

HOUSE FINANCE COMMITTEE  
SECOND SPECIAL SESSION  
May 22, 2015  
11:08 a.m.

[NOTE: Meeting took place in Anchorage, Alaska at the  
Legislative Information Office]

11:08:59 AM

CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting  
to order at 11:08 a.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 Lance Pruitt  
Representative Tammie Wilson

ALSO PRESENT

Mary Schallert, Self, Anchorage; Pat Higgins, Member,  
Anchorage School Board, Anchorage; Alise Galvin, Great  
Alaska Schools, Anchorage; Ahnie Loncle, Facing Foster Care  
in Alaska, Anchorage; Andrea Gonzales, Facing Foster Care  
in Alaska, Anchorage; Mr. Gary Lose, Self, Anchorage; Robin  
Ahgupuk, Self, Anchorage; Amanda Metivier, Executive  
Director, Facing Foster Care in Alaska, Anchorage; Don  
Moore, Self, Anchorage; Rachel Bedsworth, Facing Foster  
Care in Alaska, Anchorage; Katherine Hicks, Self,  
Anchorage; Cheryl Lovegreen, Self, Anchorage; Carolyn  
Ramsey, Citizens For Responsible Development, Anchorage;  
Vince Beltrani, AK AFL-CIO, Anchorage; Butch Moore, Self,  
Anchorage; Andy Holleman, Anchorage Education Association,  
Anchorage; Tom Lakosh, Self, Anchorage; Deena Mitchell,  
Self, Anchorage; Jeremy Price, Americans for Prosperity  
Alaska, Anchorage; Phillip Walters, Self, Eagle River;

David Boyle, Self, Anchorage; Charles McKee, Self, Anchorage; Michael Chambers, United for Liberty, Anchorage; Aaron Springer, Self, Anchorage; Sarah Hetemi, Self, Anchorage; Krista Von Bergen, Self, Anchorage; Laura Bonner, Self, Anchorage; Representative Sam Kito III; Representative Lora Reinbold; Representative Andy Josephson; Representative Shelley Hughes; Representative Paul Seaton; Representative Dan Ortiz.

PRESENT VIA TELECONFERENCE

David Brighton, President, Kenai Peninsula Education Association, Kenai; Bill Warren, Self, Nikiski; Lon Garrison, President, Sitka School Board, Sitka; Tara Schmidt, Self, Homer; Steve Gibson, Self, Homer; Judy Andree, League of Women Voters, Juneau; Mark Miller, Superintendent, Juneau School District, Juneau; George Pierce, Self, Kasilof; Tanya McPherson, Self, Anchorage; Andi Story, Alaska Association of School Boards, Juneau; Todd Poage, Superintendent, Tok; Frank Gold, Self, Fairbanks; Charlene Arneson, President, Chugiak School District, Whittier; Donna Beran, Self, Homer; Robert Coghill, Juneau; David Johnson, Self, Prudhoe Bay; John Anderson, Self, Valdez; Tim Cheydleur, Self, Fairbanks; Colleen Redman, Self, Fairbanks; Don Gray, Self, Fairbanks; Dan Johnson, Interior Region Emergency Medical Services (EMS) Council, Inc., Fairbanks; Richard Fineberg, Self, Fairbanks; Michelle Church, Self, Palmer; Bruce Bridwell, Self, Fairbanks; David Neese, Self, Anchorage; Norm Wooten, Association of Alaska School Boards, Juneau; Janie Taylor, Self, Anchorage; Celia Rozen, Self, Anchorage; Ross Mullins, Self, Cordova; Antonia Sparrow, Self, Anchorage; Scott Macmanus, Assistant Superintendent, Gateway School District, Tok; Kevin Shipley, Kake School District; JR Myers, Alaska Constitution Party, Soldatna; Francis Bennett, Self, Anchorage; Martha Moore, Self, Juneau; Tom Chard, Alaska Behavioral Health Association, Juneau; Penelope Oswalt, Self, Cordova; George Brown, Self, Juneau; Chad Fishel, Self, Juneau; Karen Greenberg, Self, Anchorage; Carl Benson, Self, Fairbanks; Rosalie Rein, Self, Fairbanks; Fred Sturman, Self, Soldotna; Drew McElvain, Self, Wasilla; Barbara Marsh, Self, Anchorage; Sue Hull, Association of Alaska School Boards, Fairbanks; Alex Wertheimer, Self, Juneau; Bob Crumley, Superintendent, Chugach School District, Chugach; Sarah Kehoe, Self, Talkeetna; Susan Hansen, Self, Fairbanks; Marybeth Holleman, Self, Anchorage; Sylvia Ettefagh, Self, Wrangell;

Joseph Dingman, Alaska Mental Health Board, Barrow; Tim Walters, President of the Mat-Su Education Association, Mat-Su;

SUMMARY

HB 2001      APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 2001 was HEARD and HELD in committee for further consideration.

#hb2001

HOUSE BILL NO. 2001

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

[11:09:33 AM](#)

AT EASE

[11:15:50 AM](#)

RECONVENED

Co-Chair Neuman noted Representative Kito was in the room.

^PUBLIC TESTIMONY: STATEWIDE

[11:16:19 AM](#)

[Secretary's note: The sign-in sheet for the first nine testifiers is missing.]

