

HOUSE FINANCE COMMITTEE
April 22, 2022
1:35 p.m.

[1:35:13 PM](#)

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 1:35 p.m.

MEMBERS PRESENT

Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Ben Carpenter
Representative Bryce Edgmon
Representative Andy Josephson
Representative Sara Rasmussen (via teleconference)
Representative Steve Thompson

MEMBERS ABSENT

Representative Neal Foster, Co-Chair
Representative DeLena Johnson
Representative Bart LeBon
Representative Adam Wool

ALSO PRESENT

Heather Carpenter, Health Care Policy Advisor, office of the Commissioner, Department of Health and Social Services; Senator Tom Begich, Sponsor; Loki Gale Tobin, Staff, Senator Begich; Sana Efird, Executive Director, Alaska Commission on Postsecondary Education, Department of Education and Early Development; Don Etheridge, Alaska AFL-CIO.

PRESENT VIA TELECONFERENCE

Ed Mercer, Chief of Juneau Police, Juneau; Faith Myers, Mental Health Advocates, Anchorage; Lisa Gentemann, Self, Eagle River; Brenda McFarland, City of Fairbanks, Fairbanks; Arthur Delaune, Self, Fairbanks; Mike Carson, Chair Matsu Opioid Task Force, Mat-Su; Samantha Cherot, Public Defender, Alaska Public Defender Agency; Nancy Meade, General Counsel, Alaska Court System; Kelly Howell,

Special Assistant to the Commissioner, Department of Public Safety; Teri Cothren, University of Alaska, Anchorage.

SUMMARY

HB 172 MENTAL HEALTH FACILITIES & MEDS

HB 172 was HEARD and HELD in committee for further consideration.

CSSB 10 (FIN) am

FREE/REDUCED TUITION FOR ESSENTIAL WORKER

CSSB 10 (FIN) am was HEARD and HELD in committee for further consideration.

#hb172

HOUSE BILL NO. 172

"An Act relating to admission to and detention at a subacute mental health facility; establishing a definition for 'subacute mental health facility'; establishing a definition for 'crisis residential center'; relating to the definitions for 'crisis stabilization center'; relating to the administration of psychotropic medication in a crisis situation; relating to licensed facilities; and providing for an effective date."

[1:35:54 PM](#)

Co-Chair Merrick indicated that the bill was first heard in committee on April 13, 2022.

HEATHER CARPENTER, HEALTH CARE POLICY ADVISOR, OFFICE OF THE COMMISSIONER, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, relayed she was available for questions.

[1:36:30 PM](#)

Co-Chair Merrick OPENED public testimony.

[1:37:02 PM](#)

AT EASE

1:37:15 PM

RECONVENED

ED MERCER, CHIEF OF JUNEAU POLICE, JUNEAU (via teleconference), supported the legislation. He characterized the current mental health system as a "revolving door" where people in a mental health crisis did not receive proper help and were returned to the street. Therefore, police officers spent a lot of time responding to mental health crises. He related that if a call did not involve criminal activity the only option was to transport the individual to a hospital. If the situation did involve criminal activity, the only option for an officer was to put a mentally ill person in jail. An officer often encountered the same people suffering from mental health issues back out on the street and were forced to deescalate situations. He indicated that the bill would allow officers to transport the mentally ill individual to a crisis stabilization center as an alternative to an arrest. He believed that the bill would save officers time by establishing a faster handoff to mental health officials who would be better equipped to help the individuals. The legislation would stop the revolving door approach by granting people a 23 hour and 59 minutes "cooling off period" and gave them access to providers trained to help. He strongly supported the bill and believed it would be good for the state and the Juneau community when dealing with citizens suffering from mental illness.

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FAITH MYERS, MENTAL HEALTH ADVOCATES, ANCHORAGE (via teleconference), spoke in support of the bill on the condition that Representative Rasmussen added an amendment to the bill requiring statistics on the mentally ill be kept and shared with the legislature and the general public. She provided a brief history of mental health in Alaska. She shared that between 1904 and 1968, many Alaska Natives were sent to a mental health facility out of state called "Morningside" in Oregon and no records were kept or shared with the state. She indicated that currently, private psychiatric facilities write the patient grievance procedures and the appeal process according to AS. 47.30.847. In addition, the patient advocate worked for the hospital. She communicated that the way the state provided psychiatric care needed much revision. She supported the keeping and sharing of psychiatric statistics for patients'

treatment, care, injuries, traumatic events, and complaints.

