

SENATE FINANCE COMMITTEE

April 6, 2018

1:30 p.m.

1:30:09 PM

CALL TO ORDER

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

MEMBERS PRESENT

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

MEMBERS ABSENT

Senator Donny Olson

PRESENT VIA TELECONFERENCE

Benjamin Charles, Yupiit Piciryarit Cultural Center, Bethel; Sophie Kasayulie, Yupiit School District, Bethel; Jennifer Phillip, Yupiit School District, Bethel; Katie Charles, Headstart Program, Akiachak; Anthony Carvalho, Governors Council on Disabilities and Special Education, Kotzebue; Jennifer McNichol, Chair, Sitka School Board, Sitka; Terri Walker, Northwest Arctic Borough School District, Kotzebue; Cheryl Schweigert, Northwest Arctic Borough School District, Kotzebue; Theresa Weiser, Sitka Charter Boat Operators Association, Sitka; Maegan Bosak, City and Borough of Sitka, Sitka; Bryan O'Callahan, Executive Director, Center For Community, Sitka; Lisa Busch, Director, Sitka Sound Science Center, Sitka; Cathy Sherman, Cordova Historical Society, Cordova; Ryan Belknap, Prince William Sound Community College, Valdez; Bree Swanson, Maniilaq Association, Kotzebue; Charles Lemke, Fairbanks Symphony Orchestra, Fairbanks; Kathy Karella, Self, Fairbanks; Donald Karella, Self, Fairbanks; Mike Coons, President of Alaska Association of Mature American Citizens, MatSu; Garvan Bucaria, Self, MatSu; Robin Minard, Mat-Su Health Foundation, MatSu; Polly-Beth Odom, Daybreak

Inc., Palmer; Beth Fread, Self, MatSu; Mike Alexander, Self, Big Lake; Frederick Pennington, LINKS-ADRC, MatSu; Angela Linn, Alaska State Museum, Fairbanks; Leslie Dodge, Self, Houston; Jim Dodson, Fairbanks Economic Development Council, Fairbanks; Bert Houghtaling, Self, Big Lake; Jeffery Benowitz, Self, Fairbanks; Ron Johnson, Self, Fairbanks; Greg Weaver, Self, Wasilla; Dean Aasichce, Self, Seward; Caroline Venuti, UAA-Kachemak Bay Campus, Homer; Zobeida Rudkin, UAA-Kachemak Bay Campus, Homer; Bryan Baker, Homer Charter Association, Homer; Jim Martin, Director, Alaska Charter Association, Homer; Donna Aderhold, City of Homer, Homer; Scott Bartlett, Pratt Museum, Homer; Walter Partridge, Self, Homer; Bryan Zak, Mayor of Homer, Homer; Jillian Lush, Executive Director, Sprout Family Services, Homer; Kyle Depriest, Self, Homer; George Pierce, Self, Kasilof; John James, Self, Wasilla; Amy Oney, Mama's Assisted Living, Anchorage; Cory Martin, Self, Christochina; Ed Martin, Self, Cooper Landing; Joanne Blackburn, Self, Anchorage; Chris Eichenlaub, Self, Eagle River; Patty Brown, Self, Haines; Annie Chunak, Self, New Stuyahok; Jennifer Allen, Self, Haines; Nicole Lorents, Self, Haines; Valerie Brooks, Self, Ketchikan; Herman Morgan, Self, Aniak; Mary Nanuwak, Self, Bethel; Robert Bundy, Self, Anchorage; Deborah Holland, Self, Anchorage; Stephen Burris, Vice-President, Alaska National Guard Enlisted Association, Anchorage; Sarra Khlifi, Alaska Food Coalition, Anchorage; Britta Hamre, Self, Anchorage; Paul Duclos, Self, Long Island; Indianna Turkisher, SNAP Outreach manager at Foodbank of Alaska, Anchorage; Peggy Cowan, Self, Anchorage; Marney Hartill, Self, Anchorage; Bill Warren, Self, Nikiski; Micheal Chambers, Self, Anchorage; Margery Mock, Self, Anchorage; Pernelore Gofarth, Self, Anchorage; Michelle Baker, Southcentral Foundation, Anchorage; Leslie Fried, Curator, Alaska Jewish Museum, Anchorage; Brinna Langford, Self, Eagle River; Susan Rutter, Self, Anchorage; Doug White, Executive Director, Access Alaska, Anchorage; Verne Boerner, Alaska Native Health Board, Anchorage; Alec Burris, Self, Anchorage; Valerie Baalerud, Self, Anchorage; Kristen Bush, Self, Anchorage; Bob Hooyman, Self, Matsui; Emma Brooks, Self, Anchorage; Heidi Frost, Self, Anchorage; Terrie Gottstien, Self, Anchorage; Lisa Sparrow, Self, Anchorage; Teresa Wrobel, University of Alaska, Anchorage; Stephanie Berglund, CEO, Thread/AK Early Childhood Advocacy Group, Anchorage; Bahne Smith, Self, Anchorage; Tom Lakosh, Self, Anchorage; Rebbecca Senter, Thread/AK Early Childhood

Advocacy Group, Anchorage; Lynda Hellen, Educator, Anchorage.

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."

[1:30:49 PM](#)

Co-Chair Hoffman reminded the committee that he expected proposed amendments in his office by the following Monday, which he relayed the committee would take up the following day during the afternoon meeting.

Co-Chair Hoffman discussed the schedule for public testimony and advised the public how to send the committee written testimony.

