

HOUSE FINANCE COMMITTEE
March 2, 2016
1:03 p.m.

1:03:44 PM

CALL TO ORDER

Co-Chair Neuman called the House Finance Committee meeting to order at 1:03 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 Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Arlene Ludwig, Meeting the Challenge, Anchorage; Laronsia Reynolds, Hope Alaska, Anchorage; April Kyle, Vice President, Behavioral Health, Southcentral Foundation, Anchorage; Joe Hakenmueller, Self, Eagle River; Representative Cathy Tilton; Representative Jonathan Kreiss-Tomkins.

PRESENT VIA TELECONFERENCE

Faith Myers, Mental Health Advocates, Anchorage; Carolyn Ramsy, Citizens for Responsible Development, Anchorage; Jim Behlke, Self, Anchorage; Bernie Washington, Alaska Public Broadcasting, Anchorage; Michael Rovito, Alaska Power Association, Anchorage; Barb Nath, Hope Community Resources, Anchorage; Eli Mercurieff, Self, Anchorage;

Becca Bernard, Self, Anchorage; Dave Hanson, Self, Anchorage; Ed Graff, Anchorage School District Superintendent, Anchorage; Emily Cross, KNBA, Anchorage; Carmen Guitieriz, Owner, Justice Improvement Solutions, Anchorage; Catherine McLaughlin, Partners Re-entry Center, Anchorage; Sandy Travis, Self, Anchorage; Drew Hansen, Rural CAP, Parents as Teachers, Anchorage; Stacy Lucason, UAA Student, Anchorage; Kristen Ramstad, Rural CAP Headstart, Anchorage; Alyse Galvin, Self, Anchorage; Galen Schmit, self, Anchorage; Jessica Cler, Planned Parenthood Votes Northwest and Hawaii, Anchorage; Panu Lacier, System for Early Education Development, Anchorage; Robin Smith, Rural Community Action Group, Anchorage; Rob Cliff, Chair, Alaska Libertarian Party, Anchorage; Dirk Shumaker, Executive Director, Kids Corps Incorporated, Anchorage; Gordon Glaser, Self, Anchorage; Megan Johnson, Thread, Anchorage; Jeremy Price, Americans for Prosperity, Anchorage; Alex Slivka, Self, Anchorage; Michael Chambers, United for Liberty, Anchorage; Lisa Pearce, Self, Anchorage; Laura Cisnaros, Best Beginnings, Anchorage; Billy Ray Powers, Self, Anchorage; Caitlin Jaksic, Self, Anchorage; Matt Ostrander, UAA Student, Anchorage; Jacob Shercliffe, UAA Student, Anchorage; Elisha (elijah) Wargh, Self, Anchorage; Sarah Hetemi, Self, Anchorage; Imeda White, Self, Anchorage; Ron Pichler, Self, Anchorage; Stephanie Berglund, Thread, Anchorage; Charles McKee, Self, Anchorage; Andre McCleod, Self, Anchorage; Elston Larson, Self, Anchorage; Rich McClear, Self, Sitka; Mary Wegner, Superintendent, Sitka School District, Sitka; John Dull, Self, Sitka; Crystal O'Neill, Self, Sitka; Roy Bond, Mac's Place, Sitka; Grace Brooks, Self, Sitka; Brian McNitt, Self, Sitka; Lisa Herwald, Commissioner, Alaska Public Broadcasting, Sitka; Keith Perkins, University of Alaska Southeast (UAS), Sitka Advisory Committee, Sitka; Tim Fulton, Board Member, Sitka School Board, Sitka; Jennifer McNichol, Board Member, Sitka School Board, Sitka; Constance White, Senior Center, Sitka; Helen Craig, Self, Sitka; Charles Wood, Self, Petersburg; Tom Abbott, Station Manager, KFSK, Petersburg; Ginger Evens, Self, Petersburg; Susan Erickson, Self, Petersburg; Chuck Rose, Self, Petersburg; Sam Bunge, Self, Petersburg; Sunny Rice, Self, Petersburg; Elizabeth Hart, Self, Petersburg; Mary Leith, City of Delta Junction, Delta; Karen Kresh, Librarian, Unalaska Public Library, Unalaska; Matt Lightner, Board Chair, KUCB, Unalaska; Richard Probert, Self, Tok; Lisa Conrad, Self, Tok; Dave Stancliff, Self, Tok; Stretch Blackard, Self, Tok; George Koulus, Self, Tok; Betty Denny,

Upper Tanana Senior Program, Tok; Todd Poage, Superintendent, Alaska Gateway School District, Tok; Sue Stancliff, Self, Tok; Scott MacManus, Assistant Superintendent, Alaska Gateway School District, Tok; Patrick Dalton, Self, Delta Junction; Sharon Dalton, Self, Delta Junction; Chelsea Tremblay, Self, Petersburg; Bailey Marita, Sitka Counseling, Sitka; Roby Littlefield, Self, Sitka; Joan Kautzer, KFSK Board of Directors, Kupreanof; George Smith, Self, Anchorage; Bill Lambert, Self, North Pole; Arlene Briscoe, Alaska Nurses Association, Anchorage; Angie Jensen, Elementary School Counselor, Anchorage; Glen K Marunde, Self, Northway; Tissany Hall, Executive Director, Recover Alaska, Anchorage; Cyrus Cooper, Self, Healy; John Sarvis, Self, Anchorage; Heather Lende, Self, Haines; Crystal Brookins, Board Member, Alaska Youth in Family Network, Anchorage; Tom Lakosh, Self, Anchorage; Cherri Price, Self, Haines; Chloe Goodson, Self, Haines; Tresham Greg, Self, Haines; Gabe Dunham, Self, Dillingham; Jeremy Doughty, Self, Anchorage; Charles Gorman, Self, Anchorage; Sara Chapell, Self, Haines.

SUMMARY

HB 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 APPROP: MENTAL HEALTH BUDGET

HB 257 was HEARD and HELD in committee for further consideration.

#hb256

#hb257

HOUSE BILL NO. 256

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, making reappropriations, making supplemental appropriations, and 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."

HOUSE BILL NO. 257

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

Co-Chair Neuman discussed the meeting agenda.

^PUBLIC TESTIMONY: ANCHORAGE

1:05:00 PM

FAITH MYERS, MENTAL HEALTH ADVOCATES, ANCHORAGE (via teleconference), discussed the privatization of services at the Alaska Psychiatric Institute (API) and mentioned a feasibility study on as proposed in SB 74. She thought the state could save a great deal of money by not privatizing API. She discussed the history of privatized care of individuals with disabilities, and characterized it as a dark history. She was concerned that private facilities operated on the principals of convenience and economics, which she felt was not conducive to patient rights or patient recovery.

1:07:12 PM

CAROLYN RAMSY, CITIZENS FOR RESPONSIBLE DEVELOPMENT, ANCHORAGE (via teleconference), was concerned with funds appropriated for an access road project. She thought the University had agreed to give the project \$15 million worth of right-of-way. She discussed municipal and community opposition to the project and thought the legislature should reappropriated the funds for other more important uses. She spoke in opposition to cuts to the University budget. She expressed concern over cuts to programs for people with disabilities. She thought cutting funding for substance abuse treatment would result in an increased prison population and crime rate. She opposed cuts to senior medical services. She discussed the value of seniors in the state, and discussed their many contributions as productive members of society. She supported instituting a state income tax, and thought a sales tax would be unfair to the poor of the state.

