

HOUSE FINANCE COMMITTEE
January 28, 2015
1:30 p.m.

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CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting to order at 1:30 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Tammie Wilson

MEMBERS ABSENT

Representative Lance Pruitt

ALSO PRESENT

Mike Barton, Trustee, Alaska Mental Health Trust Authority; Jeff Jessee, Chief Executive Officer, Alaska Mental Health Trust Authority; Michael Hanley, Commissioner, Department of Education and Early Development; Heidi Teshner, Administrative Services Division, Director, Department of Education and Early Development; Les Morse, Deputy Commissioner, Department of Education and Early Development.

SUMMARY

FY 16 BUDGET OVERVIEWS:

ALASKA MENTAL HEALTH TRUST AUTHORITY
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

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Co-Chair Neuman discussed the agenda for the day.

^FY 16 BUDGET OVERVIEW: ALASKA MENTAL HEALTH TRUST AUTHORITY

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MIKE BARTON, TRUSTEE, ALASKA MENTAL HEALTH TRUST AUTHORITY (AMHTA), referenced a PowerPoint presentation titled "House Finance Committee" dated January 28, 2015 (copy on file). He shared that he had served as the AMHTA chair for the past couple of years. He moved to slide 1 titled "Trustees." He introduced other board trustees in the committee room. He communicated that trustees were advised by statutory advisor groups the Governor's Council on Disabilities and Special Education, Council on Aging, Alaska Mental Health Board, and the Advisory Board on Alcoholism and Drug Abuse.

Co-Chair Neuman noted that Vice-Chair Saddler had joined the meeting.

JEFF JESSEE, CHIEF EXECUTIVE OFFICER, ALASKA MENTAL HEALTH TRUST AUTHORITY, listed trust beneficiaries on slide 2 including individuals with mental illness, developmental disabilities, chronic alcoholism and other substance abuse disorders, Alzheimer's disease and related dementia, and traumatic brain injury. He relayed that prevention was a significant part of the trust's mission; things that could be done to prevent individuals from ending up in beneficiary status. He addressed the trust's assets on slide 3. He reported that the financial health of the trust was very good. He detailed that the Alaska Permanent Fund had been doing well and the trustees had established a robust financial system. He relayed that the trust had been able to make its payout even when the Permanent Fund had done poorly. He stated that the system had stood the trust in good stead for many years. He pointed to a five-year historical and projection chart for revenues and expenses on slide 4. He discussed that when revenues had been in the negative there had continued to be a flow of money into the trust to assist with beneficiary services. He moved to slide 5 titled "Trust Land Office." He elaborated that the Land Office continued to do a stellar job of generating revenue (principal and income) for the trust. He shared

that the office had generated nearly \$100 million into the principal of the trust, which continued to generate revenue over time (typically around \$4 million annually).

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Mr. Jessee moved to slide 6 and addressed grants awarded in FY 14. He explained that two-thirds of the grant funds came through state government as Mental Health Trust Authority Authorized Receipts (MHTAAR) and one-third came directly from AMHTA. He detailed that the goal was to have an integrated health system and the trust liked working with state agencies in a collaborative way; however, there were situations when a direct grant was the most efficient and effective option. He expounded that many of the direct grants were to assist with capital projects for new facilities, renovations, or other. Slide 7 showed anticipated income in FY 16 totaling \$28 million; it included a payout from principal of \$20 million, \$3 million from prior years' average lapse, additional funds from the Land Office average spendable income, and interest average.

Mr. Jessee emphasized that the trust utilized a percentage of market value (POMV) strategy, which meant it was dependent upon the revenue generated by the Permanent Fund. He detailed that the trust's base payout was 4.25 percent of the average value of the fund's cash assets. He explained that the method had enabled the trust to have financial stability in good and bad times. He knew there had been many discussions about what would happen with the Permanent Fund and whether it would switch to a POMV methodology. He furthered that the trust was an example of a fund that had switched to POMV and had created much stability for the AMHTA.

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Mr. Jessee moved to slide 9 that pertained to trustee FY 16 budget recommendations of slightly over \$1 million in General Fund/Mental Health increments. A bulk of the funds were designated to the National Family Caregiver Grant Program and Senior In-Home Services. He addressed that during the difficult financial climate it would be challenging to determine how to have a sustainable budget in the short-term, while looking at strategic investments for the future. He discussed challenges related to an aging population such as the importance of supporting family

caregivers, in-home caregiving, and home healthcare. He highlighted the potential for caregiver burnout, which would mean individuals requiring care would need higher levels of care. He referred to higher levels of care and the necessary long-term thinking associated with the issue. He referenced previous discussions with Co-Chair Neuman related to recidivism. He elaborated that some things could be done to save money in the budget, but it was not a smart fiscal strategy if it meant the state was heading towards building another prison in upcoming years. He noted that the senior care issues were an area of particular concern because they would only continue to increase in coming years. He briefly highlighted increments for the Long-Term Care Ombudsman Office, area health education centers, and the licensed marriage and family therapist program. He discussed a proposed partnership on information technology application telehealth service system improvements. He stated that it was necessary to look at alternative ways of delivering cost efficient and effective services in order to build a long-term sustainable budget. He believed telemedicine needed to be at the top of the list. He noted that there were significant opportunities to partner with tribal health and education systems.

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Mr. Jessee discussed slide 10 that included FY 16 capital recommendations. He explained that the slide included historical numbers that had gone into the capital budget to cover deferred maintenance on nonprofit facilities, home modifications and upgrades to retain housing for elderly family members, the Homeless Assistance Project and Special Needs Housing Grant, and coordinated transportation. He elaborated that home modifications were a good investment if it allowed an elderly family member to remain at home, thereby reducing long-term costs for the state for out-of-home care. He relayed that a significant portion of the Homeless Assistance Project funding went towards operating homeless assistance programs; services for the homeless population would cease without the funding. The trust had partnered with the Alaska Housing Finance Corporation (AHFC) on the special needs housing grant to secure housing for high users of community services. He referred to the Housing First program under evaluation by the University of Alaska. He detailed that the program did not require residents to get sober prior to being housed. The strategy was to provide housing first, which increased the health of

the individuals while dramatically reducing costs associated with hospital visits, alcohol, and other. The hope was that some of the individuals would move on into permanent housing. Coordinated transportation helped beneficiaries access needed services and work.

