

SENATE FINANCE COMMITTEE

March 2, 2021

9:03 a.m.

9:03:03 AM

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman
Senator Donny Olson (via teleconference)
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Natasha von Imhof

ALSO PRESENT

Emma Torkelson, Staff, Senator Josh Revak; Doug Vincent-Lang, Commissioner, Department of Fish and Game; Tim Lamkin, Staff, Senator Gary Stevens; Kris Curtis, Legislative Auditor, Alaska Division of Legislative Audit.

PRESENT VIA TELECONFERENCE

Senator Josh Revak, Sponsor, Juneau; John Sturgeon, Safari Club International, Alaska Chapter, Anchorage; Al Barrette, Self, Fairbanks; Patrick Pillai, Executive Director, Special Education Service Agency; Heidi Teshner, Director, Finance and Support Services, Department of Education and Early Development, Juneau; Katie Botz, Self, Juneau.

SUMMARY

SB 19 EXTEND SPECIAL EDUCATION SERVICE AGENCY

SB 19 was HEARD and HELD in committee for further consideration.

SB 22 INTENSIVE MGMT SURCHARGE/REPEAL TERM DATE

SB 22 was HEARD and HELD in committee for further consideration.

#sb22

SENATE BILL NO. 22

"An Act repealing the termination date for the intensive management hunting license surcharge."

[9:05:48 AM](#)

SENATOR JOSH REVAK, SPONSOR, JUNEAU (via teleconference), discussed the Sponsor Statement:

Hunting is a staple of Alaskan culture and essential to the lives of many Alaskans. It is of the utmost importance that the wildlife populations be carefully maintained throughout our state so that future generations can continue to provide food for their families and carry on this great Alaskan tradition. To fulfill this genuine need for conservation, wildlife populations must be monitored to prevent over-hunting and to promote vibrant, healthy, and sustainable wildlife populations.

In 1994, the legislature initiated an "Intensive Management Program" overseen by the Board of Game which uses careful observation and scientific analysis to manage Alaska's game populations. Since then, if a population drops below what is required to meet the needs of Alaskans and remain healthy, intensive management (IM) begins with an investigation into the causes of the low population numbers; whether there is a habitat concern, predator population shift, spread of disease, etc. From here, the Board of Game develops policies to meet the identified challenges and maintain sustainable wildlife populations across Alaska.

Originally funded with general budget appropriations, hunters supported a bill in 2016 which placed a surcharge (\$10 for residents and \$30 for nonresidents) on hunting licenses that lets the users directly fund

the sustainability efforts of the IM program. Since its passage, an average of \$4 million has been raised every year by the surcharge and matched federal grants and the hunting community and industry continues to be in full support.

Currently, the IM surcharge has a sunset date which will repeal it and jeopardize the ability of the Board of Game to carry out effective intensive management projects. SB 22 seeks to permanently repeal that sunset date and allow the IM program to continue their sustainability efforts for the wildlife populations that are such an important food source for Alaskans. With the passage of SB 22, the IM program will not have to rely on the availability of more state appropriations or further federal funding as it did before 2016. Ultimately, careful stewardship of Alaska's wildlife resource is what will maintain Alaska's long-standing connection to hunting for generations to come and SB 22 directly supports that mission.

[9:07:16 AM](#)

EMMA TORKELSON, STAFF, SENATOR JOSH REVAK, continued to address the legislation.

Senator Hoffman queried the other category of exemption, besides the elderly.

Ms. Torkelson replied that hunters that qualified for an income-based hunting license were exempt from the surcharge.

[9:10:28 AM](#)

Senator Hoffman remarked that there were several people in rural Alaska that were heavily dependent on hunting to supplement their food source. He wondered whether there would be an acceptance for an exempt status for subsistence hunters.

Senator Revak replied that he would entertain and examination of an amendment. He explained that the intent of the bill was increase populations in areas specifically used for subsistent hunting.