MARY SCHALLERT, SELF, ANCHORAGE, spoke in support of funding for education, Medicaid expansion, and Erin's law. She spoke of her education and teaching experience and conveyed that she was a mother of two. She discussed the importance of funding schools and believed more funding was provided to the jail system over the public school system. She opined that prevention was more important and less costly than fixing problems in the future. She reiterated her support of funding education, expanding Medicaid, and

supporting Erin's law. She thanked the committee for its time.

[11:18:28 AM](#)

Co-Chair Neuman encouraged written testimony and provided the committee fax number: (907) 269-0229. Alternatively, written testimony could be submitted via email to either of the co-chair offices.

[11:19:04 AM](#)

PAT HIGGINS, MEMBER, ANCHORAGE SCHOOL BOARD, ANCHORAGE, testified in support of funds for education. He stressed that the district's ability to recruit teachers throughout the state was being negatively impacted. Other areas and districts in the Lower 48 were currently recruiting positions. He stressed that the district was trying to hire special education teachers and other highly qualified individuals. He spoke about school district funding expectations. The changing numbers made it challenging for schools to plan. He emphasized that the district had no idea what funding it would receive. There were many things on the table that needed to be addressed, but without knowing funding levels the district was in limbo. He thanked the committee for hearing his testimony.

[11:21:35 AM](#)

ALISE GALVIN, GREAT ALASKA SCHOOLS, ANCHORAGE, testified in support of quality education for all children. She spoke to the importance of adequate, predictable funding for education. She addressed legislators who were in favor of making large cuts to education. She stressed that there were currently funds to pay for what the state valued. She relayed that two-thirds of Alaskans supported the public education component of what the state provided. She agreed that there was room for improvement in the public education system, but it was difficult to engage improvement when so much energy was focused on just getting funds to move forward. She urged members to support public education.

Co-Chair Neuman referred to the two minute time limit.

[11:24:48 AM](#)

AHNIE LONCLE, FACING FOSTER CARE IN ALASKA, ANCHORAGE, testified in support of funds for additional social workers. She shared her personal story about being in foster care as a child. She spoke to the factors that enabled her to succeed. She had five different social workers who had cared for her. She reported that the average case load for each social worker in Alaska was 20 children, above the established maximum of 12. She asked the committee to fund social workers.

[11:27:29 AM](#)

ANDREA GONZALES, FACING FOSTER CARE IN ALASKA, ANCHORAGE, spoke in support of funding for social workers. She shared her personal story. She stressed that it was imperative for the state to have additional social workers. Social workers were one of the keys to ensuring that foster children grew up to become contributing members of society. Hiring more social workers would help to alleviate burn-out and high turnover rates. She shared that funding for additional social workers would allow for more time and support for families in need. She thanked the committee.

Co-Chair Neuman welcomed Representative Josephson and Representative Reinbold to the meeting.

[11:30:30 AM](#)

MR. GARY LOSE, SELF, ANCHORAGE, spoke in support of foster care. He relayed his personal story in the foster care system. He stressed that without social workers he would not be where he was at present. He stressed that social workers provided quality care but were burdened. He urged the committee to provide funding for foster care. He expressed his thanks to the committee for hearing his testimony.

[11:31:38 AM](#)

ROBIN AHGUPUK, SELF, ANCHORAGE, spoke in support of foster care funding. He shared his personal story about social workers who had helped him. He noted that social workers were over-worked. He supported additional funding for social workers to help youths.

[11:33:06 AM](#)

AMANDA METIVIER, EXECUTIVE DIRECTOR, FACING FOSTER CARE IN ALASKA, ANCHORAGE, testified in support of foster care and social workers. She provided information about a recent UAA study showing that one in every 100 children in Alaska were currently in foster care. She stated that the number of children coming into the state system was only expected to increase. She noted that the current case load recommendation was 12 cases per social worker. She spoke of a social worker friend who currently had 30 cases. She urged funding be provided for additional social workers. The length of stay for children in the system should only be 12 to 24 months. Alaska was spending more to keep children in the system. She requested the committee provide additional funding for additional case workers.

[11:35:30 AM](#)

DON MOORE, SELF, ANCHORAGE, expressed her appreciation for all of the work the legislature was doing to cut the budget. She thanked the committee members and asked them to keep cutting the budget.

[11:35:53 AM](#)

DAVID BRIGHTON, PRESIDENT, KENAI PENINSULA EDUCATION ASSOCIATION, KENAI (via teleconference), testified in support of education funds. He encouraged the committee to find a solution to funding education. He supported Medicaid expansion and believed expansion could be done before reform and noted that many of the concerns with the billing system had been solved. He relayed that the local school district had passed a budget based on the original cuts. Additional cuts made by the Senate would mean cutting teachers. He stressed that education was constitutionally mandated and implored the committee to fund education.

[11:38:36 AM](#)

BILL WARREN, SELF, NIKISKI (via teleconference), spoke in support of an income tax and a Permanent Fund Dividend (PFD) surtax. He emphasized that oil taxes needed to be addressed. He stressed that the legislature did not respect the governor who knew a lot about gas. He stressed that the legislature refused to support Medicaid expansion. He stated that reform was possible and that Alaskans were not just special interest people. He spoke to the importance of

education. He concluded by stating that the legislature needed to get its act together.