Mr. Jessee addressed slide 11 titled "Established Focus Areas." He spoke to disability justice related to reducing recidivism and pulling individuals out of the cycle of the criminal justice system through therapeutic, mental health courts, and other. He discussed substance abuse prevention and treatment, which the trust believed it could make progress on over time. He reminded the committee that the McDowell Group had reported the cost of alcohol as \$1.2 billion to the State of Alaska. He asked how the number could be accurate. In response, he addressed criminal behavior related to alcohol, child protection and the Office of Children's Services caseload driven by alcohol, lost productivity at work due to alcohol abuse, all of which represented a substantial costs. He reasoned that if demand for alcohol could be cut it would have a significant impact. He spoke to the importance of beneficiary employment and engagement; with an emphasis on getting real jobs in the community. He stated that whether the price of oil was below \$50 or above \$100, the trust wanted its beneficiaries to be the least dependent on government programs as possible. He elaborated that it was in the beneficiaries' long-term interest in terms of services and as fully functional members of the community. He mentioned advertisements produced by AMHTA with the goal of getting employers to understand that trust beneficiaries were real workers; in many cases they were more reliable, longevity was better, and they were appreciative to get a check. He addressed workforce development and efforts in the area.

Mr. Jessee addressed the importance of workforce development on slide 11. He noted that workforce demands could increase if Medicaid expansion took place. He relayed that AMHTA had the infrastructure in place through its trust training collaborative to ensure it had people ready to take the jobs. He looked at housing and long-term services and supports for seniors and others with disabilities, which would enable them to stay at home to the maximum extent possible.

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Mr. Jessee moved to slide 12 related to the trust's current priorities:

- Medicaid Expansion and Reform
- Recidivism
- Substance Abuse Prevention & Treatment

Mr. Jessee addressed Medicaid expansion on slides 13 through 15. He relayed that expansion would impact many trust beneficiaries. He stated that projections were around 40,000. He stressed that the expansion opportunity was particularly significant for single males between the ages of 18 to 65 (who had not been eligible previously), many of whom were using substance abuse treatment services. He continued that the Division of Behavioral Health was estimating that 5,000 beneficiaries would become Medicaid eligible. He elaborated that as the new population gained coverage there would be some offsets and savings to general funds. He stated that initially Medicaid expansion would be 100 percent covered and would drop to 90 percent in the future. He expounded that the needed services would not all be covered by Medicaid. Another important component was timing related to expansion and when the savings would be recognized (e.g. July 1, 2015 or a later time). He did not believe the state would have 100 percent of Medicaid expansion on July 1.

Co-Chair Neuman relayed that questions would be addressed after the presentation.

Mr. Jessee continued on slide 16 related to the impact of Medicaid expansion on the Department of Corrections (DOC). He addressed that inmates may become Medicaid eligible and some of the costs for inmate inpatient stays may be offset. He pointed to the estimate that \$6.8 million to \$7.65 million could be paid for with federal Medicaid, but believed the savings would not be achieved in the first year. He emphasized that the savings were all dependent on the timing of how expansion was implemented. He did not believe it would be possible to continue with the status quo under the expansion. He stressed that expansion would have to be used as a catalyst for reform (slide 17); exactly what the reform looked like was not yet known. He addressed the desire to move to a system that paid more for outcomes and less for activities. The trust was working with the department on developing a contract to obtain input from others (particularly related to behavioral

health) to help the state understand how other states had used expansion to catalyze reform and what may work for Alaska. He believed the reform was critical. He stated that current Medicaid projections were unsustainable.

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Mr. Jessee continued to speak to slide 17. He stressed that it was critical to help develop a sustainable Medicaid system in Alaska. He believed that the Medicaid system would collapse at some point if it did not become a sustainable system. He added that the collapse could occur sooner if the price of oil did not increase. He stressed that a sustainable system was in the best interest of the state and the trust's beneficiaries. He turned to slide 18 related to recidivism. He stated that one of the best opportunities to reduce long-term budget demands was by investing in proven strategies to reduce criminal recidivism. He spoke to other states such as Texas that had been successful in curbing recidivism and avoiding future prison construction. He moved to slide 19 titled "Disability Justice...Investing Wisely?" The slide included a historical chart projecting that the state would need to open a prison in 2012; it had opened a prison right on schedule. He detailed that the state was on the path to open another prison in a couple of years. However, the red line showed a way to match the prison population to the available beds, but it would require a data driven, evidence-based approach to implement strategies, constantly monitor the results, and fine tune the strategies to ensure the desired results were achieved. He stated that unlike Bring the Kids Home, if the state failed at the recidivism effort there would be significant state liability. The trust believed that Medicaid expansion was one of the state's best opportunities to pay for many of the services.

Mr. Jessee looked at slide 20 related to recommendations associated with recidivism:

- Maintain efforts of current policy and program efforts
 - 2014 SB64 passed and created Alaska Criminal Justice Commission
 - 2014 HB266 Legislative intent: workgroup formed to develop Recidivism Reduction Plan (to be delivered Feb. 2, 2015)
 - 2007 Criminal Justice Working Group
 - 2005 Trust disability justice focus area

Mr. Jessee elaborated that the Alaska Criminal Justice Commission was looking at things like barrier crimes, levels of sentences, and other. He referred to a statement by Representative Craig Johnson that it was necessary to assess "how mad we are, and how afraid we are of people" because those were the reasons for incarceration. He believed the state needed to look at what it could do to address the issue. He stated that the state may have become tougher on crime, but it may not have gotten smarter. He discussed that Co-Chair Neuman had been integral in developing HB 266 in 2014, which encompassed legislative intent to form a workgroup to develop a recidivism reduction plan. He opined that the bill represented a leap in conceptual thinking. He elaborated that in the past the state had looked at criminal justice in terms of the Departments of Corrections, Law, and other. The bill recognized that it was not necessarily these departments that would be leading the charge to keep people out of prison. He recognized that DOC had a significant role while people are incarcerated, in treatment services, and in supervised release. He stressed that most prisoners were not released into supervision; the bill's intent language recognized three things to keep recidivism down including housing, employment, and support for recovery. He elaborated that the intent language had included various agencies including AHFC, the Department of Labor and Workforce Development, the Department of Health and Social Services (DHSS), and AMHTA. The trust was hopeful that the Recidivism Reduction Plan would start to give the legislature a road map on how to approach the issue.