^PUBLIC TESTMIONY: BETHEL, NOME, KOTZEBUE, UNALASKA

[1:32:06 PM](#)

BENJAMIN CHARLES, YUPIIT PICIRYARIT CULTURAL CENTER, BETHEL (via teleconference), testified in support funding for the Grant-In-Aid Program. He discussed the importance of museums and the benefits of the museum industry, including jobs. The cultural center he worked for wanted to become active in the museum community. The grants provided by the stated helped maintain financial support to museums and the people that worked in them. He discussed the educational benefits of museums, including the understanding of history and traditional ways of life of the people in the area.

[1:34:54 PM](#)

SOPHIE KASAYULIE, YUPIIT SCHOOL DISTRICT, BETHEL (via teleconference), spoke in support of funding the Headstart program and literacy programs. She discussed the benefits that the programs had provided to students. She mentioned the benefits of literacy support staff.

[1:36:33 PM](#)

JENNIFER PHILLIP, YUPIIT SCHOOL DISTRICT, BETHEL (via teleconference), testified in support of funding for a literacy grant. The grant had helped her child. She supported the Headstart program.

[1:37:15 PM](#)

KATIE CHARLES, HEADSTART PROGRAM, AKIACHAK (via teleconference), spoke in support of funding for Headstart programs and early literacy programs. She thought that the program enriched children in developing language and literacy. She had observed many children in need of support and had seen development after participation in the program. She discussed the positive impacts of the program.

1:39:03 PM

AT EASE

1:47:02 PM

RECONVENED

1:47:14 PM

ANTHONY CARVALHO, GOVERNORS COUNCIL ON DISABILITIES AND SPECIAL EDUCATION, KOTZEBUE (via teleconference), testified in support of funding Medicaid expansion. He supported funding for the Department of Health and Social Services (DHSS) to process applications and billing. He wanted funding from billing to support the village behavioral health aide and community health aide. He stated that lack of funding for the positions hurt the ability to sustain vital programs in the villages. He asked the Senate not to cut behavioral health funding, specifically community behavioral health treatment and recovery funding, which as the main source of funding for the behavioral health services in Kotzebue and the surrounding region. He asserted that cuts to Medicaid and behavioral health funding would result in increased costs overall due to additional emergency room visits and increased incarceration rates. He detailed that Medicaid expansion covered almost 500 additional individuals in his region.

1:49:49 PM

JENNIFER MCNICHOL, CHAIR, SITKA SCHOOL BOARD, SITKA (via teleconference), spoke in support of HB 287. She appreciated early funding of education and the intention to avoid teacher pink slips. She commented that the current funding level did not necessarily allow all districts to avoid teacher cuts. She spoke of rising costs in utilities, insurance, and other personnel expenses. She urged the members to continue to seek ways to address increasing needs in the budget. She suggested that an increase in the Base Student Allocation (BSA) would be helpful. She had

concerns about diverting funding from Medicaid, as the program served Alaska's children.

1:51:03 PM

TERRI WALKER, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), spoke in support of the Pre-Elementary Grant Program. She urged the committee to fully fund the grant program. She stated that the grant monies had been essential in the district's obligation to provide high-quality learning opportunities for all students. The school district had no other early learning choices outside what was offered by schools. The district (including the regional school board) made it a priority to maintain an ongoing commitment to deliver quality pre-elementary programs in all the villages. She considered the programs to have long-lasting positive effects in the region. Through the use of the grant funds, the school district was able to provide needed supplies and certified early childhood teachers for the pre-elementary classrooms. The addition of certified teachers improved the overall impact of the programs. The outcomes that included greater success in school and increased social-emotional development were evident in the district. There was a noticeable drop in suspension and expulsions. The district wished to provide and improve upon the current program.

1:53:42 PM

CHERYL SCHWEIGERT, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), testified in support of funding for Medicaid services to include medical, mental health, and parent navigation support for children with special needs. She supported funding for hospital behavioral healthcare, to help hospitals serve young people over the age of 18 that were awaiting admission to the Alaska Psychiatric Institute. She thought it was imperative the services of intensive treatment facilities addressed all the requirements that allowed minor children to have access to services. She supported funding for long-term support and interventions for children and families. She discussed children that were returned to communities without services available. She supported funding for substance abuse treatment and community support program. She supported recidivism reduction services. She supported funding telehealth. She

supported inclusive and equal support services for all children in rural areas.

^PUBLIC TESTIMONY: SITKA, CORDOVA, VALDEZ

1:56:35 PM

THERESA WEISER, SITKA CHARTER BOAT OPERATORS ASSOCIATION, SITKA (via teleconference), testified in support of funding for Department of Fish and Game, Division of Sportfish. She mentioned a \$3 million appropriation from the Fisherman's Revolving Loan Fund to DHSS. She thought the appropriation had been made by Representative Paul Seaton in the House Finance Committee. She thought monies from the fund should only be used for purposes directly related to the industry the fund was created to serve. She supported at least \$1 million to be directed to the division for the purpose of running the Saltwater Logbook Program and providing funds for the creation of a mobile application for an electronic logbook.

1:58:05 PM

MAEGAN BOSAK, CITY AND BOROUGH OF SITKA, SITKA (via teleconference), testified in support of funding for operations and maintenance of Mount Edgecumbe High School, the Sitka Pioneers Home, the Public Safety Training Academy, the Alaska Marine Highway System, and the University of Alaska - Sitka campus. She emphasized that the programs were essential to the community of Sitka. She encouraged the committee to look for additional ways to provide funding for the programs.