1:09:27 PM

JIM BEHLKE, SELF, ANCHORAGE (via teleconference), testified against cuts to senior services. He discussed his personal experience with state pioneer homes. He testified in support of funding for the University at the level proposed by the governor. He thought statewide administration of the University needed scrutiny with regard to spending. He was concerned that the University may have an overwhelming advantage when lobbying in Juneau. He was opposed to a gasline, and thought that the cost was too extreme. He discussed the Alaska Public Offices Commission (APOC), and recounted how his mother had served on the commission. He used a variety of anecdotes to comment on the functioning of APOC. He discussed resources for legislative ethics and thought it might be possible to consolidate them with APOC and the Department of Law for cost saving measures. He discussed sustainability of the budget, and thought the legislature should take initiative and not vaporize our state savings.

[1:11:49 PM](#)

BERNIE WASHINGTON, ALASKA PUBLIC BROADCASTING, ANCHORAGE (via teleconference), supported funding for public broadcasting. He thanked the committee for their service and for the opportunity to testify. He discussed the vital importance of communication and public broadcasting in keeping Alaskans informed.

[1:12:48 PM](#)

MICHAEL ROVITO, ALASKA POWER ASSOCIATION, ANCHORAGE (via teleconference), supported the funding for the renewable energy fund. He specified that he was testifying on behalf of the executive director who was out of state on business. He discussed a partnership with the Alaska Energy Authority (AEA), and stated that AEA had been a leader and collaborator in the ongoing mission of electric utilities to make the cost of energy more affordable. He urged the committee to restore \$2 million to the operating budget for the Renewable Energy Fund to allow AEA to protect the state investments in the fund by managing the existing grants that represented \$131 million of state investment. If the funding was not restored, he thought that AEA would not be able to effectively manage the existing grants, which would result in decreased project management and technical oversight. He discussed the positive track record of projects funded by the Renewable Energy Fund.

1:14:26 PM

BARB NATH, HOPE COMMUNITY RESOURCES, ANCHORAGE (via teleconference), testified in support of funds for the developmental disabilities community grant. She stated that they were low-cost services and if provided at the right time, would prevent a crisis that would result in higher costs to the state. She specified that if the community grants were cut it would take services from approximately 200 people who needed the support to be successful. She listed services such as respite, day habilitation, case management, supported employment, and specialized equipment. Budget cuts would also effect community education and recreation programs for people with disabilities. She reminded the committee that the proposed cuts would affect people.

1:16:41 PM

ELI MERCULIEFF, SELF, ANCHORAGE (via teleconference), testified in support of funds for the developmental disabilities community grant and Hope Community Resources. He discussed the importance of funding for him personally. He recounted his utilization of services such as housing and day habilitation services.

1:17:54 PM

BECCA BERNARD, SELF, ANCHORAGE (via teleconference), urged the committee to expand the budget proposal to include new revenue sources. She had seen a poll that suggested over 60 percent of Alaskans wanted new revenues included in the upcoming budget. She stated there was strong and growing support for development of a broad-based and sustainable fiscal plan that did not rely solely on cuts and savings. She supported a reduction in oil tax credits. She supported funding for K-12 education. She spoke in support of full funding for Pre-K programs. She thought Alaskans were willing to pay for the programs they relied on.

1:19:38 PM

DAVE HANSON, SELF, ANCHORAGE (via teleconference), wanted to discuss the oil production tax credits system, which he called "the elephant in the room." He suggested the program was great when the state was rich, but thought that now the

state could not afford the program. He discussed the cost of the program in the current year, and compared it to what could be saved if the permanent fund dividend was capped at \$1000. He discussed the small amount of money provided to the state by the oil tax credits. He discussed a projected cost of \$1 billion for the oil tax credits for the following year, which was almost as much as the Department of Education and Early Development budget or the Department of Health and Social Services budget. He quoted oil tax credit statistics from the Department of Commerce, Community and Economic Development, thought the tax was set up to pay for itself in the very long term if it was assumed most of the oil companies would produce. He thought the current tax credit system was very loose and unclear. He suggested cutting the program severely beyond what the governor had suggested, and look at options such as a loan program that would hold companies accountable. He quoted the Journal of Commerce in asserting that the state could no longer afford the program as it was currently structured.

1:22:05 PM

ED GRAFF, ANCHORAGE SCHOOL DISTRICT SUPERINTENDENT, ANCHORAGE (via teleconference), supported funding for K-12 education at the governor's proposed level. He thanked the committee for the opportunity to provide public testimony on behalf of the Anchorage School District. He asked for full funding of the BSA for FY 17 including the statutory \$50 increase. He recognized the financial challenges being faced by the state and thought that investment in the schools and infrastructure across the state would accrue benefits to the students over the long term. He thought excellent educational systems were paramount to attracting and retaining Alaska families. He believed that it was essential to invest in education to ensure prosperity in the state.

1:23:33 PM

EMILY CROSS, KNBA, ANCHORAGE (via teleconference), urged the committee to restore all FY 17 state grant funding for public broadcasting. She shared that she was an Inupiaq Eskimo from the Northwest of Alaska, and a KNBA board member. She added that she worked for a corporation on the North Slope. She explained that KNBA was the official local primary-2 station in the Anchorage and Mat-Su area; which meant that in the event that the first station was unable to broadcast in an emergency, KNBA would be relied upon to

do so. She pointed out that cell phones and other communication can be unavailable to the economically disadvantaged and the elderly. She discussed growing up in rural Alaska, where public radio was the only connection to state and local news. She mentioned that her elderly parents spent the entire summer at fish camp and relied on public broadcasting. She understood the difficult position that the legislature was in. She was concerned about losing federal matching dollars, and asked the committee to restore all the funding for public broadcasting.

[1:25:22 PM](#)

CARMEN GUITIERIZ, OWNER, JUSTICE IMPROVEMENT SOLUTIONS, ANCHORAGE (via teleconference), urged the committee to appropriate \$685,000 to fund the Partners Re-entry Center in Anchorage. She relayed that she had been working in Alaska's criminal justice system for the previous 35 years, recently as deputy commissioner for the Department of Corrections. She discussed the recent focus on ensuring the value of criminal justice funds that were spent, and suggested that the state had not been receiving good value for criminal dollars spent. She reported that in the last two decades the incarcerated population in Alaska's system had expanded at four times of the resident population. She discussed prison rate growth and specified that DOC had increased its spending by 60 percent over the last two decades and had an operating budget of \$327 million in FY 14. She reported recidivism statistics and elaborated that the Partner Re-entry Center was providing services for those released from jail in Anchorage and helping to assist with housing, employment, transportation, and clothing. She reported that the program was providing good outcomes, reducing the number of individuals being incarcerated, and would work to reduce criminal justice costs.

[1:28:09 PM](#)

CATHERINE MCLAUGHLIN, PARTNERS RE-ENTRY CENTER, ANCHORAGE (via teleconference), echoed the comments of the previous testifier. She shared that the Partners Re-entry Center was in the third funding year, and was requesting \$685,000 in order to remain open after July 1. She stated that the center was data-driven and used best practices; and specified that 2,900 people had come to the center, 75 people were hired within the previous 30 days, and 84 people were currently housed at the center. She shared that

the center had recently served two individuals who had been incarcerated for more than 35 years, and questioned what might have happened if the center had not been there. She asked the committee to fund the collaboration for the restorative justice model to reduce recidivism.

1:29:55 PM

SANDY TRAVIS, SELF, ANCHORAGE (via teleconference), stated that she was a disabled injured state worker. She recounted the medical treatment she had received at enormous cost to the state, and suggested that the money could have been saved or given to senior. She shared that she had been employed at the Alaska Psychiatric Institute. She discussed privatization. She suggested auditing each state department in order to gain insight on how funds were spent. She discussed state employee pay.

