

HOUSE FINANCE COMMITTEE  
March 25, 2019  
5:34 p.m.

5:34:42 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 5:34 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Tammie Wilson, Co-Chair  
Representative Jennifer Johnston, Vice-Chair  
Representative Dan Ortiz, Vice-Chair  
Representative Ben Carpenter  
Representative Andy Josephson  
Representative Gary Knopp  
Representative Bart LeBon  
Representative Kelly Merrick  
Representative Colleen Sullivan-Leonard  
Representative Cathy Tilton

MEMBERS ABSENT

None

ALSO PRESENT

Elizabeth Saagulik Hensley, Self; Bill Leighty, Self, Juneau; Sylvia Kidd, Self, Juneau; Bob Piorkowski, Self, Juneau; Alex Wertheimer, Self, Juneau; Darren Snyder, Self, Juneau; Beth Weldon, Mayor, Juneau; Breanna Walker, Self, Juneau; Cindy Boesser, Self, Juneau; Sam Trivette, Self, Juneau; Gayle Trivette, Self, Juneau; Margaret Vrolyk, Self, Eagle River; Rich Simpson, Self, Juneau; Denise Daniello, Executive Director, Alaska Commission on Aging, Juneau; Tom Thornton, Self, Juneau; Jayne Andreen, Self, Juneau; Cecilia Miller, Self, Juneau, Representative Louise Stutes; Representative Andi Story.

PRESENT VIA TELECONFERENCE

Susan Georgette, Self, Kotzebue; Janet Balice, Nome Public Schools, Nome; Michael Lackabey, Self, Wrangell; Alan Lanning, City Manager, City of Cordova, Cordova; Bill Warren, Self, Nikiski; Julie Hersey, Self, Petersburg; Mike Litzow, Self, Kodiak; Terri Walker, Northwest Arctic Borough School District, Kotzebue; Deb Trowbridge, Community Member/Head Start Director, Nome; Aleisha Mollen, School Board President, Wrangell Public School District, Wrangell; MaryAnn Bishop, Self, Cordova; Ken Coleman, Self, Kenai; Tom Abbott, Self, Petersburg; Shawn Dochtermann, Self, Kodiak; Melanie Bahnke, CEO, Kawerak, Inc., Nome; Dr. Annemarie O'Brien, Superintendent, Northwest Arctic Borough School District, Kotzebue; Loretta Rice, Self, Wrangell; Abby Armstrong, Self, Wrangell; Dan Reum, Self, Cordova; Freddie Pollard, Self, Kenai; Heather Foxworthy, Self, Kodiak; Mara Lutomski, Self, Petersburg; Barb Jewell, Chair, Cordova School Board, Cordova; Jim Hunt, City Manager, Whittier; Kelly O'Connor Demko, Self, Petersburg; Penelope Oswalt, Self, Cordova; Litzi Botello, Self, Prince of Wales; Bridget Wittstock, Self, Petersburg; Dave Otness, Self, Cordova; Dan Sullivan, Self, Petersburg; Wanda Wahl, Self, Dillingham; Susan Harding, Prince William Sound Community College, Cordova; Jeff Guard, Self, Cordova; Craig Evens, Self, Petersburg; Virginia Evens, Self, Petersburg; Barb Marifern, Self, Petersburg; Allison Rice, Self, Petersburg; Sarah Holmgrain, Self, Petersburg; Marlena Marvin, Self, Petersburg; Marlene Cushing, Self, Petersburg; Michelle Hahn, Self, Cordova; Melina Meyer, Self, Cordova; Pete Hoepfner, Self, Cordova; Kate Laird, Self, Cordova; Kristin Carpenter, Self, Cordova; Alan Backford, Self, Dillingham; Herman Morgan, Self, Aniak; Muriel Brower, Self, Barrow; Debbie Melton, Self, Palmer; Michele Stevens, Self, Petersburg; George Pierce, Self, Kasilof; Lani Widell, Self, Fairbanks; Paul Loentz, Self, Haines; Sue Steinacher, Self, Nome; Solomon Himelbloom, High School Student, Kodiak; Linda Himelbloom, Self, Kodiak; Scott Downing, Self, Sterling; Sharon Brower, Self, Nikiski; Elizabeth Ripley, CEO, Mat-Su Health Foundation, Mat-Su; Jane Erickson, President, Alaska Nurses Association, Mat-Su; John Sonin, Self, Douglas; Vikki Jo Kennedy, Self, Juneau; Zack Russell, Self, Denali; Thomas Williams, Self, Peters Creek.

SUMMARY

HB 39            APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 39 was HEARD and HELD in committee for further consideration.

HB 40        APPROP: MENTAL HEALTH BUDGET

HB 40 was HEARD and HELD in committee for further consideration.

Co-Chair Foster discussed the agenda and the timing for public testimony.

#hb39

#hb40

HOUSE BILL NO. 39

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

HOUSE BILL NO. 40

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

[5:37:37 PM](#)

^PUBLIC TESTIMONY: KODIAK, SEWARD, UTQIAQVIK, DILLINGHAM, PETERBURG, CORDOVA, KOTZEBUE, NOME, WRANGELL, OFF NET

Co-Chair Foster OPENED public testimony.

[5:37:53 PM](#)

SUSAN GEORGETTE, SELF, KOTZEBUE (via teleconference), was strongly opposed to deep cuts as proposed by the governor. She had lived in Kotzebue for over 30 years. She preferred a reduced Permanent Fund Dividend (PFD) or an income tax rather than cuts that de-stabilized the economy and communities. She spoke of the governor's visit to Noorvik and recalled he had said he would not forget the people.

She did not understand how cutting education, public radio, the Village Public Safety Officer (VPSO) program; the Power Cost Equalization (PCE) program, and the University could be viewed as anything but forgetting the people. She pointed out that many rural students went to the University of Alaska (UA), which was also a leader in Northern science and climate change research. She had worked in the natural resources field and had worked often with UA scientists. She thought UA was an asset to the state. She viewed that handing out larger PFDs while cutting services would not lead to a better quality of life in rural Alaska. She thought drastic cuts were a short-sighted approach to developing the economy.

[5:40:14 PM](#)

JANET BALICE, NOME PUBLIC SCHOOLS, NOME (via teleconference), testified in support of funding for early childhood education. She had lived in Nome since 2006 and was a Nome public teacher and early childhood teacher. She opposed cuts to the Head Start Program. She discussed the state's high incidence Adverse Childhood Experiences (ACES). She noted that Northwest Alaska had a very high child abuse rate. She noted that the Head Start Program prioritized the neediest students. She discussed the difference between before and after the area had funding for Head Start, and she thought the difference was drastic. She discussed school readiness and the importance of early childhood programs. She was in favor of a limited Permanent Fund Dividend (PFD). She supported an income tax.

