

SENATE FINANCE COMMITTEE

March 23, 2013

10:05 a.m.

10:05:08 AM

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 10:05 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 Lyman Hoffman  
Senator Kevin Meyer, Co-Chair

ALSO PRESENT

Sandy Parnell, First Lady, Juneau; Rhoda Walker, Self, Juneau; Sharron Lobaugh, Self, Juneau; Marsha Bennett, Member, National Alliance of Mental Illness, Juneau; Sam Trivette, Self, Juneau; Barbara Thurston, Member, Juneau School Board, Juneau; Sue Hull, Member, Association of Alaska School Boards, Fairbanks; Andi Story, Member, Juneau School Board, Juneau; Joy Lyon, Executive Director, Juneau Best Beginnings and Juneau Parents as Teachers, Juneau; Peggy Brown, Executive Director, Alaska Network on Domestic Violence and Sexual Assault, Juneau; Patrick Sidmore, Board Member, Association for the Education of Young Children, Juneau; Kate Burkhart, Executive Director, Alaska Mental Health Board; Lisa Gardner, Home Visitor, Parents as Teachers, Juneau; Marie Marx, Self, Juneau; Pamela Watts, Executive Director, Juneau Alliance for Mental Health, Juneau; David D'Amore, Self, Juneau; Mary Hakala, Coordinate, Science, Technology, Engineering and Math, Juneau; Kathy Hansen, Executive Director, Southeast Alaska Fisherman's Alliance, Juneau; Arnold Brower, Member, Barrow School Board, Barrow; Aurah Landau, Parent Participant, Parents as Teachers, Juneau; Eva Kneevat, Representative,

North Slope Borough School District, Juneau; Glenn Gelbrich, Superintendent, Juneau School District, Juneau; Stan Lujan, Chairman of the Board, Association for the Education of Young Children, Juneau; Trina Landlord, Executive Director, Alaska Native Arts Foundation, Anchorage; Brenda Taylor, Board Member, Association for the Education of Young Children, Juneau; Denise Doniello, Executive Director, Alaska Commission on Aging, Juneau; Tom Chard, Executive Director, Alaska Behavioral Health Association, Juneau; Carole Bookless, Self, Juneau; Joel Mundy, Self, Juneau; Elaine Price, Southeast Conference, Juneau; Mike Bell, Director, UAS Mine Training Program, Juneau; Penny Vadla, Teacher, Kenai Peninsula Borough School District, Kenai; Danny Frazier, Assistant Superintendent, Dillingham City School District, Dillingham; Kimberly Williams, Dillingham School Board, Dillingham; Jack Walsh, Superintendent, Bristol Bay School District, Bristol Bay; Stewart McDonald, Superintendent, Kodiak Island Borough School District, Kodiak; Alice Rogoff, Alaska Native Arts Foundation, Juneau; Ken Guiner, Retired Music Teacher, Juneau; Brian Holst, Juneau; Cory Crossett, Juneau School District Classroom Teacher, Juneau; Sheryl Weinberg, Executive Director, Alaska's Educational Resource Center (SERRC); Bonne Woldstad, Self

PRESENT VIA TELECONFERENCE

Dennis Steffy, University of Alaska, Mining and Petroleum Training Service, Kenai; Bill Bieber, Self, Kenai; Jody Seitz, City Planner, City of Dillingham; Debra Kirk, Kodiak Island Borough School Board, Kodiak; Tina Draper, Birchwood Center, Soldotna; Joe Cannava, Director, Peninsula Community Health Services (PCHS), Soldotna; Twyla Bentley, PCHS Birchwood Center, Soldotna; Katie Wales, PCHS Birchwood Center, Soldotna; Fred Sturman, Soldotna; Vikki Jo Kennedy, Self and Fish Watch, Kodiak; Eric Linscheid, Kodiak; Aaron Griffin, Assembly Member, Kodiak; Andrea McLeod, Anchorage; Randi Shrider, Yukon Koyukuk School District, Fairbanks; Alec McMurren, Petersburg; Carrie Longpre, Kuspuk School Board, Aniak; Dr. Koehler, Self, Dry Creek; Robert Conway, Victims for Justice, Anchorage; Ron Johnson, Self, Fairbanks; Glenda Hutton, Self, Hoonah; Jan Wrentmore, Municipality of Skagway, Skagway; Elaine Furbish, Skagway Marine Access Commission, Skagway; Bill Thomas, Self, Haines

SUMMARY

CS HB 65 (FIN)  
APPROP: OPERATING BUDGET/LOANS/FUNDS

CS HB 65 (FIN) was HEARD and HELD in committee for further consideration.

CS HB 66 (FIN)  
APPROP: MENTAL HEALTH BUDGET

CS HB 66 (FIN) 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."

JUNEAU

[10:06:48 AM](#)

Vice-Chair Fairclough remarked that budget conversations for the following years would be focused on expectations for Alaska. She stated that the previous year's legislature had expected a substantial surplus, but the reality reflected a budget deficit. She pointed out that there were reserves, but there were some budget challenge's in the current year.