Co-Chair Neuman asked for verification that DOC and the Department of Public Safety would be included. Mr. Jessee agreed. He continued to address slide 20. The Criminal Justice Working Group was an administration-led effort to pull the Court System together with commissioners to look at the criminal justice system from an inside perspective and at what could be done to make things more efficient and effective. Lastly, there had been a trust disability justice focus area since 2005. He stated that there was a crescendo that was matching the exigency felt by the legislature related to the budget and the looming prospect of another prison or major expenditures for out-of-state housing of prisoners.

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Mr. Jessee discussed broadband on slides 21 and 22. He relayed that the trust had been asked to assess the potential impact of expanded broadband use on the long-term General Fund operating costs. He detailed that the trust had begun to look at the statewide tribal health and K-12 education systems and at opportunities for partnerships. He had met with the chief operations officer of the Tribal Health Consortium and subsequently with all of the chief investment officers from all of the health corporations. He had reported to the group that the state's broadband study had indicated another broadband system was needed. He stated that many of the telemedicine services were in the tribal organizations' "health wheelhouse." He had asked the organizations about opportunities for partnership to try to use some of the resources together. He relayed that the organizations had been receptive. He had learned that currently the technology and broadband capacity was not as much an impairment to expanding telehealth as program development. He stated that it was not just the technology any longer, it was getting the programs developed in order to have billable hours to handle electronic records properly. He stressed that the state was lagging in programmatic infrastructure development.

Mr. Jessee discussed that the education system also had access to broadband. He addressed opportunities for partnership. For example, Alaska Children and Family was an Anchorage agency that had reached out to upper and lower Kalskag in the Yukon Kuskokwim region to offer remote telehealth services for children with severe emotional disturbances. He elaborated that it used a combination of occasional site visits in addition to the use of telemedicine to check in with the child and family on a regular basis. He noted that there had been no extra state broadband capacity in the region, but it had been available in the school. Therefore, the services had been included in the child's independent education plan for special education, which had allowed the Anchorage agency to have access to the broadband. He added that the situation had been very successful. He spoke to better utilizing what was currently available instead of reinventing the wheel. He explained that some of the tribal funding systems and education systems had limitations to what they could do. He discussed that Alaska could not afford to maintain multiple systems in rural Alaska and that some barriers may require

congressional action. He stressed the importance of getting maximum utilization of the existing systems.

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Mr. Jessee turned to slide 23 that addressed substance abuse prevention and treatment:

- The prevalence rates and negative consequences of alcohol and drug abuse upon Alaskans are substantial.
- In 2010, Alaska's costs associated with individuals dependent on or abusing alcohol/drugs was \$1.2 billion.

Mr. Jessee offered to provide the committee with a copy of the McDowell Group report on substance abuse prevention and treatment. He moved to slide 24 and discussed collaboration on joint strategies. He highlighted Recover Alaska, an initiative by the Rasmuson Foundation; the Mat-Su Health Foundation; and the Denali Commission. Additionally, judges, advocates, providers, and tribal groups had pulled together to look at how the private sector may contribute to reducing the impact of alcohol abuse in the state. He discussed the Alaska Wellness Coalition, which was starting a positive social norms campaign. He referred to a recent commercial about a man with throat cancer. He relayed that scientific research was pointing to the effectiveness of positive approaches. For example, children wanted to be normal. He pointed out the effectiveness of educating children that most kids do not drink and most kids do not smoke. He spoke to a kid's perception that "everybody's doing it and if everybody's doing it then I should be doing it." He believed the positive approach would be interesting to see. He added that when the State of Washington had evaluated a variety of intervention strategies for cost-benefit analysis, it had evaluated the Scared Straight program. The program took children who got into trouble into prisons or other to try to scare them away from committing crimes. He relayed that the program had actually increased criminal behavior. He discussed that the evidence-based practice was an evolving area.

Mr. Jessee briefly highlighted the Alcohol Beverage Control Board and the implementation of Proposition 2 (marijuana). He believed the implementation would present one of the largest social challenges to the state. He highlighted the lower portion of slide 24:

- Partnership with Department of Corrections on the recidivism reduction planning with opportunities for Trust investment in:
 - o Prisoner re-entry coalitions
 - o Access to effective treatment
 - o Prevention strategies focused on incarcerated parents and their children

Mr. Jessee hoped committee members would have the chance to hear DOC Commissioner Taylor discuss the work the department was doing in the area. He stressed that under prior administrations the services had been decimated. He noted that the department was working hard to rebuild the programs related to the reduction of recidivism.

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Mr. Jessee discussed Title 4 on slide 25. He addressed that a couple of years earlier the legislature had decided that the Alcohol Beverage Control Board should be moved from the Department of Public Safety to the Department of Commerce, Community and Economic Development. He noted that the trust had lost the argument. He stated that the effort had revealed that the state's Title 4 statutory framework had not been reviewed for some time and had developed in a very haphazard manner, usually by a special interest getting a legislator to sponsor legislation to get around the population base licensing limits by creating new license types (e.g. recreational site licenses, remote military contractor license, and that only a florist could deliver alcohol to a hotel room). He relayed that it was positive that the trust partnered with the ABC Board and a group of over 60 people from industry, public health, and public safety to address how to simplify and decrease the number of license types, update the fees to support the ABC budget, realign the system to better enforce population limits, and bring all of the licenses, endorsements, and permits into one place in statute.

Mr. Jessee furthered that there were areas of common ground with industry (slide 27). The trust agreed with industry that a limited entry system was in everyone's best interest; it protected the value of industry's business and it was in the trust's interest because it limited the number of outlets. He stated that the current system of dealing with underage drinking was broken. He discussed

current consequences such as suspension of a driver's license, mandatory community service and treatment. He furthered that the courts had required a higher level of due process because of the consequences; therefore, the police had to write an entire report. He continued that from a police officer's perspective it was discouraging on a Friday or Saturday night to have to write a report when they needed to get back out to patrol; therefore, sometimes the report was not written. He spoke to inconsistent enforcement related to the issue. He added that because the citations were issued in adult court they stayed on the individual's record forever, which impacted military service, scholarships, and other. He addressed underage drinking revisions on slides 28 and 29. The goal was to reform underage drinking sanctions to hold adults providing alcohol to minors accountable. He discussed that the recommendation would be to change the punishment to a straight \$500 fine; if the fine was not paid, it would be garnished from an individual's Permanent Fund Dividend (PFD). The trust believed the change would lead to more consistent enforcement. Additionally, the trust thought some parents would be more concerned about their child losing a portion of their PFD than with drinking. The trust did not want to make the offenders criminals. He added that the fine could be applied to treatment. He remarked that tickets would help identify individuals receiving multiple tickets.