[11:41:22 AM](#)

LON GARRISON, PRESIDENT, SITKA SCHOOL BOARD, SITKA (via teleconference), testified in support of education. He spoke to the constitutional requirement for the legislature to fund public education and stressed that a lack of funds was causing uncertainty for the public school system and the districts. The City of Sitka was working to do its part for sustainable education funding. He stressed the importance of fully funding the Base Student Allocation (BSA). He stated that it was time for the game of politics to be set aside for the good of the state. He spoke to the recent high school graduation in Sitka. He referred to the need to succeed when there was a will to. He pressed the committee to fund education.

Co-Chair Neuman asked those interested in testifying to keep their testimonies to two minutes.

[11:44:31 AM](#)

TARA SCHMIDT, SELF, HOMER (via teleconference), encouraged the committee to add funds for the Office of Children's Services, Pre-K, Parents as Teachers and to expand Medicaid. She shared a personal story related to a friend who had been raped in college. She encouraged funds for sexual assault and domestic violence prevention and encouraged the passage of Erin's law. She was a Green Dot instructor and taught prevention. She stated that to exclude Erin's law was to take a pro-sexual assault stance. She stressed that Alaskans needed to take a stance that domestic violence and sexual assault were no longer acceptable.

[11:46:49 AM](#)

STEVE GIBSON, SELF, HOMER (via teleconference), spoke in support of the prior testimony. He testified in support of Medicaid expansion and believed the legislature's reasons for not addressing expansion were phony. He added that the Medicaid system was not in ill repair. He asked the committee to fully fund education. He was discouraged by the House's lack of responsiveness to public input. He

concluded by thanking the committee for the opportunity to testify.

11:49:21 AM

JUDY ANDREE, LEAGUE OF WOMEN VOTERS, JUNEAU (via teleconference), thanked the group of legislators that wrote a letter supporting the Permanent Fund. She added that the league applauded House Speaker Chenault and Minority Leader Tuck for their continuing work on a budget compromise. She stressed that the state had a democracy and could not be ruled by the majority. She encouraged the legislature to make public education a top priority. She quoted Thomas Jefferson, "If a nation expects to be ignorant and free in a state of civilization it expects what never was and never shall be." She asked the legislature to support Medicaid expansion that was supported by the majority of Alaskans. The league also supported transparency and compromise. The league asked that the legislature fully fund the public education system which was the underlying support of democracy. She relayed that the league also supported the safe children's act and asked the committee to support Erin's law.

Co-Chair Neuman recognized Representative Hughes in the room.

11:52:41 AM

MARK MILLER, SUPERINTENDENT, JUNEAU SCHOOL DISTRICT, JUNEAU (via teleconference), testified in support of funding for public education. He stressed that the district's plate was full. The district was doing all that it could educate students and continue to watch out for kids' safety and well-being. However, he pointed out that the district could not do more and more with less and less funding. He asked the legislature to be careful about cutting. He thanked the committee for its time.

11:54:02 AM

GEORGE PIERCE, SELF, KASILOF (via teleconference), shamed the legislature for fighting with the governor. He spoke against the removal of the film tax credit that brought money to the private sector. He stressed that the legislature needed to consider reducing credits to the oil industry. He asked the legislature not give into big oil.

He did not want to see the Permanent Fund raided and supported funding for education and healthcare.

[11:55:55 AM](#)

TANYA MCPHERSON, SELF, ANCHORAGE (via teleconference), spoke against taking \$5 billion from the Permanent Fund. She suggested reducing tax credits for the oil companies and was against the funding of the Susitna-Watana Hydroelectric Project. She spoke in favor of funding for education. She advised moving the Anchorage Legislative Information Office (LIO) into the Atwood building and opposed the Bragaw Extension Project. She stressed that children were the future of Alaska and concluded that funding should go towards more social workers and public education.

Co-Chair Neuman recognized Representative Seaton in the room.

[11:57:23 AM](#)

ANDI STORY, ALASKA ASSOCIATION OF SCHOOL BOARDS, JUNEAU (via teleconference), testified in support of education. She encouraged full funding of the BSA. She urged the legislature to pass a fully funded budget which was critical to funding the upcoming school year. She asked the committee to approve a fully funded budget providing for certainty and an investment in the children of Alaska. She thanked the committee.

[11:59:38 AM](#)

TODD POAGE, SUPERINTENDENT, TOK (via teleconference), testified in support of education funding. The legislature had made a commitment to education the prior year and had rescinded its offer. Districts needed a fully funded budget in order to make plans. He suggested that instead of only cutting the budget, he favored revenue solutions to balance the budget. He stressed that public education funding should be adjusted gradually over a three-year period. Districts did their best to use funds as efficiently as possible and to make sure they went directly to students. He thanked the committee for its consideration.

[12:02:09 PM](#)

FRANK GOLD, SELF, FAIRBANKS (via teleconference), stressed that cutting the budget was no longer an option. He stated that it was time to eliminate some programs entirely. He believed it was time to realize that it was not possible to fund everything. He stressed that no one would come home unscathed by the session. He stated that there would be a price to pay for all legislators. He believed it was unfortunate for people to have to travel for medical care, education, and other. He reiterated that the state could not afford to provide all the programs it was delivering. He asked the legislature to set its focus on forward funding. He thanked the committee.

