

SENATE FINANCE COMMITTEE

April 6, 2018

9:08 a.m.

[9:08:03 AM](#)

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:08 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Peter Micciche
Senator Donny Olson
Senator Gary Stevens
Senator Natasha von Imhof

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

Tammy Jablonski, Self, Juneau; Patrick Ryland, Best Beginnings and Self, Juneau; Jeffrey Short, Member, Juneau Board of Education, Juneau; Gene Randall, Self, Juneau; Mark Miller, Superintendent, Juneau School District, Juneau; Martin Stepetin, Self, Juneau; Brenda Taylor, Juneau STEM Coalition, Juneau; Rebecca Soza, Juneau STEM Coalition, Juneau; Briana Heller, Self, Juneau; Emily Thompson, Parents as Teacher, Juneau; Talea Kellar, Parents as Teacher, Juneau; Sarah Sledge, Executive Director, Coalition for Education Equity, Anchorage Resident, Juneau; Brian Holst, Director, Economic Development Council, Juneau; Sally Donaldson, Self, Juneau; Don Habeger, Community Coordinator, Juneau Reentry Coalition, Juneau; Denise Danillo, Alaska Commission on Aging, Juneau; Sean Eagan, Self, Juneau; Josh Keaton, Self, Juneau; Sander Schijvens, Self, Juneau; Tari Stage-Harvey, Self, Juneau; Emily Ferry, Self, Juneau; Dr. Lisa Parady, Executive Director, Alaska Council of School Administrators, Juneau; Representative Justin Parish.

PRESENT VIA TELECONFERENCE

Michael Jeffery, Self, Barrow; Sallie Demers, Tok Senior Center, Tok; Jason Tauriainen, Kenai Peninsula Borough School Board, Kenai; James Squyres, Self, Rural Deltana; Page O'Connell, Self, Dillingham; Fred Sturman, Self, Soldotna; Pat Holmes, Self, Kodiak; Ginger Fortin, Self, Ketchikan; Mary Deihl, Self, Ketchikan.

SUMMARY

CSHB 285(FIN)

 APPROP: MENTAL HEALTH BUDGET

 CSHB 285(FIN) was HEARD and HELD in committee for further consideration.

CSHB 286(FIN) am(brf sup maj fld)(efd fld)

 APPROP: OPERATING BUDGET/LOANS/FUNDS

 CSHB 286(FIN) am(brf sup maj fld)(efd fld) was HEARD and HELD in committee for further consideration.

HB 287(brf sup maj fld)

 APPROP: PUPIL TRANSPORTATION; EDUCATION

 HB 287(brf sup maj fld) was HEARD and HELD in committee for further consideration.

PUBLIC TESTIMONY

#hb285

#hb286

#hb287

CS FOR HOUSE BILL NO. 285(FIN)

 "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."

CS FOR HOUSE BILL NO. 286(FIN) am(brf sup maj fld)(efd fld)

 "An Act making appropriations for the operating and loan program expenses of state government and for

certain programs; capitalizing funds; amending appropriations; and making supplemental appropriations."

HOUSE BILL NO. 287(brf sup maj fld)

"An Act making appropriations for public education and transportation of students; and providing for an effective date."

[9:08:54 AM](#)

Co-Chair Hoffman announced that amendments would be due the following Monday.

^PUBLIC TESTIMONY: JUNEAU

[9:10:54 AM](#)

TAMMY JABLONSKI, SELF, JUNEAU, spoke in support of recidivism reduction services and mental health services. She had first-hand experience with addiction recovery. She stressed that the programs required money. She stated that it was important to understand the addiction driver in order for the person to return to functioning as a productive member of society. She felt that without treatment, the individual would put communities at a public safety risk. She remarked that the state was in the middle of an opioid crisis.

[9:13:40 AM](#)

PATRICK RYLAND, BEST BEGINNINGS AND SELF, JUNEAU, spoke in support of early childhood education funding. He stressed the importance of investing in early childhood education. He remarked that education before age five resulted in higher success in communities. He stressed that the children should benefit from the resources in the state.