[10:08:29 AM](#)

AT EASE

[10:09:11 AM](#)

RECONVENED

[10:09:43 AM](#)

SANDY PARNELL, FIRST LADY, JUNEAU, testified in support of \$827,200 for the Department of Public Safety (DPS) for sex trafficking troopers. She stressed that sex trafficking was a hidden crime. She pointed out that the victims were under the extreme control of the sex traffickers, the victims bond with the traffickers, so the victims did not self-confess. She stressed that sex trafficking mostly occurred underground, but pointed out that sex trafficking officers could identify the signs of sex trafficking, that other regular DPS officers may not notice. She felt that the State should not leave the responsibility to the Federal Bureau of Investigation. She shared that the book, "Girls Like Us" by Sheila Weller helped her better understood the subject of sex trafficking.

[10:13:30 AM](#)

RHODA WALKER, SELF, JUNEAU, spoke in support of behavioral health services funding. She explained that her grandson had extreme behavioral health issues. She showed her bruises that were caused by her grandson's violence. She felt that her grandson may need to be institutionalized without behavioral health funding to support the necessary programs that he needed to obtain treatment.

[10:15:26 AM](#)

SHARRON LOBAUGH, SELF, JUNEAU, poke in support of behavioral health services funding. She shared that her son had schizophrenia. She stated that for the first five years of his life, there was no psychiatrist in Juneau. She felt that, in that time, consumers were able to show the need for a psychiatrist in Juneau. She remarked that because of treatment and education, her son was not able to stay in Juneau. She shared that she had worked for many years with the National Alliance on Mental illness. She remarked that Juneau had approximately 300 people with schizophrenia. She announced that her favorite movie of the year was "Silver Linings Playbook", and felt that the movie adequately reflected the personalities of those people that deal with mental illness.

[10:18:17 AM](#)

MARSHA BENNETT, MEMBER, NATIONAL ALLIANCE OF MENTAL ILLNESS, JUNEAU, voiced support for behavioral health services funding. She explained that the National Alliance on Mental Illness (NAMI) had created the Juneau Alliance on Mental Illness (JAMI) and the Polaris House. She remarked that JAMI only had one paid employee, and was run by mostly volunteers.

[10:19:53 AM](#)

SAM TRIVETTE, SELF, JUNEAU, urged support of the Alaska Medicare Clinic funding, behavioral health services funding, and funding for the Department of Education and Early Development (DEED). He pointed out that behavioral health had made great strides in Alaska, and felt that behavioral health services funding was critical. He felt that behavioral health was directly connected to education. He pointed out that there were some students that were at risk, so cutting education funding would result in the mental health issue in the communities. He wanted his grandchildren to have the same opportunities that he and his son had in school.

[10:23:03 AM](#)

BARBARA THURSTON, MEMBER, JUNEAU SCHOOL BOARD, JUNEAU, testified in support of DEED funding. She remarked that the Juneau School Board faced recent cuts that resulted in the loss of 100 jobs. She commended the governor for his efforts and focus on the educational priorities including the Alaska Performance Scholarship and the focus on increasing the graduation rate. She pointed out that students had additional pressure, so proper funding to provide students with the focus of teachers in order to succeed was imperative. She remarked that there was a recent increase in test scores, so reducing the budget was not necessary. She remarked that the budget cuts and employee cuts were mostly focused on non-educators, and she feared that there would be a reduction in teachers if the funding was not available.

[10:26:57 AM](#)

SUE HULL, MEMBER, ASSOCIATION OF ALASKA SCHOOL BOARDS, FAIRBANKS, voiced support for DEED funding. She thanked the committee and the State for the education funding. She was grateful that the reserves were available for the State of

Alaska. She remarked that there were challenges in preparing children for the future. She remarked that the state standards for the new common core gave the educational system new challenges that required proper funding.

[10:31:34 AM](#)

ANDI STORY, MEMBER, JUNEAU SCHOOL BOARD, JUNEAU, testified in support of DEED funding. She remarked that the bill reflected fourteen lost educational positions in Juneau. She pointed out that parents and community members were upset about these services being cut. She announced that student achievement was high across the state. She encouraged the committee to support and increase of funding for public schools.

[10:34:10 AM](#)

JOY LYON, EXECUTIVE DIRECTOR, JUNEAU BEST BEGINNINGS AND JUNEAU PARENTS AS TEACHERS, JUNEAU, stressed the importance of funding for Best Beginnings and Parents as Teachers. She felt that the two programs were the wisest investments in the state. She remarked that Best Beginnings and Parents as Teachers engaged parents in their child's education for the first 1000 days of life. She shared that the programs would set the foundation for their social, physical, mental, and educational health. She felt that 90 percent kindergarten readiness was essential to the success of the young children. She pointed out that Best Beginnings and Parents as Teachers showed 90 percent literacy rate at the kindergarten level.

[10:37:29 AM](#)

PEGGY BROWN, EXECUTIVE DIRECTOR, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, JUNEAU, spoke in support of behavioral health services funding. She remarked that the \$250,000 covered basic costs related to domestic violence victim services. She encouraged the committee to include that amount in the final bill.

[10:38:51 AM](#)

PATRICK SIDMORE, BOARD MEMBER, ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, JUNEAU, testified in support of early childhood education and increased DEED funding. He

stressed that investing in the education of young children was a proper and necessary investment. He also encouraged funding for Parents as Teachers.

