

HOUSE FINANCE COMMITTEE
February 22, 2020
12:06 p.m.

12:06:47 PM

CALL TO ORDER

Co-Chair Johnston called the House Finance Committee meeting to order at 12:06 p.m.

MEMBERS PRESENT

Representative Jennifer Johnston, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bart LeBon
Representative Colleen Sullivan-Leonard

MEMBERS ABSENT

Representative Cathy Tilton
Representative Neal Foster, Co-Chair
Representative Gary Knopp
Representative Adam Wool

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Amanda Metivier, Facing Foster Care in Alaska, Anchorage;
Abigail Reduon, Facing Foster Care in Alaska, Anchorage;
Mateo Jaime, Facing Foster Care in Alaska, Anchorage;
Isaiah King, Facing Foster Care in Alaska, Anchorage;
Natasha Gamache, Self, Anchorage; Pat Holmes, Self, Kodiak;
Brian Merritt, Self, Wrangell; Brenda Yeager, Self,
Wrangell; Jim Anderson, Self, Wrangell; Deborah Lancaster,
Superintendent, Wrangell Public Schools, Wrangell; Larry
Kline, Self, Wrangell; Kevin McClure, Alaska Wing
Commander, Civil Air Patrol, Anchorage; Carlos Alvarez,
Anchorage School District, Anchorage; Paul Beran, Self,
Juneau; Anne Hanssen, Self, Haines; Harriet Bealeal, Alaska
Native Brotherhood, Camp No. 1, Sitka; Stacy Goade, Self,
Sitka; Pete Hoepfner, Self, Cordova; Dana Dardis, Self,

Anchorage; Bruce Smith, Self, Wrangell; Bruce Ward, Self, Wrangell; Denise Stewart, Self, Wrangell; Ghert Abbot, Self, Ketchikan; Lees Sherwood, Self, Tok; Michele Girault, Key Coalition, Anchorage; Jessie Phillips, Self, Anchorage; Lezlie Rice, Self, Wrangell; Winston Davies, Self, Wrangell; Julie Decker, Mari-culture Task Force, Wrangell; Gerry Hope, Self, Sitka; Stan Hjort, Self, Petersburg; David Macri, Self, Wrangell; Kathryn Bolak, Self, Chugiak; Joann Thomas, Self, Cordova; Darla Church, Self, Cordova; Representative Kelly Merrick; Representative Andy Josephson; Senator Scott Kawasaki.

SUMMARY

HB 205 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 205 was HEARD and HELD in committee for further consideration.

HB 206 APPROP: MENTAL HEALTH BUDGET

HB 206 was HEARD and HELD in committee for further consideration.

Co-Chair Johnston reviewed the meeting agenda. She indicated Senator Scott Kawasaki was online. She explained the public testimony process and provided the call in number and House Finance Committee email address.

#hb205

#hb206

HOUSE BILL NO. 205

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; 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. 206

"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."

[12:07:41 PM](#)

^PUBLIC TESTIMONY: OFF NET/LIOs

[12:09:25 PM](#)

AMANDA METIVIER, FACING FOSTER CARE IN ALASKA, ANCHORAGE (via teleconference), was a formal foster care youth and had been a foster parent for over a decade. She called in support of continuing positions for the Office of Children's Services (OCS) that were originally allocated in previous legislation. She reported Alaska had the second highest rate per capita of children in foster care in the country. She also requested support for a proposal by the Department of Health and Social Services (DHSS) to add an additional deputy commissioner position to specifically oversee OCS and the Division of Juvenile Justice.

Co-Chair Johnston indicated Representative Kelly Merrick was listening online.

[12:11:10 PM](#)

ABIGAIL REDUON, FACING FOSTER CARE IN ALASKA, ANCHORAGE (via teleconference), was 15 years old. She had been in foster care for 15 years and had had 23 placements including treatment centers and group homes. She had stopped counting the number of case workers she had had. She advocated for continued funding for OCS staff to reduce the number of cases assigned to each OCS worker to provide a better experience for youth such as herself when going through the system.

[12:12:21 PM](#)

MATEO JAIME, FACING FOSTER CARE IN ALASKA, ANCHORAGE (via teleconference), was 18 and had been in the foster care system for 3 years and had had 6 placements. He advocated for sustained funding for OCS case workers. He had concerns with youth losing their connections with relatives. He had had at least 5 social workers. As a result, a letter from his biological father, who he had not heard from in over 3 years, was lost. He thanked the committee.