[5:43:13 PM](#)

MICHAEL LACKABEY, SELF, WRANGELL (via teleconference), supported cuts to state programs. He was a lifelong Alaskan. He discussed past deficit spending and expending Permanent Fund earnings. He discussed past state spending. He lamented the lack of spending decreases in the past. He discussed the PFD and was concerned about the principal of the Permanent Fund. His children were both business owners. He thought that new taxes would adversely affect business owners in the state, and had concerns about regulation. He had lost trust in the legislative body. He supported the services of the Alaska Marine Highway System (AMHS), and thought it provided economic opportunities. He supported the governor's proposed cuts.

[5:46:00 PM](#)

ALAN LANNING, CITY MANAGER, CITY OF CORDOVA, CORDOVA (via teleconference), testified that the proposed cuts would be devastating to the City of Cordova. He referenced a presentation by the Alaska Municipal League that described Cordova as in the top 20 hardest hit communities in Alaska (in the budget). He thought the proposed cuts to education, fisheries and the AMHS would total about \$3.3 million. He mentioned the Medicaid impact on local healthcare. He noted that the city supported education and medical services with \$3.8 million in funding and supported all local partners with \$4.3 million in funding from an \$11 million budget. He thought Cordova would be forced to choose between funding core services. He discussed Cordova's application for a Tier 1 harbor grant. He thought deep budget cuts would result in many unforeseen negative impacts.

[5:48:07 PM](#)

BILL WARREN, SELF, NIKISKI (via teleconference), was a 67-year resident of the state. He thought that the state was in a crisis and it was important to work together. He spoke in support of an income tax. He supported a \$500 head tax on the PFD. He thought there should be a reserve tax on the natural gas in Prudhoe Bay. He thought there was a need for cuts and efficiencies. He supported additional revenue measures and thought the state's fiscal problem could not be solved solely with cuts.

[5:50:50 PM](#)

JULIE HERSEY, SELF, PETERSBURG (via teleconference), testified against the proposed budget cuts, which she thought would have devastating effects on rural communities like Petersburg. She supported funding for public radio, which she considered to be an essential emergency communication tool. She supported funding the AMHS. She discussed the importance of the AMHS. She supported education funding and wanted to keep families in Alaska. She discussed the impacts of funding cuts. She supported an income tax. She was concerned about the effect of the proposed budget cuts on rural communities' infrastructure. She was concerned about cuts to healthcare. She was willing to pay an income tax. She thought the legislature should reevaluate the amount of tax that industry paid to do

business in Alaska. She thought taxes could ease the burden.

[5:52:55 PM](#)

MIKE LITZOW, SELF, KODIAK (via teleconference), urged the legislature to adequately fund education. He considered the proposed cuts to education to be draconian, and to be a failure of the current generation's obligation to educate the next generation. He thought cuts to education would create a disincentive for people to move to Kodiak. He opposed cuts to the UA system. He discussed his attendance at UA. He was concerned about the magnitude of the proposed cuts to UA. He emphasized that it was important to offer the next generation the opportunity to get a college education in the state. He supported new taxes to support state government.

[5:55:16 PM](#)

TERRI WALKER, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), supported adequate funding for public education. She worked as the assistant superintendent in the Northwest Arctic Borough, and had worked for 30 years in education in the region. She did not think education funding should have to compete with the PFD. She appreciated past support for education. She thought the governor's proposed cuts would have a detrimental effect on students in the state. She discussed the potential impact of the proposed cuts. She discussed budget uncertainty and its effect on the ability to hire rural teachers. She asked for adequate education funding.

[5:59:03 PM](#)

DEB TROWBRIDGE, COMMUNITY MEMBER/HEAD START DIRECTOR, NOME (via teleconference), spoke in support of funding for early childhood education and UA. She discussed the importance of early childhood education programs. Her region provided services to 240 children from age birth to five years of age. She emphasized that Head Start was meeting the needs of the neediest children. She discussed the importance of the services provided to children, which provided stability for families. She discussed her experience as a foster parent. The program provided employment for 80 staff in her region. She discussed the impact of budget cuts on employees. She discussed jobs created by UA. She noted

that her staff used UA to gain necessary education for employment. She lamented the possibility that Alaskan children would be forced out of state for higher education.

[6:01:36 PM](#)

ALEISHA MOLLEN, SCHOOL BOARD PRESIDENT, WRANGELL PUBLIC SCHOOL DISTRICT, WRANGELL (via teleconference), testified in opposition to proposed cuts for education. She asserted that her school district had stretched its funding and been as creative as possible. She thought there was much emphasis on protecting the future of Alaska. She thought the PFD should not be a trade-off for public education funding. She discussed the potential effect of cuts to education and the effects on community. She asked for full funding for education.

[6:03:33 PM](#)

MARYANN BISHOP, SELF, CORDOVA (via teleconference), spoke in opposition to cuts to education, PCE, AMHS, school debt reimbursement, and the rockfish tax. She was a 29-year resident of Cordova. She discussed potential effects of the proposed cuts. She thought the rapidly imposed cuts would throw the state into a recession. She thought public services were more important than a larger PFD. She supported an income tax. She thought wise long-term strategic planning that involved lower PFDs and an income tax were the better course to pursue.

[6:05:10 PM](#)

KEN COLEMAN, SELF, KENAI (via teleconference), testified in support of funding for communities. He spoke in opposition to cuts to the snow track program, which was self-funded. He stressed the importance of the program that included grooming trails. He discussed the Caribou Hills Cabin Hoppers group, which was a widely used self-funded program. The work of the group benefitted the entire community. He was concerned about the governor's proposed cuts to education. He discussed his family's experience with education. He supported funding for AMHS. He supported a limit on the PFD.

[6:08:13 PM](#)

TOM ABBOTT, SELF, PETERSBURG (via teleconference), spoke in support of funding for UA, AMHS, K-12 education, healthcare services, and public broadcasting. He discussed the importance of public broadcasting. He thought the proposed cuts to public broadcasting was short-sighted. He supported reduced PFDs in the short-term and supported an income tax as well as reevaluation of oil and gas tax credits. He supported full funding for early childhood education, K-12 education, and UA.

[6:10:21 PM](#)

SHAWN DOCHTERMANN, SELF, KODIAK (via teleconference), testified in opposition to the governor's proposed budget cuts. He was a 40-year resident fisherman. He was disappointed in the governor's budget proposal. He supported full funding for K-12 education, UA, public radio, healthcare, and AMHS. He discussed \$22 million in federal matching funds for replacing the M/V Tustumena and discussed the costs of maintenance of an old vessel. He supported the rockfish tax going to communities. He thought the state was not getting enough value for its oil. He supported an income tax, and said the state could have his PFD.

Co-Chair Foster recognized that Representative Louise Stutes was in attendance.

[6:13:06 PM](#)

ELIZABETH SAAGULIK HENSLEY, SELF, testified in in opposition to cuts to Medicaid. She was general counsel for the Maniilaq Association, which was a tribal association of 12 tribes which provided health, social services to the residents of Northwest Alaska. She asserted that as a tribal health provider, Maniilaq saved the state money by providing health services, as well as providing the only behavioral health services in the region. She discussed proposed cuts to behavioral health. She reminded that the responsibility of the legislature was to protect the people of Alaska. She thanked the committee for its service.