[10:40:36 AM](#)

KATE BURKHART, EXECUTIVE DIRECTOR, ALASKA MENTAL HEALTH BOARD, testified in support of behavioral health services funding, the Complex Behavior Collaborative, and Centers for Independent Living. She thanked the committee for the work related to those programs. She urged support for funding for the Alcoholic Beverage Control (ABC) Board. She remarked that the proposed amount in the governor's budget for the ABC Board was necessary to perform its licensing functions.

[10:43:13 AM](#)

LISA GARDNER, HOME VISITOR, PARENTS AS TEACHERS, JUNEAU, testified in support of Parents as Teachers. She explained that her job was spent teaching and discussing with the parents about their child's education. She remarked that she was often the only person that the parent had to talk to about the stress that parents face. She pointed out that she was committed to the families for three years and asked the committee to support the three year commitment to the parents and children.

[10:45:25 AM](#)

MARIE MARX, SELF, JUNEAU, testified in support of DEED budget. She pointed out that she believed in fiscal responsibility, but encouraged an increase in the BSA. She pointed out that there were any great successes in the Juneau School District. Se remarked that Juneau was likely to face major educational problems because of budget cuts. She reiterated that the current funding level undercuts programs that were necessary to students' successes. She shared that she would hold the school board accountable for spending.

[10:48:53 AM](#)

PAMELA WATTS, EXECUTIVE DIRECTOR, JUNEAU ALLIANCE FOR MENTAL HEALTH, JUNEAU, testified in support of behavioral health services funding. She remarked that the funding was necessary for various types of behavioral health

conditions. She shared that JAMI provided many different important services, including living accommodations for 60 people with severe mental health conditions. She shared that JAMI was able to encourage patients to become contributing members of the communities, in order to prevent individuals from becoming incarcerated or institutionalized.

[10:51:00 AM](#)

DAVID D'AMORE, SELF, JUNEAU, urged support for an increase in funding for education. He shared that there was a new elementary math program that enhanced problem solving. He felt that problem solving was essential to the success of children and Alaskans. He shared a story about how his son was able to use fundamental elements of calculus to determine and estimate of jelly beans in a jar.

[10:53:12 AM](#)

MARY HAKALA, COORDINATE, SCIENCE, TECHNOLOGY, ENGINEERING AND MATH, JUNEAU, testified in support of DEED funding, specifically related to science, technology, engineering, and math education opportunities in Alaska. She shared that the First Robotics program was extremely helpful for young children in order to engage students in team based problem solving. She explained that Alaska had the highest per capita participation in the program in the country. She explained that 45 percent of the membership in the program were female, compared to the 35 percent female participation rate nationwide.

[10:57:40 AM](#)

KATHY HANSEN, EXECUTIVE DIRECTOR, SOUTHEAST ALASKA FISHERMAN'S ALLIANCE, JUNEAU, spoke in support of the funding for Department of Fish and Game (DFG) budget, specifically related to the management of fisheries. She remarked that Southeast Alaska was facing issues related to territorial jurisdiction relationships with the federal government. She felt that funding for subsistence fisheries was essential to the economy of Alaska.

[10:59:06 AM](#)

ARNOLD BROWER, MEMBER, BARROW SCHOOL BOARD, BARROW, urged support of sex trafficking officer funding in the DPS

budget. He also voiced support of increased funding for DEED. He specifically supported funding for early childhood education and pre-K programs. He encouraged the committee to fight for the current committee substitute funding level. He also urged support for the Digital Learning Initiative. The initiative provided his constituents to obtain an equal education with all students across the state. He stressed that only 8.3 percent of Native students qualified for the Alaska Performance Scholarships.

[11:02:59 AM](#)

Senator Olson requested that Mr. Brower provide his written testimony to the committee.

[11:03:40 AM](#)

AURAH LANDAU, PARENT PARTICIPANT, PARENTS AS TEACHERS, JUNEAU, encouraged support for Parents as Teachers. She shared that her son did not sleep as a young child, and she and her husband were constantly exhausted. She remarked that Parents as Teachers provided healthy strategies to deal with her son. She pointed out that the Parents as Teachers had provided information about and tools to help her child sleep.

[11:08:42 AM](#)

EVA KNEEVAT, REPRESENTATIVE, NORTH SLOPE BOROUGH SCHOOL DISTRICT, JUNEAU, encouraged funding for early childhood education and pre-K education funding. She shared that she had a six year old grandson who could spell his last name, and felt that the education funding was directly related to his educational success. She also testified in support of the Digital Learning Initiative.

[11:09:13 AM](#)

GLENN GELBRICH, SUPERINTENDENT, JUNEAU SCHOOL DISTRICT, JUNEAU, spoke in support of DEED funding. He explained that three years prior, there was a local effort to increase the graduation requirement. He felt that college preparation and education was necessary to the success of high school graduates. He stressed that the Juneau School District was not waiting for requirements, but rather anticipating the needs of the students. He understood the time and energy that was required when drafting a budget, but felt that

education funding should be a necessary focus. He explained that the prior year had an elimination of 6 percent of the teaching positions in Juneau, and administrative cuts were over 17 percent. He stated that the Juneau School District was trying to prioritize the investment at the classroom level. He stressed that education and graduation rates were high. He felt that these were indicators of student and budgetary success.