[9:14:59 AM](#)

JEFFREY SHORT, MEMBER, JUNEAU BOARD OF EDUCATION, JUNEAU, spoke in support of funding for education. He shared that since 2008 inflation had reduced the budget by 10 percent, or \$600 per student. He remarked that it had resulted in a \$3 million shortfall in the current budget. He stressed that those students from disadvantaged homes often

struggled to learn. He stated that those students' grades were the reason that the overall test scores were low. He stressed the importance of keeping the budget in line with inflation. He remarked that investing in education would save money in corrections and public safety.

[9:17:16 AM](#)

GENE RANDALL, SELF, JUNEAU, testified in support of education funding, by increasing the Base Student Allocation (BSA) and instituting an income tax. He stated that he was a retired teacher. He shared that he had previously lived in a state with an income tax. He felt that the state relied too heavily on oil revenue. He remarked that there was uncertainty about whether there would be quality teachers in the state. He shared that he had witnessed many teachers get laid off, because the legislature may not be willing to commit to education in the state.

[9:20:10 AM](#)

MARK MILLER, SUPERINTENDENT, JUNEAU SCHOOL DISTRICT, JUNEAU, spoke in support of education funding. He felt that there should be early funding for education programs. He understood that the legislature would not end on time.

[9:22:16 AM](#)

MARTIN STEPETIN, SELF, JUNEAU, spoke in support of school funding. He shared that there should be a \$100 to the Base Student Allocation (BSA), so that funding could keep pace with inflation. He also spoke in support of funding for the Office of Children's Services (OCS). He also spoke in support of reinstating the permanent fund dividends (PFDs) for the Fairbanks Four. He stated that he was testifying for his family and his children's' future.

[9:23:57 AM](#)

BRENDA TAYLOR, JUNEAU STEM COALITION, JUNEAU, testified in support of education funding.

[9:24:15 AM](#)

REBECCA SOZA, JUNEAU STEM COALITION, JUNEAU, shared that she was a part of the STEM (Science, Technology,

Engineering, and Math) Coalition. She urged support of a \$100 increase to the BSA, and reinstatement of the one-time \$100,000 to Department of Education and Early Development (DEED) for STEM education. She stressed that there was a direct link between education and the economy. She remarked that the reductions were affecting all aspects of STEM education. She shared that curriculum materials were lacking.

[9:26:23 AM](#)

Co-Chair Hoffman stressed that BSA legislation was not in the committee. He stated that the public testimony should be related to the three budget bills.

[9:27:18 AM](#)

BRIANA HELLER, SELF, JUNEAU, shared that she was raising five children, and a wife to a recovering addict. She spoke in support of education funding. She stated that there were many women who were raising children who were not biologically their children. She stated that many people were failing their children due to mental illness and addiction. She stated that she worked with seniors and disabled people, so she saw that many relied on Medicare.

[9:28:51 AM](#)

EMILY THOMPSON, PARENTS AS TEACHER, JUNEAU, spoke in support of funding for Best Beginnings and Parents as Teachers. She thanked the committee for their efforts to fund those programs.

[9:29:28 AM](#)

TALEA KELLAR, PARENTS AS TEACHER, JUNEAU, spoke in support of Parents as Teachers. She shared that there was new understanding of the impact of trauma in children's lives. She stated that the Parents as Teachers programs worked with families to nurture their children. She stated that it was important for parents to be their children's first teacher, and understand healthy discipline in high stress situations.

[9:31:09 AM](#)

SARAH SLEDGE, EXECUTIVE DIRECTOR, COALITION FOR EDUCATION EQUITY, ANCHORAGE RESIDENT, JUNEAU, spoke in support of reliable education funding. She spoke in support of HB 287. She also testified in support of early childhood education. She stated that the state had historically overlooked early childhood education in smaller population districts.

[9:33:19 AM](#)

BRIAN HOLST, DIRECTOR, ECONOMIC DEVELOPMENT COUNCIL, JUNEAU, felt that Alaska's economy needed a stronger workforce, and therefore spoke in support of education. He urged the committee to increase the budget for post-secondary education. He felt that flat-funding for schools continued to provide less money for schools. He felt that the K-12 system was strained, because many kindergarten children were not prepared to enter school.

