

SENATE FINANCE COMMITTEE

April 11, 2019

9:02 a.m.

9:02:08 AM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Lyman Hoffman  
Senator Peter Micciche  
Senator Donny Olson  
Senator Mike Shower  
Senator David Wilson

MEMBERS ABSENT

Senator Bill Wielechowski

ALSO PRESENT

Senator Mia Costello; Senator Scott Kawasaki; Valerie Therrien, Fairbanks City Council, Fairbanks; June Rogers, Fairbanks City Council, Fairbanks; Andrew Spirocopulor, Self, Palmer; Grace Cook, Self, Palmer; Kaitlyn Johnson, Self, Palmer; Ryen Leffee, Self, Palmer;

PRESENT VIA TELECONFERENCE

Dave Ross, Mat-Su Coalition on Housing and Homelessness, Mat-Su; Mark Lackey, CCS Early Learning, MatSu LIO; Judy Snyder, self, MatSu; Mercer Welsh, self, MatSu; Patty Meritt, Self, FBX LIO; Samantha Kirstein, Fairbanks Community Food Bank, FBX LIO; Michael Szudloski, self, FBX LIO; Jinnel Choiniere, FBX Chamber of Commerce, FBX LIO; Susan Henrichs, Self, FBX LIO; Linda Schandelmeier, Self, FBX LIO; Former Representative John Davies, Self, FBX LIO; Emily Vockeroth, Best Beginnings/Imagination Library, FBX LIO; Jeanette Grasto, NAMI, FBX LIO; Brenda Riley, United Way/UAF, FBX LIO; Bruce Jamieson, Self, FBX LIO; Ann

Jamieson, Self, FBX LIO; Jason Clark, Self, FBX LIO; Melinda Evans, Self, FBX LIO; Hayden Nevill, Self, FBX LIO; Mike Powers, Foundation Health Partners, Fairbanks LIO; Karen Taber, Big Brothers Big Sisters of Alaska, Fairbanks LIO; Jomo Stewart, Fairbanks Economic Development Corporation, Fairbanks LIO; Lynette Clark, Self, Fox; Elizabeth Ripley, Mat-Su Health Foundation, MatSu LIO; Bert Houghtaling, Self, Big Lake; Jim Williams, FBSB Mayor Office, FBX LIO; Jess Pena, Fairbanks Arts Association, FBX LIO; Christopher Miller, self, FBX LIO; Juliet Shepard, self, FBX LIO; Janet Kidd, self, FBX LIO; Joe Thomas, self, FBX LIO; Charlene Fisher, Council Athabaskan Tribal Gov., Beaver;

#### SUMMARY

SB 20        APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 20 was HEARD and HELD in committee for further consideration.

SB 21        APPROP: MENTAL HEALTH BUDGET

SB 21 was HEARD and HELD in committee for further consideration.

#sb20

#sb21

#### SENATE BILL NO. 20

"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."

#### SENATE BILL NO. 21

"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."

[9:02:40 AM](#)

Co-Chair Stedman relayed that the committee would concurrently take public testimony on SB 20 and SB 21. He discussed the public testimony parameters. He requested that comments be confined to the budget.

^PUBLIC TESTIMONY: MAT-SU, FAIRBANKS

9:04:23 AM

AT EASE

9:05:10 AM

RECONVENED

Co-Chair Stedman asked whether representatives wanted to chair the meeting during their respective regions scheduled public testimony.

Senator Shower took control of the gavel for Fairbanks and MAT-SU public testimony.

9:06:03 AM

DAVE ROSS, MAT-SU COALITION ON HOUSING AND HOMELESSNESS, MAT-SU (via teleconference), testified in support of funding for the Homeless Assistance Program Fund. The fund assisted in helping individuals meet emergency needs; with over 30, non-profit, agencies and organizations serving low-income residents. He discussed the work of the coalition.

9:07:16 AM

MARK LACKEY, CCS EARLY LEARNING, MATSU LIO (via teleconference), spoke in support of funding for the Head Start program. He noted that the governor's budget proposed to eliminate 100 percent of the \$6.8 million provided for Head Start services in the state. He specified that the proposed cut would result in 534 fewer children served and 138 jobs lost around the state. He noted that one of three children in his program was a foster child or homeless. He estimated that 20 percent of other families were at risk of fostering or homelessness.

9:08:47 AM

JUDY SNYDER, SELF, MATSU (via teleconference), was a 35-year resident of the MAT-SU Valley. She spoke in support of full funding for the Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) program. She detailed that WWAMI had provided the state with 214 physicians currently practicing. She discussed the function of the program. She thought it was not economically feasible for Alaska to establish its own medical school. She informed that 61 percent of WWAMI students returned to the state, the fourth highest return rate of all public medical schools in the country. She felt that with an investment of only \$4.62, per capita, per year, the program was a win/win for the state.