1:32:37 PM

DREW HANSEN, RURAL CAP, PARENTS AS TEACHERS, ANCHORAGE (via teleconference), testified in favor of restoring funds for the Parents as Teachers program. He thought the state had made great gains in understanding the benefit of early childhood education, and helping parents better understand their child's development. He pointed out the state's investment in Pre-K education, Parents as Teachers, and Best Beginnings. He mentioned statistics that showed programs such as Parents as Teachers greatly improved a child's ability to be successful in the school setting. He discussed the critical time during early childhood development. He stated that Parents as Teachers was a highly efficient cost-saving model which only cost \$4,000 to \$5,000 per family per year. He referred to the importance of positive parenting models when the state of Alaska had such high levels of adverse childhood experiences. He thought data collection within the state had shown positive family outcomes and demonstrated the benefit of early childhood programs. He referred to surveys in which the majority of Alaskans supported investment of state dollars in early childhood programs, even given tough economic times.

1:34:56 PM

STACY LUCASON, UAA STUDENT, ANCHORAGE (via teleconference), testified in support of funding for the University. She

disclosed that she was a member of the Board of Regents of the University of Alaska. She mentioned that she testified before the committee the previous year, and noted that she was currently testifying using technology rather than general fund dollars to fly her down in person. She hoped the committee would appreciate her comments as well as the restraint the University was acting under in not spending money when it was possible. She spoke in opposition to intent language to conglomerate everything into one MAU. She thought it was premature and asked that the language not be made formal intent language because the University was not operating as one entity without collaboration. She gave three reasons to keep the three MAUs separate: regional specialization; regional affinity; and separate accreditation, which allowed for more opportunities for grant funds. She requested that the committee restore funding to the governor's proposed level and allow the University to complete the strategic pathways process, which was just coming before the board and needed buy-in from all stakeholders.

[1:37:10 PM](#)

KRISTEN RAMSTAD, RURAL CAP HEADSTART, ANCHORAGE (via teleconference), testified in support of funding for Head Start. She explained that with state funds, Head Start grantees had been able to provide quality enhancements to programs, serve additional children and communities, and use the dollars to help meet the 20 percent non-federal match requirement. She specified that for every dollar the state contributed, it leveraged 5 more dollars. She discussed independent research that demonstrated the effectiveness of the program; and noted that Head Start programs had robust data collection system that tracked school readiness and health outcomes in children, as well as family and parent engagement outcomes. She discussed the partnerships with other programs such as Parents as Teachers, Pre-K, and Best Beginnings. She thought the partnerships were critical in rural Alaska where few early childhood services existed and access to age-appropriate books was not readily available. She urged the committee to restore funding for Parents as Teachers, Pre-K, and Best Beginnings. She thought it was critical that the state demonstrate its commitment to children and families during the fiscal crisis.

[1:38:57 PM](#)

ALYSE GALVIN, SELF, ANCHORAGE (via teleconference), testified against cuts to education funding. She stated that she was a leader in the great Alaska schools grass-roots movement of more than 2,875 voting Alaskans who cared about high-quality education. She stated that the state had a struggling to failing performance in its education system. She thought that cuts to education would exacerbate the failures, and that the state was at risk of under-educating a generation of Alaska kids. She discussed vulnerable populations of children and the importance of access to education. She wanted to recognize that the current leadership structure (legislative budgeting, state board policy-setting, and district admin) was not working. She hoped the committee would fund education with no cuts, and bring back funding for early learning. She asked the committee if they had a plan for improving education in Alaska, and if they believed that cutting the education budget would improve schools. She referred to the previous year's plan for funding outside the BSA, and stated that education had been short more than \$26 million.

[1:41:20 PM](#)

GALEN SCHMIT, SELF, ANCHORAGE (via teleconference), testified against cuts to education funding. She discussed ranking of schools and wondered why Alaska schools were not improving. She discussed increased teacher health care costs, and encouraged the legislature to consider passing laws to regulate health care costs and health insurance costs. She spoke in support of increased revenue through taxes.

[1:42:46 PM](#)

JESSICA CLER, PLANNED PARENTHOOD VOTES NORTHWEST AND HAWAII, ANCHORAGE (via teleconference), testified against cuts to public health. She stated that Planned Parenthood was heavily invested in health and wellness of Alaska residents. She expressed disappointment at the deep proposed cuts to the public health system, particularly the cuts to public health nursing and the chronic disease prevention and promotion. She thought the cuts were short-sighted and would end up increasing costs to the state in the future. She discussed public health nurses and their importance to the state. She pointed out the important role public health nurses played in rural areas of the state.

She detailed that public health nurses provided basic health care such as vaccinations, family planning services, prenatal counseling, school screenings, and well-child exams. She furthered that public health nurses also provided parenting education and support groups for families and communities. She reported that as many as 26 percent of adult Alaskans had pre-diabetes and had a high risk of developing diabetes within 5 years. She thought investing money in prevention would save the state money later for costly treatments such as diabetes. She did not think cutting crucial healthcare services was the way to balance the budget. She urged the legislature to protect public health and oppose steep cuts to public health programs.

[1:44:54 PM](#)

PANU LACIER, SYSTEM FOR EARLY EDUCATION DEVELOPMENT, ANCHORAGE (via teleconference), spoke in support of full funding for Pre-K programs. She alleged that cutting funding for early learning would deepen the state's fiscal crisis. She discussed long-term consequence to eliminated Pre-K education including: increased pressure on public education resources, increased high school dropout rates, increased high school drop-out rates, and increased prison costs. She discussed \$250 million in federal Pre-K development grants at a 70 percent federal match. She thought that quality early learning should be a part of the state's economic infrastructure as a means of creating a literate and prepared workforce. She urged the finance committee to reinstate the \$2.8 million for Pre-K programs.

[1:47:28 PM](#)

ROBIN SMITH, RURAL COMMUNITY ACTION GROUP, ANCHORAGE (via teleconference), testified in support of an income tax. She thought that Alaskans paid almost nothing for government and services while getting permanent fund checks. She thought an income tax was less regressive than sales tax. She supported taxes on fishing, tourism, hunting, and alcohol. She suggested cancelling megaprojects and supported cuts to tax credits for the oil industry. She thought that the oil industry must be part of the solution. She discussed the importance of stimulating the economy. She thought deeper cuts to the budget would drive the economy towards recession. She testified in favor of restoring funds for Parents as Teachers and public health

nurses. She thought a depressed economy would drive families from the state. She spoke in support of full funding for Pre-K programs.

[1:49:42 PM](#)

ROB CLIFF, CHAIR, ALASKA LIBERTARIAN PARTY, ANCHORAGE (via teleconference), did not think that the budget deficit constituted a crisis, but rather an opportunity to return government to the right size. He suggested cutting the budget back to \$3.8 billion. He thought the budget could be balanced without taxes or spending any of the Permanent Fund. He stated that "the smaller the government, the freer the people." He discussed the composition of the state's economy, and spoke in disfavor of seeking federal funds for state programs. He spoke in opposition to taxes for funding more government. The party did not want to increase funds to the government because they wanted to prevent it from becoming more intrusive.

[1:51:55 PM](#)

DIRK SHUMAKER, EXECUTIVE DIRECTOR, KIDS CORPS INCORPORATED, ANCHORAGE (via teleconference), spoke in support of full funding for Pre-K programs. He testified in favor of restoring funds for the Parents as Teachers, Pre-K, and Best Beginnings programs. He discussed that the Pre-K program offered high quality classrooms in neighborhoods and communities where Pre-K options were in short supply. He pointed to assessment data showing that children in Pre-K programs made significant gains in language, math, and in social/emotional development. He pointed to the success of the Parents as Teachers program. He supported funding for the Imagination Library, which supported early literacy. He spoke to cost savings benefits of early learning including the reduced need for expensive early intervention. He urged the committee to restore funding to FY 16 levels for the programs.