Co-Chair Foster noted that the testifier had worked for former Representative Reggie Joule for two sessions.

[6:16:01 PM](#)

MELANIE BAHNKE, CEO, KAWERAK, INC., NOME (via teleconference), testified in opposition to the governor's proposed cuts to Head Start. She noted that Kawerak operated state programs that benefitted many individuals. Her organization provided services to over 200 children in the region. She discussed potential loss of matching federal funds. She was in opposition to the movement of PCE funds. She considered that PCE funds needed protection. She discussed the purpose of the PCE Fund. She had received her bachelor's and master's degrees from UA. She supported adequate funding for UA. She opposed proposed cuts to the Village Public Safety Officer (VPSO) program. She discussed the high rates of crime against women and children in Western Alaska. She noted that the state had assumed the authority for public safety and was a PL-280 state. As such, communities in rural Alaska did not qualify for federal Bureau of Indian Affairs public safety funding. She hoped to have a chance to dialogue with the governor when he visited Nome in the upcoming week.

[6:19:12 PM](#)

DR. ANNEMARIE O'BRIEN, SUPERINTENDENT, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, KOTZEBUE (via teleconference), strongly opposed cuts to education. She discussed her background working in education. She discussed the importance of education and the future of the state. She recounted that the previous year the legislature had made early education funding a priority. There had been a one-time increase for FY 19 in the amount of \$20 million. She noted that the additional funds for FY 19 were already accounted for. She thought the proposed cuts should not be at the expense of education. She supported increased revenues. She contended that cuts to education were more significant in rural Alaska.

Co-Chair Foster handed the gavel to Co-Chair Wilson.

[6:23:51 PM](#)

LORETTA RICE, SELF, WRANGELL (via teleconference), spoke against cuts to education. She thought the proposed cuts would hurt the poor and the elderly. She mentioned previous cuts to education and noted that in her district teachers purchased classroom supplies and food for students. She thought more cuts at the state level created more burden for municipalities. She discussed the detrimental effect of

cutting vocational education and extracurricular activities, and contended that there was a need more skilled labor in our country. She thought art and music kept student healthy. She discussed the importance of education. She supported cutting oil tax credits.

[6:25:29 PM](#)

ABBY ARMSTRONG, SELF, WRANGELL (via teleconference), spoke in opposition to proposed cuts to the AMHS. She was a lifelong resident of Wrangell and a high school student. She supported full funding for AMHS. She thought the ferry was important for school sports.

[6:26:19 PM](#)

DAN REUM, SELF, CORDOVA (via teleconference), spoke against proposed cuts to K-12 education. He had taught and worked in schools for over 40 years. He thought the proposed cuts would be devastating for all schools He suggested careful consideration of any cuts to education, AMHS, and social services. He discussed student suicide and advocated for mental health funding. He discussed the importance of the AMHS, which he considered a road for the area. He was uncertain about an income tax. He thought there were many smart people in Cordova and suggested that communities put forward budget plans.

[6:29:46 PM](#)

FREDDIE POLLARD, SELF, KENAI (via teleconference), was a snow machine lodge owner in Kenai. He thought the lodge helped the community. He discussed the use of snow machine registration fees. He spoke in opposition to cuts to the snow track program, which was self-funded. He did not think the funds should be in the general budget. He discussed the creation of the program. He discussed the many users of the groomed trails all over the state.

[6:33:41 PM](#)

HEATHER FOXWORTHY, SELF, KODIAK (via teleconference), testified in support of funding for the Parents as Teachers Program. She thanked the members of the House Subcommittee on Department of Education and Early Development. She thought larger investments in the short term could provide a return later. She recounted a story to illustrate why

home visits were needed in the state, which highlighted the value of parent educators.

[6:36:18 PM](#)

MARA LUTOMSKI, SELF, PETERSBURG (via teleconference), testified in support of funding for education, AMHS, public radio, and healthcare. She asserted that her school district had a strict budget for years. She discussed the value of education, and the opportunities it afforded. She considered that the proposed cuts were degrading. She rejected the governor's proposed budget. She stated that every cut to education in a small district would affect kids.

[6:38:29 PM](#)

BARB JEWELL, CHAIR, CORDOVA SCHOOL BOARD, CORDOVA (via teleconference), testified in opposition to the proposed budget cuts. She thought a budget was a moral document and thought the governor's proposed budget would not grow the state. She discussed the proposed cuts to education. She discussed increased costs for shipping and transport of goods. She contended that rural Alaska was disproportionately affected by the proposed cuts. She listed cuts to school debt bond reimbursement, infrastructure, fish taxes, PCE, and Medicaid. She thought the state needed a budget that invested in Alaskans and not corporations. She thought AMHS was the backbone of the Alaskan economy. She thought the state needed a diversified revenue stream.

[6:40:44 PM](#)

JIM HUNT, CITY MANAGER, WHITTIER (via teleconference), was looking for a voice of reason in relation to the Port of Anchorage. He thought it was important for city managers to make contingency plans. He was concerned about known and unknown threats. He was concerned that the Port of Anchorage had no backup plan. In the event of a catastrophe in Anchorage, he thought people would suffer intensely. He supported an independent feasibility study.

[6:43:01 PM](#)

KELLY O'CONNOR DEMKO, SELF, PETERSBURG (via teleconference), testified in opposition to HB 39. She was

a teacher that had lived in Petersburg for almost 30 years. She discussed past budget cuts. She thought the proposed cuts would cripple the community and cause people to leave the state. She supported a smaller PFD and an income tax. She supported greater taxes on oil companies. She supported funding public schools, public radio, mental health services, and AMHS. She did not think an enlarged PFD would make up for the services people would lose through cuts. She found it personally degrading that the governor had not scheduled a meeting in Southeast Alaska.

[6:45:17 PM](#)

PENELOPE OSWALT, SELF, CORDOVA (via teleconference), spoke against the proposed budget reductions. She was a 42-year resident of Cordova. She thought the governor's proposed budget showed no fiscal problem-solving. She thought the proposal effectively gutted services to provide a higher PFD. She supported pre-schools and UA. She did not support taking rockfish taxes, oil property taxes and PCE funds from communities. She discussed the importance of funding for federal matching funds. She supported the AMHS. She supported funding for the Sheldon Jackson Museum. She thought the proposed cuts would cause a mass exodus. She urged the committee to roll back oil and gas tax credits as passed by SB 21 and charge the same as other states. She supported a reinstatement of an education tax and an income tax. She supported a reduction to the PFD. She urged legislators to work in a bi-partisan manner.