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LISA GENTEMANN, SELF, EAGLE RIVER (via teleconference), testified against the bill. She believed the provisions were open to abuse of power and the bill was unconstitutional. She provided an example pertaining to her daughter and son in law living in Fort Benning regarding a Captain who was admitted to a mental hospital. She opined that when a person was pulled out of their daily routine it was destabilizing. She stated that the bill would allow Alaskans to be detained against their will indefinitely. She added that the bill would allow patients to be given psychotropic medications against their will and once admitted the patient lost all their constitutional rights. She spoke to the numerous problems in mental health facilities. She favored amending the bill to include patient consent. She stated that counseling and medications should not be forced on people. She asked the committee to vote against the legislation.

[1:45:58 PM](#)

BRENDA MCFARLAND, CITY OF FAIRBANKS, FAIRBANKS (via teleconference), spoke in favor of the bill. She relayed that she was speaking on behalf of the City of Fairbanks. She stressed that the bill was critical to the success of the Crisis Now rollout taking place in Fairbanks. She shared that she was a coordinator for the Crisis Now program and the mobile crisis teams had been operating since October 2021. She reported that the teams were dispatched through an emergency dispatch center and responded to people in crisis alongside or independent of law enforcement and resolved 80 percent of the calls onsite. The team also offered next day appointments at Alaska Behavioral Health or Tanana Chiefs Conference. She indicated that presently, people in crisis were calling and asking for the Mobil Response Team. She emphasized that the person in crisis still needed a place to go to calm down and seek help. The Crisis Stabilization Center was a necessary part of crisis response. She offered that currently, the first responders were required to take the person in crisis to the hospital Emergency Room (ER). She shared that when the option was presented as the only option it further escalated the situation. The bill ensured

people received appropriate healthcare quickly, provided the patient a choice, kept patients out of costly hospital stays, and minimized the impacts on first responders.

Co-Chair Merrick indicated that Representative Edgmon joined the meeting.

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ARTHUR DELAUNE, SELF, FAIRBANKS (via teleconference), shared that he was the father of a Native man diagnosed with fetal alcohol spectrum disorder and co-occurring mental health disorders including anxiety and depression. His son had given him permission to testify. The testifier wanted to personalize the issue and illuminate how mental health patients were currently treated in facilities. He shared the story of the way his son had been treated. He detailed that his son had tried to commit suicide in the past and was taken to the ER and placed in a padded cell for many hours. His son was agitated and begged to leave. His father agreed on the condition his son went to the Crisis Counselor at the Fairbanks Mental Health Facility. When they arrived at the facility, they were told they could only place his son on a waiting list. There had been a cumbersome paperwork process. There was a 14-day wait for an intake and he experienced another intake 7 days later. His son ultimately had to wait 34 days to speak to a therapist. On day 35 his son had called and stated he wanted to kill himself. He had been admitted to the Fairbanks Memorial Hospital and 5 hours later admitted to the behavioral health ward and did not see a doctor for 22 hours after check in. He provided further detail about the story. He was referred back and forth between Fairbanks Community Mental Health and Tanana Chiefs Conference and by day 41 he had not received services. He emphasized that his son had been caught between two mental health organizations and a very broken mental health system. He stressed that the services were "absolutely" needed and people in crisis needed immediate help. He implored the committee to pass the bill.

Representative Thompson thanked Mr. Delaune for sharing his personal story.

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MIKE CARSON, CHAIR, MATSU OPIOID TASK FORCE, MAT-SU (via teleconference), testified in support of the bill. He shared a true story about a woman named Kelsey Green. He had permission to share the story. The woman was addicted to heroin and at one point arrested, taken to the Anchorage Jail, and began to experience withdraw symptoms. She died within 5 days in jail without receiving any stabilization care or help. He believed that if Kelsey had been taken to a crisis stabilization center, she would still be alive today. He spoke to the endless possibilities that could have taken place in her life if Kelsey had lived. He supported stabilization centers. He thanked the committee for hearing his testimony.

Co-Chair Merrick CLOSED public testimony.

[1:56:00 PM](#)

AT EASE

[1:56:49 PM](#)

RECONVENED

Co-Chair Merrick asked for a review of the fiscal notes.