Senator Hoffman surmised that the intent of the bill was to "add" to general funds, rather than supplant the funds to continue the management of the resource.

Senator Revak replied in the affirmative.

Senator Hoffman was glad to see that the funds could be used to turnaround and issue, and wished the department had the same philosophy.

Senator Olson wondered whether deer, caribou, and moose were the only animals covered by the legislation.

Ms. Torkelson deferred to the commissioner of Department of Fish and Game (DFG).

Senator Olson specifically wondered whether there was an inclusion of muskox.

Senator Olson wondered whether the user groups included the big game hunters from out of state.

Senator Revak replied that anyone who bought a tag that did not fall under the exemptions would be contributing to the fund, including the out of state hunters.

[9:15:45 AM](#)

Co-Chair Stedman asked for an outline of the geographic dispersion of the revenue generation.

Co-Chair Bishop wondered whether he would be classified as "elderly."

Senator Revak replied in the affirmative.

Senator Hoffman wondered whether there could be a staggered surcharge for instate versus out of state hunters.

Senator Revak replied that he did not want to complicate the bill and leave funds on the table, but was open to suggestions.

Ms. Torkelson furthered that currently, in statute, the surcharge for residents was \$10, and the surcharge for out of state residents was \$30. Therefore, there was already a difference.

Senator Hoffman wondered if there was a difference for intensive management.

Ms. Torkelson replied that she could not speak to intensive management.

Senator Hoffman stated that he had been in charge of the DFG budget for over 20 years, so he was "well aware of that fact."

[9:19:57 AM](#)

DOUG VINCENT-LANG, COMMISSIONER, DEPARTMENT OF FISH AND GAME, explained that the intensive management (IM) law allowed for DFG to identify moose, caribou, and deer populations that were an especially important food source. Therefore, determining that populations remained large enough to provide food security for Alaskans through an adequate and sustained harvest. He stated that DFG's IM law was funded from a series of capital budgets. He remarked that hunters became concerned about the future of IM when the capital funds ran out.

Co-Chair Stedman stressed that there were not dedicated funds, because of the word, "designated" in the constitution. He wanted to hear about the potential offset with other general funds.

Commissioner Vincent-Lang replied that the surcharge would go into the Fish and Game Fund, which was the only "dedicated" fund in the state.

[9:26:06 AM](#)

Co-Chair Stedman felt that the federal government should follow the state's hunting closures in the wintertime.

Commissioner Vincent-Lang agreed.

Senator Wielechowski asked for an explanation of the federal match.

Commissioner Vincent-Lang replied that the money could be used to match the federal funds three to one. He stated that most of the money would be used for research assessing

populations of moose, caribou, and deer, and their predator populations. He stated that a portion of the funds was also used without match to conduct the predator control.

Senator Wielechowski wondered whether there was a low income exemption for the surcharge.

Commissioner Vincent-Lang replied that everyone in Alaska is a subsistence user, unlike under federal law. Therefore, anyone considered "low income" would only pay five dollars.

Co-Chair Bishop surmised that some of the money be used for ariel surveys.

Commissioner Vincent-Lang agreed.

Senator Hoffman wondered what other funds DFG referred to when "this will also free up other funds."

Commissioner Vincent-Lang replied that if there were no surcharge, the department would need to dip into the Fish and Game Fund to conduct ongoing activities in the department.

[9:31:00 AM](#)

Senator Hoffman felt that if, for some reason, the legislation sunsets, there should be an examination of general funds for matching.

Co-Chair Stedman wondered whether any funds had been left on the table through the federal government.

Commissioner Vincent-Lang remarked that it had been an issue for a few years, so they were trying to reconcile that issue. He stressed that there could be an issue of leaving money on the table without the legislation.

Co-Chair Stedman queried the dollars and years that the money was lost.

Commissioner Vincent-Lang agreed to provide that information.

[9:34:46 AM](#)

Co-Chair Bishop OPENED public testimony.