[6:47:38 PM](#)

LITZI BOTELLO, SELF, PRINCE OF WALES (via teleconference), supported funding for public radio, the AMHS, and education. She had lived in Port Protection for 38 years. She discussed the fish tax. She thought the governor's proposed cuts were unfathomable. She discussed the importance of public radio for those in rural areas. She considered that public radio was a lifeline. She discussed the importance of the AMHS. She thanked the committee for the opportunity to testify.

[6:50:56 PM](#)

BRIDGET WITTSTOCK, SELF, PETERSBURG (via teleconference), testified in opposition to the proposed budget cuts. She was a third-generation Alaskan. She had worked as a

teacher and taught special education. She thought the state had children at the heart of decisions until the governor unveiled his proposed budget. She thought the proposed cuts were draconian and would have deleterious effects on communities' economies, the school system, UA, AMHS, services for early intervention, and our children's futures. She did not think the proposed budget was reasonable, equitable, or well-thought out. She mentioned the state's constitutional obligation to provide education. She encouraged full funding of public education. She would gladly give up her PFD to fund essential services. She supported funding for education, public radio, the medical system, mental health, and AMHS.

Co-Chair Wilson asked members to pay attention to the testimony.

[6:53:26 PM](#)

DAVE OTNESS, SELF, CORDOVA (via teleconference), thought the state needed to consider the macro view of its issues. He referenced SB 21 [oil and gas tax legislation passed in 2013], and the enhanced oil and gas production that was promised. He thought that the state was used as pawns in an international intrigue for the sanctions on Russia and Venezuela imposed by the State Department in 2014. He thought oil companies knew about the matter in advance, while the state did not. He thought the United States and Saudi Arabia had conspired to increase oil production in order to drive down the price. He mentioned Wall Street banks, which he thought were in control of oil companies. He mentioned former Governor Sean Parnell and SB 110, proposed in 2013 as the genesis to SB 21. He thought that the oil companies were getting revenge for Alaska's Clear and Equitable Share (ACES). He did not want high dividends at the expense of the state. He suggested deferred PFD payments. He thought the governor was using large dividends as a carrot on a stick. He thought SB 21 should be overturned.

[6:57:36 PM](#)

DAN SULLIVAN, SELF, PETERSBURG (via teleconference), spoke in opposition to the governor's budget. He had lived in Petersburg for 39 years. He referenced earlier testimony in opposition to budget cuts. He thought the proposed budget would inflict damage on his community and on the state. He

did not think further cuts were possible. He was willing to take a reduced PFD. He was willing to pay a tax to ensure a continuation of funding important services for education, AMHS, public radio, critical social services, and regulatory agencies.

[6:58:51 PM](#)

WANDA WAHL, SELF, DILLINGHAM (via teleconference), testified in opposition to large dividends to pay back past dividends. She asserted that she was very willing to pay an income tax. She believed that those coming to the state to work should also bear the responsibility to help pay for infrastructure. She had reservations about a statewide sales tax, which she thought would disproportionately impact rural areas.

[7:00:26 PM](#)

SUSAN HARDING, PRINCE WILLIAM SOUND COMMUNITY COLLEGE, CORDOVA (via teleconference), testified in support of the Prince William Sound Community College. She discussed the benefits of dual enrollment in high school and college. She referenced research that showed out-of-state collage attendance deterred Alaskans from returning home. She stressed that the program was vital to her community and to the state.

Co-Chair Wilson handed the gavel back to Co-Chair Foster.

[7:01:52 PM](#)

JEFF GUARD, SELF, CORDOVA (via teleconference), opposed the governor's proposed budget. He offered an anecdote from Kansas, when that state had found itself in a similar fiscal situation. The state had dropped many state employees, cancelled road projects, issued \$2 billion in bonds to pay for new debt, and had been downgraded in their credit score. He cited an article by Senator Sykes of Kansas, from 2017. He urged the legislature to protect the people of Alaska from the governor's budget.

[7:04:33 PM](#)

CRAIG EVENS, SELF, PETERSBURG (via teleconference), testified in opposition to the budget cuts in the governor's proposed budget. He encouraged reinstatement of

funding for AMHS. He spoke against cuts to public education. He said that his family stayed in the state for its good schools. He believed that defunding public education would result in people leaving Alaska, resulting in an economic drain to the state. He supported an income tax and opposed repayment of prior dividends. He thought the state was having a management crisis rather than a fiscal crisis. He hoped that the state's resources could be managed for prosperity, rather than austerity.

[7:06:19 PM](#)

VIRGINIA EVENS, SELF, PETERSBURG (via teleconference), spoke against budget cuts as proposed in the governor's budget. She asserted that education funding should not be in competition with the permanent fund dividend. She said that the funding cuts to education would result in the loss of programs, increased class sizes, elimination of activities, the reduction of staff, and the loss of career technical education programs. She thought the district would be adversely impacted by cuts to AMHS as it was their mode of transportation out of town. She supported fully funding education and public broadcasting. She supported an income tax.

[7:07:48 PM](#)

BARB MARIFERN, SELF, PETERSBURG (via teleconference), testified in support of funding for education, AMHS, healthcare services, mental health services, and public radio. She urged the committee to fund education. She was in support of reducing the PFD. She supported an income tax. She opposed the repayment of past dividends.

[7:10:16 PM](#)

ALLISON RICE, SELF, PETERSBURG (via teleconference), spoke in support of the Alaska Sea Grant Marine Advisory Program, which was a program in the College of Fisheries and Ocean Science through the University of Alaska. She shared that the program often had one person offices in Nome, Dillingham, Unalaska, Kodiak, Anchorage, Cordova, Juneau, and Ketchikan. She explained that the program was a unique partnership between the federal Sea Grant Program and the university. She reminded the committee that the budget decisions they made would impact the program, which supported commercial and recreational fisheries, as well as

the maricultural industry, and marine education for costal communities. She stressed the importance of public radio in the state. She urged the committee to reinstate funding for public radio. She believed that an income tax should be considered before cuts to the university and public radio.

[7:12:10 PM](#)

SARAH HOLMGRAIN, SELF, PETERSBURG (via teleconference), testified in opposition to the governor's proposed budget. She urged the committee to work together to come to an agreement to fund education and other essential services. She admitted that she had enjoyed the permanent fund but would be willing to give it up in exchange for an adequately funded education budget. She disagreed with comments by the Office of Management and Budget Director that the state was not getting a good return for money invested in education. She asserted that her town had worked to improve student success. She reiterated her hope that lawmakers would work together, across party lines, to secure the future of Alaska.

[7:14:31 PM](#)

MARLENA MARVIN, SELF, PETERSBURG (via teleconference), spoke in opposition to budget cuts as proposed in the governor's budget. She associated herself with the remarks of previous testifiers. She stated that she was a small business owner and a cancer survivor. She highlighted the value of a strong and robust healthcare system in rural areas of the state, offering a story of her experience with weekly chemotherapy infusions she received in her small town. She applauded her like-minded fellow Alaskans who had called in to defend their way and quality of life. She thought the governor was stuck in ideology and not functioning in reality. She expressed concern that out-of-state billionaires were driving the budget process in the state and warned that the legislature should listen to the people of Alaska, and not to out-of-state interests.