[1:54:05 PM](#)

GORDON GLASER, SELF, ANCHORAGE (via teleconference), testified against cuts to senior services. He recognized that cuts were necessary, but he encouraged the finance committee to look at them in a positive and smart way. He discussed consequences of cutting senior services, including greater expenses in other areas. He pointed to

the senior benefits and senior community base programs. He relayed that many of the programs were based on the idea of keeping people in their homes. He explained that if programs were cut significantly the individuals would be moved from home to more expensive residential facilities. He asked the committee to explore the ramifications of losing the services for a 75 year old with a disability living at home. He spoke against cuts to the adult prevention dental Medicaid program. He stated that the cut would put people in pain and limiting nutrition. He was opposed to cuts to Alaska Pioneer Homes and heating assistance.

[1:56:27 PM](#)

MEGAN JOHNSON, THREAD, ANCHORAGE (via teleconference), reiterated past testimony supporting early childhood education. She addressed why early care and learning was part of Alaska's economic infrastructure. She discussed the small portion of the Department of Education and Early Development (DEED) budget which was dedicated to programs such as Best Beginnings, Pre-K, Head Start, and Parents as Teachers. She relayed that the funding represented about half of one penny of the total DEED budget. Studies showed that for every dollar spent there was close to \$17 saved later. She spoke to the multiplier effect of funds spent and earned. She stressed that the investment produced \$2 billion in economic activity. The reduction in spaces of available early care and learning spots would drastically impact Alaska's economy. She requested the reinstatement of \$2.8 million for the programs.

[1:58:18 PM](#)

JEREMY PRICE, AMERICANS FOR PROSPERITY, ANCHORAGE (via teleconference), supported budget reductions and testified strongly against any additional taxes. He was not concerned that cutting the budget too much would hurt the state economy. He was more concerned about the economic impact of taking money from the private sector to fund government. He stated that a valuable lesson learned from years of high oil prices was that the legislature would spend what it received. He hoped further cuts would be made to the operating budget. He remarked that the undesignated general fund spending had been reduced in the current budget, but designated general fund spending had been increased. He referred to a recent article in the Alaska Commons that

stated agency cuts would be about \$275 million below FY 16. He provided further information about the article. He hoped the process was not a "shell game" and stressed that real reforms that would have lasting impacts were needed.

2:00:22 PM

ALEX SLIVKA, SELF, ANCHORAGE (via teleconference), urged the committee to restore funding for public broadcasting. He recognized that the state was facing difficult choices and he applauded the committee for exploring new sources of revenue in addition to reductions in spending. He agreed that spending needed to be reduced. He asked for a fair approach that cut each area by a similar percentage. He stated that the public broadcasting system was an integral part of the Railbelt information network and a critical part of the rural communication system. He shared that the proposed elimination of the funding would have a very negative impact on public safety across the state. He elaborated that the current public radio and television system was often the only source of news in many communities and the only source of news for individuals with limited economic resources. He wanted current and future Alaskan children to have the same opportunity he had growing up. He asked the committee to reconsider the elimination of funding for public broadcasting.

2:01:52 PM

MICHAEL CHAMBERS, UNITED FOR LIBERTY, ANCHORAGE (via teleconference), spoke in support of the Institute of Social and Economic Research (ISER) report on reducing the budget down to \$4.5 billion in the current year. The organization believed that the legislature needed to look at the budget the state could afford and not just at everyone wanted. He wanted the legislature to look at the full-time equivalents in the state PCNs; he thought there had been a substantial amount of funding with regard to personnel that were not actually in place. He stated that the Department of Public Safety had consistently held 80 positions open. He supported funding for the Citizens Advisory Council on Federal Areas (CACFA). He opined that recent decisions on polar bears was an example of federal overreach. He supported the Alaska National Interest Lands Conservation Act (ANILCA).

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RECONVENED

ARLENE LUDWIG, MEETING THE CHALLENGE, ANCHORAGE, testified in support of funding for behavioral health services. She related that she was a person in long-term recovery who had utilized state-funded treatment. She was proof that treatment did work. She asked the committee to restore funding to behavioral health.

2:07:41 PM

LARONSIA REYNOLDS, HOPE ALASKA, ANCHORAGE, testified in support of funding for behavioral health services and developmental disabilities grant funding. She worked to provide community-based services for individuals and their families that experience serious mental illness and intellectual and developmental disabilities. She asked the committee to reconsider the cuts to the behavioral health and developmental disability grants. She saw the benefits provided to families that would continue to allow them to live, work, recreate, attend school, and be contributing citizens of the Anchorage community.

2:08:58 PM

APRIL KYLE, VICE PRESIDENT, BEHAVIORAL HEALTH, SOUTHCENTRAL FOUNDATION, ANCHORAGE, testified in support of funding for behavioral health services and asked for a full restoration of the funds. She explained the function of the foundation that served 65,000 Alaska Native and American Indian people in and around Anchorage. She discussed that the foundation had developed and implemented comprehensive health related services to meet the challenging needs of the Native community. The foundation recommended that the state create a healthcare system that maximized access and recognized mental health and substance use conditions and emphasized a proactive approach to encouraging care early and often. The behavioral health community treatment recovery grant provided funding in order for the foundation to treat some of the most acute customers who were mentally ill. She listed other program recipients. She explained the programs provided services to veterans, expectant mothers, youth, and other. She added that many of the service consumers also interacted with the justice system, the Department of

Corrections, Office of Children's Services, the Alaska Psychiatric Institute, and other.

[2:11:13 PM](#)

LISA PEARCE, SELF, ANCHORAGE (via teleconference), testified in support of funding for the University. She related that she had been the recipient of a small research grant. She spoke to the devastating affect that cutting \$62.8 million would have on the local economy. She shared that she was intending upon completing her master's program at the University of Alaska with a focus on contributing to research on the Alaska Native language and cultural revitalization projects that were underway; however, cutting the research funding for the state meant that there would be no future career for her in the state. She urged the committee to consider the conservative budget and to save all of the future and current research that would be done through the University.

[2:13:19 PM](#)

LAURA CISNAROS, BEST BEGINNINGS, ANCHORAGE (via teleconference), testified in support of funding for the Best Beginnings program. She shared that in FY 16 Best Beginnings took a cut of more than \$600,000, which had led to difficult decisions and adjustments to the service. Even with reduced funding and staff the program still served thousands of families each year. She read from letters of program recipients; one individual voiced that they were willing to pay income tax and reduce their PFD to \$500 to keep programs like Best Beginnings. She discussed that the state would be failed in immense ways if its children did not receive services. She asked the legislature to restore funding to Parents as Teachers, pre-K, and Best Beginnings.

[2:15:08 PM](#)

AT EASE

[2:40:42 PM](#)

RECONVENED

BILLY RAY POWERS, SELF, ANCHORAGE (via teleconference), thought the state budget was much larger than it should be. He thought that the committee should begin by cutting \$1 billion from the budget. He stated that there was \$50 billion in the Permanent Fund. He had heard that poor

people would be more greatly impacted by cuts to the Permanent Fund Dividend. He believed that no one should be dependent on a PFD for their existence. He was not opposed to using the Permanent Fund to fund right-sized government. He suggested there were many agencies that were unnecessary. He provided the Department of Motor Vehicles as an example.

[2:43:20 PM](#)

CAITLIN JAKSIC, SELF, ANCHORAGE (via teleconference), testified in support of funding for the Alaska Youth and Family Network (AYFN). She related that she was a foster parent of children with special needs that were placed in her home on an emergency basis. She shared her personal story and relayed that she had feared that taking in three young foster children would not be the best thing for her young biological children or her family. One familiar place she had been able to keep for the children was AYFN, which provided a positive place for the children to see their family and have some consistency in their lives. She shared that the program had a relaxed and inviting atmosphere. Additionally, it provided the extra support she desperately needed. She provided further information about the program.