[9:35:15 AM](#)

JOHN STURGEON, SAFARI CLUB INTERNATIONAL, ALASKA CHAPTER, ANCHORAGE (via teleconference), spoke in support of the legislation, and felt that the program should not sunset.

[9:36:43 AM](#)

AL BARRETTE, SELF, FAIRBANKS (via teleconference), testified in support of the bill. He shared that he had seen increases in some of the game populations because of the program. He offered that the bill could be amended, to add to the fee of a hunting license permanently.

Co-Chair Bishop CLOSED public testimony.

SB 22 was HEARD and HELD in committee for further consideration.

[9:38:19 AM](#)

AT EASE

[9:40:32 AM](#)

RECONVENED

#sb19

SENATE BILL NO. 19

"An Act extending the special education service agency; and providing for an effective date."

[9:41:34 AM](#)

TIM LAMKIN, STAFF, SENATOR GARY STEVENS, explained the legislation:

SB 19 would extend the sunset date for the Special Education Service Agency (SESA) to June 30, 2029.

SESA offers services not provided by any other government or private sector agency in the State of Alaska.

SESA is a public agency, created in 1986 under Alaska statute AS 14.30.600. It is governed by the Governor's Council on Disabilities and Special Education. SESA was created to assist Alaska school

districts to serve children with low incidence disabilities. Technical assistance, provided by specialists with advanced training and specialized disability experience, is provided at no cost to school districts.

Specifically, SESA is tasked to provide:

- (A) itinerant outreach services to students who are deaf, deaf-blind, mentally retarded, hearing impaired, blind, and visually impaired, orthopedically disabled, health-impaired in other ways, and severely emotionally disturbed, and to students with multiple disabilities;
- (B) special education instructional support and training of local school district special education personnel; and
- (C) other services appropriate to special education needs.

SESA must be reauthorized this session to avoid discontinuation of these services beginning July 1, 2021.

SESA performs an effective and efficient service to school districts educating students with low incidence disabilities. SESA employs 11 education specialists who provided services to 45 school districts and more than 200 students during the last school year. During this time, SESA also provided 320 onsite consultations with school districts.

The latest AK Legislative Budget and Audit Committee Report affirms: "SESA meets a valid public need by:

- (1) assisting school districts in providing students affected by low incidence disabilities (LID) an education that meets their unique needs;
- (2) affording opportunities to enhance the capabilities of school district teachers and paraprofessionals; and
- (3) providing LID and special education resources

[9:43:10 AM](#)

Mr. Lamkin highlighted the Sectional Analysis (copy on file):

Section 1: Extends the sunset date for SESA to June 30, 2028.

Section 2: Provides for a retroactive effective date in the event the bill doesn't pass before June 30, 2021.

Section 3: Provides for an immediate effective date upon its passage.

9:44:03 AM

PATRICK PILLAI, EXECUTIVE DIRECTOR, SPECIAL EDUCATION SERVICE AGENCY (via teleconference), (SESA) spoke from a prepared testimony related to the presentation titled, "Introduction" (copy on file).

Mr. Pillai read from his prepared statement:

This is the homepage of SESA's website. It provides online access to program services and resources, a lending library, online professional development e-modules, and an easy process for school districts to submit online referrals for SESA service. The yellow text, the agency's mission statement, reflects the agency's focus on addressing the unique special education needs of students, parents, and teachers across Alaska's 54 school districts, via year-round onsite and distance delivered consultation and training.

9:45:16 AM

Mr. Pillai continued to read from his prepared statement:

SESA's legacy of special education support evolved from the intent of P.L. 94-142, the Individuals with Disabilities Education Act of 1975. Reauthorized in 2004 and amended in 2015 as the Every Student Succeeds Act. The law mandates a free and appropriate public education to students with disabilities. SESA activity assists parents and school district staff, make tangible, through specialized educational interventions, the services mandated by special education law.