[9:35:27 AM](#)

SALLY DONALDSON, SELF, JUNEAU, spoke in support of funding for education. She felt that it was important to educate children, because they would eventually be the leaders of the state. She shared that she had worked for thirty years in education. She stated that she had witnessed increased and decreased education funding. She remarked that Alaska used to be rated second in the country in teacher pay but had dropped to 32 in the last 20 years. She felt that an increase in the education budget was the most important move that the legislature could make.

[9:38:11 AM](#)

DON HABEGER, COMMUNITY COORDINATOR, JUNEAU REENTRY COALITION, JUNEAU, spoke in support of partnerships with Department of Corrections (DOC) and the Department of Health and Social Services (DHSS) in supporting reentry programs. He spoke in support of reliable housing, employment, and treatment services. He remarked that there should be funding for efforts to reduce recidivism. He remarked that combatting crime in the state was a multi-pronged approach. He felt that reducing drug abuse was essential in reducing crime in the state.

[9:40:27 AM](#)

DENISE DANILLO, ALASKA COMMISSION ON AGING, JUNEAU, spoke in support of Medicaid services for older Alaskans. She thanked the committee for funding the Senior Benefits program. She stated that Alaska had the highest cost of senior home care in the country.

[9:42:19 AM](#)

SEAN EAGAN, SELF, JUNEAU, spoke in support of funding for education. He stated that there were a large number of students per classroom, so teachers were overwhelmed with the high number of work that resulted from the high class volume. He remarked that the smaller number of students per classroom would result in a better education. He felt that shop classes and physics classes were important.

[9:44:25 AM](#)

JOSH KEATON, SELF, JUNEAU, spoke in support of education funding. He hoped that there would be a consideration to increase the education funding, specifically the BSA. He felt that the quality of education was the decision of the legislature. He spoke against the decrease to early childhood education funding. He stressed that the budget decreases resulted in larger classrooms. He thanked the committee for their support.

[9:46:41 AM](#)

SANDER SCHIJVENS, SELF, JUNEAU, spoke in support of education funding, specifically the university and K-12 systems.

[9:47:17 AM](#)

TARI STAGE-HARVEY, SELF, JUNEAU, spoke in support of funding for additional staff for the Division of Public Assistance Field Services. She stated that her church ran a food program, summer lunch program, and programs for homeless families. She remarked that she worked with many struggling people.

[9:49:05 AM](#)

EMILY FERRY, SELF, JUNEAU, testified in support of an increase to education funding. She remarked that flat funding would be a decrease year after year. She noted that

it would result in layoffs of teachers year after year. She felt that the state should contribute, so Alaska should be taxed to fund the services provided by the state. She spoke in strong support of a broad-based tax, such as an income tax.

DR. LISA PARADY, EXECUTIVE DIRECTOR, ALASKA COUNCIL OF SCHOOL ADMINISTRATORS, JUNEAU, testified in support of education funding. She thanked the committee for carefully considering the needs of K-12 education. She remarked that flat-funding of education would be detrimental to schools. She spoke in support of HB 287, especially in regard to the forward-funding of education. She hoped that the bill would move rapidly through the legislative process. She stressed the importance of timely funding for Alaska schools.

[9:53:34 AM](#)

Co-Chair Hoffman thanked the community of Juneau, and the testimony from the city. He stated that public testimony could be submitted directly to the Senate Finance Committee.

^PUBLIC TESTIMONY: BARROW, TOK, DELTA JUNCTION

[9:54:45 AM](#)

MICHAEL JEFFERY, SELF, BARROW (via teleconference), spoke in support of an income tax. He testified in support of funding for behavioral health public guardians. He spoke in support of funding for public defenders. He spoke in support of public health field services. He also testified in support of funding for reducing recidivism. He spoke in support of funding for advance training for social workers.

[9:57:07 AM](#)

SALLIE DEMERS, TOK SENIOR CENTER, TOK (via teleconference), spoke in support of funding for senior services. She stated that most senior citizens in Tok depended on the senior benefit programs. She stressed that senior benefits were a life source. Due to the backlog of applications and a case overload her disabled daughter had not received services in recent months.

[9:59:16 AM](#)

JASON TAURIAINEN, KENAI PENINSULA BOROUGH SCHOOL BOARD, KENAI (via teleconference), testified in support of education funds. He was excited early funding in HB 287 was moving forward. The early budget would enable schools and teachers to plan effectively. Early funding would enable schools to secure teachers as well. Rising healthcare costs were impacting school budgets. He asked the committee to consider a BSA increase. He had been upset in the past about proposed dividend cuts in the past, but he supported the current plan to use a portion of the Permanent Fund. He appreciated the legislature's hard work.