[2:46:07 PM](#)

MATT OSTRANDER, UAA STUDENT, ANCHORAGE (via teleconference), testified in support of funding for the University. He stressed that cutting \$62 million from the University did not make sense if the state wanted to diversify its economy. He stressed the importance of building the state's people and give students a reason to stay in Alaska. He stressed that the intent language in the bill treated the University Board of Regents as if it was unable to make decisions when it came to addressing the educational needs of Alaskans. He discussed that the board had not voted in favor of the Alaska Airlines Center, which the state had decided would happen anyway. Now the bill would remove the funding of the center, which he did not believe made any sense. He hoped the committee would take the steps necessary to keep Alaska's economy moving forward. He did not believe cutting \$62 million from the University budget made any sense. He hoped that a variety of industries would be allowed to flourish.

[2:48:10 PM](#)

JACOB SHERCLIFFE, UAA STUDENT, ANCHORAGE (via teleconference), testified in support of funding for the University. He discussed how UAA had been a valuable experience for him. He relayed that he was a first-generation who had decided to stay in Alaska for college based on the opportunities provided by the University. He spoke against \$62 million in budget cuts to the University. He stated that the University was already beginning to see some of the effects of programs being cut and classes not being offered, which was delaying his opportunities to continue completing his degree. He noted that his degree could take 5 or 6 years if classes were not offered. He recognized the state's fiscal problem, and suggested an alternative source of funding such as a raise in tuition. He asked for support from the legislature to ensure that there continued to be opportunities to keep students in state. He discussed the adverse effect of hiring freezes. He encouraged the committee to continue the support it had shown for education in the past.

[2:50:43 PM](#)

AT EASE

[3:01:17 PM](#)

RECONVENED

Vice-Chair Saddler indicated that there was no one online to testify in Anchorage and the meeting would stand at ease until 3:15pm.

[3:01:29 PM](#)

AT EASE

[3:15:32 PM](#)

RECONVENED

Vice-Chair Saddler indicated that there was no one online to testify in Anchorage and the meeting would stand at ease until 3:35pm.

[3:15:46 PM](#)

AT EASE

[3:34:44 PM](#)

RECONVENED

[3:35:07 PM](#)

ELISHA (ELIJAH) WARGH, SELF, ANCHORAGE (via teleconference), spoke in favor of reducing the budget first before other remedies such as taxes were imposed. He suggested that frivolous spending should be cut. He thanked the committee.

[3:36:31 PM](#)

SARAH HETEMI, SELF, ANCHORAGE (via teleconference), spoke in support of significant budget reductions. She moved to Alaska 3.5 years prior from Norway seeking adventure and opportunity. The lack of free market policies and the constant feeling of drowning in taxes motivated her to come to Alaska. She was aware that Alaska was facing a deficit of \$3.5 billion for the second year in a row. She suggested cutting the budget by at least \$500 million. Alaska needed budget reform, not higher taxes. She wanted budget reductions rather than taxes. She appreciated the opportunity to testify.

[3:38:04 PM](#)

IMEDA WHITE, SELF, ANCHORAGE (via teleconference), testified against cuts to senior services. She takes care of her 91 year old mother. The services her mother was currently receiving were being eliminated which caused great concern. Her mother currently received \$250 to pay for medical issues. It had been suggested that if people could not afford to live in Alaska they could move to the lower 48. However, she had moved her mother to Alaska for a better life. She thanked committee members.

[3:39:56 PM](#)

RON PICHLER, SELF, ANCHORAGE (via teleconference), was a lifelong Alaskan. He was concerned with his children having a fortunate future. He was a private business owner. He had seen the economic downturns and how they effected the private sector. He spoke of some government sectors that could be replaced with the private sector. He was in favor of privatization of services. He relayed having been in Juneau the previous week.

[3:42:37 PM](#)

STEPHANIE BERGLUND, THREAD, ANCHORAGE (via teleconference), spoke in support of full funding for Pre-K programs and Best Beginnings. She reported that Thread received inquiries daily for Pre-K services. She relayed many of the benefits of early childhood learning. She thanked the committee members for their time.

[3:44:54 PM](#)

CHARLES MCKEE, SELF, ANCHORAGE (via teleconference), spoke of a negative experience from 1983 concerning a copyright lawsuit. He continued to speak until the end of his time.

ANDRE MCCLEOD, SELF, ANCHORAGE (via teleconference), testified against cuts to the mental health budget senior services. She posed a question regarding cuts to the mental health budget and for substance abuse. She wondered what people with such illnesses would do and where they would like them to end up.

[3:49:07 PM](#)

ELSTON LARSON, SELF, ANCHORAGE (via teleconference), recommended passing a budget and coming up with a long-term fiscal plan. He explained that the state was on the watch list at the bonding agencies because it had failed to come up with a fiscal plan. He was concerned with a fiscal plan that defined a fiscal framework. A long-term fiscal plan would be a fiscal framework. He suggested passing the governor's budget, come up with a long-term fiscal plan, and stand for elections. He thanked the committee for its time.

[3:51:14 PM](#)

JOE HAKENMUELLER, SELF, EAGLE RIVER, was a 30-year resident of Eagle River, Alaska. He relayed his experience in both the private and the public sector. He concurred with the previous caller that the governor had presented a reasonable plan to the legislature that he thought should be passed. He suggested that although additional cuts could be made he urged caution when considering cuts with respect to public education and higher education. He understood it was everyone's problem. He was willing to pay higher taxes, and give up a portion of his PFD. He also urged legislators to consider reducing oil tax credits. He appreciated the opportunity to testify.

[3:53:09 PM](#)

AT EASE

[4:16:30 PM](#)

RECONVENED

[4:17:00 PM](#)

AT EASE

[4:48:09 PM](#)

RECONVENED

^PUBLIC TESTIMONY: SITKA, PETERSBURG, DELTA JUNCTION,
UNALASKA, GLENALLEN, TOK

[4:48:43 PM](#)

AT EASE

[4:49:07 PM](#)

RECONVENED

[4:49:18 PM](#)

RICH MCCLEAR, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. He shared some history with the local public radio station in Sitka. He shared that former Senator Gary Stevens supported funding for public radio. He stressed that public radio funding should be a priority.

[4:51:42 PM](#)

MARY WEGNER, SUPERINTENDENT, SITKA SCHOOL DISTRICT, SITKA (via teleconference), testified in support of education funding from Pre-K to University. She remarked that there was an issue in the district which they faced inadequate funding, and there were essential career training programs that needed funding. She stressed that funding for other services like behavioral health program and the ferry system allowed for greater educational opportunities.

Vice-Chair Saddler handed the gavel to Co-Chair Thompson.

[4:54:06 PM](#)

JOHN DULL, SELF, SITKA (via teleconference), testified against the increased base student allocation, funding for K-12, and funding for the university. He encouraged the committee to shut down Mt. Edgecumbe High School. He felt that subsidizing the high school's education was unnecessary. He testified in support of funding for Medicaid expansion. He also spoke in support of a state income tax.

[4:56:08 PM](#)

CRYSTAL O'NEILL, SELF, SITKA (via teleconference), testified in support of funding for substance abuse recovery programs. She shared that she had utilized a program to make her sobriety necessary. She announced that she was able to reunite with her daughter thanks to the support of the programs. She remarked that the personnel who conducted the programs were compassionate and caring.

[4:57:52 PM](#)

ROY BOND, MAC'S PLACE, SITKA (via teleconference), testified in support of funding for substance abuse recovery programs. He shared that he was a Medicaid recipient. He stressed that individuals in recovery needed funding to complete their programs. He shared that he had a severe drug addiction, and was currently in recovery. He felt that financing Medicaid was necessary to many residents.