12:05:00 PM

CHARLENE ARNESON, PRESIDENT, CHUGIAK SCHOOL DISTRICT, WHITTIER (via teleconference), testified in support of education funding. She concurred with Lon Garrison and Andi Story. She stressed that the best thing that had happened to education had resulted from a task force lead by Representative Mike Hawker. She stressed that funding for education had not even kept up with the cost of living. She observed that education funding had been held hostage over the years as a bargaining chip at the end of session.

12:08:36 PM

DONNA BERAN, SELF, HOMER (via teleconference), testified in support of funds for Parents as Teachers and other related programs. She stressed how helpful the programs were to children and to creating productive members of society. She encouraged the legislature to fully fund education, expand Medicaid, and fund prevention programs. She thanked the committee for the opportunity to testify.

12:11:00 PM

JOSEPH DINGMAN, ALASKA MENTAL HEALTH BOARD, BARROW (via teleconference), Spoke in favor of Medicaid expansion. He mentioned the executive authority to move forward with expansion without the need to pass legislation to do so. He expressed his appreciation for the committee's hard work.

12:11:50 PM

ROBERT COGHILL, JUNEAU (via teleconference), Board Chair, Alcohol and Drug Abuse spoke in favor of Medicaid

expansion. He realized there were problems with the Xerox billing system for Medicaid and that it was under repair. Maryland had similar problems but went ahead and expanded Medicaid. He felt that the governor's budget, HB 2001, was an acceptable compromise. He thanked the committee for its service.

[12:13:07 PM](#)

DAVID JOHNSON, SELF, PRUDHOE BAY (via teleconference), urged the committee to reach a compromise on the budget. He spoke in favor of Medicaid expansion and Erin's Law but opposed using the permanent fund earnings reserve. He thanked the committee.

[12:14:11 PM](#)

JOHN ANDERSON, SELF, VALDEZ (via teleconference), spoke in support of public radio expressing his appreciation of its restored funding. He thanked committee members for their time and hard work on the budget.

[12:16:21 PM](#)

TIM CHEYDLEUR, SELF, FAIRBANKS (via teleconference), spoke in favor of fully funding the BSA for education and encouraged Medicaid expansion. He supported capping the PFD and opposed drawing from the permanent fund earnings reserve. He suggested using the Constitutional Budget Reserve (CBR) to fill the state's fiscal gap. He believed in a state income tax, a sales tax, and an increase in the motor fuel tax. A plan was imperative. He thanked the committee for the opportunity to testify.

[12:17:55 PM](#)

COLLEEN REDMAN, SELF, FAIRBANKS (via teleconference), spoke in favor of fully funding education and health and social services. She relayed her experience working for the Territory of Alaska as one of three social workers covering the territory from Barrow to Bethel. She also reported working in the schools realizing the importance of education and favored funding for early childhood education. She also supported Medicaid expansion.

[12:20:34 PM](#)

DON GRAY, SELF, FAIRBANKS (via teleconference), strongly supported K-12 education. He mentioned his children and grandchildren that attended public school. He opined that monies taken from the university system's budget should be restored and the state should opt for expanding Medicaid. He discouraged moving the permanent fund earnings reserve into the corpus but encouraged reducing oil tax credits. He thanked the committee for its time.

[12:23:11 PM](#)

DAN JOHNSON, INTERIOR REGION EMERGENCY MEDICAL SERVICES (EMS) COUNCIL, INC., FAIRBANKS (via teleconference), discussed the ramifications of a 53 percent cut to regional EMS programs. He relayed that the funding supported seven regional EMS programs across the state. He provided program details and a list of service benefits. He elaborated on the impact of the proposed cuts to the program. He asked the committee to further consider the effect of reduced funding for the regional EMS program.

[12:25:23 PM](#)

RICHARD FINEBERG, SELF, FAIRBANKS (via teleconference), indicated that he had seven process focus items necessary for improving understanding petroleum quantification which would enable the formulation and execution of long-term government service policies. He detailed the seven items which could be found on his website and in written testimony.

[12:28:02 PM](#)

MICHELLE CHURCH, SELF, PALMER (via teleconference), believed that the budget described a very narrow vision by the majority caucus. She believed that collecting revenue from the most vulnerable residents while ignoring potential growth from industries such as health care and agriculture was mean-spirited. She opposed Medicaid expansion. She believed that the expansion of Medicaid would increase the state's ability to collect the costs of programs at the expense of ill Alaskans. She expressed concern that the state's ability to negotiate a gas pipeline would be limited with the transfer of monies out of the in-state natural gas pipeline fund as noted in Section 6 of the bill. She opined the education budget was woefully underfunded. She spoke in favor of Erin's Law and against a

raid on the Permanent Fund. She encourage the legislature to negotiate and compromise.

12:30:32 PM

RACHEL BEDSWORTH, FACING FOSTER CARE IN ALASKA, ANCHORAGE, spoke in support of funding additional social workers and conveyed her experience in the foster care system. She reported that she had 46 placements and six social workers in her years of care. She relayed that her current social worker was overloaded with cases and was unable to properly assist her with the support she needed to transition into adulthood. She urged the committee to provide funding for additional social workers so that kids like her could successfully transition into adulthood.

12:32:28 PM

KATHERINE HICKS, SELF, ANCHORAGE, appreciated the efforts of the legislature to reduce spending. She voiced concerns about providing additional funding for education when results were down. She wanted to see additional cuts to the budget. She felt that it was time for the legislature to make some tough decisions. She thanked the committee.