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Mr. Jessee mentioned local option revisions on slide 30. He moved to slide 31 related to marijuana. He stated that the substance was not safe or good for people. He had recently been in Colorado learning about challenges it had with legalization, specifically around edibles and concentrates. He noted that there was substantial work to be done.

Co-Chair Neuman thanked Mr. Jessee for his presentation. He referred to budget item recommendations. He wondered if the items were currently in the governor's budget. Mr. Jessee believed some were and some were not. He did not have the detail at present. He had not seen the final budget detail.

Co-Chair Neuman referred to the discussion on telemedicine. He remarked that internet access was available throughout most of Alaska. He discussed the use of telemedicine for alcohol treatment programs and other. He mentioned drug

testing and wondered if there were databases the state could access that would reduce costs. Mr. Jessee provided an example related to electronic breathalyzers that connected to the internet and provided proof an individual was not intoxicated. He stated that the technology existed and could be expanded to any village.

Representative Gattis shared that she owned a farm and tried to help people out; the farm was located 55 miles out of Wasilla. She spoke to challenges with taking off time to drive an employee 55 miles for drug testing. She wondered how businesses could access electronic drug testing to make things easier.

Mr. Jessee noted that urine tests were more complicated because it was necessary to be tight on the sampling. He discussed that with the FaceTime breathalyzer it took away the error rate of the urine test. He reasoned that the entrepreneurial spirit would start when the state became committed to maximizing the technology. He questioned whether a consideration would be involving local clinics.

Co-Chair Neuman remarked that there were many options that did not involve sending state employees out to do the work related to individuals on probation or to investigate things like Medicaid fraud. He reasoned that the resources were available statewide, but they were not being utilized. He had been working with DOC and others on making progress on the issue.

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Mr. Jessee wondered about utilizing the Office of Children's Services. He spoke to the opportunity for social workers to better handle their caseloads through the use of videoconferencing on a more regular basis. He observed that there were many opportunities available.

Vice-Chair Saddler pointed to slide 15 related to Medicaid expansion. He referred to testimony earlier in the day from the Division of Juvenile Justice that incarcerated juveniles were not eligible for Medicaid. He asked for verification that incarcerated adults were eligible for Medicaid. He wondered about the reason for the discrepancy.

Mr. Jessee answered that his understanding was that the DOC adult population would have some eligibility. He did not have information about juveniles.

Vice-Chair Saddler asked if adult prisoners were currently eligible for Medicaid. Mr. Jessee replied in the negative.

Vice-Chair Saddler wondered if people in other states who were beneficiaries of the trust were benefitting from Medicaid expansion. Mr. Jessee replied in the affirmative. He elaborated that part of the work the contract would do in conjunction with departments would entail looking at the states that had maximized the value of Medicaid expansion to serve the trust's beneficiaries and to contain state healthcare costs.

Co-Chair Neuman stated that the previous year if the DOC commissioner had been asked whether Medicaid could cover inmates the answer would have been no; however, if a prisoner was outside a prison for more than 24 hours they may qualify. He provided an example related to a pregnant woman who had been in jail with an expensive and difficult pregnancy. The jail had taken her outside the prison gate 23 hours before she had given birth; she had then been taken to the hospital to deliver the baby. He relayed that Medicaid had paid for the entire cost. He asked for verification that his understanding was accurate.

Mr. Jessee agreed.

Co-Chair Neuman discussed the concept of pre-eligibility for Medicaid assistance for inmates in order to prevent people from falling through the cracks. He spoke to significant costs to the state for covering healthcare of prisoners. He spoke to the benefit of working to increase healthy lifestyles. He remarked on the percentage of inmates who were AMHTA beneficiaries.

Mr. Jessee noted that the figure was 65 percent.

Co-Chair Neuman remarked that the trust had a huge interest in reducing recidivism and the cost.

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Mr. Jessee stated that corrections had acted as a national leader because of its work to prequalify people for social

security before they left the correctional institution. He remarked that half of recidivism occurred in the year following release from prison; therefore, it was a huge advantage if a person was already eligible for services when they left prison.

Representative Gara clarified that he and many other legislators had not voted to move the ABC Board from DPS to DCCED. Mr. Jessee apologized for the broad statement.

Representative Gara referred to Mr. Jessee's three categories of funds the state would become eligible for if it accepted Medicaid expansion. The categories included people with substance abuse problems, people facing homelessness, and prisoners. He wondered how Medicaid expansion would help people in ways that they were not currently benefitted.

Mr. Jessee answered that in the past, single adult males between the ages of 18 and 65 (even if they were low income) did not qualify for Medicaid. He detailed that single adult males between the ages of 18 and 65, were a big part of the homeless and substance abuse populations. He believed that DHSS and DOC could provide better information on Medicaid expansion eligibility.

Representative Gara asked if single females who were homeless or had substance abuse problems were currently covered by Medicaid. Alternatively, he wondered if Medicaid coverage only applied to single women with a child. Mr. Jessee replied that single women with a child were covered by Medicaid.

Representative Gara asked for verification that single adult females who were not pregnant and did not have a child would become eligible. Mr. Jessee deferred the question to the administration.

Representative Gara remarked that he would continue to look for an answer to inmates. He noted that he had not yet received an answer.

Vice-Chair Saddler asked about slides 23 and 24. He referred to Mr. Jessee's testimony that substance abuse was a difficult issue in many of the small rural Native communities. He wondered if there was evidence of a correlation between the size of a village and the rate of

substance abuse. He wondered if a larger village had a lower rate of substance abuse. Mr. Jessee was not aware of any specific data. He believed substance abuse was evenly spread between communities.

Vice-Chair Saddler asked if any conclusions related to substance abuse could be drawn between rural communities and larger cities such as Anchorage, Fairbanks, and Juneau. Mr. Jessee believed there were cases where the impact in smaller communities was more immediate on the sense of community, in comparison with a larger community where problems could be isolated to specific neighborhoods.