SAMANTHA CHEROT, PUBLIC DEFENDER, ALASKA PUBLIC DEFENDER AGENCY (via teleconference), reviewed the published fiscal impact fiscal note (FN 9 (ADM) for the Department of Administration (DOA), Public Defender Agency. She explained that individuals who were held past 48 hours before a petition was filed for up to seven days had a right to council and a hearing. The fiscal note addressed the need for one attorney in Anchorage, one paralegal in Palmer and one paralegal in in Anchorage, and a law office assistant in Fairbanks. She indicated that the narrative analysis on the fiscal note described the basis for the need.

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Co-Chair Merrick moved to the next fiscal note.

Ms. Carpenter reviewed the published fiscal impact fiscal note (FN 11 (DHS) from the Department of Health and Social Services (DHSS), Designated Evaluation and Treatment. She pointed to the Interagency Receipts (IA) fund source and noted that the receipts were accepted via receipt authority from Medicaid funding as designated on the department's

other fiscal note. She elaborated that the funding was matched by a General Fund (GF) Mental Health (MH) fund source. The fiscal note increased in the outyears because DHSS anticipated that more facilities were expected to open in the future. She furthered that GF would increase because not all of the facilities were eligible for Disproportionate Share Hospital (DSH) funds, which was how the department currently matched funding for Designated Evaluation and Treatment (DET) Centers. She indicated that DSH funds were only available for hospitals and non-tribally operated hospitals. She reiterated that DHSS anticipated the growth of both the Designated Evaluation and Stabilization (DES) and Designated Evaluation and Treatment (DET) Centers to expand into each of the 9 behavioral health regions but only facilities that were hospitals could receive DSH funds. The state was required to pay for involuntary commitment. She listed the current DET hospitals: Fairbanks Memorial Hospital, Bartlett Regional Hospital, and Mat-Susitna Regional Medical Center. She added that the fiscal note included additional costs associated with implementing HB 172 for one full-time employee in Anchorage and a Reimbursable Services Agreement (RSA) to the Department of Law (DOL).

[2:00:34 PM](#)

Ms. Carpenter continued to review the published fiscal impact Department of Health and Social Services fiscal note (FN 6 (DHS) for Medicaid Services. She indicated that the fiscal note accompanied the prior fiscal note and showed the Medicaid Federal Receipts fund source and included the Medicaid funding for the facilities that qualified for the DSH funding.

NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM (via teleconference), reviewed the published fiscal impact fiscal note (FN 10 (CRT) for Judiciary, Trial Courts. She communicated that the fiscal note covered the cost of two Range 12 clerks for the added tasks of notifying guardians during a crisis center admission as well as for involuntary commitment proceedings. A good percentage of the respondents had been previously appointed guardians to help administer their affairs. In addition, the majority of mental commitment proceedings, and most likely a majority of the crisis center admissions were filed with the court system during non-traditional work hours on weekends and nights. She noted that the court system had a full-time

magistrate to cover the off hours but the new task of researching the respondents' status as a protected person, and notifying the guardian of the next hearing, cannot reasonably be performed by that magistrate in light of his or her many other obligations so the help was a necessity. She determined that the court system could accomplish the work during the daytime without additional help.

Representative Josephson perceived that the magistrates would see an increased workload due to the bill. He asked if there was concern over the matter. Ms. Meade was not concerned about the issue. She explained that the individuals in crisis typically ended up in court either for a criminal arraignment or for an ex parte hearing for an involuntary mental commitment. The bill would result in nearly the same number of hearings, but the hearings would be slightly different.

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Co-Chair Merrick moved to the last fiscal note.

KELLY HOWELL, SPECIAL ASSISTANT TO THE COMMISSIONER, DEPARTMENT OF PUBLIC SAFETY (via teleconference), reviewed the published zero fiscal note (FN 4 (DPS) from the Department of Public Safety, Alaska State Trooper Detachments. She commented that the bill added a new subsection to AS 47.30.705 that required a peace officer to prioritize transporting a mentally ill individual to a crisis stabilization center if one existed in the community. She did not anticipate an increase in cost and believed that the department could implement and comply with the changes with minimal fiscal impact.

Representative Edgmon remarked that fiscal notes were one dimensional and did not reflect potential savings. He thought the bill was one of the most critical pieces of legislation during the current session. He noted that it would save dollars and lives in the future.

HB 172 was HEARD and HELD in committee for further consideration.