[7:16:35 PM](#)

MARLENE CUSHING, SELF, PETERSBURG (via teleconference), recalled moving to Alaska via the AMHS in 1976 to begin her career as a public health nurse. She emphasized that the governor's proposed budget would put her community in a death spiral. She stressed that healthcare could not

survive a 38 percent cut to Medicaid. She underscored that schools would be devastated by the proposed cuts. She stressed the borough's need for fish tax revenue to maintain harbors and other vital services. She implored the committee to keep the PFDs at the previous year's level. She asked for the implementation of an income tax and requested an end to the giveaway to oil companies. She stressed the importance of public radio, airports, the University, AMHS, and other.

[7:17:57 PM](#)

MICHELLE HAHN, SELF, CORDOVA (via teleconference), viewed the governor's proposed budget as an assault on the well-being of Alaska. She stressed that the budget was harmful to seniors, sick individuals, education, the University, and the overall health and safety of all Alaskans. She believed it would plunge the state into a recession. She stated the ramifications would be devastating on communities and businesses, especially those serviced by AMHS and that received revenue sharing from fisheries taxes. The budget would also harm communities receiving PCE funds and those that rely on Village Public Safety Officers and the public radio for emergency notices. She asked the committee to restore funding levels to FY 19. Any additional cuts would be short-sighted and unnecessary. She believed the budget shortfall had been politically created and promised free money with no consequences. She asked the committee to reinstate a state income tax and continue with a short-term reduction of the PFD. She supported looking at reducing oil tax credits. She was strongly opposed to the budget.

[7:20:36 PM](#)

MELINA MEYER, SELF, CORDOVA (via teleconference), was a lifelong Cordova resident and served on the city council. She did not support the proposed budget. She stated the budget asked residents to take a hit, while at the same time it gave tax credits to the oil companies. She supported reinstating a state income tax. She stressed the state had a revenue problem, not a budget problem. She stressed the budget had too many cuts to list; it was short-sighted and not in Alaska's best interest. She asked the committee to invest in its communities.

[7:21:41 PM](#)

PETE HOEPHFNER, SELF, CORDOVA (via teleconference), shared that he was a local school board member. He detailed that the legislature needed to develop a responsible budget as the governor's budget was irresponsible. He believed eliminating the school bond debt reimbursement program, taking cities' raw fish tax, and eliminating PCE would be breaking a promise and would destroy cities. He asked for a rejection of the governor's budget and an increase in revenues by eliminating oil company subsidies. He supported the University, AMHS, Medicaid, public education, a flat income tax, and a limited PFD.

[7:23:12 PM](#)

KATE LAIRD, SELF, CORDOVA (via teleconference), spoke in opposition to the governor's proposed budget. She spoke to the importance of fully funding Medicaid and health services. She reported that 20 percent of Alaskans and nearly half the state's children used Medicaid. She was not on Medicaid but pointed out that those not on Medicaid also benefitted from the program. She detailed that the proposed cuts would increase hospitals' unreimbursed care, which would be passed on in cost to individuals with insurance. She noted that Alaska Legislative Research Services estimated the cuts would lead to a 3 to 17 percent increase in health insurance premiums. She discussed high health insurance premiums. High health costs were a key driver in school system costs. She stressed that too much unreimbursed care would result in the closure of hospitals. The hospital in Cordova would be at risk. She stated that the changes meant that youths and seniors would have to move from Alaska. She underscored that no hospital in Cordova would mean no Coast Guard, which was vital to the town's economy and safety. She spoke to the opioid crisis and the importance of healthcare. She spoke in support of a modest income tax and reduction to the PFD.

[7:26:00 PM](#)

KRISTIN CARPENTER, SELF, CORDOVA (via teleconference), urged the committee to consider new income sources. She stressed it was not possible to cut the state's way out of the budget problems. She discussed that the governor's proposed cuts would lead to job loss, especially in healthcare, which was the fastest growing sector of the Alaska economy. She believed that without people earning a

livelihood in Cordova, money would not go into the community's economy. She spoke about her work with the Copper River watershed project. She discussed that cuts to income taxes under former President Ronald Regan had failed to stimulate the economy enough to account for the loss of income. She urged the committee not to accept the proposed cuts. She echoed comments by all of the previous testifiers.

[7:27:46 PM](#)

ALAN BACKFORD, SELF, DILLINGHAM (via teleconference), supported the governor's proposed budget. He believed it was necessary to cut government spending to the bone. He did not support an income tax. He wanted a full dividend and the payment of money that had been taken from the dividend in the past. He did not trust some people in Juneau. He thought money was spent on unnecessary programs. He had worked and been responsible all of his life. He did not support handouts.

[7:31:19 PM](#)

HERMAN MORGAN, SELF, ANIAK (via teleconference), spoke to the high balance in the Permanent Fund but the state still had budget problems. He supported a full PFD. Many people in rural Alaska depended on the PFD. He spoke about high costs for school in Alaska, but the schools had low performance. He spoke in support of cuts to government. He thought universal healthcare was irresponsible. He supported lower healthcare costs.

[7:35:06 PM](#)

MURIEL BROWER, SELF, BARROW (via teleconference), spoke in support of the University. She provided detail about her personal life. She was in strong support of the UAS master's in public administration program that she was in the middle of. She discussed the merits of the distance delivery program. She stressed cuts were far reaching and created barriers for low income students. She believed investing in education built a strong economic force in the state. She believed the state needed to strengthen its Tribal Health Relations Department. She spoke to negative health outcomes in the state. She implored the legislature to work with the tribal system.

[7:37:37 PM](#)

DEBBIE MELTON, SELF, PALMER (via teleconference), testified in opposition to the cuts proposed by the governor to education and other state services. She shared that she was a retired teacher from Mat-Su. She believed schools would be very negatively impacted by the proposed cuts. She was opposed to cuts to services for individuals receiving housing assistance and Medicaid. She was willing to have a cut to the PFD and to pay income tax. She supported new revenue sources. She did not want a recession and job loss.

Co-Chair Foster provided the number of individuals online and present to testify.

[7:39:37 PM](#)

MICHELE STEVENS, SELF, PETERSVILLE (via teleconference), asked for the reinstatement of the snow track program into the operating budget. She emphasized that the program was not asking for money - it was self-sustaining and funded by a snow mobile registration fee collected by the Division of Motor Vehicles (DMV). She detailed that 12 percent of the funds covered the cost of a state employee administering the program and administrative cost. She stressed that a groomed trail system was critical for first responders to reach victims in the backcountry. The program could benefit all user groups in Alaska. She cited a study showing the economic benefit of the program. She stressed that if the program was not reinstated it would devastate all businesses, clubs, and outdoor activities in Alaska. She referenced a resolution passed by clubs, lodges, businesses, snow machine dealers, dog mushers, and other in Mat-Su. She was not in support of receiving backpay PFDs.