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Representative Munoz discussed that she had recently met with representatives from the National Alliance for the Mentally Ill (NAMI). She explained that the organization held trainings throughout the state to help families cope with mental illness in their families. She stated that the organization was currently struggling for funding. She asked if AMHTA had opportunities to support families.

Mr. Jessee replied in the affirmative. He elaborated that the trust's Beneficiary Projects Initiative had worked with NAMI Alaska; the trust had provided NAMI with a grant that had allowed it to establish the organization statewide. Additionally, the trust had recently provided a \$10,000 grant for a NAMI training.

Representative Munoz asked whether the trust was working with legislators or the administration on the underage drinking revisions. Mr. Jessee replied that a bill was currently being drafted. He did not believe a final decision had been made on how to bring the bill forward. He noted that the bill would have support from many people.

Representative Edgmon commended the board for its conservative approach and long-term planning. He lauded the trust for recognizing the state's declining revenues the past September. He asked for further detail about the dramatic increase (from 42 to 65 percent) in AMHTA beneficiaries in the state's prison system.

Mr. Jessee replied that the evaluation of the trust's beneficiaries in the correctional system had been an evolving strategy. The department was getting better at

assessing incoming inmates and was getting better at identifying trust beneficiaries at the frontend and in developing programming for the individuals. He did not believe there were more beneficiaries in the prison system, but the department had improved its ability to identify the individuals as trust beneficiaries.

Representative Edgmon had been told in a recent DOC budget subcommittee meeting that based on a several year report, the trust had begun to include substance abuse inmates in the definition of trust beneficiaries. Mr. Jessee answered in the affirmative and added that the definition had been expanded as well.

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Co-Chair Neuman referred to Mr. Jessee's testimony on tribal health partnerships. He spoke to the goal of getting the juvenile justice system into the hands of local control (taking them out of state agencies and moving them to tribal control where better funds were available). He believed tribal organizations understood the local and regional issues better and provided better outcomes. He noted that as the legislature worked to reduce the operating budget it made sense to transfer the responsibility of services.

Mr. Jessee pointed out that the Division of Juvenile Justice was a very successful agency. He detailed that the division had been at the forefront of incorporating trauma informed treatment and care in its facilities; it had dramatically decreased seclusion and restraint. He hoped that skills the division had acquired would be disseminated to other agencies if they were involved.

Co-Chair Neuman discussed unmeasurable effects of substance abuse including sexual assault, domestic violence, and other that impacted individuals for a lifetime and cost the state a considerable amount of money.

Mr. Jessee he agreed that working "farther upstream" and looking at adverse childhood experiences to build resilience for kids when they are young was the best long-term investment to make.

Co-Chair Neuman advised committee members to use Mr. Jessee as a resource. He thanked Mr. Jessee for his presentation and the work done by the committee.

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^FY 16 BUDGET OVERVIEW: DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

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Co-Chair Neuman recognized former Representative Bill Thomas in the committee room.

MICHAEL HANLEY, COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (DEED), provided a PowerPoint presentation titled "Alaska Department of Education and Early Development FY2016 Budget Overview" dated January 28, 2015 (copy on file). He communicated that the department was slightly unique because the State Board of Education and Early Development was the head instead of the commissioner. He relayed that the commissioner was appointed by the state board and approved by the governor.

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Commissioner Hanley outlined DEED organizational chart on slide 2. He noted that the department's structure was relatively small and was made up of five divisions. He highlighted Teaching and Learning Support, School Finance, and Administrative Services as the core functions of the department. Other divisions included Mt. Edgecumbe High School and Libraries, Archives, and Museums. The department also housed the Alaska State Council on the Arts, Professional Teaching Practices Commission, and the Commission on Postsecondary Education. He noted that the boards had some autonomy from the department.

Commissioner Hanley spoke to the department's statutory responsibilities on slide 3. The state's constitution specified that the legislature was required to establish and maintain a system of public schools, which was largely conducted by DEED with the legislature's authorization; the

funding component remained with the legislature. Statutorily the purpose of education was to help ensure that all students would succeed in their education and work. He added that the new buzz term for the concept was "being college and career ready." He addressed the department's mission to ensure quality standards-based instruction to improve academic achievement for all students (slide 4). He addressed the department's four core services beginning with public school funding. He elaborated that the department's budget was approximately \$1.7 billion (the second largest in the state budget); it had the responsibility to ensure that the funding was appropriately distributed. The second core service was providing fiscal accountability related to how funds were utilized within districts. Third, the department assisted districts by providing programs. Fourth, it partnered with state and private organizations to provide services to enhance education in the state. Examples included, the Alaska Native Science and Engineering Program (ANSEP), Best Beginnings, and other.

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Commissioner Hanley addressed division details beginning on slide 5. The largest was the Division of Teaching and Learning Support. The division accounted for 14.7 percent of the DEED budget and was responsible for making sure funding went to the appropriate location in an effective and efficient way. The Division of School Finance and Facilities monitored and worked with the bulk of the funding going out to school districts including funds for transportation, the Base Student Allocation (BSA), debt reimbursement, and other. The Division of Administrative Services accounted for 0.3 percent of the department's budget (slide 6). Heidi Teshner headed the division, which was responsible for making sure the work done within the department was done appropriately and that funds were accounted for. The Division of Libraries, Archives, and Museums represented 1 percent of the department's budget. The department was excited about the upcoming completion of the State Library Museum Archives (SLAM) building, which would consolidate three locations into one. He noted the building would create substantial efficiencies.

Representative Wilson asked for clarification on the budget percentages. He wondered if the foundation formula was included in the percentages shown in the presentation.

Commissioner Hanley replied that the percentages only included agency operations.

HEIDI TESHNER, ADMINISTRATIVE SERVICES DIVISION, DIRECTOR, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, corrected that the percentages included the K-12 foundation formula and everything else.

Representative Wilson requested a breakout of the department expenditures excluding the foundation formula.

Commissioner Hanley added that the presentation included slides breaking out the formula and agency funds. The Mt. Edgecumbe Boarding School accounted for 0.7 percent of the department's budget (slide 7). He mentioned the Alaska State Council on the Arts, the Professional Teaching Practices Commission, and the Alaska Commission on Postsecondary Education (ACPE). He detailed that ACPE largely provided resources for students beyond the K-12 system; the agency provided loans and implemented the Alaska Performance Scholarship (APS). The Office of the Commissioner employed five full-time positions that worked to provide the department's direction (slide 9).