#sb10

CS FOR SENATE BILL NO. 10(FIN) am

"An Act establishing a grant program to provide to essential workers and laid-off workers the tuition and fees to attend certain postsecondary institutions."

[2:09:11 PM](#)

SENATOR TOM BEGICH, SPONSOR, introduced the legislation. He read from prepared remarks.

Whether delivering our groceries or caring for our young children, picking us up from the airport or cleaning our offices, over the past two years, frontline workers and those laid off as a direct result of the pandemic have experienced great hardship.

Frontline workers have been the ones who made significant sacrifices - sometimes at great risk to themselves and their loved ones.

Included in your bill packet and available on Basis is a study published by the Occupational and Environmental Medicine Journal which reported that over 20% of grocery store employees tested positive for COVID-19.

SB 10 - Free Tuition for Frontline and Laid Off Workers is the right step in showing our gratitude and thanks to those who experienced the worst of the pandemic.

It's clear that everyone has fallen behind and as we continue on this road of recovery, let's use the federal relief funds given to our state to directly help those most impacted.

SB 10 provides an avenue for financial support to those who wish to continue their education and prepare for a future in a post-COVID world.

Data from the US Department of Labor clearly shows us that higher education attainment equates to higher weekly earnings.

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In the UA Workforce Report, also included in your bill packet and available on Basis, the median earnings for those with just a high school diploma is \$35,328 while those with a bachelor's degree earn, on average, \$57,708 a year. Education truly matters.

This same UA report states that 96.3% of working graduates are Alaskan residents - going to school in Alaska keeps you in Alaska.

As we have continued to hear about our state's struggles with teacher retention and our need to locally grow high quality educators, I think about those 1,000 paraprofessionals with some college, ready and poised to take advantage of an investment in their education. This bill will help anyone who's been on the frontline work toward the next iterative of their career.

This bill focuses on leveraging federal dollars through a targeted program.

- 1.If an Alaskan meets eligibility requirements such as established residency and proof of negative employment impact due to COVID, they must apply for inclusion in this program by December 31st of this year.

- 2.They then have 4 years to complete their training.

3. Annually, they must show positive forward progress to continue receiving support.

- 4.After the program sunsets in 2026, the legislature will receive a final report in 2027.

By providing a path for frontline workers to earn a post-secondary education in Alaska, we will stop the attrition of Alaska's future.

In a moment, my staffer will read the sectional analysis, but please allow me to highlight of the legislation:

Changes were made to the eligibility criteria to allow folks who were laid off as a direct result

of the pandemic to take advantage of the grant program. Additional changes to eligibility criteria were made to include a more comprehensive definition of frontline or essential worker. The legislation now references the definition of "essential worker" established under the March 27th Health Mandate from Governor Dunleavy entitled, the Alaska Essential Services and Critical Workforce Infrastructure Order. This document is comprehensive in its description of "essential worker" and includes folks like mail carriers, grocery store clerks, Uber drivers, and many, many others. This is also why Legislative Legal chose to use the term "essential" worker versus "frontline" worker.

The essential grant program is available for all state-supported postsecondary education programs like AVETC and UA certificates programs.

Folks must first complete a FASFA application, which makes them eligible for the thousands of dollars in federal grant support for education, making this a "last dollar" program.

The final program report and repeal dates were updated in House Education as this is a time limited program targeted to help folks recover from the pandemic.

[2:15:47 PM](#)

Vice-Chair Ortiz appreciated the intent of the bill. He asked if there were provisions built into SB 10 that ensured eligible people were made aware of the program. Senator Begich replied in the negative. He explained that the program would be promoted through the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) and other entities. He noted that there was some funding in the bill for the Alaska Commission on Postsecondary Education (ACPE) to address the content of the bill and would likely have ideas on how they would promote the bill.

Representative Edgmon supported the bill. He looked at the effective dates and observed it would be in effect for the next five to six years. Senator Begich replied

affirmatively. Representative Edgmon asked if essential worker was defined in statute. Senator Begich pointed to lines 8 through 11, on page 3 of the bill and explained the definition was clearly defined in statute. He noted that the definition of "essential worker" was included in the Alaska Essential Services and Critical Workforce Infrastructure Order, which was included in the members bill packets (copy on file). He furthered that Legislative Legal Services changed the term from frontline worker to essential worker and tied it to the Infrastructure Order of April 10, 2020.