[12:13:21 PM](#)

ISAAH KING, FACING FOSTER CARE IN ALASKA, ANCHORAGE (via teleconference), was 21 and was attending Alaska Pacific University (APU). He had been in foster care for about 18 years before getting adopted. He had experienced approximately 15 placements while in foster care. He spoke in support of funding for OCS. He suggested case workers were overloaded. He thanked members for their time.

Representative Andy Josephson was online at the Anchorage Legislative Information Office.

[12:14:21 PM](#)

NATASHA GAMACHE, SELF, ANCHORAGE (via teleconference), spoke in favor of proper funding of the mental health budget. She relayed that due to the Medicaid structure in Alaska the state had a severe shortage of mental health workers to provide services to lower income residents. One of the residents was her 6 year-old son who recently attempted suicide. Her son had been systematically bullied at school. She believed his attempt at suicide was because she could not find him adequate mental health services. He was currently at North Star Hospital in Anchorage. She found out that there were no treatment centers in Alaska for children under the age of 12. If North Star Hospital recommended residential treatment for her son, she would have to go out of state. She thought it was a travesty to separate small children from their families in order to access comprehensive and adequate mental health treatment. The problem existed throughout Alaska - the number one cause of death for youth between the ages of 15 and 24 was suicide. She argued that the state was failing its young people. She suggested that it was on the legislature and the state's citizens to do a better job of advocating and providing services for Alaska's young people. She thanked the committee.

[12:16:42 PM](#)

PAT HOLMES, SELF, KODIAK (via teleconference), thought there should be no increase to the PFD. He advocated for returning to the priorities of statehood: education, public safety, and transportation including the Alaska Marine Highway System (AMHS), fisheries, and social services. He suggested the state needed to increase revenues by increasing oil taxes and reinstating a wage tax and a school head tax. He also suggested allowing resource

royalties, such as a raw fish tax, to go to communities from which they were generated. He added that if Alaska was to become a true conservative state, he suggested raising revenues by changing the mainland highways to toll roads like was done in Florida. He had been a Republican all of his life, but felt that the party had swung too far to the right and allowed the legislature to be influenced by large corporations. The discussion on oil revenues was supposed to increase jobs. However, BP laid off 1,500 people. It was a very difficult time for everyone. He hoped the legislature could find a reasonable compromise and consensus like in the days of his youth. He thanked the committee.

Co-Chair Johnston asked what Mr. Holmes had said about the PFD. Mr. Holmes did not think the PFD funds should be increased. He did not think the supplemental amount was necessary - he would rather see the money be spent towards education.

[12:19:36 PM](#)

BRIAN MERRITT, SELF, WRANGELL (via teleconference), appreciated being able to be heard. He advocated keeping the local fish and game office open in Wrangell. Many people used the facility for things that could not be accomplished online. He listed several items. On average he visited the office 10 times per year for clarifying information about sport and commercial fishing regulations. He presented ADFG game guiding principles and forest services which he found on the department's website. He read the list. He appreciated the staff at the fish and game office and noted how their performance corresponded to the guiding principles. He also mentioned another reason for keeping the office open: to show the Canadians the state was monitoring and doing its part in keeping track of the Stikine River. He urged members to support of the Alaska Marine Highway System (AMHS), as it was the road system for Southeast Alaska. He spoke of the several benefits of AMHS.

[12:21:50 PM](#)

BRENDA YEAGER, SELF, WRANGELL (via teleconference), spoke in support of funding the AMHS. She used the service as a means to earn a living. She thought the AMHS should be consistent. She also wanted to see the ferry system forward

funded for the purpose of scheduling. She also spoke in support of keeping the Wrangell Fish and Game office open. She ran a sport fishing guide business. She spoke of how she frequently used the services at the office. She reported that Wrangell statistically had a higher number of elders that had not adapted well to technological methods and how they used the office frequently. She continued to speak about the needs of maintaining the ADFG office in Wrangell.

[12:25:12 PM](#)

JIM ANDERSON, SELF, WRANGELL (via teleconference), supported keeping the Wrangell Fish and Game Office open. He noted how helpful the staff had been to him. He thanked the committee.

[12:25:53 PM](#)

DEBORAH LANCASTER, SUPERINTENDENT, WRANGELL PUBLIC SCHOOLS, WRANGELL (via teleconference), advocated for funding for a full-time position at OCS. She spoke of all of the benefits of OCS having a presence in Wrangell. Wrangell had a poverty level of 52 percent. The school no longer had an in-house school counselor. She restated her desire to see a full time OCS position in her community.