Commissioner Hanley addressed key performance measures on slides 10 and 11. Slide 10 included a chart depicting the statewide four-year graduation rate. He noted that although the agency had strong local control, it was difficult for the department to have a direct impact; however, DEED worked alongside districts to empower them to make a difference. The graduation rate had slowly increased and was currently 71 percent (there had been a slight decrease in the past year). He noted that further work was needed as 71 percent was not satisfactory. He moved to a chart on slide 11 that showed APS eligibility and year one utilization. The large bronze colored bar indicated the number of graduates, the middle bar indicated eligible graduates, and the smallest bar indicated the number of students eligible for the APS. The department was seeing a higher percentage of students accepting the scholarship. He considered the increase a success, given that students qualifying for the highest level scholarship typically had other options for colleges and universities nationwide.

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Representative Kawasaki observed that the total number of students receiving the APS appeared to be declining. He asked for an explanation. Commissioner Hanley answered that it was more accurate to consider the percentage. He explained that the number of graduates was also declining; even though the graduation rate remained fairly consistent, there were fewer students. The percentage of students accepting the APS was remaining relatively the same at about 11 percent.

Commissioner Hanley turned to a pie chart on slide 12 that showed the department's total employees. The largest portion of the pie was made up of 126 employees housed in the Goldbelt Building in Juneau. The department had a total of 360 employees. The Division of Libraries, Archives, and Museums had 65 employees, ACPE had 106 employees and worked largely off of receipts, and Mt. Edgecumbe had 55 employees.

Co-Chair Neuman asked the department to avoid the use of acronyms on its slides. Commissioner Hanley explained that Educational Support Services (ESS) and Teaching and Learning Support (TLS) fell under the Goldbelt category. He listed the divisions and their acronyms: Libraries, Archives, and Museums (LAM); Professional Teaching Practices Commission (PTPC); Alaska Commission on Postsecondary Education (ACPE); and Alaska State Council on the Arts (ASCA).

Co-Chair Neuman asked about the percentage of students who went to high school and later completed a four-year college program. Commissioner Hanley did not have the specific details. He discussed that with a 71 percent graduation rate, the state had one of the lowest college and career going rates in the country. He added that the number of college students graduating in six years was also not as high. He believed the issue was a focus for ACPE, the university, and DEED.

Co-Chair Neuman surmised that the number was less than 10 percent. Commissioner Hanley agreed.

Co-Chair Neuman believed the low rate contributed to the importance of vocational education programs.

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Representative Wilson asked how many students had received the scholarship since the program's beginning and were still on the path to graduating from college in four years.

Commissioner Hanley replied that the APS report had just recently been completed by ACPE. He relayed that the report would be available in the near future. He did not have the number on hand.

Representative Wilson noted that the data in the presentation only included the first year. She wondered how many students remained in the second, third, and fourth years. Commissioner Hanley agreed that it was an important statistic.

Co-Chair Neuman requested a copy of the information when it was available. Commissioner Hanley affirmed that he would provide the committee with the report from ACPE when available.

Representative Gara addressed that ACPE ran the student loan program. He remarked that the state was having difficulty getting people careers either through college or job training programs. He noted that the load applied to both scenarios. He detailed that the federal loan rate was 4.6 percent and a used car loan was 3 percent or lower, whereas the state loan rate was 6.6 percent. He wondered why the rate was so high and asked if the department had plans to do anything about it.

Commissioner Hanley agreed that the rate was high and was probably a disincentive for many students. He noted that his two children had found better rates for college loans.

Co-Chair Neuman thought the percentage was in statue.

Representative Gara believed the percentage was in regulation.

Commissioner Hanley deferred the question to the director of ACPE for further detail.

Co-Chair Neuman remarked that the legislature had worked on using the state's bonding agency to get very low interest rates the previous year. He thought if the effort could be combined for postsecondary education loans the rate could

be as low as 3 percent. He believed there were opportunities that existed.

Representative Gara noted that the bonding bill would reduce the rate by slightly less than 1 percent, which would still be high. He relayed that he had a bill, but was waiting for a proposal from the department to lower the rates.

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Co-Chair Thompson asked about the graduation rate for students taking longer than four years to graduate. He asked about the percentage of students who received GEDs. Commissioner Hanley replied the graduation rate was only slightly higher for fifth and six-year students. He remarked that the goal was to move students through high school efficiently in a period of four years. He believed students taking longer than four years to graduate represented a success story because they had stayed engaged to get their degree. He communicated that the GED was operated through the Department of Labor and Workforce Development. He did not have the data on hand.

Co-Chair Thompson asked the department to follow up on his question related to the GED.

Representative Guttenberg asked how the state tracked students who left the system (e.g. students who moved, joined the military, or other). He did not believe the department tracked the students. He wondered if there had been further efforts to track the students.

Commissioner Hanley replied that the department tracked the information to the best of its ability. Absent a request for records the department did not know what happened to a student who stopped coming to school; DEED did not track the students down. He added that typically a student who dropped out of high school did not qualify for the military; the qualifications were increasing.

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Vice-Chair Saddler referred to the 71.8 percent graduation rate in 2013. He wondered if the rate was Alaska's highest rate and how it compared to other states.

Commissioner Hanley replied that he believed it was the highest rate the state had achieved. He noted that the number was slightly lower than other states. However, Alaska was one of about 23 states that had a high stakes exit exam; therefore, when compared in that regard, Alaska was slightly higher. He believed that with the removal of the High School Graduation Qualifying Exam he anticipated that the graduation rate would improve by up to 10 percent. He expounded that the removal of the qualifying exam was removing a barrier to graduation and the resulting increase would mean success had been achieved. However, it did allow the department to compare the state nationally to states without high stakes exams.

Vice-Chair Saddler asked if there was a statewide target to reach a graduation rate of 80 percent by 2020. Commissioner Hanley replied that the target was 90 percent by 2020.

Vice-Chair Saddler commented that a significant portion of the increase could come with the removal of the exit exam. Commissioner Hanley replied that he had never brought the topic up when discussing the exit exam because he thought it was time for the test to go. He believed it acted as a barrier for too many of the state's students. He agreed that it would improve the graduation rate, but that was not the reason to remove the exam. He had wanted to prevent the topic from driving the conversation because it felt artificial.