12:33:58 PM

CHERYL LOVEGREEN, SELF, ANCHORAGE, spoke in support of education, Erin's Law, and Medicaid expansion. She suggested cutting various projects including the Susitna-Watana Hydroelectric Project, the Bragaw Extension Project, and the Knik Arm Crossing Project. She also suggested looking more closely at oil tax credits. She encouraged the legislature to come to a compromise in order to use the CBR to fund the budget. She did not support raiding the Permanent Fund. She applauded certain legislators for starting a discussion about creating additional revenues. She thanked the committee for the opportunity to testify.

12:36:19 PM

CAROLYN RAMSEY, CITIZENS FOR RESPONSIBLE DEVELOPMENT, ANCHORAGE, discouraged funding the Bragaw Extension Project. She reported that 9 community councils across Anchorage had passed resolutions against the project. She cited some statistics from various reports. She concluded

that residents did not want the road, need the road, nor could Alaska afford the road. She thanked the committee.

[12:38:23 PM](#)

VINCE BELTRANI, AK AFL-CIO, ANCHORAGE, spoke in favor of the legislature honoring the labor contracts that were already agreed upon. He urged the committee to honor the state's commitment to its employees. He thanked the committee for the work it had done and hoped that the legislature could come to a resolution quickly.

Co-Chair Neuman relayed his appreciation for all state workers. He did not want to see pink slips going out to anyone.

[12:41:13 PM](#)

BRUCE BRIDWELL, SELF, FAIRBANKS (via teleconference), spoke in support of fully funding education. He did not believe the state could make enough cuts to solve its financial problems. He opined that the legislature needed to focus on generating additional revenue including income taxes from people and corporations. He supported using the CBR to cover shortfalls but did not want the state to dip into its permanent fund earnings reserve. He thanked legislators for their service and appreciated their attempt at finding a compromise. He thought it was time to listen to the governor and the minority.

[12:43:09 PM](#)

Co-Chair Neuman recognized Representative Dan Ortiz in the audience.

DAVID NEESE, SELF, ANCHORAGE (via teleconference), referred to a survey conducted by Great Alaska Schools. He relayed that he had served on the House Education Task Force and one of the recommendations was to not increase funding for education. The reason for the recommendation was due to not having any control of how the funding was spent. He provided budget information for the Chugiak School District. He pointed out that the salary and benefit package for the district exceeded the contribution of the state. He believed the state funding went to teacher salaries rather than into the classroom. He felt that the legislature had provided enough money to education.

NORM WOOTEN, ASSOCIATION OF ALASKA SCHOOL BOARDS, JUNEAU (via teleconference), spoke in favor of fully funding education in order to allow for stability in the school districts. He also requested that the legislature fully fund the BSA. He thanked legislators for their support.

BUTCH MOORE, SELF, ANCHORAGE, spoke against cuts made to the Alaska Network on Domestic Violence and Sexual Assault. He conveyed the importance of the agency and the gravity of the number of assault and sexual molestation cases in the state. There were 783 cases of sexual assault and molestation in the first 3 months of the current year. He offered that there were not enough social workers and investigators to deal with the case volume. He cited a statistic that for every dollar the state spent on education it saved three. He thanked the committee.

[12:50:43 PM](#)

JANIE TAYLOR, SELF, ANCHORAGE (via teleconference), spoke against raiding the Permanent Fund to fund the budget. She supported Medicaid expansion and Erin's Law in its original form. She supported fully funding education and urged legislators to work together to come up with a budget compromise. She asked the committee to listen to the will of the people and thanked members for the opportunity to testify.

[12:52:50 PM](#)

CELIA ROZEN, SELF, ANCHORAGE (via teleconference), spoke in support of fully funding education. She urged the legislature to reach a budget compromise. She furthered that funding education was a constitutional responsibility. She wanted to see the CBR used to balance the budget. She asked that Erin's Law (HB 44) be restored to the version prior to the amendments made on May 21, 2015. She thanked the committee for hearing her testimony.

[12:54:52 PM](#)

ROSS MULLINS, SELF, CORDOVA (via teleconference), expressed his concern with the inability of the legislature to compromise. He also expressed his concerns with the changes introduced by Senator Dunleavy in the Erin's Law bill. He believed the issue of sexual and child abuse was critical

to address. He strongly supported Medicaid expansion and closed by thanking the committee for its time.

[12:57:37 PM](#)

ANTONIA SPARROW, SELF, ANCHORAGE (via teleconference), urged support for funding education and expanding Medicaid. She disagreed with the process of negotiations used this year at the legislature. She expressed concerns with the legislature not honoring labor contracts and renegeing on funding for education. She felt that it was critical to honor the process in place and was discouraged with the example legislators were setting for young people that might be interested in a future in public service. She encouraged the legislature to work in a civil way. In addition, she thought the important work was to find new revenues. She supported a cap on the PFD and would entertain other funding options such as an income tax and an increased fuel tax. She thanked the committee for listening to her testimony.

[1:01:26 PM](#)

SCOTT MACMANUS, ASSISTANT SUPERINTENDENT, GATEWAY SCHOOL DISTRICT, TOK (via teleconference), spoke in favor of investing in human capital by funding education. He provided some personal information. He reported the current impacts of the budget and suggested focusing on the state's key mission by getting the most out of current state revenues. He encouraged legislators to come to a compromise to address the state's problems. He thanked the committee.