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Representative Thompson understood that if a person quit their job during the COVID pandemic they would not be eligible. Senator Begich cited the top of page 2 of the bill and answered that the worker had to be laid off and if the person had quit by their own choice, they would not be eligible.

Representative Carpenter asked why essential workers currently employed had the same priority as other workers who were laid off and were either essential or non-essential. Senator Begich responded that the program was designed to focus on individuals that were harmed by the pandemic due to loss of employment. The harm was posed by either temporarily or permanent lay off or exposure to COVID 19 by being required to stay working. The program was an acknowledgement to workers who would take the risk to remain in their job or had remained due to financial considerations. The program equated the dual damages done by the pandemic of either losing work or exposure to the significant health risk. He thought that many people would choose not to take advantage of the program.

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Representative Carpenter believed that everyone had an equal risk to get the illness. He thought it had been a question of timing.

Co-Chair Merrick asked for a review of the sectional analysis.

LOKI GALE TOBIN, STAFF, SENATOR BEGICH, provided a review of the sectional analysis (copy on file):

Section 1. Establishes an Essential Worker and Laid-Off Worker Grant Program as new uncodified law of the State of Alaska. Directs the Alaska Commission on Postsecondary Education (ACPE) to develop in regulation a post-secondary tuition grant program and award grants to essential workers employed at the start of or during the declared federal public health emergency or those who were temporarily or permanently laid off as a direct consequence of the declared federal public health emergency.

Directs ACPE to establish policies and procedures for application and admission to the program, including consulting the Department of Health and Social Services and reviewing the Alaska Essential Services and Critical Workforce Infrastructure Order in determining applicant eligibility.

Section 2. Establishes an Essential Worker and Laid-Off Worker Grant Program Report as new uncodified law of the State of Alaska and directs ACPE to submit the report of program efficacy to the Alaska State Legislature on or before December 31st.

Section 3. Repeals Section 1 on June 30, 2026.

Section 4. Repeals Section 2 on June 30, 2027.

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Representative Josephson asked if the program qualified for Coronavirus State and Local Fiscal Recovery Funds (SLFRF) Program backfill.

Senator Begich replied in the affirmative. Representative Josephson asked for verification that the Senator wanted the committee to modify the fiscal note to change the fund source to SLFRF funding. Senator Begich referenced a prior fiscal note control code ZGjKM [published fiscal impact fiscal note 5 (FN5 (EED) by the Department of Education and Early Development and the Senate Rules Committee, for the Alaska Commission on Postsecondary Education (ACPE)] and indicated that the fiscal note had been adopted by the Senate. He explained that the fiscal note used SLFRF money as the fund source along with a minimal amount of interagency receipts funding from ACPE. He recommended the committee adopt the fiscal note and assured the committee

that he had discussed the issue with the administration, and it would be an appropriate use of the federal funding.

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AT EASE

[2:27:46 PM](#)

RECONVENED

Senator Begich clarified that the updated fiscal note published fiscal note 7 (FN7 (EED) for DEED, ACPE included an "Other" fund source, but countered that federal receipts should be designated as the fund source. He deferred further answer to the commission to discuss the funding and its fiscal note.

Co-Chair Merrick noted the department would review the fiscal note after invited testimony.

Representative Carpenter cited the fund source on the fiscal note, number 1007 Inter Agency Receipts (IA) (Other) and asked it that represented the SLFRF funds.

Representative Merrick asked the representative from APEC to review the fiscal note and clarify the funding issue.

Senator Begich interjected that the goal was to expend federal receipts. He disclosed that he had discussed two different fiscal notes and apologized for the confusion. He clarified that the SLFRF fund source code was 1269.

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SANA EFIRD, EXECUTIVE DIRECTOR, ALASKA COMMISSION ON POSTSECONDARY EDUCATION, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, clarified that the commission submitted two fiscal notes; number 7 and published fiscal note 6 (FN6 (EED) appropriated to the Alaska Student Loan Corporation (ASLC). She pointed to the "Other" receipts on fiscal note 6 [fund code 1106] and indicated that they were receipts that funded the cost of ASLC programs administered by ACPE. She elaborated that initially the commission had included Unrestricted General Funds (UGF) on its prior fiscal notes because ACPE assumed it lacked the authority to expend the federal relief funds but discovered that they would be able to accept and receipt the federal relief funds if they were appropriated.