Co-Chair Foster recognized Representative Andi Story in the audience.

[7:42:18 PM](#)

GEORGE PIERCE, SELF, KASILOF (via teleconference), spoke against subsidies to corporations. He supported increased taxes for oil, mining, and state resources. He stated that three-quarters of the PFD money had been put into an account and the legislature was not offering the money. He supported new revenue and was against taking funds from municipalities. He thought the state needed a millionaire's

tax. He wanted a reduction in spending and thought the state should stop funding nonprofits. He thought the cuts were too much at one time. He wanted his PFD. He stressed that the legislature's job was to weed out the bad budget. He did not think throwing all of the money at education was working.

[7:44:31 PM](#)

LANI WIDELL, SELF, FAIRBANKS (via teleconference), suggested privatizing some state services, paying a sales tax, taxing oil companies appropriately, and implementing a state lottery. She supported the governor and his proposed legislation including SB 24, SB 23, and SB 92. She wanted Alaskans to have a choice to keep or donate their PFDs. She supported receiving a full PFD.

[7:45:38 PM](#)

PAUL LOENTZ, SELF, HAINES (via teleconference), represented the inland boatman's union. He supported the AMHS and relayed that stopping service to any community would cause irrevocable damage. He stated there were communities that could only be accessed by ferry during poor weather conditions. He noted that schools used the ferries for school trips. He referenced over 200 people traveling to the recent Gold Medal basketball tournament in Juneau. He urged the committee to keep the ferry system and University funded.

[7:47:33 PM](#)

SUE STEINACHER, SELF, NOME (via teleconference), believed it was time for Alaskans to pay for the services received. She supported a progressive income tax and a reduction to the PFD. The proposal was modeled on how congressional fairness across the country. She did not support a sales tax, which she believed would drive families into poverty and would be hardest on low income families. She hoped the committee would consider the proposal, which she believed was fair.

[7:49:32 PM](#)

SOLOMON HIMELBLOOM, HIGH SCHOOL STUDENT, KODIAK (via teleconference), testified in support of the University of Alaska. He spoke about the importance of satellite campuses

in Kodiak, which played an integral part of teaching the next generation of Alaskans. He supported K-12 education and the AMHS. He thanked the committee for the opportunity to testify.

[7:50:23 PM](#)

LINDA HIMELBLOOM, SELF, KODIAK (via teleconference), spoke in support of maintaining the University system, which was vital for education in smaller communities along with critical services like AMHS and public radio. She stressed that outlying communities were tied to the University - local campuses provided a link to larger locations. She supported AMHS and public radio.

[7:51:16 PM](#)

SCOTT DOWNING, SELF, STERLING (via teleconference), asked the committee to reject the governor's budget. He supported the University of Alaska request and the budget subcommittee's recommendation to add \$10 million. He stated it was the wrong time to be cutting education. He stressed the importance of the University. He stressed that Alaska was the only state in the country not paying its way. He referenced income and sales tax in other states. He stated that the PFD continued to increase. He stressed that the state did not lack money but lacked imagination. He thought investment in oil tax credits was shortsighted. He spoke about Alaska being on the forefront of climate change and the importance of investing in the future in renewable energy sources.

[7:53:59 PM](#)

SHARON BROWER, SELF, NIKISKI (via teleconference), would like to see greater imagination with the state's finances. She supported a state income tax. She thought it would give more input from local communities in terms of elections. She objected to 15 to 35 percent voter turnout. She supported education and mental health care. She thought without those things the state would only build more prisons.

[7:55:33 PM](#)

ELIZABETH RIPLEY, CEO, MAT-SU HEALTH FOUNDATION, MAT-SU (via teleconference), provided details about the

organization. The organization supported the preservation for Medicaid, early childhood education, and housing and homeless programs. She stressed that Medicaid was vital to keeping Alaskans healthy and working. She provided detail on the vast majority of Medicaid recipients who were children, older adults, and people with disabilities. She emphasized that Medicaid reform was working, and spending had remained almost flat since 2012. She stressed the increases had been covered almost entirely by federal funds; Alaska was currently covering 79,000 more enrollees using 11 percent fewer state dollars than it had four years earlier. Cutting \$249 million meant the loss of \$465 million in federal funding. She supported preserving funds for early childhood education. She addressed reductions in jobs and loss in services if the cuts went through. She stressed the importance of housing and homeless programs. She stressed the cuts would hurt some of Alaska's most vulnerable people.

[7:58:45 PM](#)

JANE ERICKSON, PRESIDENT, ALASKA NURSES ASSOCIATION, MAT-SU (via teleconference), was very concerned about the proposed cuts to Medicaid. She stressed the cuts would be damaging to hospitals, patients, and services throughout the state. She opposed a cut to the public health nursing program. She opposed cuts to the University that would result in the closure of programs and loss in jobs. She was opposed to cuts to education. She was opposed to the \$18 million cut to the Pioneer Home and the massive cuts to AMHS. She was not against some type of tax. She mentioned the \$65 billion Permanent Fund reserve. She underscored that massive cuts would only hurt all Alaskans.

^PUBLIC TESTIMONY: MAT-SU, KENAI, JUNEAU, BETHEL, OFF NET

[8:01:31 PM](#)

BILL LEIGHTY, SELF, JUNEAU, thanked the committee for holding the hearings. He referenced the Civil War and an address to Congress by then President Lincoln. He shared a quote from President Lincoln. He believed the budget was a figment of those enthralled by dogmas of the past. He suggested ignoring the governor's proposed budget and starting anew. He suggested increasing oil and gas taxes, conserving cash including a small PFD, implementing a progressive income tax. He recalled hearing the late

Senator Ted Stevens say that Alaska had become an entitlement state and he was partly to blame. He spoke in strong support of education from pre-K through 12th grade. He asked the legislature to prevent damage from natural resource extraction (e.g. Pebble Mine). He asked the legislature to govern the state as a commonwealth.

[8:04:47 PM](#)

SYLVIA KIDD, SELF, JUNEAU, was strongly opposed to the governor's budget. She was deeply concerned about the effect the governor's proposed budget would have on the economic and social well-being of the state. She testified in support of education. She stated that students forced to leave the state for college would only increase their debt. She highlighted her support for public radio. She spoke against cuts to Medicaid and AMHS. She pointed out that state ownership in natural resources in which the state shared the profit with citizens was a component of socialism know as a guaranteed basic income. She supported the PFD but did not believe the state could afford a raise in the program. She did not believe it was sustainable. She stressed it was not possible to guarantee the money would remain in Alaska. She supported income tax.

[8:07:03 PM](#)

BOB PIORKOWSKI, SELF, JUNEAU, addressed historical views of the economy in Alaska. He shared that Alaska was special because of a connection to and protection of the land. He believed the state was better off at present because of government not in spite of it. He was opposed to the governor's proposed cuts. He was a fiscal conservative. He suggested cutting the governor's budget by 50 percent. He opposed cuts to the ferry system until all major roadways in Alaska were toll roads. He was supportive of a PFD if the fiscal house was in good shape. He stressed there was no free lunch, which he believed was what was being pushed.