1:58:59 PM

BRYAN O'CALLAHAN, EXECUTIVE DIRECTOR, CENTER FOR COMMUNITY, SITKA (via teleconference), testified in support of the governor's budget request to alleviate the tremendous backlog of public assistance applications. He relayed that the center provided personal care assistance via offices in Sitka, Juneau, and Anchorage. Additionally, the center provided case management services under contract with the Division of Public Assistance. He noted that public assistance applications were taking an average of 45 days to process. He stated that existing delays in eligibility determinations and program renewals (caused by a shortage of trained workers) was hurting the abject poor, the

working poor, and seniors in need of personal care services. He added that senior care services kept individuals from institutions and saved the state money. He discussed public assistance application wait times of 40 days on average, including for food stamps. Approximately 1,700 families with children were included in the category statewide. He informed that first-time Medicaid applications had wait times of up to 7 weeks, and around 17,500 individuals were in the category statewide. Medicaid renewals could take up to 3 months. He strongly urged the committee to reconsider the governor's request.

[2:02:02 PM](#)

AT EASE

[2:14:41 PM](#)

RECONVENED

LISA BUSCH, DIRECTOR, SITKA SOUND SCIENCE CENTER, SITKA (via teleconference), spoke in support of increased funding for creating new science education standards. She asked the committee to restore the funding of \$100,000. The mission of the center was science research and science education for Alaska. She emphasized that science was a critical part of resource management in Alaska and spoke of the importance of having a scientifically educated people. She informed that the state was longer compliant with national standards. She commented on the low rate of innovation in the state. She asserted that in-person meetings (for the purpose of standards development) helped in the formulation of ideas, especially when considering scientific concepts.

[2:16:56 PM](#)

CATHY SHERMAN, CORDOVA HISTORICAL SOCIETY, CORDOVA (via teleconference), testified in support of funding for the Grant-in-Aid program. She had been director of the museum for 25 years. She felt that the program had been essential to the growth and development of the Cordova Museum as well as other small museums in the state. With the program funding, the museum had accomplished huge advances in the conservation and preservation of the region's unique Native collection, including the restoration and exhibition of an Alutiiq bear-gut parka, as well as the original 1915 lens from the Cape St. Elias lighthouse. The funds allowed small museum with little budgets to work on historical preservation projects that may have otherwise not been

possible. She discussed the importance of museum accreditation. She supported a state income tax.

[2:19:41 PM](#)

RYAN BELKNAP, PRINCE WILLIAM SOUND COMMUNITY COLLEGE, VALDEZ (via teleconference), spoke in support of funding for the University. He worked for the Prince William Sound Community College. He stated that the college administration was working closely with the city and community to address economic diversification. He discussed a shortage of nurses at the hospital. He discussed the nursing program that helped with the nursing shortage.

[2:21:52 PM](#)

BREE SWANSON, MANIILAQ ASSOCIATION, KOTZEBUE (via teleconference), testified in support of funding for behavioral health services. She discussed high rates of mental health issues in rural communities in the state, and the importance of serving those in their own communities. She discussed the high rate of suicide in the state. She asserted that cutting funding for behavioral health would result in increased cost to the state. She discussed limited services in her area that did not meet the needs of people in the state. She discussed a problem with homelessness, and the lack of services to mitigate the problem. She strongly advocated for funding for substance abuse and mental health services. She specified that 79 percent of her association's population was underserved.

[2:25:13 PM](#)

AT EASE

[2:30:34 PM](#)

RECONVENED

^PUBLIC TESTIMONY: FAIRBANKS, MAT-SU

[2:31:10 PM](#)

CHARLES LEMKE, FAIRBANKS SYMPHONY ORCHESTRA, FAIRBANKS (via teleconference), testified in support of funding for the University. He discussed the importance of the University to the state and used the example of an event co-hosted by the University of Alaska Fairbanks and the Fairbanks Symphony Orchestra. The event would be broadcast to over

100 countries. He asked the committee to invest in the University.

[2:32:57 PM](#)

KATHY KARELLA, SELF, FAIRBANKS (via teleconference), testified in opposition to cuts to programs for behavioral health and substance abuse programs. She thought many cuts that had been made primarily affected those with behavioral health issues. She supported hospital-based behavioral healthcare. She supported funding for public assistance field offices to deal with backlogs. She supported funding for additional public guardians for the Office of Public Advocacy. She supported full funding for Medicaid services. She spoke in support of a sales tax. She discussed her family member that experienced a disability.

[2:35:18 PM](#)

DONALD KARELLA, SELF, FAIRBANKS (via teleconference), spoke in support of funding for mental health services. He had lived in Alaska for most of his life. He discussed his family history with mental illness. He emphasized that many disabilities were hidden. He discussed the prevalence of mental illness in the correctional system. He recounted that the United States Surgeon General had stated that for every dollar spent on mental health, \$17 were saved. He strongly encouraged the committee to consider individuals with disabilities and individuals with mental illness when making budget decisions.

[2:37:26 PM](#)

MIKE COONS, PRESIDENT OF ALASKA ASSOCIATION OF MATURE AMERICAN CITIZENS, MATSU (via teleconference), testified in opposition to HB 286 and HB 287. His organization supported a reasonable amount for the mental health budget, but not an amount he considered "bloated." He considered that the budget should be subject to additional reductions. He was concerned about increased spending. He opposed funding for a Vitamin D study. His group opposed HB 287. He considered that public safety was in extreme jeopardy. He thought there had been good amendments proposed on the House floor that would have reduced the budget. He mentioned an amendment offered by Representative Lora Reinbold. He thought the current budget proposal would continue the recession. He discussed the importance of the PFD to

individuals. He did not support funding for the natural gas project. He asked the committee to pass a sustainable budget with a fully funded PFD; that did not require spending from the ERA or a draw from the CBR.