Representative Carpenter asked for an explanation of the receipts specified on FN7. Ms. Efird drew the committee's attention first to FN6. She relayed that in accordance with AS 14.42.170, the employees of ACPE shall serve as staff for the Alaska Student Loan Corporation. As an enterprise agency of the State of Alaska, ASLC funds the positions and related work of ACPE through ASLC Receipts. Since the new duties associated with the essential workers grant program were not associated with ASLC, the fiscal note reflected a reduction in ASLC receipts in the first year. The ASLC receipts were received by the commission in its operating budget. She pointed to FN7 showing a fund source change in FY 23 to reflect the positions aligning with the duties of the essential worker grant program to be paid with the corresponding correct fund source. She reminded the committee that the commission had originally identified the funding source incorrectly as UGF General Funds (GF) and could be replaced with the federal SLFRF relief funds. The fund code for IA receipts 1007 was used in FN7 that reflected the technical aspect of how the funds flowed into the operating budget of the student loan corporation and was allocated to the component that had the employee positions.

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Senator Begich would provide a copy of FN 5 that was adopted on the Senate floor. He requested the committee use the approach FN5 used because it designated the federal funding. He commented that lacking the federal funding source, the program would not be funded if the bill was adopted.

Ms. Efird pointed out that the positions were not new, the fiscal note reflected a realignment of the work of the positions to be funded correctly by the fund sources covering the program. The fiscal note merely reflected a change in the fund source.

Co-Chair Merrick moved to invited testimony.

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TERI COTHREN, UNIVERSITY OF ALASKA, ANCHORAGE (via teleconference), relayed that the university supported the bill. She provided context for the bill. She explained that the University of Alaska (UA) was Alaska's system for

higher education and included three separately accredited universities, each with distinct missions and were responsible for 13 community campuses that extended access to education in all six economic regions of the state. She communicated that combined the system was the most comprehensive workforce provider ranging from shorter certificated programs to Associate, Bachelor, and Graduate Degrees. The university offered career pathways to healthcare, early childhood and teacher education, law and public safety, transportation, and business specific to SB 10. She relayed that growing a strong workforce was the core of the university's mission. The bill enabled UA to train more workers and support the state's economic recovery. She referred to UA workforce reports (copy on file) that demonstrated graduate and employment outcomes over a 10 year period. The university partnered with the Department of Labor and Workforce Development (DLWD) to publish the reports. She conveyed that the reports demonstrated the value of training and education. The data showed that earning potential and upward mobility increased with increased education. She spoke to other benefits including lower unemployment rates, reduced needs for government support services, improved health, and reduced crime rates. She noted the critical importance to upskill and reskill the Alaska workforce to address the state's labor shortages of skilled workers. She shared demographic data from DLWD that pointed to Alaska's flat population growth. She added that Alaska's working population had fell substantially in the last decade as the large retirement population began aging out of their jobs and taking their years of experience with them. She shared that for nine consecutive years more people had left the state than had moved to Alaska especially in the 30's to 40's age groups that represented the prime working age and likely had school age children that in turn, filled the workforce pipeline. She believed that the bill would help address skilled labor shortages and grow Alaska's workforce in skilled employment and help individuals to advance their careers.

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DON ETHERIDGE, ALASKA AFL-CIO, testified in support of the legislation. He shared that many front line workers and first responders had been greatly impacted by the pandemic. He confirmed that the AFL-CIO would work to spread the word upon passage of the legislation. He spoke of the impact to

frontline workers and first responders during the pandemic who had not been able to spend much time with their families and were repeatedly quarantined. They were repeatedly exposed to the virus, but they had to keep working. He stated the program gave workers a hand-up and not a hand-out. The bill would give people opportunity and a chance to improve their own lives.

[2:42:05 PM](#)

Co-Chair Merrick noted the committee had received FN5. She asked for comment by the sponsor or department.

