to the problem. She noted that the state had savings to draw from for a while.

Co-Chair Kelly agreed that "for a while" was the key point. He noted that the state's savings would be largely diminished by 2025.

[9:34:10 AM](#)

VIRGINIA WALSH, ARCTIC WOMEN IN CRISIS, BARROW (via teleconference), thanked the committee for including a \$287,500 increment for in the Council on Domestic Violence and Sexual Assault. She emphasized that the increment would help the council to meet the rising costs of utilities and transportation and would allow it to continue providing basic services such as shelter and food women in the area.

The increment would also allow the council to continue flying victims from villages to Barrow for safe shelter and counseling services.

Co-Chair Kelly relayed that Senator Olson's subcommittee recommendations had remained in the budget.

[9:35:31 AM](#)

LISA MORROW, ARCTIC WOMEN IN CRISIS, BARROW (via teleconference), thanked the committee and Senator Olson for supporting a \$287,500 increment for the Council on Domestic Violence and Sexual Assault. She provided education services to village schools on the North Slope related to healthy relationships and other. She noted that rising fuel costs had contributed to increase airfare costs. She accentuated that the funding would ensure that services could be maintained for North Slope students.

Co-Chair Kelly restated his prior comment that Senator Olson's subcommittee recommendations had remained in the budget.

[9:36:53 AM](#)

PEGGY COWAN, SUPERINTENDENT OF SCHOOLS, NORTH SLOPE BOROUGH SCHOOL DISTRICT, BARROW (via teleconference), encouraged the committee to advocate for the one-time \$2 million Pre-K increment. She thanked the committee for maintaining the item in its budget. She pointed to a Pre-K grant obtained by the community that was dependent on a match in state funding. She pointed to a budget decrease due to the federal sequestration. She vocalized support for the full funding of the One-to-One Digital Learning program. She thanked the committee for its support of education.

Senator Olson thanked the testifiers for their comments and time.

[9:40:06 AM](#)

AT EASE

[10:03:19 AM](#)

RECONVENED

KETCHIKAN, WRANGELL, PETERSBURG

NAOMI MICHALSEN, WOMEN IN SAFE HOMES, KETCHIKAN (via teleconference), testified in support of Women in Safe Homes, which had provided safe shelter to victims of domestic and sexual assault for over 34 years. She noted that the demands for services increased continually. She thanked the subcommittee for recommending the inclusion of the \$287.500 increment into the Department of Public Safety (DPS) budget to assist the shelter programs in meeting the increase in basic shelter costs such as utilities, energy and transportation.

[10:05:08 AM](#)

GRETCHEN KLEIN, PRINCE OF WALES HEALTH NETWORK, PRINCE OF WALES (via teleconference), testified in support of funding for the Prince of Wales Health Network in HB 66. She spoke of collaboration with Sitka, Wrangle, and Peace Health. She voiced support for funding for behavioral health services. The network provided the resources for people requiring behavioral health services in Alaska. She mentioned the aspect of domestic violence prevention offered by the network.

[10:07:25 AM](#)

LEAH CANFIELD, KETCHIKAN INDIAN COMMUNITY BEHAVIORAL HEALTH, KETCHIKAN (via teleconference), echoed her colleagues' opinions regarding the need for increased funding in the FY 14 operating budget for behavioral health services. She spoke about her programs, which were evidence based and the need for funding in the Ketchikan behavioral health department.

[10:09:22 AM](#)

RICK PICKRELL, KETCHIKAN INDIAN COMMUNITY BEHAVIORAL HEALTH (via teleconference), testified in support of behavioral health services funding. He echoed other testimony from his coworkers in Ketchikan. He highlighted the efforts of the governor's Choose Respect Initiative and the events planned in his community related to the initiative.

CARY CASE, PETERSBURG WAVE, PETERSBURG (via teleconference), testified in support of funding for victims of domestic violence and sexual assault. The organization, Petersburg Wave, operated on a volunteer basis. She thanked the subcommittee for their

recommendation of the inclusion of the incremental funding in the DPS budget of over \$200 thousand for new non-residential services for victims of domestic violence and sexual assault. State funding would allow for an increase in services and strengthening the response to emergency calls related to sexual assault and domestic violence.