[8:09:17 PM](#)

ALEX WERTHEIMER, SELF, JUNEAU, spoke against the governor's proposed cuts. He believed the proposed budget was a disaster in the making and represented an attack on public education, the university system, AMHS, and healthcare infrastructure. He stressed the budget would send Alaska into economic decline. The budget would transfer the burden

of supporting essential services to local governments, while devastating the economic base of local governments. He implored the committee to work with its colleagues to develop a sustainable budget that would pay for essential services. He noted that the Permanent Fund had not originally been established to provide dividends to individuals, but to be a rainy day source of funds for essential services when oil revenue declined. He supported the use of a portion of the earnings for a sustainable budget. He supported discontinuing subsidies to oil companies and was in favor of a simple progressive income tax.

8:10:57 PM

DARREN SNYDER, SELF, JUNEAU, spoke in support of the University. He provided detail about his life in Juneau. He did not support the governor's proposed budget. He thought the proposed cuts would leave no option but to increase student/teacher ratios from already untenable levels, further dropping vital support staff positions including nurses, therapists, librarians, and special education aides. He stressed the importance of increasing education funding. He was a UAS graduate and had taught in Southeast for over 20 years. He was a UAF cooperative extension agent and taught people to become more self-reliant and food secure for communities to prepare for disasters. He trained master gardeners to teach and serve others. He taught kids STEM topics including growing their own healthy food. His was able to provide the teaching service to communities due to state and federal USDA funding. He supported public radio and AMHS. All of the services were vital. He thought the shortfalls needed to be addressed by an income tax and reduced subsidies to oil companies.

8:13:49 PM

BETH WELDON, MAYOR, JUNEAU, thanked the committee members for their work. She recognized there were difficult decisions and impacts ahead and observed that using savings to solve the state's deficit was no longer the wisest solution. She implored the committee not to push too many solutions onto the shoulders of local governments. She believed House subcommittees had done a good job of balancing the items. She asked the committee to protect school funding and to honor its commitment to school bond debt reimbursement. She requested continued operation of

AMHS and more time to keep reforming the system. She asked the committee to consider what drastic cuts to Medicaid would do to the local hospital. Crime had increased and there was need for an additional state prosecutor in Juneau to process misdemeanors. She asked the committee to preserve the additional position added in subcommittee. The University was an important part of civic culture and was a necessary institution to provide education opportunities for Alaskans without forcing them to go out of state. She stated that CBJ was a partner to UA in an effort to reach the University's goal of reducing the need to constantly hire teachers from out-of-state. She spoke to the need the community had for fish taxes. She noted that Juneau did not have petroleum property taxes, but its two largest property taxpayers were mines and she was concerned about the precedent of removing property taxes from local governments. She personally supported a reduction to the PFD to help fund the deficit.

8:16:23 PM

BREANNA WALKER, SELF, JUNEAU, thanked the committee for its time. She echoed many concerns others had shared related to budget cuts, especially related to AMHS, education, and Medicaid. She shared that she was an avid user of AMHS, and cuts would make it difficult to travel in Southeast. She was currently a University student and was the former UAS student body president. She shared information about her education experience. She had transferred from outside Alaska and had realized the high quality of life Alaska offered. She stressed the importance of public education. She encouraged the committee to consider fully funding the University. She supported other revenue including a progressive income tax. She asked the committee to consider reductions to oil tax credits.

8:19:12 PM

CINDY BOESSER, SELF, JUNEAU, affiliated herself with fellow Alaskans who could not be present. She read a passage from the book Diapering the Devil by former Governor Jay Hammond:

If dividends are a "cancer," that cancer—by contrast to tax repeal—is but a penny-sized skin lesion...Though PFDs may have caused that skin lesion, tax repeal proved far more carcinogenic by

conditioning us to believe we are entitled to those huge, free, inequitably distributed service "dividends." Had we, instead, suspended the income tax pending its need, spending would have been greatly curtailed and there would likely be no fiscal gap. After all, the best therapy for containing malignant government growth is a diet forcing politicians to spend no more than that for which they are willing to tax. In that regard, I once suggested that, depending on location of brain, every politician have branded on either their brow or their buttocks the pledge: "I will not spend more than that for which I am willing to tax."

Ms. Boesser shared that she had spent substantial time with Governor Hammond on a peace trip to the former Soviet Union. She shared that they had spoken about taxes and the PFD. She reported that he had been upset at himself for allowing [income] tax to be discontinued. She advocated for the reinstatement of a progressive income tax, modest PFDs, and the repeal of SB 21.

[8:21:35 PM](#)

JOHN SONIN, SELF, DOUGLAS (via teleconference), did not support the governor's proposed budget. He believed the governor's budget pitted people against each other. He supported healthcare and education. He asked the committee to think about the future generations and maintain the foundation of the state's economy. He supported an income tax or another revenue source.

[8:25:38 PM](#)

VIKKI JO KENNEDY, SELF, JUNEAU (via teleconference), thought it was necessary to clean up the past out of control spending. She thought the cuts should start with legislative per diem. She encouraged the legislature to listen to the people. She believed there was abuse of Medicaid by S corporations.

[8:28:09 PM](#)

ZACK RUSSELL, SELF, DENALI (via teleconference), spoke in opposition to cuts to the snow track program, which was self-funded. He stressed the importance of the program that included grooming trails, trail maintenance in the summer

months, and expanding trail systems. He supported HB 23 and the increase in the snow machine registration fee from \$5 to \$10 per year. He shared that the fees went into the snow track account - funds were distributed by an advisory board.

[8:29:51 PM](#)

THOMAS WILLIAMS, SELF, PETERS CREEK (via teleconference), asked whether the government or private sector was the foundation of an economy. He stated the people made the economy, not the government. He supported a repeal of SB 91 [criminal justice system reform legislation passed in 2016]. He stressed the increase in crime. He was in support of the governor's budget, which he did not believe went far enough. He spoke in support of privatization and against bloated infrastructure. He did not believe education was the bedrock of the economy. He believed taking the PFD from people was the wrong move and should be decided by a vote of the people. He thought government was out of control. He recommended looking at the way New Zealand had privatized most of its services and had thrived.

[8:32:49 PM](#)

SAM TRIVETTE, SELF, JUNEAU, provided information about his life and time in Alaska. He was vehemently opposed to most of the governor's proposed cuts. He stated that economists and staff at Institute of Social and Economic Research (ISER) predicted that the cuts would cause a major recession in Alaska. He recalled a recession in the 1980s that had been devastating to many in Alaska. He thought cuts to pre-K would lead to less effective education. He was opposed to cuts to the University system. He was against cuts to Medicaid and senior programs. Seniors in Alaska spent over \$2 billion annually in the state's economy and were raising grandchildren and contributed hundreds of thousands of hours of volunteer work. He opposed cuts to AMHS. He thought the state had a spending problem, not a revenue problem. He supported an income tax, lower PFD, and more from the state's natural resources.