[1:03:39 PM](#)

KEVIN SHIPLEY, KAKE SCHOOL DISTRICT (via teleconference), relayed the actions the school district was taking with the proposed cuts. He relayed that the district's planning was based on what the legislature posed as a worst-case scenario in April 2015. However, the budget that was finally passed imposed an additional cut of 4 percent to the BSA, an unexpected reduction. He felt that the legislature did not communicate with school districts about the additional cuts and did not allow for public comments and input. He thought that problems could be solved by teamwork, leadership, and vision. He was disheartened by the conduct of the legislative body in handling the current challenges that Alaska was facing. He requested the

reversal of the 4 percent reduction to the BSA. He supported Erin's Law with the caveat that the state paid for the costs to develop and provide curriculum. He thanked the committee.

[1:05:35 PM](#)

JR MYERS, ALASKA CONSTITUTION PARTY, SOLDATNA (via teleconference), urged looking at the scope of government and developing a sustainable budget. He did not want to burden future generations with debt. He suggested a review of government spending rather than new revenue sources. He appreciated the committee's time.

[1:07:00 PM](#)

ANDY HOLLEMAN, ANCHORAGE EDUCATION ASSOCIATION, ANCHORAGE, asked for predictability. He relayed the difficulties of recruitment for Alaska's public schools. He asked the committee to reconsider funding the BSA at 100 percent rather than only funding a percentage of what was promised. He thanked the committee members for the work they did and wished them the best of luck.

[1:09:11 PM](#)

LAURA BONNER, SELF, ANCHORAGE, spoke in favor of funding education. She felt that it was important to provide the proper foundation for the future workforce, entrepreneurs, and leaders of Alaska. She relayed the many benefits in investing in education. She opined that education needed to be high on the legislative priority list. She favored Medicaid expansion and oil tax reform and spoke against raiding the PFD. She thanked committee members.

[1:11:39 PM](#)

TOM LAKOSH, SELF, ANCHORAGE, Spoke in opposition of the Susitna-Watana Hydroelectric Project and the Knik Arm Crossing Project. He understood that Alaskan citizens wanted to protect the CBR and PFD. He ascribed to finding new revenue sources and making necessary cuts. He favored expanding Medicaid not only because of the additional funding it would bring to the state but also because of the creation of new jobs. He believed renewable energy was the best option for the state. He thanked committee members for their time.

1:13:57 PM

DEENA MITCHELL, SELF, ANCHORAGE, stated that revenues were down dramatically, which was the reason the state had reserves. She alleged that cutting the budget without a strategy did not make sense. She relayed some of the consequences of the proposed cuts. She thought the job of the legislature was to prioritize funding. She favored supporting Medicaid expansion and the funding of education and foster care services. She commented that the state needed predictable and stable funding for education. She thanked the committee for its time.

Co-Chair Neuman provided an email for submitting written testimony: lhscfin@akleg.gov

1:16:25 PM

FRANCIS BENNETT, SELF, ANCHORAGE (via teleconference), agreed with the Senate's version of the budget and thanked the committee for its work.

1:17:08 PM

MARTHA MOORE, SELF, JUNEAU (via teleconference), spoke in favor of Medicaid expansion. She felt that it was good for the health of Alaskans, would bring money into the state, and create jobs. She did not feel the payment system's problems could quickly be resolved and should not prevent the state from moving forward with expansion. She suggested that services that were currently paid with state dollars could be paid with federal money. She believed expansion and reform should be done concurrently. She thanked the committee for the opportunity to testify.

1:18:52 PM

TOM CHARD, ALASKA BEHAVIORAL HEALTH ASSOCIATION, JUNEAU (via teleconference), relayed information about the association. He reported that the association strongly supported Medicaid expansion. He urged the committee to fund ongoing community behavioral health services in the FY 16 operating budget. He urged the legislature to pass an operating budget as soon as possible to reduce uncertainty and to ensure continuity of services. He thanked the committee for its time.

[1:20:31 PM](#)

PENELOPE OSWALT, SELF, CORDOVA (via teleconference), expressed her concern about the delay in funding a budget. She hoped the legislature could work together for the good of all citizens of Alaska. She discouraged the use of the Permanent Fund to balance the budget. She suggested a state school tax to assist in funding education. She encouraged Medicaid expansion and favored funding for the Alaska Marine Highway system. She opined that funding for education from Pre-K to university levels must be restored. She supported Erin's Law in its original form and urged members to fund child protection including foster care. She opposed oil company tax credits and the Bragaw Extension Project. She also suggested moving the Anchorage LIO to a less expensive facility.

[1:23:51 PM](#)

GEORGE BROWN, SELF, JUNEAU (via teleconference), highlighted the benefits of Alaska's constitution which was based on listening and working together to solve problems. He encouraged legislators to protect the environment and ensure the future of Alaska's children. He thanked legislators for their work in public service.

[1:25:21 PM](#)

CHAD FISHEL, SELF, JUNEAU (via teleconference), pointed out that the legislature was attempting to cut its way out of the budget shortfall. He expressed concern with the state paying out more in oil tax credits than it was receiving in oil revenues. He felt that the state's partnerships with the oil companies were unequal. He supported funding education and other services provided by the State of Alaska. Lastly, he expressed his disappointment that the legislature called a special session in Anchorage.

