

HOUSE FINANCE COMMITTEE

March 3, 2018

9:01 a.m.

9:01:37 AM

CALL TO ORDER

Co-Chair Seaton called the House Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Les Gara, Vice-Chair (via teleconference)
Representative Jason Grenn (via teleconference)
Representative David Guttenberg
Representative Lance Pruitt (via teleconference)
Representative Dan Ortiz
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson (via teleconference)

MEMBERS ABSENT

Representative Scott Kawasaki

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Rebecca Bernard, Great Alaska Schools Anchorage, Anchorage;
Phil Shanahan, Self, Anchorage; Brenda Moore, Chair, Alaska
Mental Health Board, Anchorage; Merri Otto, Self,
Minnesota; Jeffrey Robinson, President, Alaska Association
of Criminal Defense Lawyers, Anchorage; Bryan Emerson,
Civil Air Patrol, Matsu; Carl Brown, Wing Commander, Alaska
Civil Air Patrol, Washington DC; Kyle Anderson, Alaska
Civil Air Patrol, Washington DC; Jeff Defreest, AK Civil
Air Patrol, Ketchikan; Francesca Allegrezza, Family in
Anchorage, Anchorage; Claire Porter, AK Civil Air Patrol,
Ketchikan; Garrett Anderson, AK Civil Air Patrol,
Washington DC; Abby Hensley, Best Beginnings, Anchorage;
Michael Jeffery, Self, Barrow; Tara Rich, ACLU of Alaska,

Anchorage; Robert Bundy, Self, Anchorage; Marjorie Mock, Self, Anchorage; Skylar Quin, Self, Anchorage; Doug White, Access Alaska, Anchorage; Larry Ostrovsky, Self, Anchorage; Cheryl Gorman, Self, Anchorage; Charles Gorman, Self, Anchorage; Cathy Taylor, Self, Anchorage; Meg Samoran, Self, Anchorage; Panu Lucier, Thread and the Alaska Early Childhood Advocacy Group, Anchorage; Eric Sanders, Self, Anchorage; Stephanie Berglund, CEO, Thread, Anchorage; Joe Schlanger, Self, Wasilla; Cynthia Strout, Self, Anchorage;

SUMMARY

HB 285 APPROP: MENTAL HEALTH BUDGET

HB 285 was HEARD and HELD in committee for further consideration.

HB 286 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 286 was HEARD and HELD in committee for further consideration.

#hb285

#hb286

HOUSE BILL NO. 285

"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."

HOUSE BILL NO. 286

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

[9:02:45 AM](#)

Co-Chair Seaton reviewed the agenda for the meeting and provided directions on how to call in to testify.

^PUBLIC TESTIMONY - OFF NET SITES

9:03:57 AM

REBECCA BERNARD, GREAT ALASKA SCHOOLS ANCHORAGE, ANCHORAGE (via teleconference), encouraged the committee to include additional funds for education in the budget. She explained that at her children's school the leading teacher would be cut from full-time to half-time in the following year. It would be difficult for her to serve all of the students in grades K-8 on a half-time basis. She advocated keeping Alaska's schools strong. She thanked the committee.

Co-Chair Seaton indicated there were no callers online. The committee would break until 9:20 a.m.

9:07:24 AM

AT EASE

9:20:57 AM

RECONVENED

PHIL SHANAHAN, SELF, ANCHORAGE (via teleconference), was concerned with the funding for the Public Defender Agency. As an attorney he saw how agency workers were overworked and how the number of cases exceeded the capabilities of the office. He argued that the Public Defender's Office needed an increase. There were increases to the police force and the Prosecutor's Office. He provided examples of how the system was being affected. He thought that Alaska did a great job in its justice system, which had a great reputation. As the volume of cases increased, the Public Defender staff needed to increase as well. He did not want to see the state fall back.

9:26:11 AM

BRENDA MOORE, CHAIR, ALASKA MENTAL HEALTH BOARD, ANCHORAGE (via teleconference), spoke about funds for the hospital-based treatment. The funds would alleviate the burden of the Alaska Psychiatric Institute (API) which often operated at full capacity. She talked about the challenges of patients having to wait for days in hospital emergency rooms. She mentioned attending the certificate of needs hearings for Anchorage. The Alaska Regional Hospital requested to be able to have a psychiatric unit. She had heard testimony from emergency room staff about the

frustrations that accompanied with caring for people in an emergency psychiatric crisis without any mental health professionals available. As a result, patients were chemically restrained. The board was also concerned about substance use disorder treatments and community support. The board recommended that the committee support the governor's request for \$18 million in state funds for the expansion of substance abuse treatment across the state. She noted the need for an expansion of services was due to the opioid crisis. Another board priority was to see that \$1 million for public guardians within the Office of Public Advocacy, stayed in the budget. She spoke about the responsibilities of a public guardian. She relayed that the caseloads had reached over 100 per guardian, over double the recommended national caseload.