[11:15:19 AM](#)

STAN LUJAN, CHAIRMAN OF THE BOARD, ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, JUNEAU, testified in support of funding for DEED, specifically Best Beginnings and Parents as Teachers. He felt that Best Beginnings was a good investment for young children in order to decrease the incarceration rate later in life. He remarked that the literacy rate in prison was 70 percent at a third grade reading level. He pointed out that in order to turn the tide on dropout prevention, it was important to encourage early childhood education. He stressed that healthy reading skills and healthy parenting skills was essential to the success of individuals later in life. He felt that Best Beginnings was essential to the early intervention of young children.

[11:19:02 AM](#)

TRINA LANDLORD, EXECUTIVE DIRECTOR, ALASKA NATIVE ARTS FOUNDATION, ANCHORAGE, testified in support of the arts foundation. She explained that the Alaska Native Arts Foundation served as a platform for artists to obtain entrepreneurship training and other forms of support of art and artists.

[11:21:23 AM](#)

BRENDA TAYLOR, BOARD MEMBER, ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN, JUNEAU, testified in support of DEED funding. She stressed that it was impossible to determine the results of recent DEED cuts. She specifically urged support of Parents as Teachers funding. She felt that the budget reductions were disheartening. She shared that the recent personnel cuts were counselors and nursing. She remarked that there were only two counselors remaining in the Juneau Douglas High School. She remarked that the Alaska Performance Scholarship required four years of

Social Studies, but Juneau Douglas High School only offered social studies courses for three years. She relayed that foreign language and math courses had similar course offering issues.

[11:27:19 AM](#)

DENISE DONIELLO, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON AGING, JUNEAU, testified in support of behavioral health services funding, specifically related to programs that directly affect aging Alaskans. She thanked the committee for their support of the Health and Human Services Community Services Block Grants.

[11:30:09 AM](#)

TOM CHARD, EXECUTIVE DIRECTOR, ALASKA BEHAVIORAL HEALTH ASSOCIATION, JUNEAU, urged support and thanked the committee for behavioral health services funding. He remarked that the Alaska Behavioral Health Association tried to determine the proper ways to utilize funding. He shared that the governor's proposed operating budget did not include many services for Department of Health and Social Services (DHSS), and then the House Finance Committee proposed an \$8.4 million budget reduction for behavioral health services funding. He remarked that many people were shocked at that proposed cut. He pointed out that many people expressed outrage regarding that proposed cut.

[11:33:44 AM](#)

CAROLE BOOKLESS, SELF, JUNEAU, testified in support of DEED increased funding. She remarked that the Department of Corrections (DOC) budget and DEED budget had the same level of funding. She shared that she was a special education teacher, and those students could succeed given the proper resources. She did not understand why legislators felt that schools were not succeeding. She understood that legislators were trying to make the lives of students better. She remarked that students were given greater pressure in the present day, than what they were 40 years prior. She stressed that educators and school administrators were doing their best with the funding they were given.

[11:38:01 AM](#)

Co-Chair Kelly explained that the budget may have reflected the agency funding, and not direct school grants.

[11:38:32 AM](#)

AT EASE

[11:51:02 AM](#)

RECONVENED

[11:51:29 AM](#)

JOEL MUNDY, SELF, JUNEAU, expressed support for continued and expanded funding for therapeutic court programs. He relayed his personal experience participating in the Juneau therapeutic court program and shared that he would still in in jail if were not for the program; the program had enabled him to keep his job, stay in school, and work towards two degrees. Additionally, the program had allowed him to be there for his family and son. He stressed that the program had saved his life; he shared details related to the death of his ex-fiancé. He emphasized the importance of addiction treatment programs. He accentuated that jail was not the answer for non-violent drug offenses. He urged the support and expansion of therapeutic programs.

ELAINE PRICE, SOUTHEAST CONFERENCE, JUNEAU, testified in support of funding for the University of Alaska Southeast (UAS) mine training program that was currently offered to 20 schools throughout the state. She provided details related to the program that had put Alaskan students to work in mining careers. She stated that the students and the mining industry were both engaged. She discussed various donations from the Greens Creek, Kensington, Niblack, Bokan Mountain, and other mines. She pointed to the program's success and thanked the committee for maintaining the increment in the budget. She appreciated the committee's attention throughout the current public testimony process.

[11:55:47 AM](#)

MIKE BELL, DIRECTOR, UAS MINE TRAINING PROGRAM, JUNEAU, spoke in favor of funding for the UAS mine training program. He encouraged the committee's continued support for the program. He expected that the mining community would provide 3,000 to 4,000 jobs over the next five years.

He discussed the importance of hiring Alaskans to fill the positions. He stressed that the training program was a great investment that would provide a significant financial return. He urged support for the Alaska Learning Network that was critical to the distance learning programs.