Ms. Efird spoke to FN5. She explained that reflected in the personal services line the fund switch from the Alaska Student Loan Corporation to the FY 22 request [The fiscal note was from 2021 and would be updated to reflect FY 23 request.] The fiscal note showed the reduction of 1.5 positions from the ASLC receipts and swapped it with federal relief funds. She noted that in the first year the allocation was for the cost for 1.5 full-time equivalent (FTE) Financial Aid Operations Analyst and Financial Aid Specialist to oversee setup, implementation, process awards, communicate with students and schools, and for Information Technology (IT) staff to support system setup and implementation in the amount of \$187.5 thousand. Subsequently, the commission's personal services costs would reduce and represent the costs of .6 FTE position reflected in the outyears that would reduce further to a 0.5 FTE position. The change showed up in the funding source adding back student loan receipts that would reflect the positions reverted to working on ASLC duties. She added that the initial annual IT system maintenance cost was \$10 thousand and the cost to promulgate regulations and to implement the new grant program totaled \$6 thousand. She drew attention to the one-time capital outlay to implement and expand the application portal of the Alaska Student Aid Portal for a cost of \$65.5 thousand. The total amount of \$2.5 million in grants was limited per fiscal year.

Representative Edgmon was trying to trace the bill's journey. He noted FN5 reflected the bill's introduction in FY 2021. He noted the two updated fiscal notes to 2022 and asked for clarity on the fiscal notes.

Senator Begich clarified that his preference was to specify the federal funding source. The prior year's fiscal note

that passed out of the Senate Rules Committee had the desired funding source. He elucidated that when the bill was heard in the House Education Committee new fiscal notes were ordered but the fiscal notes had not been updated to reflect the actions of the Senate nor the House Education Committee's action to change the effective date to a 4 - year program. He discussed FN5 to clarify that the intent was to use the federal funding source. He hoped the committee would adopt a fiscal note reflecting the SLFRF federal fund source and extend the program by one additional year to maintain the program's length of 4 years. He noted that an updated fiscal note would reflect the intention of the sponsor, the Senate, and the House Education Committee.

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Representative Edgmon understood the explanation. He surmised that adopting the fiscal note gave a directive to the legislature that the fiscal note should include the federal relief funds and the bill's original intent. Senator Begich answered in the affirmative.

Representative Carpenter supported the action. He thought it would be the proper use of the remaining pandemic relief federal funds. He had some concerns with the language in the bill, but he fully supported the funding source.

Senator Begich wanted to reinforce Representative Carpenter's statements. He emphasized that the intent of SB 10 was to fund the bill with federal relief funds that were designated for relief and economic recovery. He believed the bill would become law if the changes were made.

Representative Thompson asked about the criteria to receive the grants. He pointed to the language "temporarily or permanently laid off." He thought the bill was a good idea and increased people's employment opportunities. He was concerned about the term temporary and asked what the criteria was regarding temporary layoff.

[2:52:11 PM](#)

Senator Begich replied that ACPE would be responsible for looking at the letter of the law and establish the regulations. He stressed that the clear intent was to include temporarily and permanently.

Ms. Efird added that the department would work with DOL to outline and identify regulations that interpreted temporarily and permanently.

Representative Carpenter asked what money or programs the Department of Commerce, Community and Economic Development (DCCED) or DLWD already had in place to help workers laid off during the pandemic.

Co-Chair Merrick stated they could reach out to the departments.

Representative Thompson asked if the bill included apprenticeship programs. Senator Begich answered that AVTEC and certificated programs that were part of the University of Alaska, AVTEC, or programs funded through the state were eligible.

[2:54:51 PM](#)

Representative Edgmon referenced a prior testifiers statistics related to the state's population losses and worker declines. He requested further testimony regarding the significance of SB 10 assisting in arresting some of the decline. He was aware of the population loss taking place in Alaska and the significance of the population losses in prime working and school age Alaskans. He wanted the bill placed in context of the larger issue.

Senator Begich responded that the Senate Labor and Commerce Committee had requested a special hearing on the bill because the committee wanted to highlight the employment loss issues that happened in Alaska during the pandemic. He revealed that if an individual worked in a high income earning bracket the job loss had bounced back but lower income earning jobs were still down 25 percent. He agreed that the data underscored Representative Edgmon's points. He highlighted that lower income workers that were exposed to COVID at higher rates, had contracted the more severe variant, and suffered earning losses, fell behind and never did recover. He emphasized that the bill was specifically aimed at the group, so they did not give up on Alaska. He commented that the situation was out of the workers' control. He believed that the state was in a situation currently, where billions of dollars were forthcoming, and the state lacked the workforce to meet the demands of the

resource. He offered to provide the committee the workforce and demographic data.

CSSB 10(FIN)am was HEARD and HELD in committee for further consideration.

Co-Chair Merrick reviewed the schedule for the following Monday.

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ADJOURNMENT

2:59:09 PM

The meeting was adjourned at 2:59 p.m.