[9:10:11 AM](#)

MERCER WELSH, SELF, MATSU (via teleconference), was concerned about proposed cuts to government programs. He was a ten-year resident of Wasilla.

Senator Stedman recognized Senator Costello and Senator Kawasaki in the audience.

Senator Shower handed the gavel to Co-Chair Stedman.

Co-Chair Stedman handed the gavel to Senator Bishop.

[9:12:07 AM](#)

VALERIE THERRIEN, FAIRBANKS CITY COUNCIL, FAIRBANKS, thanked the committee for supporting community assistance and revenue sharing. Fairbanks had received \$500,000 in the current fiscal year and expected the same amount the following year. Without the funds, she expected that the city would have to cut an entire department. She spoke in support of funding for the Department of Environmental Conservation. She relayed that there was a serious problem with infiltration of chemicals at the fire training center. The city had spent over \$1 million in trucking water and providing city water. The issue was increasing nationwide. There was a lawsuit started with a national firm to help with costs.

[9:13:44 AM](#)

JUNE ROGERS, FAIRBANKS CITY COUNCIL, FAIRBANKS, was proud of organizing a coalition working on issues of homelessness

and rehabilitation of many forms of substance abuse. She mentioned prisoner reentry programs. She discussed the effects of volunteer efforts and thought the effects had been exponential. She thought state programs could work more effectively in concert with volunteerism. She noted financial contributions from the Alaska Mental Health Trust Authority (AMHTA) and the Rasmuson Foundation. She asserted that the city was responsible for people and networking for people's benefit.

[9:15:35 AM](#)

PATTY MERITT, SELF, FBX LIO (via teleconference), spoke in support of programs that produced long-term benefits, such as, early childhood education, Head Start, Pre-K, Parents as Teacher, and Best Beginnings. She supported funding for the University. She discussed the importance of the work of the University. She was a UAF graduate. Her son was a University graduate and would become a teacher. She hoped the University would be there for her grandchildren.

[9:17:09 AM](#)

SAMANTHA KIRSTEIN, FAIRBANKS COMMUNITY FOOD BANK, FBX LIO (via teleconference), supported the Human Services Community Matching Grant Fund within the Department of Health and Social Services (DHSS). She said that funds allocated through the grant were used to meet human needs as defined in state law. She said current year's programs provided meals 325,000 to those in need, through the local food bank.

[9:18:51 AM](#)

MICHAEL SZUDLOSKI, SELF, FBX LIO (via teleconference), stressed the importance of the University. He discussed growing sectors of employment in the state in healthcare and education. He thought the proposed cuts in those sectors were ludicrous and would be devastating to the state's economy. He encouraged the legislature to fully fund education and health care in the state.

[9:19:58 AM](#)

JINNEL CHOINIÈRE, FBX CHAMBER OF COMMERCE, FBX LIO (via teleconference), supported using the earnings of the Permanent Fund. She supported funding for the University.

She mentioned the importance of efficient government encouraging resource development and business friendly practices. She supported passage of an appropriate and timely capital budget. She asserted that the Fairbanks Chamber of Commerce did not support any new taxes.

[9:21:06 AM](#)

SUSAN HENRICHS, SELF, FBX LIO (via teleconference), supported funding for the University. She was a 37-year resident of the state. She discussed the benefits of the University. She cited research that better educated residents encouraged economic growth. She worried that the budget cuts would affect the University's ability to generate revenue.

[9:22:29 AM](#)

LINDA SCHANDELMEIER, SELF, FBX LIO (via teleconference), testified in support of full funding for the University. She was the daughter of homesteaders. She discussed her work at the University. She was a field biologist, a teacher, and a writer. She was grateful for the education she had received at the University. She emphasized that the state had the money to fund the University.

[9:23:52 AM](#)

FORMER REPRESENTATIVE JOHN DAVIES, SELF, FBX LIO (via teleconference), associated himself with the remarks of the previous testifier. He supported funding for the University. He was a member of the Board of Regents. He had lived in Alaska for over 50 years. He thought the University was important for the economy. He thought reductions should be in a "glide path" approach.

[9:25:07 AM](#)

EMILY VOCKEROTH, BEST BEGINNINGS/IMAGINATION LIBRARY, FBX LIO (via teleconference), supported funding for early childhood education. She stressed that waiting until kindergarten to begin education placed undue burden on both teachers and schools. She supported the Imagination Library, Parents as Teachers, Head Start, and Best Beginnings.