9:33:04 AM

Co-Chair Seaton asked her to clarify her statement regarding a hospital base and certificate of need. He also noted that Representative Pruitt was at the Anchorage Legislative Information Office (LIO).

Ms. Moore responded that the decision made by the governor to take general funds to leverage more federal funds which would increase to amount of hospital based psychiatric and substance abuse care. She made the comment that she had attended the certificate of need hearing. At that meeting she heard testimony from nursing staff that were challenged because of the lack of psychiatric staff.

9:35:32 AM

MERRI OTTO, SELF, MINNESOTA (via teleconference), was representing her daughter, Stephanie Otto, who lived in Alaska. She told a bit of her daughter's story regarding her struggle with mental illness. She had not been able to get mental health services until she qualified for Medicaid. She had some problems with getting a name brand medication. She could only get the generic version of the prescription, which she had a reaction to. Ms. Otto indicated that there was no one to take care of her daughter. She continued to tell of her daughter's experience around getting proper medication. She was concerned with her daughter's well-being.

Co-Chair Seaton indicated that the committee was hearing testimony on the operating budget. He requested that she provide some information for the representative from her district to follow-up.

[9:42:22 AM](#)

JEFFREY ROBINSON, PRESIDENT, ALASKA ASSOCIATION OF CRIMINAL DEFENSE LAWYERS, ANCHORAGE (via teleconference), spoke in favor of additional funding for the Public Defender Agency that would pay for 4 new attorneys and an additional staff person. He had been a public defender in the Bethel office and the Anchorage office previously. He provided additional information about his professional background. He continued to practice criminal law in the private sector currently. He reported some of his observations in court. The caseloads appeared to be increasing, falling short of the standard. He thought it was problematic and would be more expensive to the state in the long-run. In his experience working in the Public Defender Agency, the office was pushed to the max caseload-wise. He spoke to the great resources within the agency. However, a number of talented attorneys have left because they were not able to successfully represent their clients and their stress. He urged members to support additional funding for the agency.

[9:45:48 AM](#)

BRYAN EMERSON, CIVIL AIR PATROL, MATSU (via teleconference), was the finance manager of the Civil Air Patrol. He noted the responsibilities and successes of the organization. He indicated that the Civil Air Patrol was operating with less funding. He urged members to properly fund the Civil Air Patrol. He thanked the committee.

[9:47:49 AM](#)

AT EASE

[9:56:26 AM](#)

RECONVENED

CARL BROWN, WING COMMANDER, ALASKA CIVIL AIR PATROL, WASHINGTON DC (via teleconference), spoke to the budget reduction for the Civil Air Patrol. Historically, the Alaska Wing had brought benefits to the state. He reported that 3 or 4 years ago the civil air patrol budget was reduced by 30 percent. He addressed the result of those

cuts. The Alaska Wing worked closely with the Department of Public Safety and the other entities. Other units would have to be closed with the 30 percent proposed cut in the operating budget. The Civil Air Patrol had 3 main missions included: emergency services, aerospace education, and cadet programs. He mentioned some of the successes of the patrol and its contribution to the STEM program at the University of Alaska Anchorage. He asked that funding remain at \$450,000. The state benefited financially from the patrol as well. He thanked the committee.

[10:02:28 AM](#)

KYLE ANDERSON, ALASKA CIVIL AIR PATROL, WASHINGTON DC (via teleconference), He shared a story about a youth's experience with joining the youth cadet program. He indicated the youth joined the program and experienced a turn-around in his life. He spoke to many of the benefits of the Civil Air Patrol. He urged funding support for the Civil Air Patrol and thanked committee members for their time.

[10:05:48 AM](#)

JEFF DEFREEST, AK CIVIL AIR PATROL, KETCHIKAN (via teleconference), spoke to the benefits of the Civil Air Patrol. He relayed that there were also ground troops that existed as part of the patrol. He encouraged members to support the program.

[10:07:11 AM](#)

FRANCESCA ALLEGREZZA, FAMILY IN ANCHORAGE, ANCHORAGE (via teleconference), spoke to the reduction of the PFD. She thought the budget was out of control and reflected reckless spending. She felt she was being taken advantage of.

[10:08:39 AM](#)

CLAIRE PORTER, AK CIVIL AIR PATROL, KETCHIKAN (via teleconference), spoke to the reduction of Civil Air Patrol funding. She relayed her amazement of the benefits of the youth cadet program within the organization. She provided some background about her involvement in the critical emergency response portion of the program.