[10:01:42 AM](#)

JAMES SQUYRES, SELF, RURAL DELTANA (via teleconference), spoke in opposition to budget increases. He did not believe forward funding education was necessary if the legislature completed its budget in 90 days. He supported a full Permanent Fund Dividend as statutorily required. He believed the legislature had broken the law the previous year by not following the statute. He was opposed to SB 26 pertaining to the Permanent Fund. He was appalled that no one had corrected an erroneous statute pertaining to the calculation of inflation proofing on the Permanent Fund's principal rather than the fund corpus. He thought the legislature was concerned about paying credits to the oil industry, but it was not concerned with paying the public back for the unpaid PFD. He did not believe the committee had the public's best interest at heart.

[10:03:56 AM](#)

AT EASE

[10:15:59 AM](#)

RECONVENED

^PUBLIC TESTIMONY: KENAI, KODIAK, DILLINGAM

[10:16:06 AM](#)

Co-Chair Hoffman provided the Senate Finance Committee email address for written testimony.

PAGE O'CONNELL, SELF, DILLINGHAM (via teleconference), testified in support of \$1.456 million to hire additional advocates in the Office of Public Advocacy. She discussed that when a vulnerable adult did not have a person to

assist them they depended on the Office of Public Advocacy to help with services. She shared that she had seen individuals land in the Alaska Psychiatric Institute or jail without consistent family support. Increasing funding for the Office of Public Advocacy to hire additional guardians to serve vulnerable Alaskans was critical. High caseloads meant it took time to get information to support her clients. She provided a list of benefits and work conducted by public advocates. The individuals helped manage finances, crises, maintain safe housing, medical services, travel, and other. Some of her clients had never met their guardians who had an instrumental role in their lives. She implored the committee to add funding for additional advocates.

[10:20:17 AM](#)

FRED STURMAN, SELF, SOLDOTNA (via teleconference), supported additional cuts to the budget. He believed the cuts had been too minimal and surmised the budget would be larger than the preceding budget. He had visited a business the previous day where employees had agreed to take their third salary cut to avoid layoffs. He remarked that individuals were leaving Alaska for employment elsewhere. The city had lost numerous businesses in recent years; however, the state's budget continued to increase. He stated there was no way the private sector could keep up with state spending. He supported closing the Division of Motor Vehicles (DMV). He thought the governor had only laid off 80 people. He urged the legislature to quit spending money.

[10:23:15 AM](#)

AT EASE

[10:30:04 AM](#)

RECONVENED

^PUBLIC TESTIMONY: KETCHIKAN, WRANGELL, PETERSBURG

[10:30:14 AM](#)

PAT HOLMES, SELF, KODIAK (via teleconference), spoke in favor of additional funds for education. He relayed that the first 17 years of statehood the Democrats had controlled the House and Senate (he referred to himself as a Wally Hickel Republican); there had been a balanced

budget with consensus and compromise. The priorities had been education, public safety, fisheries, and transportation. He thought there should be additional support from oil. He believed the gasline was a joke; all of the economist reports he had read stated that the gasline was not feasible. He appreciated the legislature trying to find some balance.

[10:32:43 AM](#)

GINGER FORTIN, SELF, KETCHIKAN (via teleconference), echoed priorities listed by the previous speaker. She supported funding to support Alaska Marine Highway System (AMHS) cross gulf trips in the winter months. She was concerned about senior benefits and was against cuts to the program. Additionally, she supported public radio.

[10:33:55 AM](#)

MARY DEIHL, SELF, KETCHIKAN (via teleconference), spoke in support of AMHS cross gulf service to enable travel between Southcentral and Southeast with a car. She stated renting a car in Ketchikan was more expensive than accommodations.

[10:34:44 AM](#)

AT EASE

[10:47:37 AM](#)

RECONVENED

Co-Chair Hoffman relayed that no additional testifiers had signed in. He addressed the schedule for the afternoon meeting.

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

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

HB 287 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[10:48:29 AM](#)

The meeting was adjourned at 10:48 a.m.