[9:26:04 AM](#)

JEANETTE GRASTO, NAMI, FBX LIO (via teleconference), spoke in support of Medicaid funding. She had read of proposed cuts to Medicaid and the possible loss of accompanying federal matching funds. She supported adult dental services as part of Medicaid. She said that primary care level behavioral health care would ease the reliance on emergency care. She supported safety net services such as housing and food banks. She supported an income tax.

[9:27:32 AM](#)

BRENDA RILEY, UNITED WAY/UAF, FBX LIO (via teleconference), supported funding for the University. She advocated for the DHSS Community Matching Grants. She mentioned the various organizations that benefitted from the grant. With the grants, the agencies mentioned were able to provide crucial services to underserved families. She supported Head Start funding.

[9:28:39 AM](#)

BRUCE JAMIESON, SELF, FBX LIO (via teleconference), was a 50-year resident of the state. He supported new taxes. He did not support the governor's proposed budget. He supported a different oil and gas tax structure. He supported funding for public radio and television.

[9:30:02 AM](#)

ANN JAMIESON, SELF, FBX LIO (via teleconference), encouraged the committee to look at the written comments of the Fairbanks Chamber of Commerce. She discussed the recession of the 1980s and worried that the proposed budget would cause a recession/depression in the state.

[9:31:09 AM](#)

JASON CLARK, SELF, FBX LIO (via teleconference), shared that he was a commercial fisher and business owner. He emphasized the need for cuts and to "right-size" government.

[9:32:22 AM](#)

MELINDA EVANS, SELF, FBX LIO (via teleconference), spoke in support of funding for the University and the WWAMI program. She had been in the WWAMI program and had returned

to the state as a primary care physician. She was concerned about trouble recruiting new physicians in Alaska. She worried that young healthcare professionals would seek job in different states that could offer loan payback programs.

[9:33:55 AM](#)

HAYDEN NEVILL, SELF, FBX LIO (via teleconference), testified in support of funding for Medicaid. He discussed the difficulty in finding healthcare, particularly mental healthcare. He thought there were clear and positive fiscal reasons to fund Medicare. He discussed the potential cost shift to emergency services if Medicaid was cut.

[9:35:09 AM](#)

MIKE POWERS, FOUNDATION HEALTH PARTNERS, FAIRBANKS LIO (via teleconference), supported robust funding for Medicaid. He was chief operating officer of Tanana Valley Clinic. He thought Medicaid allowed protection of the most vulnerable in the health care system. He described Fairbanks Memorial Hospital as a safety net. He pointed out that his hospital was a rural referral and designated sole community hospital, which added to the complexity of the area covered by the facility.

[9:36:37 AM](#)

KAREN TABER, BIG BROTHERS BIG SISTERS OF ALASKA, FAIRBANKS LIO (via teleconference), supported funding for the Human Services Community Matching Grants. Without the grants, the program would suffer from decreased funding and would be unable to provide screened and trained mentors to 20 children in the greater Fairbanks area. She discussed the importance of BBBS program. She stressed that nurturing relationships with caring adults were essential to youth avoiding delinquency, drug use, alcohol use, teen pregnancy, academic failure, and suicide. She asserted that the program assisted in children reaching their full potential.

[9:37:53 AM](#)

JOMO STEWART, FAIRBANKS ECONOMIC DEVELOPMENT CORPORATION, FAIRBANKS LIO (via teleconference), testified in opposition of the governor's proposed budget as submitted. He wanted a

balanced fiscal plan that reduced harm to individual groups of businesses.

[9:39:29 AM](#)

LYNETTE CLARK, SELF, FOX (via teleconference), supported constitutionally mandated funding. She wanted a balanced budget. She wanted a fully funded Permanent Fund Dividend.

Senator Bishop handed the gavel to Co-Chair Stedman.

Co-Chair Stedman handed the gavel to Senator Wilson.

[9:41:20 AM](#)

ELIZABETH RIPLEY, MAT-SU HEALTH FOUNDATION, MATSU LIO (via teleconference), spoke in support of funding for Medicaid, early childhood education, and housing and homelessness support. She supported funding healthcare infrastructure. She discussed access to services. She asserted that the Mat-Su Head Start program received \$550,000 in state funding and leverages \$5 million. She discussed the science based, positive effects of the Head Start program. She related that housing was a critical determinant of health, without shelter all other state and community interventions were compromised.

[9:43:03 AM](#)

BERT HOUGHTALING, SELF, BIG LAKE (via teleconference), supported the governor's proposed budget cuts.

Senator Wilson handed the gavel to Co-Chair Stedman.

[9:44:22 AM](#)

AT EASE

[10:11:26 AM](#)

RECONVENED

Co-Chair Stedman handed the gavel to Senator Bishop.