[2:39:56 PM](#)

GARVAN BUCARIA, SELF, MATSU (via teleconference), testified in favor of additional budget cuts. He suggested an additional 5 percent cut across the board. He did not support funding for Alaska's Liquid Natural Gas (AKLNG) project. He supported reinjecting Alaska's natural gas for maximum oil recovery. He was in opposition to the proposed Vitamin D study. He suggested advocating exposure to sunlight for children and pregnant women. He was concerned about Department of Transportation and Public Facilities mega-projects such as the North Glenn overpass. He suggested the legislature begin meeting in Anchorage.

[2:42:02 PM](#)

ROBIN MINARD, MAT-SU HEALTH FOUNDATION, MATSU (via teleconference), spoke in support of funding to secure matching federal funds for Disproportionate Share Hospital Funding (DISH). The funding was needed to address for a statewide behavioral health crisis. She discussed the 20 percent growth rate of annual visits to the Mat-Su Regional Medical Center emergency department for patients with a behavior health diagnosis. From 2014 to 2017, required behavioral health assessments in the emergency department grew from 349 to more than 1,000. She discussed patients waiting in the ER department for in-patient placement at API. She thought the state was behind on capitalizing on federal funds to address behavioral health challenges.

[2:44:07 PM](#)

POLLY-BETH ODOM, DAYBREAK INC., PALMER (via teleconference), spoke in support of funding for Medicaid and behavioral health. Her organization provided comprehensive case management services for adults with long-term mental health issues and traumatic brain injuries. She asked the committee to reconsider its proposed cuts to Medicaid. She noted that her organization had taken cuts of 11 percent over the previous years, which had been problematic. She emphasized how mental health and substance abuse was affecting the Mat-Su Valley.

[2:45:05 PM](#)

BETH FREAD, SELF, MATSU (via teleconference), testified in opposition to the AK LNG Project. She did not think that the project would be profitable. She did not think China would be a good business partner. She advocated for additional cuts and reduced government.

[2:46:35 PM](#)

MIKE ALEXANDER, SELF, BIG LAKE (via teleconference), spoke in support of additional budget cuts. He supported a full PFD. He did not support funding for a Vitamin D study. He supported payments for owed oil and gas tax credits. He advocated for ending the AK LNG project.

[2:48:02 PM](#)

FREDERICK PENNINGTON, LINKS-ADRC, MATSU (via teleconference), testified in support of increased funding for the Senior Benefits Program. He stated that he was project director for the Aging and Disability Resource Center. He supported funding for substance abuse treatment and a treatment facility. He supported increased funding for public assistance field offices to deal with long processing times for Medicaid coverage.

[2:49:49 PM](#)

ANGELA LINN, ALASKA STATE MUSEUM, FAIRBANKS (via teleconference), testified in support of the Grant-in-Aid Program. She discussed visitor statistics and asserted that museums were economic drivers. She referenced a study that showed a large percentage of travelers participated in cultural or heritage activity such as visiting museums. She discussed museums in Fairbanks, and the importance of museums.

[2:51:59 PM](#)

LESLIE DODGE, SELF, HOUSTON (via teleconference), spoke in support of increased budget cuts. She did not support funding for a study on Vitamin D. She did not support the AK LNG project. She discussed the difficulty of her personal circumstances.

Co-Chair Hoffman reminded that the aforementioned funding for a study on Vitamin D was not in the bills being considered in committee.

[2:55:00 PM](#)

JIM DODSON, FAIRBANKS ECONOMIC DEVELOPMENT COUNCIL, FAIRBANKS (via teleconference), spoke in support of funding for Department of Military and Veterans Affairs to support moving the C-17 strategic aircraft from active duty Air Force to the Alaska Air National Guard. He discussed the importance of the 8 aircraft. He discussed the military impact on the state's economy. He discussed safety and rescue work done by aircraft.

[2:56:42 PM](#)

BERT HOUGHTALING, SELF, BIG LAKE (via teleconference), spoke in opposition to funding for the AK LNG project. He disagreed with taking funds from the Permanent Fund to fund the LNG project. He thought the legislature was catering to the special interests of the state. He thought a cap should be put on the Medicaid program, or that expansion should be eliminated. He advocated for smaller government.

[2:58:05 PM](#)

JEFFERY BENOWITZ, SELF, FAIRBANKS (via teleconference), testified in support of funding for the University. He referenced the Senate Finance Subcommittee's report for the University. He recommended increasing the budget to the amount requested by the Board of Regents.

[2:58:59 PM](#)

RON JOHNSON, SELF, FAIRBANKS (via teleconference), spoke in support of increased budget cuts. He did not think the proposed budget was sustainable. He thought there should be additional consideration of the University budget, and suggested the University should get less from state general funds. He supported a \$900 dividend and use of the additional funds to fund the DHSS budget. He was willing to pay an income tax.

[3:01:01 PM](#)

GREG WEAVER, SELF, WASILLA (via teleconference), spoke against the funding for the University. He supported a full dividend. He suggested implementing a 5-year residency provision before people were eligible for the PFD. He spoke of being a Marine Corp Veteran. He wanted to see more funding go to brain injury prevention. He thought there was excess spending going on in Juneau. He wanted to see the Legislative sessions held in Anchorage. He spoke of changes in the legislature in the prior decade. He disapproved a \$300 per day per diem. He wanted to see things change. He opposed cutting the dividend or implementing an income tax.

[3:05:11 PM](#)

DEAN AASICHCE, SELF, SEWARD (via teleconference), spoke in support of a full PFD and additional cuts to the budget.

Co-Chair Hoffman indicated there were no more testifiers online. The committee would stand at ease for 10 minutes.