[1:27:58 PM](#)

KAREN GREENBERG, SELF, ANCHORAGE (via teleconference), spoke in favor of funding education and passing Erin's Law as written. She was most concerned about the expansion of Medicaid. She expounded that the state needed to provide for the citizens of the state that need health care. She discussed the benefits of Medicaid expansion and did not

understand the delay in expansion. She emphasized being baffled. She opposed some of the mega projects and was critical of the choice to remain in the current LIO building in Anchorage. She also opposed oil company tax credits. She implored that the majority try a new approach to governing. She closed by saying, "Thank you."

[1:30:52 PM](#)

TIM WALTERS, PRESIDENT OF THE MAT-SU EDUCATION ASSOCIATION, MAT-SU (via teleconference), asked the legislature to honor the commitment it made in the previous year in HB 278 [Short Title: Education] to fund public education. He relayed that HB 278 provided three years of stable funding for school districts after years of being flat funded. The Mat-Su School District had the highest class sizes in the state for many years translating to less individual help for struggling students. He relayed additional challenges due to cuts to public education. He appealed to members of the committee to fully fund education.

[1:32:51 PM](#)

CARL BENSON, SELF, FAIRBANKS (via teleconference), expressed his disappointment in the legislature. He opined that the oil tax structure was broken. He spoke in favor of Medicaid Expansion and in opposition of tapping the permanent fund earnings reserve. He supported negotiations between the majority and minority. He avowed that he would not pay an income tax if it was going to help oil companies with tax credits. He urged the legislature to change the oil tax revenue laws immediately to end the give-a-way. He thanked the committee.

[1:35:05 PM](#)

ROSALIE REIN, SELF, FAIRBANKS (via teleconference), reported she was an employee of Office of Children Services (OCS) but was representing herself in her testimony. She reported the office was chronically understaffed. Although there were unfilled vacancies, the reality was that the workload was extremely high making it difficult to fill the positions. The workload prevented social workers from strengthening the families that entered the state system. She reported that about 50 percent of the children that OCS took into custody ended up available for adoption due to not having the workforce to help reunify families. She

reported that 40 percent of foster youths were homeless at some time in their lives and 27 percent of the children OCS worked with ended up incarcerated. She relayed additional statistics.

[1:37:48 PM](#)

FRED STURMAN, SELF, SOLDOTNA (via teleconference), urged the committee to make further cuts and discouraged additional monies being placed in the budget. He wanted the committee to make additional decreases to the budget and suggested closing Department of Motor Vehicles. He discouraged expanding Medicaid and recommended closing state government for a few months. He wanted the legislature to avoid taking money from the working class in the form of income and sales taxes. He thanked the committee for its time.

[1:39:20 PM](#)

JEREMY PRICE, AMERICANS FOR PROSPERITY ALASKA, ANCHORAGE, spoke in support of the cuts made in the budget. He opined that the longer the legislature went without making cuts the more revenues the state would have to generate in the future. He encouraged committee members to stick to their guns. He thanked committee members and applauded their efforts.

[1:41:04 PM](#)

PHILLIP WALTERS, SELF, EAGLE RIVER, spoke out against the legislature attempting to work around the minority rather than working together to finalize a budget. He did not understand why funding was being removed from education and used for projects such as the Knik Arm Crossing Project, the Susitna-Watana Hydroelectric Project, and the Bragaw Extension Project. He opined that the projects were not currently necessary and that funding education was a priority. He discouraged using the Permanent Fund to balance the budget. Instead, he suggested using funds from the CBR. He reiterated for legislators to cooperate with each other, fund education, and give Alaska the future it deserved. In closing he thanked the committee.

[1:42:41 PM](#)

DAVID BOYLE, SELF, ANCHORAGE, spoke in opposition of spending additional monies on education. He relayed that Alaska spent approximately \$22 thousand per student. He felt that money was not the problem, it was the education process. He emphasized the need for education reform. He mentioned the Anchorage School District having an excess balance of \$25 million in general fund dollars. He referred to a graph and further discussed the Anchorage School District's finances. He asked the legislature to focus on teacher quality and improved education. He thanked the committee for hearing his testimony.

[1:45:37 PM](#)

CHARLES MCKEE, SELF, ANCHORAGE, suggested that Alaska's troubles began in 1933 with the implementation of the Federal Reserve, the Internal Revenue Service, and the Social Security system. He continued to provide some historical background about the federal government and the State of Alaska. He thanked the committee.

[1:47:50 PM](#)

DREW MCELVAIN, SELF, WASILLA (via teleconference), expressed his displeasure in the direction of the legislative sessions and a lack of compromise. He spoke in support of education funds that had been promised the prior year. He suggested using money from the CBR to balance the budget. He also felt the legislature needed to honor the state union contracts that were in place and encouraged the legislature to expand Medicaid. He hoped the legislature would come to a compromise to use funds from the CBR. He closed by thanking committee members.