[10:11:40 AM](#)

GARRETT ANDERSON, AK CIVIL AIR PATROL, WASHINGTON DC (via teleconference), spoke in support of funding for the Civil Air Patrol. He mentioned his role within the patrol and noted several of the benefits of the cadet program. He urged members to consider increasing funding for the Civil Air Patrol.

^PUBLIC TESTIMONY - ANCHORAGE LIO

[10:15:00 AM](#)

Co-Chair Seaton recognized that Representative Pruitt, Vice-Chair Gara, Representative Grenn were at the Anchorage LIO. Representative Kawasaki was online. [Representative Kawasaki was not online]. Representative Wilson was also online in Fairbanks.

ABBY HENSLEY, BEST BEGINNINGS, ANCHORAGE (via teleconference), spoke in support of funding for Best Beginnings. She indicated that Best Beginnings had adopted a 3-year plan with an increased focus on improving early literacy and language development. The entity supported the Imagination Library Program and resources for parents and other family members. Currently, there were over 18,000 children receiving high quality, age-appropriate books every month in the mail at no cost to their families. She spoke of the donation made by Dolly Parton. She spoke to the costs related to the mailing of books for the Imagination Library program which was \$30 per year per child. Best Beginnings and partners around the state raised the money to ensure the fabulous resource. She read comments from a number of parents and the Imagination Library. She asked for continued support for early childhood education, Pre-K grants, Parents as Teachers, and Best Beginnings.

[10:18:53 AM](#)

MICHAEL JEFFERY, SELF, BARROW (via teleconference), was a Superior Court Judge for years. He urged support for substance abuse treatment. There were several people needing support. He agreed with the support for recidivism reduction efforts. He also supported the effort for funding the Alaska Psychiatric Institute. He also supported funding for hospitals with patients having mental health issues. He

also advocated keeping the justice system balanced and encouraged additional funding for the Public Defender Agency. He thanked members for their time.

10:22:31 AM

TARA RICH, ACLU OF ALASKA, ANCHORAGE (via teleconference), wanted adequate funding for the Criminal Justice System. She had learned from the Public Defender that with additional cases anticipated the office would have to start turning away cases. She argued that it was a fundamental and essential need for an individual to have a fair trial. She thought Alaska was perilously close to having a broken system. She urged members to adequately fund the Public Defender Agency. She stressed the importance of this funding and thanked the committee for their time.

10:26:43 AM

ROBERT BUNDY, SELF, ANCHORAGE (via teleconference), spoke in support of additional funding for the Public Defender Agency. He provided an example of a case he was working on. He spoke of the importance of having a well-funded office and proper council. He spoke of the possible repercussions of not funding the criminal justice system properly.

10:30:14 AM

MARJORIE MOCK, SELF, ANCHORAGE (via teleconference), supported additional funding for the Public Defender Agency. She had worked in the office for several years. She provided examples of her work experience. She spoke to the time challenges of resolving cases, particularly without properly funding the Public Defender Agency. She urged members to adequately fund the office.

Co-Chair Seaton acknowledged that Representative Gara was listening in from the Anchorage LIO.

10:33:16 AM

SKYLAR QUIN, SELF, ANCHORAGE (via teleconference), thought the legislature should be focusing on the restructuring of the Permanent Fund. He supported a larger draw of 5.75 percent. He thought an additional revenue stream was necessary. He urged the restructuring of the PFD in the coming summer.

[10:35:29 AM](#)

DOUG WHITE, ACCESS ALASKA, ANCHORAGE (via teleconference), favored funding Senior Disability Services. He spoke to the costs associated with senior care. He noted a large increase in people receiving senior and personal care services and pointed out that there were several reductions that had been proposed to these related programs. He urged members of the legislature to be careful with reductions.

[10:38:06 AM](#)

LARRY OSTROVSKY, SELF, ANCHORAGE (via teleconference), indicated it was critical to properly fund the criminal justice system. He believed the reduction in the budget was a serious issue. He provided information regarding the number of cases that could be handled in a week. He urged members to properly fund the Public Defender Agency.

[10:41:59 AM](#)

CHERYL GORMAN, SELF, ANCHORAGE (via teleconference), spoke in support of funding for recidivism reduction services. She also urged member support for funding the Public Defender Agency. She supported the substance abuse treatment and community support programs. She spoke to the mental health issues in the state. She thanked the committee.

[10:44:02 AM](#)

CHARLES GORMAN, SELF, ANCHORAGE (via teleconference), was a former homeless person. He provided some of his experience concerning getting residential services that had helped him significantly. He urged support for the governor's proposed funding for mental health services and substance abuse services. He also supported the reentry funding to help with recidivism. He also supported funding for mental health disorders and safe rooms at hospitals.