[3:06:01 PM](#)

AT EASE

[3:19:42 PM](#)

RECONVENED

Co-Chair Hoffman indicated that there were no other testifiers from online. The committee would stand at ease until 3:30 pm at which time it would hear from the communities of Glenn Allen, Seward, and Homer.

[3:20:10 PM](#)

AT EASE

[3:30:59 PM](#)

RECONVENED

^PUBLIC TESTIMONY: GLENN ALLEN, SEWARD, HOMER

[3:31:23 PM](#)

CAROLINE VENUTI, UAA-KACHEMAK BAY CAMPUS, HOMER (via teleconference), urged adequate funding for higher education. She spoke to the needs of the smaller campuses. She shared that funding for more vocational-type classes was necessary. She thought the state was creating children that felt entitled with the receipt of the PFD. She thought

it was more important to educate the children of Alaska than funding the PFD. She emphasized her support of proper funding for higher education.

[3:33:43 PM](#)

ZOBEIDA RUDKIN, UAA-KACHEMAK BAY CAMPUS, HOMER (via teleconference), urged support for the University of Alaska system. She spoke of her marine biology emphasis in school and the importance of the University's ability to offer such programs. She urged the committee to keep the University in mind in the budget process.

[3:34:50 PM](#)

BRYAN BAKER, HOMER CHARTER ASSOCIATION, HOMER (via teleconference), spoke in support of the revolving loan fund for potential charter business owners. He thought the funds were being diverted for use by other government entities and wanted the committee to rethink that decision. He opposed use of the funds for anything outside of the charter business. He supported use of the funds for things like the Department of Fish and Game (DFG) saltwater logbook program or help with the creation of a DFG mobile app to enable electronic log booking.

[3:37:00 PM](#)

JIM MARTIN, DIRECTOR, ALASKA CHARTER ASSOCIATION, HOMER (via teleconference), was concerned that the funds dedicated to the charter revolving loan funds were being diverted for things outside of the charter industry. He provided detail about the association's membership. He echoed the comments of the previous speaker. He supported using the funds for electronic log books and other worthy projects if needed.

[3:38:13 PM](#)

DONNA ADERHOLD, CITY OF HOMER, HOMER (via teleconference), spoke on behalf of the City of Homer. She noted that Homer had submitted numerous resolutions to the legislature in the current year pertaining to the state budget. She mentioned the effects of budget reductions on the city. She provided an example pertaining to the Homer police who operated as backup to Alaska State Troopers; when police were called away to assist troopers it left Homer with few

or no police to respond promptly to municipal calls. She spoke in support of an adequately funded budget.

[3:39:25 PM](#)

SCOTT BARTLETT, PRATT MUSEUM, HOMER (via teleconference), spoke in support of continued funding for the Alaska State Museum and Aid grant program. He discussed the remote locations of many Alaskan museums that had limited budgets and relied on grant funding for critical projects. The aid was a key piece of the puzzle and its loss would be devastating. The modest program had helped many Alaskan museums preserve their collections for 36 years. The loss of the grant program would threaten Alaska's heritage statewide. He listed work the grant had enabled the Pratt museum to accomplish.

[3:41:28 PM](#)

WALTER PARTRIDGE, SELF, HOMER (via teleconference), spoke in support of funding for the University of Alaska system. He shared that he is a member of the Kenai Peninsula College Council. He provided information about his educational career and underscored the value of continuing education throughout life. He thanked members for their work. He wanted to ensure that his grandsons could get a valuable education. Her asked members to fund the University at its full amount.

[3:42:59 PM](#)

BRYAN ZAK, MAYOR OF HOMER, HOMER (via teleconference), spoke in support of additional revenue measures to solve the state's fiscal problem. He asked for funding for the Kenai Peninsula River and Kachemak Bay Campuses in addition to Kodiak campuses. He supported funding for the University of Alaska at the \$10 million level. He advocated support for the young workforce development programs such as the Alaska Vocational Technical Center (AVTEC). He reemphasized the need for additional revenue.

[3:44:54 PM](#)

JILLIAN LUSH, EXECUTIVE DIRECTOR, SPROUT FAMILY SERVICES, HOMER (via teleconference), spoke in support of early childhood services. She shared that most of the program's accomplishments had been due to state support. She detailed

that the program had started with 40 families and currently had over 400 children enrolled in one or more services. She thanked the committee for its ongoing support for early childhood services. She shared that Senator Micciche read books at story time and Senator Stevens had visited her in her office. The office had turned into a family room due to an increase in services to families.

[3:45:59 PM](#)

KYLE DEPRIEST, SELF, HOMER (via teleconference), was new to Alaska. He did not support a reduction to the PFD. He stated the PFD had been created for residents and he believed the reduction would result in further issues in the future.

Co-Chair Hoffman relayed that there were no other testifiers. The committee would reconvene at 4:00 p.m.

[3:47:42 PM](#)

AT EASE

[3:59:00 PM](#)

RECONVENED

^PUBLIC TESTIMONY: STATEWIDE TESTIMONY

GEORGE PIERCE, SELF, KASILOF (via teleconference), remarked that there were extremely low graduation rates. He stressed that the legislature must address the \$3 billion deficit. He felt that the priorities should be senior benefits, public safety, oil taxes, and education. He remarked that the state and local governments were not functioning well. He urged raising taxes. He spoke in support of reducing unemployment. He testified in support of fully funding the PFD.

[4:02:44 PM](#)

JOHN JAMES, SELF, WASILLA (via teleconference), urged reconsideration of the Department of Military and Veterans Affairs (DMVA) budget. He stated that the previous version of the budget provided \$210,000 for Nome, Kotzebue, and other communities. He stated that funding would provide recruitment and training personnel in multiple communities. He stated that the funding would also provide additional equipment and supplies.