[4:59:52 PM](#)

GRACE BROOKS, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She shared that she listened to her local public radio station and depended on the local Alaska news source. She shared that there had been a landslide in Sitka, and Raven Radio helped to keep the community together during that event. She announced that there was a tsunami warning in Sitka, and the radio station delivered necessary information to the community. She stressed that the information could not be replaced by commercial broadcasters.

[5:01:49 PM](#)

BRIAN MCNITT, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. He

felt that the zero funding would have profound negative impacts on many radio stations that provide critical services to Alaskans every day. He stated that Raven Radio would see cuts to staffing and important information services. He stressed that Raven Radio provided essential information to the remote communities of the state.

[5:03:43 PM](#)

LISA HERWALD, COMMISSIONER, ALASKA PUBLIC BROADCASTING, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She felt that public broadcasting provided an essential public health service to the state. She remarked that there was abundant information to prevent chronic disease and prevent substance abuse in the communities. She felt that funding for public broadcasting provided a great value to the state. She remarked that she appreciated the information about people that lived in the more rural communities of the state.

[5:06:02 PM](#)

KEITH PERKINS, UNIVERSITY OF ALASKA SOUTHEAST (UAS), SITKA ADVISORY COMMITTEE, SITKA (via teleconference), testified in support of funding for the University. He shared that the UAS Sitka campus was a focal part of the communities. He remarked that there were many proactive staff and faculty to develop relevant programs to Sitka. He felt that the Sitka campus had developed important programs related to Southeast Alaska. He shared that it was known that the Sitka campus provided as valuable of programs as other programs in the lower 48.

[5:08:50 PM](#)

TIM FULTON, BOARD MEMBER, SITKA SCHOOL BOARD, SITKA (via teleconference), testified in support of education funding. He stressed the importance of a responsible fiscal plan for the future. He spoke in support of the additional \$50 for the base student allocation. He stated that 50 percent of the state leaders participated in the Sitka School District.

[5:10:21 PM](#)

JENNIFER MCNICHOL, BOARD MEMBER, SITKA SCHOOL BOARD, SITKA (via teleconference), echoed the remarked of Mr. Wegner.

She spoke in support of funding the \$50 increase to the base student allocation. She stressed that the school districts were already extremely creative in their financing of vital education programs. She also urged the committee to restore funding for public broadcasting.

[5:12:14 PM](#)

CONSTANCE WHITE, SENIOR CENTER, SITKA (via teleconference), testified against cuts to senior services. She felt that the budget reductions would cause depression in the senior community, because the many seniors depend on the services to feel as though they are simply doing something with their lives.

[5:13:02 PM](#)

HELEN CRAIG, SELF, SITKA (via teleconference), testified in support of funding for education programs. She also testified in support of funding for Medicaid. She felt that a quality education in the state would keep the students in the state upon graduation. She also testified against cuts to senior services.

[5:14:52 PM](#)

CHARLES WOOD, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He shared that he was a commercial fisherman who used his public radio system on a regular basis. He shared that the local radio station provided essential emergency services. He stressed that commercial radio stations did not provide local information. He shared that he had lived in the state for many years, and did not recall the state eliminating funding that would allow for federal match funds.

[5:16:50 PM](#)

TOM ABBOTT, STATION MANAGER, KFSK, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He understood the difficult financial decisions in the legislature. He shared that there would be a great negative impact on the elimination of the funding. He shared that federal matching had requirements that the proposed budget cuts to public radio would not provide. He testified in support of accessing the Permanent Fund earnings.

5:19:11 PM

GINGER EVENS, SELF, PETERSBURG (via teleconference), encouraged the committee to utilize some version of the governor's plan. She felt that accessing the Permanent Fund earnings was necessary to sustaining Alaska's future. She also spoke in support of the \$50 increase to the base student allocation.

5:20:15 PM

SUSAN ERICKSON, SELF, PETERSBURG (via teleconference), testified in support of education funding. She shared that the children must be smarter and better than the current residents. She stressed that the students must be adequately prepared for life. She felt that, without good schools, people would not move to the state. She also urged the committee to restore funding for public broadcasting. She shared that the local public radio station in Petersburg was the only radio station in the community. She stressed that the public radio station provided essential emergency and public safety information.

5:22:27 PM

CHUCK ROSE, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He echoed the related comments of the previous testifiers. He shared that the larger cities in the State had many radio stations, so those communities may not feel the impact. He stressed that Petersburg only had one radio station, and those services from the radio station were essential to the community.

5:24:12 PM

SAM BUNGE, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. He stressed that Petersburg had no commercial radio station. He announced that the local public radio in Petersburg provided many essential services in the communities. He shared that each of his sons were able to participate as teenage disc jockeys on the local radio station. He shared that he contributed financially each year to the local public radio station.

[5:25:57 PM](#)

SUNNY RICE, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She testified in support of funding for the University, specifically the University of Alaska Extension Service. She also voiced opposition to funding cuts to the Alaska Marine Highway System. She shared that each of those services enhanced the Petersburg community.

[5:27:21 PM](#)

ELIZABETH HART, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She stressed that the local public radio station provided news, safety alerts, or escape convicts. She stressed that the elimination of funding would take away the opportunity for federal matching grants. She stressed that the radio provided local, national, and international news. She also testified in support of education funding. She also spoke in support of using the Permanent Fund earnings and instituting an income tax.

[5:29:03 PM](#)

MARY LEITH, CITY OF DELTA JUNCTION, DELTA (via teleconference), urged the committee to reinstate the governor's revenue sharing proposal. He shared that the smaller communities' municipal and city buildings were able to stay in business, because of the revenue sharing. She also encouraged the committee to consider an income tax.

[5:31:40 PM](#)

KAREN KRESH, LIBRARIAN, UNALASKA PUBLIC LIBRARY, UNALASKA (via teleconference), testified in support of Online With Libraries (OWL) funding. She stressed that the library provided necessary internet usage for local residents. She remarked that the elimination of the funding, the library and school could lose federal funding. She remarked that students and residents were able to remotely access the world. She understood the difficult fiscal time in the state.

[5:33:48 PM](#)

MATT LIGHTNER, BOARD CHAIR, KUCB, UNALASKA (via teleconference), urged the committee to restore funding for public broadcasting. He felt that the elimination of funding would be detrimental to many communities in the state. He stressed that the public radio provided emergency alerts. He shared that the local radio in Unalaska was the only source of emergency information.

[5:35:00 PM](#)

AT EASE

[5:36:47 PM](#)

RECONVENED

[5:37:34 PM](#)

AT EASE

[5:52:44 PM](#)

RECONVENED

[5:53:06 PM](#)

RICHARD PROBERT, SELF, TOK (via teleconference), testified against cuts to senior services. He shared that he had witnessed people that he felt abused services.

[5:54:15 PM](#)

LISA CONRAD, SELF, TOK (via teleconference), testified in support of funding for state operations in Tok, such as the Division of Motor Vehicles (DMV) office. She remarked that the Department of Commerce, Community and Economic Development office in Tok provided jobs in the rural community.

[5:55:46 PM](#)

DAVE STANCLIFF, SELF, TOK (via teleconference), spoke in support of funding for state operations in Tok. He remarked that the unemployment rate in Tok is 20 percent. He stressed that recently unemployed individuals often turned to dependency on social services. He shared that dollars in rural areas often reflected a positive impact on urban areas. He shared that funding for tourism provided much needed jobs to the community of Tok. He noted that the Tok Visitors Center was an important revenue producer for the state.

5:59:11 PM

STRETCH BLACKARD, SELF, TOK (via teleconference), testified against the proposed reduction to the district attorney office in Tok. shared that he was a victim of petty theft. He remarked that the district attorney's office did not follow through on charges to the perpetrators. He stated that the troopers could not provide adequate time to follow through with investigations. He encouraged adequate funding for the Alaska State Troopers and the district attorney.