11:58:56 AM

DENNIS STEFFY, UNIVERSITY OF ALASKA, MINING AND PETROLEUM TRAINING SERVICE, KENAI (via teleconference), spoke in support of funding the University of Alaska's budget and its Strategic Direction process that returned the emphasis of the university to the student. He spoke to the importance of the delivery of quality education services. He supported a Department of Labor and Workforce Development increment for the purchase of mobile mine machine simulators. He referenced a significant number of jobs that opened in the mining industry on an annual basis. He observed that there was a lack in training for Alaskans who could be well suited for the mining jobs. The implementation of the machine simulators would enable the state to provide training. and funding for the University of Alaska's certification programs for the oil and gas mining industry. He stated that the university provided certification training to approximately 3,000 oil, gas, and mining employees. He communicated that budget cuts would reduce the training opportunity by approximately 900 people per year; he asked for support of a university funding request that would allow the program to continue reaching the current number of trainees.

12:02:53 PM

BILL BIEBER, SELF, KENAI (via teleconference), spoke in support of funding for the University of Alaska and adult education programs. He pointed out that many students in Southwest Alaska did not have access to vocational programs in high school. He believed the lack of access would place a burden on secondary education programs. He asked the committee to fund adult education. He noted that students were Alaska's future workforce.

12:04:55 PM

PENNY VADLA, TEACHER, KENAI PENINSULA BOROUGH SCHOOL DISTRICT, KENAI, spoke in favor of a Base Student Allocation increase and forward funding for education. She

believed children were the state's first priority. She pointed to the importance of providing funding to sustain and enhance existing education programs. She stressed that a three-year funding plan was essential for the state's school districts and the retention of quality teachers. She mentioned career programs related to construction, medical, and other. She discussed different educational avenues based on students' learning styles. She was in favor of early education. She pointed to rising costs related to energy. She asked the committee to consider funding bond reimbursement. She emphasized that children were "our hope." She stated that funding would help increase graduation rates and other.

[12:10:18 PM](#)

JODY SEITZ, CITY PLANNER, CITY OF DILLINGHAM (via teleconference), expressed support of funding for families, education, public safety, and transportation. She stressed that the items were essential to the state's residents and municipalities. She asked the committee to fund the behavioral health grants and the tobacco prevention program at the governor's requested level. She expressed appreciation for an Emergency Medical Services grant increment.

[12:12:37 PM](#)

DANNY FRAZIER, ASSISTANT SUPERINTENDENT, DILLINGHAM CITY SCHOOL DISTRICT, DILLINGHAM, testified in support education funding. He was proud of work done by teachers and staff in the district. He asked for continued funding of Pre-K programs; the programs prepared children for Kindergarten. He emphasized the importance of keeping students engaged in education projects; students who were not engaged had less motivation to attend school. He encouraged funding that would provide students with access to courses that would make them eligible for the Alaska Performance Scholarship.

Co-Chair Kelly expressed appreciation for the testifiers.

[12:14:52 PM](#)

KIMBERLY WILLIAMS, DILLINGHAM SCHOOL BOARD, DILLINGHAM, testified in support of funding for education and the Dillingham School District's Orca Project. She noted that the school district served Alaskan salmon to students. The

Orca project was a collaboration between the school district, the university, and Nunamta Aulukestai. She shared that several killer whales had been stuck and died on a local river; the goal of the project was to articulate the whales. She provided additional detail related to the project and stated that the project was a way of engaging students early on. She stressed the importance of funding. She discussed the high cost of fuel in Dillingham and shared that it had a huge effect on the district's budget.

12:19:40 PM

Co-Chair Kelly noted that Senator Olson had to leave for an Arctic Policy Commission meeting. He noted Senator Olson's intent to return to the meeting.

12:20:03 PM

JACK WALSH, SUPERINTENDENT, BRISTOL BAY SCHOOL DISTRICT, BRISTOL BAY, expressed support for education funding and the University of Alaska. He stated that funding for education provided vital training for teachers and students. He mentioned the importance of teacher mentoring and coaching projects. He spoke in favor of funding for mental health services and school safety. He was concerned that there was a disparity in the way the school districts were funded and discussed an unfunded school maintenance project in his school district. He pointed out that the rural schools needed help. He appreciated the committee's time.

12:23:51 PM

DEBRA KIRK, KODIAK ISLAND BOROUGH SCHOOL BOARD, KODIAK (via teleconference), expressed support for adequate funding for preschools and education. She detailed that new standards would require more from students; she stressed that it was not a time to be decreasing funding. She stated that adequate funding for the state's students would greatly increase students' ability to be competitive in college. She asked for support for district's outstanding music and distance learning program for its rural villages. She shared the benefit of extracurricular activities and that a good education would reduce domestic violence and would keep children out of jail. She stated that children were taught morals in school and that they learned from an early age how to treat each other.

[12:27:43 PM](#)

STEWART MCDONALD, SUPERINTENDENT, KODIAK ISLAND BOROUGH SCHOOL DISTRICT, KODIAK, testified in support of funding for education. He appreciated the public service provided by the committee members. He stated that the school district and the state shared the common goal of raising and preparing globally competitive graduates while developing a sustainable instructional model. He spoke about the establishment of non-negotiable goals in student performance and instruction. He mentioned the district's new staff-evaluation system. He pointed out the career and technology focus since 1963, when the vocational high school was first designed. He noted that certificates for underwater robotics and computer design were available at the vocational high school.