4:04:08 PM

AMY ONEY, MAMA'S ASSISTED LIVING, ANCHORAGE (via teleconference), spoke in support of funding for workers to process Medicaid claims. She remarked that there were many clients who were waiting on payments from the state. She remarked that there was a difficult situation, because of the lack of staffing. She stated that she was carrying a balance for the state of \$190,000. She restated that the state needed to hire more people.

4:07:35 PM

CORY MARTIN, SELF, CHRISTOCHINA (via teleconference), shared that he was legally disabled, and received food stamps for four years. He recently was unable to receive his food stamps, but could not make contact with anyone about his food stamps. He stated that he had made many attempts to contact people in order to receive his food stamps. He shared that he eventually made calls to the state legislature. He remarked that he had been informed that there were many applications that needed to be processed, but there was limited staffing. He urged fully funding for the food stamp program. He stated that they stated that his case would be closed, because he had been on vacation.

4:12:01 PM

ED MARTIN, SELF, COOPER LANDING (via teleconference), stated that he was second generation prior to statehood. He shared that his father was a supporter of the Permanent Fund. He urged the committee to fully fund the Permanent Fund. He felt that the Permanent Fund did not cater to any special groups, except for all Alaskans. He stressed that the intent was that half of the Permanent Fund earnings would go the dividends. He felt that the government was breaking the law. He quoted a letter from Senator John Coghill, which stated that reducing the PFD was a violation to the statutes. He felt that the legislature was breaking the law. He spoke in support of selling the ferries.

4:16:07 PM

JOANNE BLACKBURN, SELF, ANCHORAGE (via teleconference), felt that the Department of Ethics did not exist. She felt

that ethics was required to stop government from growing. She stated that there should be a prioritization of ethics. She did not believe that there was enough ethics training.

Co-Chair Hoffman handed the gavel to Co-Chair MacKinnon.

[4:17:53 PM](#)

CHRIS EICHENLAUB, SELF, EAGLE RIVER (via teleconference), urged the committee to follow the law and pay the full PFD. He stated that the legislature should not take the money from the people of Alaska. He spoke against the \$1 billion for the gas line. He felt that the \$1 billion should be used to fund the dividend.

[4:19:47 PM](#)

PATTY BROWN, SELF, HAINES (via teleconference), urged fully funding of \$100,000 for the revision of the STEM standard for the Department of Education and Early Development. She remarked that there were outdated pedagogies, and various new ways of learning. She stated that she had recently witnessed new ways of learning and teachers. She stressed that teachers needed a new guide for teaching and district needed a new framework to help teachers and students check their work. She felt that new standards would encourage scientific thinking and innovation. She stressed that developing the standards would have much volunteer time, but needed financial support to help with the logistics to develop the new program.

[4:23:09 PM](#)

ANNIE CHUNAK, SELF, NEW STUYAHOK (via teleconference), spoke in support of fully funding positions for the Division of Public Assistance. She shared that that her community's cost of living was extremely high, and announced that a gallon of gas was almost seven dollars. She furthered that oil and food was extremely expensive in her village. She remarked that some members of her communities were not able to go hunting, so they needed assistance in obtaining food.

[4:25:09 PM](#)

JENNIFER ALLEN, SELF, HAINES (via teleconference), spoke in support of funding for Parents as Teachers. She stated that

adverse childhood experiences had a great effect on the life of a person. The Parents as Teachers program provided tools to reduce adverse childhood experiences.

Co-Chair MacKinnon handed the gavel to Co-Chair Hoffman.

[4:26:22 PM](#)

NICOLE LORENTS, SELF, HAINES (via teleconference), spoke in support of funding for Parents as Teachers. She shared that she and her child had participated in Parents as Teachers. She shared that her community did not have a pediatric dentist, so the program provided good knowledge about childhood milestones.

[4:27:34 PM](#)

VALERIE BROOKS, SELF, KETCHIKAN (via teleconference), spoke in support of forward funding for education. She spoke against flat funding for education. She felt that flat funding may not be available for students, due to lack of funds. She remarked that flat funding may result in limited funds for counseling and could result in larger class sizes. She stressed that a lack of a timely education budget resulted in lack of planning for future school years. She urged an increase in education funding.

[4:29:42 PM](#)

HERMAN MORGAN, SELF, ANIAK (via teleconference), felt that some members of the committee were not listening to the testimony. He remarked that the State of Alaska had many employees. He spoke in support of a fully funded PFD. He stressed that many people needed that money to pay their medical bills.

[4:33:27 PM](#)

MARY NANUWAK, SELF, BETHEL (via teleconference), stated that she did not understand why public testimony was not taken after the amendments were applied to the bills. She felt that public testimony should be taken throughout the legislative session. She felt that there was needless debate about defining phrases in the legislature.

[4:35:49 PM](#)

AT EASE

[4:36:40 PM](#)

RECONVENED

^PUBLIC TESTIMONY: ANCHORAGE

[4:38:21 PM](#)

ROBERT BUNDY, SELF, ANCHORAGE (via teleconference), spoke in support of funding for the public defenders. He shared that there was a case of a woman who was shot in the eye, but her case had not yet gone to trial. He stressed that the cases could not be heard, if there were not the resources to take those cases to trial. He stressed that the public defenders were overworked. He remarked that everyone was entitled to a lawyer.

[4:41:34 PM](#)

DEBORAH HOLLAND, SELF, ANCHORAGE (via teleconference), felt that the budget should not be increase. She spoke against a POMV and a change to the Permanent Fund formula. She spoke in support of decreasing the budget.