6:01:50 PM

GEORGE KOULUS, SELF, TOK (via teleconference), testified against cuts to senior services. He stressed that the seniors of Tok would not be able to access necessary services. He remarked that there were barely any services in Tok. He stressed that the people that took advantage of the senior services did not have enough to eat in their personal lives.

6:03:13 PM

BETTY DENNY, UPPER TANANA SENIOR PROGRAM, TOK (via teleconference), SEN testified against cuts to senior services. She shared that the Upper Tanana Senior Program had taken steps to reduce spending within the program. She shared that the last pay raise was ten years prior. She stated that many of the staff had been at the same wage. She remarked that the program provided a power of attorney for people with a fixed income. She shared that the heating costs for the seniors were very high.

6:05:28 PM

TODD POAGE, SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), testified in support of funding for the Broadband Assistant Grant (BAG). He shared that the grant provided funding for necessary internet access that allowed for enhanced educational opportunities. He shared that man homes had a higher rate of connectivity than the local schools. He remarked that extremely low income school districts required \$100,000 to access \$1 million of federal funds.

6:07:53 PM

SUE STANCLIFF, SELF, TOK (via teleconference), testified against the budget cuts that would affect the community of Tok. She shared that the Alaska Highway provided the majority of Alaska's trucking supplies. She spoke in support of funding for the North Weigh Station. She also spoke against the reductions to the positions in the DCCED office in Tok.

[6:10:11 PM](#)

SCOTT MACMANUS, ASSISTANT SUPERINTENDENT, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), spoke in support of education funding. He felt that high school graduates should graduate from quality schools and be ready to enter into work training programs. He felt that enhanced funding would provide leverage for recruiting quality teachers to the schools in Alaska. He also spoke in support of funding the Broadband Assistance Grant.

[6:12:26 PM](#)

PATRICK DALTON, SELF, DELTA JUNCTION (via teleconference), shared some economic history in the United States. He stated that former President Reagan used some sound economic programs. He stated that 1989 saw an unprecedented economic expansion in the United States. He felt that the legislature should not create taxes against sound economic policy. He felt that there should be a reduction in state spending. He supported the United for Liberty plan for the state.

[6:14:37 PM](#)

SHARON DALTON, SELF, DELTA JUNCTION (via teleconference), encouraged the committee to consider the United for Liberty plan for the state. She encouraged the state to reduce spending, and set an example by not implementing taxes.

[6:16:09 PM](#)

CHELSEA TREMBLAY, SELF, PETERSBURG (via teleconference), urged the committee to restore funding for public broadcasting. She also voiced opposition to funding cuts to the Alaska Marine Highway System. She also testified in support of education funding. She also spoke in support of

funding for essential domestic violence prevention services.

[6:17:19 PM](#)

BAILEY MARITA, SITKA COUNSELING, SITKA (via teleconference), testified in support of funding for behavioral health services. She encouraged the committee to consider the quality of life of those individuals who take advantage of Sitka Counseling. She shared that there were many services to many women across the state. She shared that behavioral health providers gave services to families. She remarked that reducing the budget would cause an increase in crime, and an increase in substance abuse.

[6:20:00 PM](#)

ROBY LITTLEFIELD, SELF, SITKA (via teleconference), urged the committee to restore funding for public broadcasting. She shared that Raven Radio provided opportunities to students to participate in the local radio station. She stated that Sitka's phone and television system was recently damaged, so the radio station provide essential information to the community. She remarked that a reduction in funding would cause a negative economic effect on the Sitka community.

[6:22:09 PM](#)

AT EASE

[6:31:40 PM](#)

RECONVENED

[6:32:00 PM](#)

AT EASE

[7:00:47 PM](#)

RECONVENED

^PUBLIC TESTIMONY: OFF-NET SITES

[7:00:52 PM](#)

JOAN KAUTZER, KFSK BOARD OF DIRECTORS, KUPREANOF (via teleconference), urged the committee to restore funding for public broadcasting. She understood the inevitability of funding cuts, but she believed that zeroing out funding for

public radio was irresponsible. She relayed that the station's budget was always shockingly tight despite robust listener support and nonstop fundraising. Without the state funds the station would no longer qualify for federal grant funds. She stressed that it would silence the local radio station by July 1. She relayed that it had taken 40 years to build up the local station, but it would only take one bad state budget decision to kill it. She relayed that public radio provided fundamental state infrastructure. She stated that public radio was a lifeline for state residents. She stated that 100 percent cut would disproportionately impact rural Alaskans. She urged the committee to reinstate a reasonable amount of funding.

[7:03:28 PM](#)

GEORGE SMITH, SELF, ANCHORAGE (via teleconference), spoke against using the Permanent Fund for new revenue. He was opposed to an income and fuel tax; however, he did support an alcohol tax. He stated that alcohol was a major problem in Alaska. He asked the committee to maintain funds for state troopers in Girdwood. He supported a non-resident tax. He believed more cuts to education were needed. He supported cutting all funds to the universities and privatizing them. He asked the committee to restore funds for seniors.

[7:04:51 PM](#)

BILL LAMBERT, SELF, NORTH POLE (via teleconference), wanted the legislature to require all state agencies to report their electric, water, sewer, and heat costs by location in order to see the overall cost per hour of operations. He wanted to see the information posted on the agency websites. He stated that any business owner could smell waste, fraud, or excessive operational costs. He continued that if an operation had a head bolt or plugins for employees, the state should not be paying 8 hours per day to charge a vehicle. He believed the chargers should have timers. He discussed high electricity costs in his community. He believed the hourly cost for any state operation to function, including buildings, should be determined. He opined that if the hour of operation could be done successfully by any private business, the state should immediately go to a private business. He believed functions should be consolidated to one building.

7:07:11 PM

ARLENE BRISCOE, ALASKA NURSES ASSOCIATION, ANCHORAGE (via teleconference), testified that the association found it unconscionable to make such drastic cuts to health and human services. She stressed that the state was at a crisis level for all levels of medical and mental health care. She stressed that a 30 percent cut to public health nursing impacted seniors, TB programs, and immunization programs; the service was often the only medical care in the bush communities. She emphasized that cuts to mental health services would ensure that the state's skyrocketing rate of suicides, Fetal Alcohol Syndrome, and babies born addicted to drugs would continue increasing. She stated that the costs would only increase as the individuals continued along their current path of addiction and mental health issues.

7:08:25 PM

ANGIE JENSEN, ELEMENTARY SCHOOL COUNSELOR, ANCHORAGE (via teleconference), spoke against cuts to education. She referred to the state's low rating on economic opportunity, health, and safety, which she was not surprised by. She asked the committee to listen to residents who were dealing with trauma facing communities. She discussed the need to help the state's kids become resilient. She urged the committee to stop cutting education. She discussed that the need was increasing, but the number of staff were decreasing. She addressed staff burnout. She asked the legislature to give students the education they deserve.

7:10:03 PM

GLEN K MARUNDE, SELF, NORTHWAY (via teleconference), spoke on behalf of the community of Northway. He was a 23-year employee of the Department of Transportation and Public Facilities (DOT). He stressed that the community greatly opposed the closure of the Northway DOT maintenance station due to proposed budget cuts. His largest concern was for the safety of the traveling public and the cost of unmaintained and deteriorating road services and the economic hardships and future opportunities that would be lost in the local area. He believed it was time to use the Permanent Fund for what it was created for to keep Alaska moving in the right direction forward.