[12:35:03 PM](#)

ALICE ROGOFF, ALASKA NATIVE ARTS FOUNDATION, JUNEAU, appreciated the time of the committee. She stated that the foundation served as an incubator for the state's smallest business people. Her foundation represented and supported ivory cutters and basket weavers and oil painters in becoming their own micro economies. She stated that the foundation provided tools for artists to be their own business people. She noted that quantification of returns on investment was important to members of the legislature. She stated the impact of higher priced utilities on small businesses.

[12:39:42 PM](#)

TINA DRAPER, BIRCHWOOD CENTER, SOLDOTNA (via teleconference), thanked the committee for reinstating funds for behavioral health services. She stated that behavioral health organizations such as Birchwood Center helped support her decision to go back to school.

[12:40:38 PM](#)

JOE CANNAVA, DIRECTOR, PENINSULA COMMUNITY HEALTH SERVICES (PCHS), SOLDOTNA (via teleconference), testified that his organization employed approximately 220 different employees in the central peninsula and worked with over 700 clients in the behavioral health department. He appreciated the

reinstatement of the \$8.3 million for behavioral health services. He noted that 220 different employees would keep their jobs on the Kenai Peninsula because of the decision.

[12:42:26 PM](#)

TWYLA BENTLEY, PCHS BIRCHWOOD CENTER, SOLDOTNA (via teleconference), testified that she once suffered from Post-Traumatic Stress Disorder, anxiety and panic attacks. She received help from the Birchwood Center that enabled her to attend the Kenai Peninsula College. She benefitted greatly from the services offered at PCHS Birchwood Center and appreciated the subcommittee's decision to fund behavioral health services in Alaska.

[12:43:36 PM](#)

KATIE WALES, PCHS BIRCHWOOD CENTER, SOLDOTNA (via teleconference), echoed the testimonies of her colleagues. She explained that the center provided medical, dental and behavioral health services to families regardless of a person's ability to pay for services. Her center served many different communities on the Kenai Peninsula. She appreciated the Senate Finance Subcommittee for reinstating the funding for behavioral health services. She added that the funding of services was vital to the health and wellbeing of the community.

[12:45:53 PM](#)

FRED STURMAN, SOLDOTNA (via teleconference), testified in favor of cutting the budget. He opined that a delay in oil production was inevitable and without decreased budget spending, the state might face large deficits. He recommended reducing the Division of Motor Vehicle (DMV) budget by 100 percent. He spoke in favor of the changes in oil taxation proposed by the committee, but stressed that a delay in revenue was expected.

[12:48:22 PM](#)

VIKKI JO KENNEDY, SELF AND FISH WATCH, KODIAK (via teleconference), expressed disappointment with the Department of Military and Veterans Affairs (DMVA) subcommittee recommendation for the reinstatement of \$3 million for the Alaska Aerospace Corporation. She mentioned that the reason that "field one" was closed at Ft. Greeley

was because 8 silos flooded and froze in 2009. She added that the Strategic Defense Initiative (SDI) was 30 years old. She believed that the spending was excessive.

[12:52:08 PM](#)

ERIC LINSCHIED, KODIAK (via teleconference), recommended increases in the operating budget. He stated three recommendations related to the control of the budget. He advocated for Best Beginnings funding. He spoke in favor of funding for extracurricular sports and cited the benefits to students. He pointed out the benefits of a rich selection of courses. He discussed the need for professional training such as health occupations, medical terminology and advanced anatomy and physiology for university students.

[12:55:38 PM](#)

AARON GRIFFIN, ASSEMBLY MEMBER, KODIAK (via teleconference), testified in favor of funding for K-12 education. He mentioned his district's \$1.6 million deficit. He pointed out various programs that led to increased graduation rates for Alaskan students. He mentioned inflation and the BSA. He stated that the BSA formula was skewed by the lack of inflation related increases. He added that various supplemental budgets further skewed the cost estimate for Alaskan education. He compared education funding in Maryland and Alaska.

[1:00:15 PM](#)

ANDREA MCLEOD, ANCHORAGE (via teleconference), discussed the \$11 billion unfunded liability. She spoke about negotiations with the union. She recalled Governor Parnell's salary and those of his Chief-of-Staff. She mentioned various staff salary increases and stated that the total cost of the positions was greater than \$500 thousand per year. She added that the supporting documents for the salary increase decisions were unavailable when requested. She asked the legislature to review the salaries and their lack of contractual agreement.

[1:04:57 PM](#)

RANDI SHRIDER, YUKON KOYUKUK SCHOOL DISTRICT, FAIRBANKS (via teleconference), testified in favor of increases in

education funding particularly for early childhood education.

[1:06:08 PM](#)

ALEC MCMURREN, PETERSBURG (via teleconference), testified in favor of restoration of \$400 thousand for the Southeast Salmon Stock Identification Program. He appreciated the reinstatement of the \$165 thousand for the Southeast Salmon Stream Aerial Surveys.

[1:06:51 PM](#)

KEN GUINER, RETIRED MUSIC TEACHER, JUNEAU, testified in support of education and funding for music programs. He advocated for increases in funding for Alaskan school districts. He spoke about the increases in prices for materials required for education, including musical instruments. He spoke about the benefits of activities in the school setting. He shared a newspaper picture depicting the power of education.

Co-Chair Kelly asked about his preferred musical instrument.