[4:42:43 PM](#)

STEPHEN BURRIS, VICE-PRESIDENT, ALASKA NATIONAL GUARD ENLISTED ASSOCIATION, ANCHORAGE (via teleconference), spoke in support of reinstating the C-17 funding for DMVA. He stated that the money was a portion of the money required to maintain the equipment, and the remaining money was from the federal government. He stressed that the loss of that money would cause the loss of the C-17, which could lose more than 100 jobs for the National Guardsmen.

[4:46:03 PM](#)

SARRA KHLIFI, ALASKA FOOD COALITION, ANCHORAGE (via teleconference), spoke in support of fully funding the Division of Public Service. She remarked that many people were waiting 230 days for their Medicaid and SNAP applications to be processed. She remarked that those people would not have access to health care and food. She stressed that there may be litigation against the state.

[4:48:47 PM](#)

BRITTA HAMRE, SELF, ANCHORAGE (via teleconference), spoke in support of funding to address the backlog in SNAP in the Division of Public Service. She stated that lack of funds would reduce the federal funding for the program.

[4:49:35 PM](#)

PAUL DUCLOS, SELF, LONG ISLAND (via teleconference), spoke in support of taxes and a fully funded dividend. He felt that taxing the PFD would force people to see what was necessary to fund government. He felt that people who stole vehicles should be tried for a more offensive crime. He stressed that taxing the dividend would not require a new tax division.

[4:51:47 PM](#)

INDIANNA TURKISHER, SNAP OUTREACH MANAGER AT FOODBANK OF ALASKA, ANCHORAGE (via teleconference), echoed the comments related to the backlog of SNAP. She stressed that she had spoken with many people who were not able to receive their benefits through no fault of their own. She remarked that SNAP was the only source for food for many people. She shared that a woman was recently recertified.

PEGGY COWAN, SELF, ANCHORAGE (via teleconference), testified in support of education funding. She stressed the importance of support for school districts and the university. She requested the reinstatement of funding for science programs in Alaska's schools. She believed an educated population was necessary for an effective workforce.

[4:55:36 PM](#)

MARNEY HARTILL, SELF, ANCHORAGE (via teleconference), testified in support for funding for additional education funding. She hoped that the committee would consider new funding sources for forward funding of education. She stated that she hoped that the education funding would find new revenue and fund the important aspects of education.

BILL WARREN, SELF, NIKISKI (via teleconference), testified in favor of a progressive income tax. He supported the AGDC pipeline project.

[4:58:23 PM](#)

MICHEAL CHAMBERS, SELF, ANCHORAGE (via teleconference), voiced concern that public testimony was being taken on bills that had been so recently introduced. He felt that the budget was a substantial amount of information for anyone to fully understand and provide testimony. He remarked that there was an increase to the budget. He announced that the state was in deficit spending for many years. He stated that he had worked to show where the state could cut the budget through efficiencies and through focused on getting the value for every dollar spent.

[5:02:14 PM](#)

MARGERIE MOCK, SELF, ANCHORAGE (via teleconference), spoke in support of and incremental increase in funding for the Public Defender Agency. She stated that they were facing the highest caseload that she had seen. She remarked that there should be a reasonable caseload for attorneys. She spoke in support of developing trust between an attorney and a client.

[5:05:05 PM](#)

PENNELORE GOFARTH, SELF, ANCHORAGE (via teleconference), spoke in support of funding for libraries and museums. She remarked that there were two different floods that affected the archives and items in museums and libraries.

MICHELLE BAKER, SOUTHCENTRAL FOUNDATION, ANCHORAGE (via teleconference), spoke in support of \$18 million for substance use disorder and community support funding. She stressed that investing in substance use treatment would save money in the long-term. She felt that lack of funding would result in a strain on emergency rooms, first responders, law enforcement, and increased cost associated with correctional facilities.

[5:10:31 PM](#)

LESLIE FRIED, CURATOR, ALASKA JEWISH MUSEUM, ANCHORAGE (via teleconference), spoke in support of funding for the Alaska State Museum. The funding helped to maintain the Alaska Jewish Museum archives. She stated that there were many museums that would benefit from the funding, because they might be the only entities in some areas of the state.

[5:11:59 PM](#)

BRINNA LANGFORD, SELF, EAGLE RIVER (via teleconference), spoke in support of education funding. She shared that she and her husband would be moving out of the state. She stated that there was no social security as a teacher in the state. She shared that other states had smaller class sizes.

[5:14:23 PM](#)

SUSAN RUTTER, SELF, ANCHORAGE (via teleconference), spoke in support of forward funding education. She spoke against flat funding of education. She stressed that education funding was important from Pre-K through college. The impact on the change in staffing meant that there would be limited access to those teachers who had developed relationships with students. She shared that teachers were important to the community and school. She urged an increase to the BSA by \$100, and continued forward funding for education with increased budgets.

[5:16:49 PM](#)

DOUG WHITE, EXECUTIVE DIRECTOR, ACCESS ALASKA, ANCHORAGE (via teleconference), spoke against the cuts to Medicaid funding. He stressed that the reductions would reduce the federal matching grants. He remarked that there was current bureaucracy that needed to get resolved. He implored the committee to reinstate the \$48 million for FY 18. He stated that without the additional funding, there would be significant payment delays for providers and hospitals.

[5:19:04 PM](#)

VERNE BOERNER, ALASKA NATIVE HEALTH BOARD, ANCHORAGE (via teleconference), spoke against the cuts to Medicaid. She stressed that the safety of Medicaid was most needed during the current recession. She remarked that it was imperative to not equate cost cutting to cost savings. She stressed that the solutions would not make long-term fiscal sustainability.