[1:51:00 PM](#)

BARBARA MARSH, SELF, ANCHORAGE (via teleconference), testified against using money from the permanent fund earnings reserve to fund the budget. She was opposed to the Bragaw Extension Project and the Susitna-Watana Hydroelectric Project. She favored moving the Anchorage LIO to the Atwood building and supported funding for the Office of Children's Services, Medicaid expansion, and Medicaid reform. Additionally, she supported Erin's law; she believed the information was critical for students. She encouraged members to work together in a bi-partisan way

and expressed her appreciation for the opportunity to testify.

[1:52:24 PM](#)

SUE HULL, ASSOCIATION OF ALASKA SCHOOL BOARDS, FAIRBANKS (via teleconference), encouraged the legislature to do whatever it needed to get to a budget resolution. She urged funding for the BSA and public education. She asked the committee to consider holding firm regarding fully funding the BSA in order to allow for planning. She understood that the decisions were difficult, but she asked the committee to do the right thing for kids. She thanked the committee for its time.

[1:54:10 PM](#)

ALEX WERTHEIMER, SELF, JUNEAU (via teleconference), testified in support of Medicaid expansion. Additionally, he asked the legislature to fulfill its commitment to education that it made the prior year. He asked the legislature to begin to consider other revenue sources outside of oil. He stressed that the oil taxes needed to be revisited. He also suggested considering the Percent of Value (POV) pay out for the Permanent Fund down the road with a set percentage for dividends and a set percentage for the state operating and capital budgets. He asked the committee to reinstate the state school tax that would provide a revenue stream directed towards education. He thanked committee members for the opportunity to comment.

[1:55:36 PM](#)

BOB CRUMLEY, SUPERINTENDENT, CHUGACH SCHOOL DISTRICT, CHUGACH (via teleconference), testified in support of public education. He stressed that public education was the backbone of democracy. He encouraged full funding for education; uncertainty around funds caused challenges in school district planning. He suggested that without certainty, fully funding education, and without passing a fully funded budget the legislature was putting Alaska's future at risk in the long-term. He stated that in the short-term a range of services were being jeopardized. He thanked members of the legislature who supported education.

[1:57:18 PM](#)

SARAH KEHOE, SELF, TALKEETNA (via teleconference), spoke in strong support of Medicaid expansion and reform. Additionally, she was in favor of Erin's law as originally written. She supported increased funding for the Office of Children's Services, foster care services, behavioral health, and substance abuse treatment programs. She supported fully funding education, including Pre-K and vocational education. She was in favor of using funds from the CBR and money allocated for the Susitna-Watana Hydroelectric Project as well as reducing tax credits. She asked the legislature to pass the budget as quickly as possible to allow school districts to plan. She thanked the committee for its work.

[1:59:31 PM](#)

SUSAN HANSEN, SELF, FAIRBANKS (via teleconference), spoke in opposition to cuts to the Interpreter Referral Line. She believed the program had been eliminated. She stressed that outsourcing the service was not feasible. She emphasized the need for qualified interpreters. She encouraged the legislature to work in a bipartisan way and thanked the committee for allowing her to testify.

[2:01:20 PM](#)

MARYBETH HOLLEMAN, SELF, ANCHORAGE (via teleconference), testified in support of a bipartisan budget. She implored the committee to look at oil company tax credits stressing their need to be cut. She pointed her comments to Senator Kevin Meyer, her legislator, who she felt was not representing her. She eluded that as an employee of one of the oil companies, Senator Meyer had a potential conflict of interest and should not vote on any oil issues. In closing she said, "Thank you."

[2:02:27 PM](#)

SYLVIA ETTEFAGH, SELF, WRANGELL (via teleconference), testified against cuts to the Alaska Marine Highway System (AMHS). Cutting the ferry system had a severe revenue impact on reliant communities. She hoped that legislators would look clearly at everything when making cuts.

[2:04:04 PM](#)

MICHAEL CHAMBERS, UNITED FOR LIBERTY, ANCHORAGE, testified against Medicaid expansion. He pointed to a study that indicated Alaska's share of Medicaid would be approximately \$3 billion. He stressed that legislators had to make difficult decisions including redefining the state's government services. He added that education was already substantially funded. He thanked the committee.

[2:05:52 PM](#)

AARON SPRINGER, SELF, ANCHORAGE, testified against Medicaid expansion because of the investment that it required and the state's current fiscal condition. He thanked committee members.

[2:06:52 PM](#)

SARAH HETEMI, SELF, ANCHORAGE, testified that the majority of Alaskans supported reducing the budget. She believed more state funding was not an option at present. She furthered that Alaska needed to live within its means. She advocated for fiscal restraint and a reduction in government spending. She thanked the committee.

[2:07:57 PM](#)

KRISTA VON BERGEN, SELF, ANCHORAGE, spoke in favor of cuts. She stressed that it was critical to maintain savings and stressed that it was not the appropriate time to deplete the state's savings. She did not believe it was the time to increase the pay of government employees or accept Medicaid expansion. She stood with the majority of Alaskans by asking the legislature to produce a significantly reduced budget prior to a discussion of raising taxes. She thanked committee members for their work.

[2:09:06 PM](#)

Co-Chair Neuman ended public testimony for the day. He noted that 82 people testified during the meeting. He suggested that others were welcome to submit written testimony.

HB 2001 was HEARD and HELD in committee for further consideration.

He announced that the next House Floor Session would be held the following day at 1:00 p.m.

#

ADJOURNMENT

2:09:38 PM

The meeting was adjourned at 2:09 p.m.