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Co-Chair Neuman did not believe any other state could have an education system that was as diverse as Alaska's.

Representative Munoz spoke to the effect of the removal of the graduation exit exam. She wondered if the graduation rate data included the GED. Commissioner Hanley replied in the negative. He explained that students who get their GED had dropped out of high school and were no longer on track to receive a diploma. He believed it was a success story when a person continued on with their education to at least receive their GED.

Representative Munoz looked at slide 5 related to the Division of Teaching and Learning Support. She referred to the 89 budgeted positions and remarked that the figure (\$237 million) represented a small portion of the overall

budget. She wondered if the money was passed through the division to school districts. Ms. Teshner replied that 87 percent of the division's budget was federal money that went to grantees.

Commissioner Hanley pointed to slide 13 showing a breakout of the department's budget by core services. Public school funding represented the majority of the budget. Budget accountability and compliance included the department's assessment programs. He highlighted that school effectiveness programs accounted for 2 percent of the department's budget and included the state system of support, mentors, the literacy institute responsible for training teachers in reading techniques, and the APS cohort funded through ACPE. Active partnerships represented 4 percent of the department's budget and included the Arts Council, Parents as Teachers, Best Beginnings, and ANSEP.

Commissioner Hanley moved to slide 14 related to the FY 16 work in progress budget, which included school debt reimbursement totaling \$128 million. The department's budget was divided between the K-12 formula and agency operations. The K-12 formula programs accounted for \$1.4 billion of the \$1.7 billion budget. He furthered that K-12 programs received \$20 million in federal funds, while agency operations received \$211 million. Federal funding included the child nutritional services program, Carl D. Perkins Career and Technical Education Improvement Act, Individuals with Disabilities Education Act, and No Child Left Behind. He highlighted that 2 percent of the department's budget was paid for with interagency receipts from teacher certification and AMHTA funds.

Commissioner Hanley addressed an operating overview for all funds on slide 15. He elaborated that 95 percent of the funds went out in grants, 2 percent went to personal services, and 3 percent went to contractual responsibilities such as assessment contracts and contracts for mentors and coaches.

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Commissioner Hanley turned to slide 16 related to agency operations. He relayed that DEED agency operations only accounted for 5 percent of general fund expenditures. A pie chart on the right showed agency operations by fund source:

68 percent federal funds, 24 percent general funds, and 8 percent other funds.

Commissioner Hanley provided budget highlights on slide 17. He spoke to forward funding of the K-12 foundation formula and communicated that the governor had proposed shorting the forward funding by 10 percent. He believed a conversation would take place on the topic over the upcoming weeks. He addressed K-12 boarding home grant funding; HB 278 [education omnibus bill passed in 2014] designated that the DEED commissioner would annually open an application period for new boarding home programs (previously it had been at the commissioner's discretion). He communicated that one program in Bethel had been approved in the past year; the \$736,100 request was before the legislature. There had also been a slight increase to the Nenana program. He detailed that the schools were approved for a certain student count; the schools were allowed to exceed the specified number, but the state did not pay above the specific amount. He explained that Nenana's program had been successful and had the capacity to add students. The Alaska Higher Education Investment Fund was a combination of the APS and the AlaskAdvantage Education Grants. He elaborated that AlaskAdvantage was a needs-based grant program. The two programs had a two to one ratio (currently \$500,000 for APS and \$250,000 for AlaskAdvantage).

Commissioner Hanley discussed the Professional Teaching Practices Commission on slide 17. He relayed that the State Board of Education, based on intent language from the past year, had recently implemented a new regulation to increase teacher and administrator certification fees. The intent language spoke to the Professional Teaching Practices as being self-sufficient and supported fully by fees from education professionals. The proposal was currently out for public comment and would change the five-year, \$125 certification fee to \$200. The adjustment had been determined by what it would take to make the Professional Teaching Practices Commission self-sufficient. He noted that the department was receiving numerous comments from teachers on the proposed change. The Alaska Learning Network (AKLN) one-time funds from the previous year had been included again in the governor's proposed budget. The funds had been \$850,000 the previous year; he anticipated that as the administration moved towards reducing its work-in-progress budget, he believed the number would be reduced

slightly to allow the program to continue more efficiently. He shared that the program was increasing advanced placement classes and was increasing training for teachers providing the advanced classes. The department was finishing up an Alaska studies course that was required for high school graduation. He believed it could be the "go-to" course as opposed to having districts using one of their own teachers to teach the course. The course implementation had been delayed because cultural knowledge had been incorporated; a good portion of the course was a gaming platform. He elaborated that the department was working to ensure that the interaction was all culturally accurate. He believed the course would be a tremendous asset. The learning network recognized that districts had to allow students to test out of courses; the department believed AKLN could offer some of the courses to save districts from developing their own.

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Commissioner Hanley continued to address slide 17. He explained that if a student knew the first half of a course's material, but did not receive the score needed to test out, the student could have the option of taking only the second half of the course. He believed it greatly supported districts and saved them from developing some of the assessments.

Ms. Teshner addressed slide 18 that pertained to the FY 16 governor endorsed budget. She noted that the amended budget would be published sometime the following week. The slide showed that the department would receive a 5 percent reduction from the work-in-progress budget: a \$2.8 million reduction for non-formula programs, and a \$9.4 million reduction from formula programs. She elaborated that decrements to foundation programs, pupil transportation, and special schools were driven by the updated projected need based on student counts. She reiterated that the reductions would be reflected in the governor's amended budget. Slides 19 through 23 had been provided by the Legislative Finance Division. She pointed to a bar graph on slide 19 pertaining to non-formula general funds: the purple bars represented the department's budget and the blue line represented the percent of the DEED budget compared to the total agencies' budgets. For example, DEED had represented 2.2 percent of the statewide budget in the FY 15 management plan.

Ms. Teshner remarked that the graphs on slides 20 through 22 were distorted because they included the K-12 aid to school districts. She elaborated that the inclusion of the aid to school districts made the other items appear to be flat funded. She pointed to a funding spike in aid to districts in FY 15, which was caused primarily by one-time increments in the FY 15 through FY 17 budgets. She explained that the governor was removing the FY 16 and FY 17 one-time items.