[10:11:48 AM](#)

JIM WILLIAMS, FBSB MAYOR OFFICE, FBX LIO (via teleconference), testified that the Fairbanks community was facing dire impacts if the governor's proposed budget were

to pass. He discussed potential financial impacts on the city. He worried about the impacts of the budget cuts to the entire state.

[10:13:16 AM](#)

JESS PENA, FAIRBANKS ARTS ASSOCIATION, FBX LIO (via teleconference), spoke in support of the Alaska State Council on the Arts. The Fairbanks Arts Association was a grantee of ASCA, and supported organizations in Fairbanks. She referenced a House Finance Committee meeting on April 4, 2019, where the council had been lauded for leveraging state dollars.

[10:14:41 AM](#)

CHRISTOPHER MILLER, SELF, FBX LIO (via teleconference), supported funding for early childhood education. He mentioned support for Best Beginnings and Head Start. He supported funding for the University. He worked as a journeyman laborer and was in the laborers' union.

[10:15:41 AM](#)

JULIET SHEPARD, SELF, FBX LIO (via teleconference), opposed the governor's proposed budget. She thought the governor's budget proposed cash payouts (dividends) at the expense of vital services. She supported a balanced budget. She mentioned the long vision development that would result in the opening of northern sea routes and an emerging Arctic economy. She supported using the Permanent Fund Earnings as originally intended to fund necessary functions of government. She supported funding for early childhood education, K-12 education, and the University. She supported funding for public health and Medicaid expansion.

[10:17:45 AM](#)

JANET KIDD, SELF, FBX LIO (via teleconference), supported funding for K-12 education. She did not have children but recognized the importance of education. She thought the state was not getting enough for its oil. She discussed comparisons of oil credits and profits in the rest of the world. She thought it was important for the state to invest in industry and technology that would sustain the state financially into the future. She supported an income tax.

[10:19:42 AM](#)

JOE THOMAS, SELF, FBX LIO (via teleconference), questioned the split of oil and gas revenue between the state and the oil industry, and how the split compared with the rest of the world. He thought the Permanent Fund should be used for its original purpose; that the fund should be used to fund operating budgets and not to pay out large dividends.

Senator Bishop handed the gavel to Co-Chair Stedman.

[10:22:06 AM](#)

AT EASE

[10:22:20 AM](#)

RECONVENED

[10:22:30 AM](#)

CHARLENE FISHER, COUNCIL ATHABASKAN TRIBAL GOV., BEAVER (via teleconference), testified in opposition to the governor's proposed budget. She shared the many ways that the council partnered to bring federal funding into the state to supplement state programs. She supported funding for early childhood education. She supported funding for Medicaid, public safety, PCE, and Head Start. She discussed the lack of water and sewer infrastructure in rural areas. She believed that rural Alaskans had the same rights to infrastructure funding as those in urban areas.

[10:24:31 AM](#)

AT EASE

[10:24:54 AM](#)

RECONVENED

Co-Chair Stedman handed the gavel to Senator Wilson.

Senator Wilson noted that there were students from his area sitting in the gallery that wished to testify.

Senator Shower invited the students to the table to testify.

[10:25:47 AM](#)

ANDREW SPIROCOPULOR, SELF, PALMER, testified in support of K-12 education funding. He discussed the importance of education. He understood that his class traveling to Juneau was a privilege. He felt that education funding should be a priority.

Senator Shower thanked him for his testimony.

[10:26:42 AM](#)

GRACE COOK, SELF, PALMER, testified in support of K-12 education funding. She expressed gratitude for the opportunities her schooling allowed her and believed that all of Alaska's children should be awarded the same opportunities.

Senator Shower recalled that he has discussed her future with her the previous day.

Ms. Cook expressed that she wanted to be a helicopter pilot.

[10:27:54 AM](#)

KAITLYN JOHNSON, SELF, PALMER, supported increased funding for K-12 education. She discussed the need for technology funding.

[10:28:34 AM](#)

RYEN LEFFEE, SELF, PALMER, spoke in support of K-12 funding. He discussed the need for a strong economy. He felt that government spending had limited the amount of funds available for education.

Senator Shower thanked Academy Charter School for their testimony.

[10:29:50 AM](#)

AT EASE

[10:30:21 AM](#)

RECONVENED

Co-Chair Stedman noted that sign up for morning testimony had ended at 10 AM.

10:30:51 AM  
RECESSED

10:31:35 AM  
RECONVENED

Co-Chair Stedman stated that the meeting would adjourn, and the committee would reconvene at 1 PM.

#  
ADJOURNMENT  
10:31:58 AM

The meeting was adjourned at 10:31 a.m.