7:11:12 PM

TISSANY HALL, EXECUTIVE DIRECTOR, RECOVER ALASKA, ANCHORAGE (via teleconference), spoke in support of funding for community support services for vulnerable Alaskans. The proposed budget cuts would affect people with substance use disorders and Fetal Alcohol Spectrum Disorders by reducing state and local capacity to provide services. She relayed that when the services were reduced, vulnerable Alaskans were at risk for ending up in emergency rooms, nursing homes, psychiatric hospitals, or in jail. She listed behavioral health treatment services. She stated that the behavioral health system was essential to realizing the savings from the justice reinvestment; criminal justice reform effort required community-based behavioral health services in order for people returning from prison to remain stable and sober and less likely to commit crimes. She shared that the behavioral health system was essential to achieving the cost savings of Medicaid reform. She understood that it was important to be lean at present, but the current cuts would create far greater costs to the state in the future. She stressed that alcohol was the number one issue in a recent study. She urged the committee to support behavioral health services.

7:14:04 PM

CYRUS COOPER, SELF, HEALY (via teleconference), requested that the legislature have viewing access to the current meeting on its website. He stated that there was no website listed for people to watch the meeting. He believed citizens of the state were afforded very little equal representation when compared to special interest groups representing corporate tales of disaster if the state decided to change taxation policies. He cautioned against trusting such claims and asked the committee to verify what it was told to be inevitable before taking action. He asked the committee to separate itself from the emotional testimony and seek the heart of what was required over which was desired in order to measure the difference. He supported funding for the mentally disabled, elderly, and kindergarten. He did not support ever increasing budgets for education. He believed there was little accountability and other support mechanisms available. He did not support an income tax. He believed a single consumption tax statewide would share the burden equally. He recommended a

flat tax that would keep all deductions and exemptions to a minimum.

Co-Chair Thompson shared the committee's email address: lhscfin@akleg.gov.

7:16:42 PM

JOHN SARVIS, SELF, ANCHORAGE (via teleconference), recommended a flat cut across the board to all state agencies and services. He reasoned that it would mean everyone would be in it together and groups would not be pitted against each other. He believed that it would make it more likely for everyone to support increased taxes or the use of the Permanent Fund. He thought everyone should be in the situation together and cuts should be made equally.

7:18:27 PM

HEATHER LENDE, SELF, HAINES (via teleconference), urged the committee to be wise and kind in its strategies in solving the budget crisis. She understood that there would be some cuts. She was opposed to cuts to mental health programs, education, libraries, K-12, Alaska Marine Highway System (AMHS). She stressed that a 100 percent cut to public broadcasting was draconian. She spoke to ideas on how to raise revenue. She urged the committee to consider an income tax. She was opposed to a statewide sales tax because small communities could be crippled by additional sales tax. She supported capping the Permanent Fund Dividend. She wanted to see the amount of earnings going into savings reduced. She asked the legislature to allow Alaskans the chance to help themselves.

7:21:30 PM

CRYSTAL BROOKINS, BOARD MEMBER, ALASKA YOUTH IN FAMILY NETWORK, ANCHORAGE (via teleconference), spoke against cuts to behavioral health and substance abuse treatment programs. She was a survivor of domestic violence, a parent of disabled children, and a former addict. The network was a youth guided, community based behavioral health support service. She stressed that the cut would greatly reduce the amount of services available to the most vulnerable population (children and mentally ill). She had been able

to achieve her goals with the help of the services, which had prevented the cycle from continuing with her children.

[7:22:48 PM](#)

TOM LAKOSH, SELF, ANCHORAGE (via teleconference), asked the committee to restore cuts to social services, education, public broadcasting, seniors, and agencies. He believed the state would lose more money in the long run if the cuts were made. He asked the committee to consider a corporate, carbon, income, and seasonal sales taxes (exempting food and necessary medicine). He believed that the Permanent Fund as a rainy day fund would be most effective and useful if it was distributed as presently required by law and recovered by the income tax after it had been circulating through the economy several times. He suggested issuing the PFD as a debit card that could only be spent on certain things; that way it would be circulated through the economy.

[7:25:42 PM](#)

CHERRI PRICE, SELF, HAINES (via teleconference), spoke in support of public libraries. She relayed that the community relied on the internet for education. She stressed that there were many cultural programs that required the use of the internet. She asked the committee to restore funding for OWL. She stressed her opposition to cuts to the public broadcasting station; the station acted as the emergency broadcast system for the upper Lynn Canal. She was strongly opposed to cutting the radio station that brought vital information to three communities and to fishermen.

[7:27:13 PM](#)

CHLOE GOODSON, SELF, HAINES (via teleconference), urged the committee to restore funding for public broadcasting. She shared that many people in Haines did not have cable or internet. She discussed that the radio station kept people connected and acted as the emergency broadcasting system.

[7:28:08 PM](#)

TRESHAM GREG, SELF, HAINES (via teleconference), stated that there was a point in budget cutting where the impact was so devastating that individuals became less able to take care of themselves and more of a financial burden. He

voiced opposition to funding cuts to the Alaska Marine Highway System. He elaborated that the ferry system brought visitor business to communities throughout Alaska. He spoke to finding ways to improve services and streamlining was a more effective way to cut costs while preserving the system. He spoke in strong support of public radio funding. He believed that cutting all public radio funding was not a business move, but a political one. He asked the committee to consider maintaining services that provided economic wellbeing. He asked the legislature to cut the road to Katzehin (Juneau Access Project).

[7:31:23 PM](#)

AT EASE

[7:36:54 PM](#)

RECONVENED

GABE DUNHAM, SELF, DILLINGHAM (via teleconference), testified in support of funding for the University. He thanked the committee for its work. He believed it would help to consider holistic solutions and add a layer of scrutiny to the cuts that would directly inhibit the economy's ability to increase or maintain its output. He asked the committee to not cut more programs that brought in more money than they cost. He stated that making huge cuts to the state's education system would negatively impact the state. He believed that now more than ever the state needed ideas on how to bring money into the state. He asked the committee to not hinder the state's ability to grow or maintain the human capital in the future.

[7:39:04 PM](#)

JEREMY DOUGHTY, SELF, ANCHORAGE (via teleconference), testified in favor of restoring funds for the Parents as Teachers program. He was a program participant with his son. He shared that his son had excelled in many ways since they started using the Parents as Teachers program. He went to events with Parents as Teachers every week or two. He would be devastated if the program went away.

[7:40:25 PM](#)

CHARLES GORMAN, SELF, ANCHORAGE (via teleconference), supported social and behavioral health programs of all kinds. He was currently on the Governor's Advisory Board

for Alcoholism and Drug Abuse. He would like to see the programs preserved and perhaps increased. He shared that he had been a consumer of social services in the past and had been sober for 10 years. He advocated for the cause of recovery and sobriety. He shared that he had been allowed to participate in a free residential program in the past; he was an Army veteran. The facility had helped him get sober. He would like to see others who did not have access to the same free VA benefits have the ability to turn their lives around. He supported an alcohol and tobacco tax.

[7:43:28 PM](#)

AT EASE

[7:46:04 PM](#)

RECONVENED

SARA CHAPPELL, SELF, HAINES (via teleconference), urged the committee to make sure that the cuts it was making were reasonable and reflected Alaskan values. She asked the committee to consider a sales and income tax and to look at restructuring the Permanent Fund. She did not want the budget to be balanced on the backs of Alaskans. She relied on public radio for her connection to the community; it also provided emergency broadcasting and marine weather reports. She was concerned that the cuts would kill the radio station. She was in support of Parents as Teachers and internet services. The cuts were disproportionately going to hurt the little guy. She understood that the legislature had a difficult job, but she wanted the cuts to be fair.

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the schedule for the following day.

#

ADJOURNMENT

[7:49:23 PM](#)

The meeting was adjourned at 7:49 p.m.