Mr. Guiner replied that he played the trumpet. He mentioned a spring-time music festival that occurred in Juneau and represented much of Alaska's talented musicians.

[1:10:29 PM](#)

BRIAN HOLST, JUNEAU, quoted "talent will be the new oil of the 21st century." He directed the Juneau Economic Development Council. He worked as co-chair of the Juneau School District budget committee. He stated that he had four children attending school in the Juneau School District and was a Juneau Douglas High School graduate. He stated that the committee recommended budget reductions of \$1.7 million for 2014. He advocated for solving the education problem. He stated that business peopled polled in the region pointed out the quality of local high schools as a net barrier to doing business in Alaska. He noted that the Alaska Legislative Task Force on Higher Education and Career Readiness stated that it "firmly believes that the education level of out citizenry is inextricably tied to Alaska's economic development."

[1:13:57 PM](#)

Co-Chair Kelly stated that he received information from DMVA that the claim about missile flooding in Ft. Greely was false.

[1:14:56 PM](#)

CARRIE LONGPRE, KUSPUK SCHOOL BOARD, ANIAK (via teleconference), testified as a school board member and as a grandmother. She discussed the standardized test score improvements. She spoke about development of the school programs. She discussed the strategic plan to help direct efforts in the community. She pointed out the learning opportunities that were afforded with the funding. She highlighted details about her community that did not have the funding to hire a lobbyist. She was informed that in order to obtain program funding and get on the CIP list, a district required a lobbyist. She stated that her district required additional support and she added that deficits were debilitating to the very small school district. She spoke in favor of funding for Best Beginnings. She was informed that resources were available for the needs of educational funding.

[1:21:15 PM](#)

CORY CROSSETT, JUNEAU SCHOOL DISTRICT CLASSROOM TEACHER, JUNEAU, informed the committee that he taught fourth, fifth and sixth grades. He stated that the intangible quality of the education investment might make increased operating budget expenditures. Every dollar spent on education led to future savings in social services. Teaching allowed him to provide options that could break the cycles of poverty. He stated that funding for the Digital Learning Initiative might lead to the expectation that the state would provide updated computers for students at regular intervals. He spoke to the benefit of tying the BSA to inflation. He opined that the school district administrators would utilize state funding appropriately.

SHERYL WEINBERG, EXECUTIVE DIRECTOR, ALASKA'S EDUCATIONAL RESOURCE CENTER (SERRC), testified in support of funding for the Alaska Transition Outcome Project or Rural Transitions. She pointed out that 13 percent of Alaskan students experienced disabilities. She spoke about the challenges experienced by the students with disabilities

and the benefits of the programs for meaningful transition planning. The programs served students ages 16 and older who were involved in special education. She noted that the Alaska Transition Outcome Project provided professional development for teachers since 2002.

[1:30:26 PM](#)

DR. KOEHLER, SELF, DRY CREEK (via teleconference), testified in support of \$3.4 million for emergency medical services grants to regions. She highlighted the state's needs for public safety. She noted that 80 percent of 911 calls that were not police related were for emergency medical services. She pointed out that the emergency medical services were subsidized by volunteers. She stated that both Medicaid and Medicare reimbursed far below the actual cost and did not pay for rescue, extraction from a vehicle or 24/7 readiness. She noted that the direct cost of emergency medical services did not equal the full cost. She added that the emergency medical services work force was free including the field Emergency Medical Technicians, the paramedics and the physicians. Funding for the grants would support the Interior Region, North Slope, Norton Sound, Anchorage and southeast Alaska.

[1:35:25 PM](#)

ROBERT CONWAY, VICTIMS FOR JUSTICE, ANCHORAGE (via teleconference), spoke in support of the increment for Victims for Justice. He shared a personal story about how Victims for Justice had helped him deal with his girlfriend's disappearance. He related that the Victims for Justice had assisted him for over three years and that they had never missed a court date or failed to inform him of any changes in the schedule of events during that time. He stated that Victims for Justice was the only organization set up for the survivors of a homicide of a loved one; they also assisted people who were victims of aggravated assault, robbery, arson, human trafficking, drunk driving, and kidnapping. He stated that Victims for Justice worked with about 200 to 300 people per year. He concluded that about \$12 million went into victim assistance programs in the state each year, 99 percent of which went to organizations that served victims of domestic violence, sexual assault, and child abuse; he stated that these were all worthy programs, but that the victims of other crimes needed assistance too.

[1:37:31 PM](#)

BONNE WOLDSTAD, SELF, spoke in support of funding for scholarship opportunities for GED recipients. She shared that she was not asking for "10 percent," but was simply asking for "10 opportunities." She explained that the recipients of the scholarships could be selected from the annual top scores that were accumulated through the Department of Labor and Workforce Development. She offered that completing a high school diploma or GED and pursuing a postsecondary degree were keys to economic prosperity and expanded socioeconomic opportunities. She concluded that rather than encouraging students to drop out, the educational opportunities would give hope and encouragement for reentry into postsecondary education.