Commissioner Hanley added that the reduction in FY 16 reflected the removal of one-time funds that had been in the FY 15 budget. He stated that the budget had increased over the past ten years, but the funding had gone to students; the remainder of department expenditures had remained relatively flat.

Ms. Teshner addressed slide 21. She detailed that the purple line represented Teaching and Learning Support, which had increased slightly. The chart on slide 22 reflected all formula programs, general fund. Slide 23 represented agency operations (all non-formula programs). She noted that the slide showed how each of the components had changed. She pointed to a green line associated with Alaska Library and Museums and explained that the increase resulted from a \$5 million increment for broadband, which had been provided by HB 278 the prior year.

Co-Chair Neuman asked for a brief update on the lawsuit the Ketchikan Gateway Borough had brought against the State of Alaska. Commissioner Hanley replied that a press release had been published earlier in the day specifying that the state would appeal the case to the Alaska Supreme Court; the state had also requested a stay until the completion of the appeal. He could not elaborate on specific details due to the active status of the litigation. He discussed that the judge had not declared that local contributions were unconstitutional or illegal; the problem was the methodology Alaska used that determined the fund as dedicated. The department disagreed with the ruling and was appealing. He was not suggesting that the state should do anything differently; he anticipated it would be granted the stay and that it would have the opportunity to argue the case before the state supreme court. He believed it would be one to two years before anything was decided.

Co-Chair Neuman asked what would happen if Ketchikan won the lawsuit.

Commissioner Hanley answered that it would be up to the legislature to determine the options. He detailed that the judge had clearly stated in his finding that the state was not obligated to take full responsibility for funding education and that it was acceptable to request local contributions. He furthered that there was not a requirement to suddenly replace the \$200 (plus) million that was under discussion in the case. However, there would need to be decisions made about what the state would do next, whether the legislature would change the way the formula worked, recognizing the responsibility for an equalized formula. He spoke to digging into conversations about how the formula was done and how the funds were collected.

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Co-Chair Neuman believed it was prudent to have a plan in place to prepare for the ruling.

Representative Guttenberg referenced the commissioner's earlier testimony related to boarding schools and Nenana; specifically that a boarding school's funding was set at a precise student count. He detailed that a school could increase its number of students, but to receive increased funding they had to come back to the department for approval. He wondered if the issue was outlined in statute or regulation.

Commissioner Hanley believed the issue was outlined in regulation.

Co-Chair Neuman thought the issue was in statute (resulting from legislation sponsored by Senator John Coghill).

LES MORSE, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, replied that the programs operated under an approved application through the department. Schools had come to the board in the past to request increased beds; the board could increase the beds, but increased funding required legislative approval.

Representative Guttenberg commented that Nenana had an existing boarding school and Bethel was opening a school.

He discussed that the Nenana school had a specific number of beds and students. He wondered what would happen to the funding level if the number of students increased. He wondered if the school was reimbursed. He did not want to hinder the success of programs.

Commissioner Hanley did not believe it was a hindrance. The schools presented their desired number of students, which was approved by the department. He opined that it was healthy to understand the desired number in order to discuss increments. He elaborated that a school needed to make an intentional decision to increase its number of students and the decision needed to be communicated to the department. He added that there had never been much of a delay in the process; the school could go directly to the board and then the request would go to the legislature the following session. He concluded that the department did not fund above what it had already approved.

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Representative Gara hoped numbers would be run through school districts prior to the finalization of the governor's budget. He cited that according to Legislative Research Services the state had lost over 600 teachers and staff from FY 11 to FY 14. He stated that under the legislature's plan (without the governor's amendments), Fairbanks was facing between 35 and 70 layoffs, Mat-Su was roughly \$3 million short in the next school year of meeting the current level of education, and Anchorage expected to lose an additional 200 to 220 teachers and staff. He stressed that the department had proposed to cut the funding even more. He wondered how educational achievement would increase with the numerous staff cuts. He asked if the department would speak to school districts before finalizing the proposal.

Commissioner Hanley replied that the numbers he had discussed with superintendents in Mat-Su and Anchorage were different than those mentioned by Representative Gara. Nonetheless, it was easy to quantify what a \$32 million cut would do to school districts. He furthered that the department had broken the data out by school district; the cuts would also impact local contributions. He expounded that when the state removed a certain portion for districts receiving local contribution it had a multiplier effect. The department had been asked to present a 5 percent and 8

percent cut; it had provided the data, recognizing that it did not represent 5 to 8 percent of DEED's overall budget. He continued that the cut represented \$2.8 million. He stated that if deeper cuts were desired the cuts would come from money the department provided to school districts. The department had discussed the cost to students, jobs, communities, and other. He knew the governor was not happy about what he put forward; but the governor felt it was his responsibility to do so in order to lead the way towards living within the state's means. He recognized it was not a cut anyone wanted to make; he was well aware of the implications and the impacts that the cut would have. He stated that the department's budget had increased steadily over years. He also had great concern over the cuts. He relayed that the budget had been finalized and the department was working on the numbers.

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Co-Chair Neuman noted that no one had expected the drop in oil prices. He reasoned that if money was not available, it could not be spent.

Representative Wilson referred back to the Ketchikan law suit. She stated that it would not only be \$220 million. She believed impact aid would be figured differently if the lawsuit was to be held. She remarked that the Fairbanks North Star Borough received much more impact aid because it paid into the system. She wondered how much the state would be looking at. She referred to \$190 million versus \$220 million.

Commissioner Hanley agreed that to have the equalized formula, impact aid was figured differently. There was no way to know what the number would be without knowing the next steps; it depended on what the legislature chose as the next step and plan. He guessed that if the state did nothing it would have to see about getting an equalized formula.

Representative Wilson surmised that the state would keep 100 percent of the impact aid versus the percentage it took currently. She asked for verification that there would be a whole different way of calculating the formula because it had more to do with the disparity versus the impact aid itself. Commissioner Hanley believed Representative Wilson's description was the concept at a high level;

however, meeting the requirements was a very complex process.

Co-Chair Neuman believed that the information would be a large part of the ongoing discussion when working to establish where the state would be three to five years down the road. He discussed the schedule for the following day.

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ADJOURNMENT

3:29:02 PM

The meeting was adjourned at 3:29 p.m.