[12:27:55 PM](#)

LARRY KLINE, SELF, WRANGELL (via teleconference), spoke in support of keeping the Wrangell Fish and Game Office open. The people currently working in the office were fantastic to work with. The office was a necessity for him.

[12:29:45 PM](#)

KEVIN MCCLURE, ALASKA WING COMMANDER, CIVIL AIR PATROL, ANCHORAGE (via teleconference), spoke in support of the Civil Air Patrol. He indicated there were 3 mission items, search and rescue, aerospace training, and cadet service. He provided some statistics regarding search and saves. He had been involved with the Civil Air Patrol since the 1950s. He asked members to help the Civil Air Patrol to complete its missions and provide continued funding.

[12:31:56 PM](#)

AT EASE

12:32:36 PM

RECONVENED

CARLOS ALVAREZ, ANCHORAGE SCHOOL DISTRICT, ANCHORAGE (via teleconference), supported forward funding for K-12 education. He relayed many of the benefits of forward funding. He talked about teachers delaying making plans for the future such as buying homes due to uncertainty. He spoke of kids having enough challenges without the challenge of having inconsistency with public education. He thought forward funding was an easy way to garner reliability.

12:34:53 PM

PAUL BERAN, SELF, JUNEAU (via teleconference), spoke in support of the AMHS. He thought funding was imperative. He suggested that the small communities that depended on the ferry service were being strangled. He advocated a progressive income tax. He did not think a sales tax was fair, as it was a regressive tax. An income tax would affect several workers that reside out-of-state that work in the oil, mining, and fishing industries and presently pay no tax. He advocated for a smaller PFD rather than losing services.

Representative LeBon asked Mr. Beran if he had considered details of a progressive income tax. Mr. Beran thought a progressive income tax should be tied to the federal income tax.

12:38:24 PM

ANNE HANSSEN, SELF, HAINES (via teleconference), supported funding for public radio. She indicated that with the loss of ferry service, public radio was even more essential to life in Haines. She spoke of the safety benefit of knowing the conditions of roads. Public radio was hugely important to the community of Haines. She thanked members for the opportunity to testify.

12:40:16 PM

HARRIET BELEAL, ALASKA NATIVE BROTHERHOOD, CAMP NO. 1, SITKA (via teleconference), talked about an airlift event. At the event, many families talked about the lack of

groceries in their small communities. Several people came together to help. She advocated for funding of the AMHS. Several small villages were suffering. Many of the smaller communities did not have employment opportunities in the winter. She talked about not being able to attend certain cultural events. She reported that the quality of life for several communities had been adversely affected. She urged members to get the AMHS back online and in good condition.

12:43:58 PM

STACY GOADE, SELF, SITKA (via teleconference), advocated for funding for the AMHS. She spoke of how the loss of ferry service had radically affected communities. She provided a personal example of how her life had been negatively affected. She had participated in the airlift event, which was aired at the radio station, KCAW. Commercial fishermen had helped with moving groceries to some of the small communities. She disagreed with the governor's vetoes. She suggested the governor had elevated the disparity between groups of people. She encouraged members to restore the funding to the AMHS. She thanked members for their time.

12:47:58 PM

PETE HOEPFNER, SELF, CORDOVA (via teleconference), was a school board member and commercial fishermen. He spoke of deficit spending for the previous 6 years. Uncertainty plagued many citizens. He provided some statistics having to do with state funding and the economy. He suggested less money was going to the classroom. He disagreed with the state changing to a different retirement system, as it was a disincentive for attracting teachers. He advocated for the restoration of the AMHS. He believed deficit spending needed to stop. He provided examples of problems in the state. He thought a flat rate income tax was a good idea. He noted the vastness of the state and the fact it was not centered on the road system.

12:51:52 PM

DANA DARDIS, SELF, ANCHORAGE (via teleconference), advocated for additional funding for mental health services. She had had to send her son out of state to receive care for his issues. She asked the legislature to be thoughtful about the state's mental health budget.

12:53:38 PM

BRUCE SMITH, SELF, WRANGELL (via teleconference), advocated for the Wrangell Fish and Game Office to remain open.

12:54:17 PM

BRUCE WARD, SELF, WRANGELL (via teleconference), spoke in support of the AMHS and the Wrangell Fish and Game Office. He mentioned that outside boats came to Wrangell and utilized the fish and game office as well. He felt the office was needed badly.

12:55:25 PM

DENISE STEWART, SELF, WRANGELL (via teleconference), wanted to see the Wrangell Fish and Game supported. The office was used on a regular basis. The older fishermen used the Wrangell office frequently. The staff was very helpful in assisting the elders complete their paperwork.