[1:39:12 PM](#)

RON JOHNSON, SELF, FAIRBANKS (via teleconference), spoke in support of adopting a "level dollar" pay down plan for the unfunded liability in the state's retirement systems, or for adopting the Alaska Management Retirement (ARM) Board's resolution for a three-year cash infusion in order to deal with the unfunded liability. He related that the current plan to pay down the unfunded liability was a "level percent" pay down method, which caused the amount to grow each year; furthermore, this method would result in the amount being paid by the state to approximately double in ten years. He pointed out that the "level percent" payment method was counterintuitive to the plan to reduce the state operating budget because of falling oil revenues. He liked the prior year's recommendation of the Alaska Management Retirement (ARM) Board for adopting a "level dollar" pay down method; this method would be like a "regular house mortgage" and would allow the state to free up more funding in subsequent years. He discussed Scott Goldsmith's presentation in a prior joint Senate and House Finance Committee meeting and reiterated that he wanted a more level pay down plan instead of the "ballooning" mortgage the state was currently under. He offered that the assumed return on investment was critical in determining the actual unfunded liability and stated that an 8 percent return, which was the current assumption, was not realistic.

[1:41:50 PM](#)

GLEND A HUTTON, SELF, HOONAH (via teleconference), spoke in support of funding for the Imagination Library and the Parents as Teachers program. She discussed the high cost of heating oil and food in Rural Alaska and relayed that the high cost of living in these regions did not leave much money for buying books. She shared that reading to children made it possible for a child to learn how to read for themselves and encouraged funding the Imagination Library in order to allow Rural Alaska's children to have access to books. She supported the Parents as Teachers program and shared that Hoonah Elementary School had made adequate progress on the annual statewide assessment test for over ten years as a result of its Parents as Teachers program.

[1:43:42 PM](#)

JAN WRENTMORE, MUNICIPALITY OF SKAGWAY, SKAGWAY (via teleconference), spoke in support of the restoration of funding for the Alaska Marine Highway System (AMHS). She related that AMHS had proposed cuts that were targeted for a service level reduction; furthermore, the Department of Transportation and Public Facilities (DOT) had indicated that the service level reductions could take effect as soon as "this" summer's schedule, which had already been published. She pointed out that Skagway was an "entrepreneurial" community that relied on predictability and scheduling. She offered that AMHS was the infrastructure that supported economic development in Coastal Alaska. She opined that the marine highway was how Coastal Alaska moved goods, services, and people and that Lynn Canal provided some of the highest volumes of users in AMHS. She opined that the revenues earned in Lynn Canal helped offset the losses on less profitable routes. She shared that the proposed budget cuts and reduced service could "bottleneck" traffic in Lynn Canal and would result in significant financial losses. She pointed out that there was strong public support for marine operations in the Interior and South-Central Alaska. She discussed a period of flooding the prior spring when parts of the Alaska Highway and the Klondike Highway had closed; during this time, AMHS was the only way in and out of areas of the state. She concluded that the marine highway had been increasing its ridership as a result of improved scheduling practices, but that the proposed cuts would affect the progress that had been made. She urged the committee to support the economic development of coastal communities and restore funding for AMHS operations.

1:46:48 PM

ELAINE FURBISH, SKAGWAY MARINE ACCESS COMMISSION, SKAGWAY (via teleconference), spoke in support of restoring funding to the Alaska Marine Highway System (AMHS). She related that AMHS was a vital part of Skagway's economy and shared that the marine highway often provided the only access into some communities when the conditions prevented air or road access. She discussed the services that the ferries provided for coastal areas in Alaska. She noted that the aviation highway system was receiving an increase to its budget, but that AMHS was receiving budget cuts. She wondered why the fiscal reductions were concentrated only on AMHS and stated that reductions in the state transportation system should not be focused solely on AMHS. She urged for the restoration of funding for AMHS.

1:49:13 PM

BILL THOMAS, SELF, HAINES (via teleconference), testified in support of increased funding for the Southeast Regional Fish and Game Budget, in particular for the "sockeye management" funding. He also spoke in support of the Parents as Teachers program. He expressed appreciation for the restoration of "sockeye management" funding to replace federal money, but opined that the funding should be increased. He related that the money was critical for sockeye management throughout Southeast Alaska and was very important for all the user groups. He did not support the removal of the extraterritorial jurisdiction funding. He discussed a challenge by the Federal Subsistence Board and related that the state needed to protect its management rights in Southeast Alaska. He observed that the sockeye management funding was for DNA testing. He noted the inclusion of aerial survey funding and opined that it should not be included to the detriment of sockeye funding; he suggested prioritizing the sockeye funding in Department of Fish and Game's budget over conducting aerial surveys. He offered that the Chilkat and Chilkoot River systems were Southeast Alaska's only two major salmon streams that the state had full ownership of. He pointed out that salmon was a renewable resource that should be managed on science and not politics. He opined that intent language should be added to prevent the Department of Fish and Game from moving or removing research or management money to backfill needs elsewhere in the budget. He pointed out that airbases

and army bases in Anchorage and Fairbanks, as well rural villages like Hoonah, were dependent on Parents as Teachers programs. He urged support for the Parents as Teachers program.

[1:54:17 PM](#)

Co-Chair Kelly CLOSED public testimony. He commented on the impressive turnout for the public testimony, as well as the courtesy and decorum that was demonstrated throughout the meeting.

CS HB 65 (FIN) was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

[1:54:57 PM](#)

The meeting was adjourned at 1:55 p.m.