10:11:33 AM

JOHN BRINGHURST, PETERSBURG SCHOOL DISTRICT, PETERSBURG (via teleconference), testified in support of funding for K-12 education. He explained that the state provided the source of education funding. He highlighted the middle school and high school student's access to laptop computers for use at home and in the classroom. He stated that special projects in PowerPoint presentations were essential to modern education. He supported the reinstatement of the Digital Learning Initiative. He asked for the restoration of the governor's recommendation along with a much needed increase in BSA.

10:14:11 AM

KIM KILKENNY, PETERSBURG MENTAL HEALTH SERVICES, PETERSBURG (via teleconference), testified in support of behavioral health services funding. She noted that the support of her program would allow help to people with addictive behaviors and victims of sexual assault and domestic violence. She spoke about the services offered at Petersburg Mental Health Services. She stressed that the budget cuts would compromise the stability of the services.

10:16:26 AM

LIZ CABRERA, PETERSBURG ECONOMIC DEVELOPMENT COUNCIL, PETERSBURG (via teleconference), testified in support of the reintroduction of \$400 thousand to the Department of Fish and Game (DF&G) operating budget. The funds would support the regional port sampling programs, which were critical to the in-season management efforts of the department. Without the programs, the department cannot accurately determine whether fisheries should open or close. The loss would force the department to curtail fisheries resulting in less employment, less revenue to state and municipalities, fewer Alaskan seafood products sold, reduced market share for Alaska salmon and increased market share for competitors.

[10:18:03 AM](#)

AT EASE

[10:39:20 AM](#)

RECONVENED

SITKA, CORDOVA, VALDEZ

PETE HOEPFNER, CORDOVA SCHOOLS BOARD, CORDOVA (via teleconference), testified in favor of an increase to the Base Student Allocation (BSA). He spoke about the proposed budget cuts to Department of Education and Early Development (DEED). He stated that Cordova School District lost three excellent teachers because of the reductions in funding. He stated that the future of Alaska was in jeopardy. He spoke in favor of funding for the Digital Learning Program. He spoke about the suggested cuts to the digital initiative and requested reconsideration of the budget increment by the Senate Finance Committee. He spoke about the benefits of proper technology distribution.

[10:43:57 AM](#)

BARB BRYSON, RETIRED EDUCATOR, VALDEZ (via teleconference), spoke in support of funding for Best Beginnings. She noted that the self sufficiency of children in the pre-kindergarten ages. She highlighted the benefits of family-centered activities. She recommended visiting the Best Beginning's website to obtain data about the benefits of early childhood education.

[10:46:22 AM](#)

JUDY ALMY, SPEECH PATHOLOGIST, VALDEZ (via teleconference), testified in support of funding for early childhood education. She noted the benefits of Best Beginnings and Parents as Teachers programs. She spoke about the Valdez Imagination Library. She advocated for reinstatement of the funding.

[10:48:11 AM](#)

BRAD REICH, MAYOR OF KIANA, KIANA, testified in support of an extension to the Kiana runway. They required access to a gravel source. He requested the funding for a runway that would allow certain goods to be available to the community.

He advocated for funding for Public Safety for the smaller rural villages. He stated that Kiana had one Village Public Safety Officer and another would allow for relief. He requested \$12 million for a dormitory for students interested in education that allowed for work in the Natural Resources fields.

Senator Olson asked about the VPSO support in Kiana.

Mr. Reich replied that more support would have prevented the situation. He stated that the delay in resources made the situation more difficult.

[10:52:23 AM](#)

LON GARRISON, ASSOCIATION OF ALASKA SCHOOL BOARD, SITKA, advocated for funding for education and requested a challenge of the proposed budget cuts to DEED. He spoke about the state evaluation procedures and the identification of resources needed to meet the challenges. He noted that the responsibility of the evaluation process allowed for fundamental changes. The idea of adding to the BSA was not the only way to modify and impact the districts. He voiced support for the Digital Learning Initiative. He advocated for innovative funding to meet challenges for education. He added his affiliation with the University fisheries technologies system. The program provided an associate's degree that would allow students to work with the extremely effective program.