[8:36:13 PM](#)

GAYLE TRIVETTE, SELF, JUNEAU, spoke in opposition to the proposed budget. She supported a budget that maintained education and the state transportation system. She

supported AMHS and education. She was dismayed when she heard the infrastructure and services residents all shared demonized as big government. She recalled her parents and grandparents speaking about the importance of voting for statehood to gain control of the state's natural resources. She thought there had been a better sense of community prior to striking it rich. Residents had expected to pay taxes and did not expect to be paid to live in Alaska. She thought the state had a leadership and attitude crisis, not a fiscal crisis.

[8:37:49 PM](#)

MARGARET VROLYK, SELF, EAGLE RIVER, was in support of financing a healthy state education system, not the governor's crippled version. She expected the Legislative Affairs Agency could be downsized without reducing significant services. She shared a story about her past in Juneau when the government had discussed creating a state savings account generated from oil revenues that would otherwise be squandered. She remembered that part of the discussion had been that the savings account would safeguard the financing of education. She recalled the man who had done the most talking had been Jay Hammond. She did not believe Jay Hammond would have been in support of cuts to education to pay for the distribution of PFDs. She reported that she had worked for the Legislative Affairs Agency in the past. She discussed her experience working there and believed there were too many employees in the agency. She expected that reorganizing the agency could save money without decreasing significant services.

[8:41:09 PM](#)

RICH SIMPSON, SELF, JUNEAU, shared that he worked as a UAS professor with a focus on the environment. He discussed that the state prided itself on its relationship to the land and resources. He supported the AMHS. He spoke in complete opposition to the governor's proposed budget. He discussed his reasoning for wanting to work in Alaska - the state prided itself on working in unity with the land. // the identity had been forged by the state itself. He mentioned the state's land grant program, leading research in the Arctic, and reviving Alaska Native languages. He discussed that the Alaskan state had uniquely created the PFD, which was an incredibly democratic policy when initiated (there had been a state income tax at the time).

He referenced the governor's proposal and explained there was a challenge to the Alaskan identity - the PFD was imagined not as an additional way to support the Alaskan state, but rather as the means to sacrifice basic public services that made Alaska's identity. The proposal used the PFD against the idea of the Alaskan state. He supported an income tax with a state focused on a strong education system, AMHS, elderly needing healthcare, Medicaid, homeless who need shelter, education infrastructure, and municipal services.

[8:44:52 PM](#)

DENISE DANIELLO, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON AGING, JUNEAU, she disclosed that her views represented the commission and not necessarily the views of the Department of Health and Social Services. She supported the governor's proposed funding for the grant funded services for seniors administered by Senior and Disability Services including adult day programs, meals, transportation, family caregiver support and other. The commission also supported the recommendation of the budget subcommittee regarding an appropriation of \$25 million to the Payment Assistance Program for the Division of Pioneer Homes. The commission was concerned by proposed reductions to Medicaid, the Medicaid Adult Dental Program, and senior benefits. She provided detail about the senior benefits program that had just been reauthorized by the legislature the past year. The program provided a critical safety net for Alaskans age 65 and older with limited incomes. She listed the benefits of the program. The commission was concerned the loss of funding would put some seniors on edge. She reported the commission would provide written recommendations the following day.

Co-Chair Foster pointed out that the senior benefits program was a needs-based income eligible program.

Ms. Daniello agreed.

[8:48:08 PM](#)

TOM THORTON, SELF, JUNEAU, shared information about his career. He was in strong opposition to the governor's proposed budget, which he believed would be a disaster for Alaska. He supported a progressive income tax, a reduced PFD, and a reduction in corporate welfare. He asked the

committee to consider sustainable development. He expounded that sustainable development was one of the most important global goals about which there was consensus. There was not consensus about how to get there, but there were 17 goals of sustainable development that had been adopted by all United Nations countries. He referenced a 2018 sustainable development report for the U.S. in which Alaska ranked 43 out of 50 states. He stressed that if it was not for the state's federal lands, it would rank down at the bottom with Louisiana for the same reasons. He expounded that Louisiana was also an oil state that was full of crony capitalism and it disinvested in critical services needed to reach sustainable development. He detailed that sustainable development goals were about good health, clean energy, reductions in inequality and poverty, environmental sustainability, and other. He stressed that a shock therapy budget would hinder sustainable development. He stressed in the importance of investing in the state's government.

[8:51:28 PM](#)

Vice-Chair Ortiz asked where the committee could get access to the report.

Mr. Thorton replied that he would provide a copy. He believed it was available online from Columbia University.

[8:51:50 PM](#)

JAYNE ANDREEN, SELF, JUNEAU, opposed the governor's budget, but was hopeful it would result in a productive conversation about how to balance reductions with a sensible revenue package. She stressed that there had been continuous cuts in recent years - it was only possible to cut so far. She provided an example of cuts that had directly impacted the health and well-being of Alaskans at present. She detailed that over the past four years public health nursing had experienced \$5.8 million in cuts. She stressed that public health nursing was the backbone of the state's public health system combined with tribal health. The cuts had resulted in the closure of 27 percent of the community-based public health centers around the state. She furthered that 21 percent of the staff had been eliminated. Additionally, the cuts resulted in the elimination of all well-child exams for children over the age of 6 and all services for anyone over the age of 29. She stressed that in many communities the public health nurse was the person

that residents went to for help, which was no longer possible for many people. She spoke to negative health outcomes resulting from the cuts. She spoke to a rise in unintended pregnancies in women age 30 and older. She detailed that a low income woman on Medicaid who has a pregnancy would cost the state \$40,000 from prenatal to the child's age of 5. She provided further examples about negative outcomes including decreased immunizations, increases in influenza, gonorrhea and syphilis cases. She supported a modified PFD, a progressive income tax, and a repeal of SB 21.

Representative Josephson asked about the statistics related to the reduced immunization. Ms. Andreen complied.

[8:55:33 PM](#)

CECILIA MILLER, SELF, JUNEAU, shared a story about her mother moving to Alaska to teach in Anchorage. Her mother had raised a family of three educators. She stressed deep concern about proposed rate increases to the Pioneer Home. She underscored that the state had made a promise to its pioneers by creating the Pioneer Home. She was happy individuals would not get kicked out of the homes and go to using Medicaid, but people would get there much faster at the proposed rates. She was concerned that changes to the rates would mean the Pioneer Homes would only be available to residents who could afford it.

HB 39 was HEARD and HELD in committee for further consideration.

HB 40 was HEARD and HELD in committee for further consideration.

Co-Chair Foster addressed the schedule for the following day. The committee would continue to hear public testimony the following evening. He thanked participants and committee members.

#  
ADJOURNMENT

[8:59:55 PM](#)

The meeting was adjourned at 8:59 p.m.