12:56:47 PM

GHERT ABBOT, SELF, KETCHIKAN (via teleconference), asked the legislature to appropriately fund the state's Medicaid program. He noted the program was essential to more than 20 percent of Alaska's population. He thanked the committee.

12:58:19 PM

LEES SHERWOOD, SELF, TOK (via teleconference), was happy to be in Alaska. He was retired and managed to make ends-meet. He thought there were programs that could be cut. He pointed out Alaska was blessed with its resources which he thought should be further developed. He advocated for 20 percent cuts. He was comfortable with a 10 percent reduction to his senior benefits.

Co-Chair Johnston indicated no one else was online. The committee would take a 30 minute break.

1:01:17 PM

AT EASE

1:33:35 PM

RECONVENED

MICHELE GIRAULT, KEY COALITION, ANCHORAGE (via teleconference), testified in support of funding for disability services. She shared that the Key Coalition had closed its state facility in the 1990s and had moved towards home and community based services. For the past five years there had been a reduction in services and access to services. In 2017 there had been 2,085 people on waiver services and the number had dropped to 2,048 in 2019. The waitlist was currently 730 people. They were concerned about the erosion of access to community services, while at the same time, Alaskans were being sent out of state for services. She discussed items that could be done in the budget that could stabilize services at a less costly rate than sending people out of state, to the hospital, or API.

Ms. Girault discussed there were a number of people living with aging parents with disabilities and those individuals were not on the waitlist. She was concerned that the state's capacity to serve Alaskans in need was eroding. She supported the creation of a stable service structure for home and community based providers and to find a way to reduce the waitlist. She explained that investments into special education did not help when there were not follow up services later.

Vice-Chair Ortiz asked if the term home and community based services included the term day-hab services for seniors and individuals with disabilities. Ms. Girault responded in the affirmative. She explained that day-habilitation was one of the Medicaid service categories under the home and community base waiver. She relayed that the category had been reduced in the past five years for individuals.

Vice-Chair Ortiz believed that at one point individuals receiving day-hab services could receive up to was 25 hours. He asked for verification the limit had decreased to 12 hours. Ms. Girault agreed. She elaborated that the cap was 12 hours. She noted it was possible to advocate with a care coordinator writing a very defensive plan to get a little bit more; but the majority only received 12 hours.

[1:37:51 PM](#)

JESSIE PHILLIPS, SELF, ANCHORAGE (via teleconference), testified in support of domestic violence prevention

funding. She stressed that people were all responsible for preventing domestic violence. She detailed that individuals who were raised with domestic violence were 7 times more likely to commit domestic violence. She stressed that people did not change overnight - they changed how their beliefs over long periods of time with additional counseling. She stated there was nothing normal about domestic violence. She underscored that annual spending on the issue ranged between \$8.6 billion and \$12.8 billion nationally. She spoke about the number of domestic violence shelters - there was an average of 60 shelters per state and Alaska had only 32. The shelters were funded through state and government grants.

Ms. Phillips provided details and statistics about the shelters and the homeless population. She called attention to the global initiative to end all corporal punishment of children. She shared that children raised in abusive homes were more likely to be abusive. She spoke about domestic violence impacting men as well. She believed in fighting back for Alaska. She shared that she was born and raised in Nome. She discussed that Alaska Native and American Indian women accounted for 5 out of 6 missing and murdered women at today, while the same groups only accounted for 2.6 percent of the nation's population.

[1:43:16 PM](#)

LEZLIE RICE, SELF, WRANGELL (via teleconference), shared that she had worked for the Department of Fish and Game Commercial Fisheries for 15 years. She had also worked in the Wrangell office as a fill in. She believed it would be a hardship for the fishermen and general population to lose the office. She stressed that there were numerous services that would be hard to reach via the internet because of the location. She provided examples about receiving DFG tags. Not everyone had the ability to go online to get business done. Fishermen also came to the office to get the weekly newsletter. She explained that fish sampling units had to be connected to the internet in the office at the end of the day to send out sampling information to bosses in Sitka, Petersburg, and Juneau. Sampling information helped determine the fish openings for the following week. The Wrangell office was shared by Sport Fish and Wildlife. She listed additional services provided in the Wrangell office. She spoke about the lack of AMHS ferry service. She shared that school groups could not afford to travel without the

ferries. She empathized with communities that were not able to get food. She spoke in support of public radio.