Mr. Pillai continued to read from his prepared statement:

The Statute establishing SESA, specifically addresses technical assistance and service to students with low incidence disabilities. Low incidence disabilities is defined in the literature as occurring in less than 1 percent of the total population. The rarity of the disability manifests in the reality of possible infrequent need by a district, and, as a consequence, special education services therefore not normally available. An example is a situation of one child with deafness in a rural school district, with no access to a sign language interpreter, and a special education teacher with no prior experience working with a deaf child. SESA affords such sites, access, to a specialist with an endorsement in deaf education. In addition to consultation, support and training other supplementary services are available, e.g., assistance with application of mini-grants, programming and setting up assistive technology, cross district trainings, etc.

Mr. Pillai continued to read from his prepared statement:

Although Alaska Statute 14.30.630(b) states that SESA shall focus on provision of low incidence disability services, it does under eligibility of service in AS14.30.350, indicate that SESA may provide services to disability categories other than low incidence disabilities. It is through this qualification that SESA provides services to students with autism. School district requests for autism services currently comprise a SESA autism caseload exceeding 100 students. Requests for in-servicing staff on the topic of autism, continues to increase each year. Many requests are for school wide or district wide trainings when numbers of students with autism are high. Larger districts have higher numbers. Anchorage 700, Fairbanks 169, Kenai 110 and Juneau 78 and Kodiak 38. Most rural remote schools have numbers that range from 0 to 23.

[9:48:13 AM](#)

Co-Chair Bishop asked for the numbers in rural Alaska by region.

Mr. Pillai agreed to provide that information.

[9:48:47 AM](#)

Mr. Pillai continued to read from his prepared statement:

SESA's logic model captures the design of process to deliver specialized services to parents, students, and school districts. The intent is to address the gap via solutions that promote not only availability of SESA services, but increases, through onsite and distance support, the local capacity of the individual site and the school district. This approach is critical to meeting the needs of rural schools and of creating broad participant training to address staff turnover. Through trainings provided to school districts via common platforms, collaboration and networking amongst teachers and paraprofessionals is increased. This leads to sharing of resources, reduces isolation, and ultimately promotes retention of teachers, especially in rural remote areas of the state.

Mr. Pillai continued to read from his prepared statement:

As part of operational process, SESA created benchmarks to guide specialist delivery of a high standard of service. The benchmarks provide a threshold of expectation and guides specialist evaluation for continuous improvement. A flow of service delivery includes:

Contact with district staff to establish relationship, identify site need, to plan TA.

Complete activities of file maintenance and compliance review

Prioritize site need as targeted (some local capacity but site needs service), intensive (no local capacity-greatest need for service), general (capacity present but needs minimal guidance on how to proceed).

Create a technical assistance objective based on review and site communication.

Provide technical assistance and training

Mr. Pillai continued to read from his prepared statement:

Slide 8 demystifies technical assistance! The continuum of services includes observations, assessments, educational interventions, modeling of strategies, in-service trainings, assistive

technology, and many more pertinent activities based on requests from the child's educational team members. It also includes other services such as assisting families when they visit ANMC for medical services, organizing and facilitating orientation and mobility training in the larger city of Anchorage for O and M exposure to navigate pavements, streetlights, and traffic. Specialists also work with vendors to troubleshoot assistive technology when teachers call with complaints of device non-functionality.

[9:51:41 AM](#)

Mr. Pillai continued to read from his prepared statement:

Using feedback from our annual public audit and sunset legislative audits SESA has designed a management system to include metrics for program and specialist evaluation. Post service satisfaction surveys are both emailed to service recipients and are available on each specialist's I-pad to make service feedback easier to collect. Feedback is shared and discussed with individual specialists, and collective information is shared with all specialists for continuous improvement of individual and agencywide performance.