[10:47:05 AM](#)

CATHY TAYLOR, SELF, ANCHORAGE (via teleconference), provided some of her background. She supported 4 recommendations from the finance subcommittee. First, she supported funding for hospital-based health care. Second,

she supported funding for API. She also supported funding for the public guardian program, which she thought needed expanding. Lastly, she supported the public assistance program.

[10:50:49 AM](#)

MEG SAMORAN, SELF, ANCHORAGE (via teleconference), practiced law for 20 years. She advocated for additional funding for the Public Defender Agency. She agreed that the criminal justice system needed balanced funding. She used the Fairbanks Four conviction as an example of an imbalance in the justice system. The case cost the state a tremendous amount of money. She provided additional information about the effects of not properly funding the Public Defender Agency. She reemphasized the long-term fiscal impact of depriving someone of their rights at trial.

[10:54:53 AM](#)

PANU LUCIER, THREAD AND THE ALASKA EARLY CHILDHOOD ADVOCACY GROUP, ANCHORAGE (via teleconference), spoke in favor of funding early childhood education. She spoke to the benefits of early education and urged an investment in the programs in the FY 19 budget.

[10:56:45 AM](#)

ERIC SANDERS, SELF, ANCHORAGE (via teleconference), urged members to properly fund the Public Defender Agency and spoke to the importance of its funding. He was a previous Superior Court Judge. He discussed the repercussions of an unbalanced system. He surmised that not funding the agency properly would result in additional financial burdens to the state.

Co-Chair Seaton asked Representative Pruitt if he wanted to make any comments.

Representative Pruitt indicated he would speak directly with the audience.

Representative Grenn responded that he would talk to the audience directly as well.

Vice-Chair Gara explained that people's testimony mattered.

Co-Chair Seaton indicated that there were no testifiers online presently. The committee would break until 11:15 a.m.

[11:02:58 AM](#)

AT EASE

[11:31:27 AM](#)

RECONVENED

STEPHANIE BERGLUND, CEO, THREAD, ANCHORAGE (via teleconference), spoke in support of early education. The organization worked statewide to increase access to affordable and quality early care and learning. She thanked the committee for its support of early education. She shared that the programs provided critical support for families and supported quality early learning. Investments in early childhood supported research that Alaska would have long lasting benefits for young children, families, communities, and the state's economy. She urged the committee to continue funding support.

Co-Chair Seaton relayed the committee would break until 12:00 p.m.

[11:34:01 AM](#)

AT EASE

[12:01:16 PM](#)

RECONVENED

^PUBLIC TESTIMONY: OFF NET SITES

[12:01:21 PM](#)

JOE SCHLANGER, SELF, WASILLA (via teleconference), spoke about public safety. He noted that spending only \$570 million on public safety was a travesty. He spoke about the low number of state troopers in Mat-Su. He detailed there was one murder every seven days, one rape every eight hours, one robbery every ten hours, one assault every two hours, one arson every two days, one vehicle theft every three hours, and others. He believed the legislature did not have the priorities straight. He referenced money spent on education, which he supported, but he thought too much funding was given. He could not afford to attend the university. He supported cutting the budget and giving more

money to small businesses. He believed the state did not have a revenue problem, but a spending problem. He supported reduced regulations.

Co-Chair Seaton relayed there were no additional testifiers online. He shared that Representative Wilson was listening from Fairbanks.

12:05:08 PM

CYNTHIA STROUT, SELF, ANCHORAGE (via teleconference), shared that she is an attorney and had worked for the Public Defender Agency in the past. She urged the committee to fully fund the Public Defender Agency. She detailed that an imbalance in the number of public attorneys and public defenders meant that things stacked up; a public defender could only be in one court room at one time. The public defenders carried the large majority of cases that went through the criminal justice system. The workers were hardworking and dedicated, but high caseloads meant that individuals were not adequately represented. She stressed that overloading public defenders would not work and would hurt the criminal justice system.

Representative Wilson asked how many criminal and civil cases went to public defenders versus private attorneys.

Ms. Strout estimated that 85 percent of the cases went to public defenders.

Co-Chair Seaton noted that the other part of the question pertained to how many cases went to public defenders versus private prosecutors. He relayed that they could get the information.

Representative Guttenberg believed there was a legislative audit report pertaining to the issue.

Co-Chair Seaton thought it was from 1998. He relayed the committee would break until 12:25 p.m.

12:11:04 PM

AT EASE

12:29:33 PM

RECONVENED

Co-Chair Seaton encouraged members of the public to submit written testimony if desired. He thanked the public for testifying.

HB 285 was HEARD and HELD in committee for further consideration.

HB 286 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[12:31:01 PM](#)

The meeting was adjourned at 12:30 p.m.