[10:56:51 AM](#)

BOBBY WELLS, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, testified in support of education. He noted that the native Alaskans learned from the elders and he compared the practice to the learning in modern schools. The opportunities provided to children were determined by decisions made by the legislature. He hoped that the legislature would pay special attention to the needs of children. He spoke in favor of early childhood education. He stated support of the Digital Learning Initiative. He requested \$12 million for a dormitory for the high school students. He advocated for a focus on education within the legislature.

[11:00:38 AM](#)

JIM KACSH, SELF, CITY OF CORDOVA, spoke in favor of funding for the Digital Learning Initiative. He noted that education benefitted from the use of computers. He advocated for support of the Southeast Regional Fish and Game funding and revenue sharing for municipalities.

Senator Bishop stated that he had visited the Cordova School District and was impressed. He observed the fiscal decisions and nutrition program as frugal and efficient.

[11:03:29 AM](#)

VICKI D'AMICO, SITKANS AGAINST FAMILY VIOLENCE, SITKA (via teleconference), testified in support of funding to DPS for protection of victims of domestic violence. She spoke about the tragic death of a thirteen year-old child. She stressed that funding support was crucial to the rural villages. She stated that she would continue to work within the social paradigm and appreciated the increase in funding.

[11:05:54 AM](#)

SARAH BELL, KETTLESON MEMORIAL LIBRARY, SITKA (via teleconference), testified in support of funding for the Online with Libraries (OWL) program. She stated that the video conferencing allowed a face-to-face interaction for those interested in asking questions of Governor Parnell. She pointed out the cost of the program and the benefits resulting from increased broadband. He highlighted the benefits of the Live Homework Help program, which served fourth grade to beginning college students. She stressed that the online homework and library services were beneficial to her community.

[11:09:13 AM](#)

TIM FULTON, SITKA SCHOOL BOARD, SITKA (via teleconference), spoke in favor of funding for education. He stated that Sitka required help to continue to provide quality early childhood education. He spoke about the benefits of the Digital Learning Initiative.

[11:10:34 AM](#)

ED GRAY, PARENT OF SITKA SCHOOLS STUDENT, SITKA (via teleconference), testified in favor of funding for education. He voiced that flat funding created difficulties

when operating a school district. The reduced funding impacted the most needy and vulnerable students. He spoke about funding programs in Sitka that served students within a low socioeconomic status. He had spoken with many different school districts and discovered that educators were frustrated with the funding constraints.

[11:13:10 AM](#)

TRISTAN GUEVIN, SITKA TRIBE OF ALASKA, SITKA (via teleconference), testified in support of funding for education and behavioral health services. He advocated for support of funding for early learning opportunities and also women's shelters. He advocated for higher learning opportunities in the health-service industry. He cited the 61 percent graduation for native students in Sitka. He advocated for funding for early childhood education. He supported the funding for domestic violence and sexual assault program.

[11:15:40 AM](#)

NANCY DOUGLAS, SITKA NATIVE EDUCATION PROGRAM, SITKA (via teleconference), testified in support of increased funding for education in the FY 14 operating budget. She worked for the Sitka School District and oversaw the Sitka Native Education Program. She spoke about the need for increased funding for school and noted that 69 percent of Sitka's tribal citizens qualified as low income. Of the 69 percent, 38 percent of the tribal citizens were in preschool to second grade age range. Increased funding would provide an additional classroom.

[11:16:29 AM](#)

MIM MCCNNELL, MAYOR, CITY AND BOROUGH OF SITKA (via teleconference), understood the difficulties in the appropriation of funding. She shared her advocacy for K-12 education funding and municipal revenue sharing. She noted the challenges faced in the education system because of the lack of funding and forward funding. She advocated for an increase in BSA. She voiced the municipal sharing benefitted education. She spoke to the debilitating effect of increases in municipal utilities and moorage fees in Sitka. She noted that the funding for municipalities was crucial to education.

11:19:08 AM

JIM SEELAND, UAS FISHERIES TECHNOLOGY, SITKA (via teleconference), testified in support of funding for the Seafood Technology Initiative, which offered the only state training center for hatcheries. He advocated for online training funding. He requested support for fishery jobs.

HB 65 was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

11:22:54 AM

The meeting was adjourned at 11:23 a.m.