[5:22:40 PM](#)

ALEC BURRIS, SELF, ANCHORAGE (via teleconference), spoke in support of funding for university system. He shared that he

was a first generation college student, and a product of the Alaska public school system. He shared that he chose to attend the University of Alaska Anchorage, because of its pre-medicine program. He hoped that the committee understood that investments in people resulted in a desire for those people to give back. He shared that the current university had taken several steps to make it fiscally responsible.

[5:25:25 PM](#)

VALERIE BAALERUD, SELF, ANCHORAGE (via teleconference), spoke in support of early funding and fully funding of education. She stated that the return did not adequately reflect the investment in education. She shared that she had three children in the Alaska public school system and a baby in child care. She felt that Eagle River had one of the highest performing education results in the state.

[5:27:37 PM](#)

KRISTEN BUSH, SELF, ANCHORAGE (via teleconference), spoke against increases in the budget. She spoke against funding for a gas pipeline. She felt that the budget was "lining the pockets of big business." She spoke against reducing the PFD. She urged the committee to tax out-of-state workers. She urged the committee to further reduce the budget.

[5:30:18 PM](#)

BOB HOOYMAN, SELF, MATSU (via teleconference), shared that he was forced into early retirement, because of an illness. He shared that he was having a difficult time getting help through Medicare and Medicaid. He stated that he needed the PFD, because he was facing health problems.

[5:32:41 PM](#)

EMMA BROOKS, SELF, ANCHORAGE (via teleconference), spoke in support of forward funding of education. She stressed that the misalignment with the education and legislative calendar was inefficient. She explained that there was a potential for random re-staffing.

[5:34:57 PM](#)

HEIDI FROST, SELF, ANCHORAGE (via teleconference), spoke in support of increased funding for substance abuse treatment centers, behavioral health services, the public guardians, and Medicaid. She felt that increased funding for these programs would decrease funding overall.

[5:36:20 PM](#)

TERRIE GOTTSTIEN, SELF, ANCHORAGE (via teleconference), testified in support of forward funding for education. She stressed that it gave school districts the opportunity to plan for its needs. She stated that she often urged people who supported education funding to run for office. She stressed that public education funding had not kept pace with inflation. She spoke in support of a \$100 increase to the BSA. She felt that the issue was about the quality of life in the state.

[5:38:26 PM](#)

LISA SPARROW, SELF, ANCHORAGE (via teleconference), spoke in support of HB 287. She remarked that teacher displacement was a major problem. She spoke against flat-funding of education. She felt that the legislature was valuing oil companies over children.

[5:39:28 PM](#)

TERESA WROBEL, UNIVERSITY OF ALASKA, ANCHORAGE (via teleconference), spoke in support of continued for the University of Alaska. She stated that the university provided great learning opportunities. She stated that many of the students were highly involved in the community.

[5:40:32 PM](#)

STEPHANIE BERGLUND, CEO, THREAD/AK EARLY CHILDHOOD ADVOCACY GROUP, ANCHORAGE (via teleconference), stated that the current day was meant to recognize childhood violence. She spoke in support of funding for early childhood education. She stated that the early childhood education programs provided long-lasting benefits to their families, communities, and the economy. She spoke in support of fully funding education.

[5:42:52 PM](#)

BAHNE SMITH, SELF, ANCHORAGE (via teleconference), spoke in support of education funding. He stated that he had social anxiety, and was currently receiving counseling. He spoke in support of behavioral health funding. He remarked that he had some adverse childhood experiences, which resulted in hyper sensitive judgment of his surroundings.

[5:45:18 PM](#)

Co-Chair MacKinnon thanked the testifier and all the other testifiers for sharing their stories

[5:45:45 PM](#)

TOM LAKOSH, SELF, ANCHORAGE (via teleconference), addressed the PFD issue of the formula versus the appropriation. He felt that the Permanent Fund Corporation was in charge of the full PFD formula. He remarked that the production tax credits showed an impact on the PFD. He suggested a formula that would allow for a \$600 distribution, with a \$1000 retroactive distribution from 2016.

[5:48:38 PM](#)

REBECCA SENTER, THREAD/AK EARLY CHILDHOOD ADVOCACY GROUP, ANCHORAGE (via teleconference), spoke in support of the governor's proposed education funding.

[5:49:58 PM](#)

AT EASE

[5:50:54 PM](#)

RECONVENED

[5:51:15 PM](#)

LYNDA HELLEN, EDUCATOR, ANCHORAGE (via teleconference), testified in support of fully funding for education. She shared that she was laid off the year prior, and it was devastating for her family.

[5:52:14 PM](#)

Co-Chair MacKinnon thanked the testifiers. She stated that the current year was an approximately \$3 billion revenue shortfall. She understood that the legislators and citizens of the state were divided on the issue. She understood that

it was a difficult task to bring the budget before the legislature for consideration.

Senator Micciche thanked the public who had testified on the budget bills. He understood that there were diverse concerns. He stressed that the legislature was working to meet the needs of all Alaskans. He felt that the Senate had done a good job. He remarked that he cared very much about Alaskans' perspectives.

Vice-Chair Bishop stressed that the committee cared very much about the state's concerns.

Senator Stevens thanked the testifiers.

Co-Chair Hoffman discussed housekeeping.

6:00:20 PM

AT EASE

6:01:02 PM

RECONVENED

Co-Chair Hoffman announced that public testimony could be sent to the committee.

Co-Chair Hoffman CLOSED public testimony.

Co-Chair MacKinnon cancelled the following day's meeting.

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

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) was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

6:02:07 PM

The meeting was adjourned at 6:02 p.m.