[1:47:21 PM](#)

WINSTON DAVIES, SELF, WRANGELL (via teleconference), testified in support of the Wrangell Department of Fish and Game office. He shared that there was substantial business that went through the office pertaining to fishing, hunting, trapping, and other. He discussed examples of items individuals used the office for. He stressed its importance for commercial fishing. The moose check in required an individual to check moose antlers, hides, and other. The office was incredibly important to the community. He supported the AMHS as well.

[1:49:37 PM](#)

JULIE DECKER, MARI-CULTURE TASK FORCE, WRANGELL (via teleconference), spoke on behalf of the Alaska Mariculture Task Force. The taskforce supported the actions of the Department of Natural Resources, Department of Fish and Game, and Department of Environmental Conservation finance subcommittees. She highlighted support for three items: 1) the insertion of an increment of \$187,300 and two positions for the Department of Natural Resources for aquatic farm application processing; 2) the rejection of a decrement of one position from the aquaculture planning and permitting section in Department of Fish and Game; and 3) the rejection of new paralytic shellfish poisoning testing fees in the Department of Environmental Conservation budget. The taskforce had been established by administrative order 280 in 2016 with the direction to provide recommendations on developing a viable and sustainable mariculture industry. The taskforce had been reauthorized in 2018 to continue implementation of the plan. The plan included recommendations and action items related to the three budget items she had highlighted. She supported continued development of the mariculture industry and its goal to grow to a \$100 million per year industry in 20 years.

Representative Carpenter asked what part of the state the testifier had called from. Co-Chair Johnston replied "Wrangell."

[1:52:32 PM](#)

GERRY HOPE, SELF, SITKA (via teleconference), testified in support of a full operating budget to meet the need for all AMHS vessels to operate. Coastal communities served by ferries were hurting and it should never have come to the current point. Some communities were struggling to get food and access to healthcare. Additionally, he recognized the Tlingit cultural connectivity that was provided by the ferry system - which was currently absent. He strongly advocated for full funding for AMHS.

[1:54:26 PM](#)

AT EASE

[2:26:26 PM](#)

RECONVENED

STAN HJORT, SELF, PETERSBURG (via teleconference), testified in support of the AMHS. He underscored that people of Southeast Alaska were already being driven back to pre-ferry conditions. He highlighted travel for school and medical treatment that was unavailable due to lack of ferry service. He stressed that he would now have to fly to and from Seattle to see his cardiologist. He emphasized that kids in Sitka were putting together a GoFundMe fundraising page to get food shipped into Hoonah. He believed the problem with the ferries resided with the legislature for its lack of planning. He discussed that when the PFD had started the citizens of the state would have been happy to vote for a check of \$1,000 and no more. He underscored that residents had been told that it was not about getting a fat check every year. He stressed the need to save for a rainy day.

[2:29:14 PM](#)

DAVID MACRI, SELF, WRANGELL (via teleconference), testified in support of an Office of Children Services counselor for Wrangell. He stressed the need to continue AMHS services to all ports including Prince Rupert.

[2:30:06 PM](#)

KATHRYN BOLAK, SELF, CHUGIAK (via teleconference), urged continued support for the Alaska Performance Scholarship, education, full funding for Medicaid including coverage for licensed professional counselors, senior benefits, the

Pioneer Homes, and restored funding for AMHS. She thanked the committee for its time.

[2:31:27 PM](#)

JOANN THOMAS, SELF, CORDOVA (via teleconference), shared that her family commercial fished and she was a retired postmaster. She had a deep concern about the budget. She strongly recommended a state income tax. She believed people who were invested took a greater interest in the public good. She was in favor of a cap on the PFD. She agreed that the PFD was necessary for many village residents and she thought a cap would suffice. She thanked the committee.

[2:32:35 PM](#)

DARLA CHURCH, SELF, CORDOVA (via teleconference), shared that she was a retired teacher. She was concerned about the condition of the AMHS. She stressed the large coastline in the state that needed service. She highlighted fisheries, fish processing, state fish and game units, Coast Guard, and more. She believed some of the ferries should be taken to Seattle for service. She supported education funding. She supported a quality future. She believed the laws governing the PFD should be rewritten to result in a limited PFD. She was amenable to an income tax. She stated that much money earned in the state went out of state. She detailed that workers often paid income tax on money made in Alaska in other states. She proposed an idea related to an income tax. She believed the Lower 48 currently benefitted too much from Alaska's resources.

Co-Chair Johnston provided the House Finance Committee email address.

Co-Chair Johnston CLOSED public testimony. She reviewed the agenda for the following Monday.

#

ADJOURNMENT

[2:37:45 PM](#)

The meeting was adjourned at 2:37 p.m.