Mr. Pillai continued to read from his prepared statement:

In addition to specialist evaluation, the SESA management system is designed to collect data on various aspects of agency activity. An activity is designated as any service contact that is 15 minutes or more. Service contact less than 15 minutes is captured in communication logs. Metrics focus on mission centric activities such as site travel, creation of educational materials, training and in-services and writing of student service reports. Data is analyzed to understand variables impacting service and variables impacting the SESA budget.

Mr. Pillai continued to read from his prepared statement:

This slide is a visual example of the customized management system SESA has designed to ensure data driven decision making. Individual reports provide data on specialist activity allowing for measurement

of productivity, number of reports completed within agency timeframe of 10 working days from date of site visit, schools and sites requesting service, active and historical student caseloads by district, location, and school, etc.

Mr. Pillai continued to read from his prepared statement:

Both legislative audits, and the program component of annual public audits, run tests of compliance with regard to process, procedure and special education laws and regulations. This section of the database was created in response for specific data and with feedback from auditors. Following a recommendation of the SESA Board to go green, SESA management worked to eliminate paper files. All of SESA's student record keeping is now electronic. The compliance element of the SESA database drives quarterly compliance reviews. This section of the database earns praise from auditors for its elegant simplicity of compliance review.

Mr. Pillai continued to read from his prepared statement:

Slide 13 captures, in red, the number of students attending Alaska's schools, in any given year between 2011 and 2020. The solid blue line captures the steadily increasing numbers of students on SESA's low incidence caseload. Increasing numbers of students with LID means greater need for SESA services. High turnover of staff in many districts often drives the need for repeated trainings for new staff, especially first year teachers who may be encountering any given disability for the first time.

Co-Chair Stedman looked at the legislative report, and noted that there were three students in Juneau, but 38 in Sitka and Ketchikan combined.

Co-Chair Bishop stated that his office would provide the question.

Mr. Lamkin stated that there was a threshold at which the district needed to apply their own resources, and there were also the type of disabilities that factored into the issue.

10:00:14 AM

Co-Chair Stedman wanted a more detailed answer in reference to the formula.

10:00:48 AM

HEIDI TESHNER, DIRECTOR, FINANCE AND SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, JUNEAU (via teleconference), introduced herself. She explained that number of participants in the program varied based on the needs of the students. The funding itself was based on the adjusted average daily membership multiplied by \$18.65 as set out in statute.

Senator Hoffman wondered how long the rate of \$18.65 had been in effect.

Ms. Teshner replied that she did not have the exact timeframe.

Mr. Lamkin explained that current formula was set in 2013.

Mr. Pillai continued to read from his prepared statement:

Slide 14 is a history of SESA fund balance from 2013 and projected to 2023. The cycle captures the low funds usually seen at the end of a sunset cycle (2013), higher funds at the middle of the cycle, and the trending to lower fund balance at the end of the cycle as a result of increasing costs. The typical scenario is slightly different in 2021 due to two premium holidays of health insurance, two unfilled specialist vacancies, unspent travel funds in COVID times, \$175,000 in discretionary funding received from DEED to assist SESA to hire two new specialists in 2019, and to boost fund balance beyond reauthorization, without knowing when a funding increase may next be feasible. SESA's last funding increase was in 2014, fifteen years post the previous funding increase. At the end of this fiscal year (2021), due to the impact of COVID-19 on travel, we anticipate adding \$120,000 to fund balance. At the end of FY22, factoring for cost increases we anticipate using \$578,000 from fund balance. This is as a result of the impact of a CPI index increase of 6.3 percent over the last 7 years and compounding salary and

health benefit increases to stay competitive with hiring.

[10:06:02 AM](#)

Senator Wilson wondered whether SESA had any Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Mr. Pillai replied in the negative.

Mr. Pillai continued to read from his prepared statement:

The recently completed legislative audit concurs that SESA meets the needs of students with low incidence disabilities, provides professional development opportunities to teachers and paraprofessionals, provides special education resources to parents and school district staff, and concludes with a recommendation for an 8-year legislative reauthorization.

[10:06:46 AM](#)

Mr. Pillai continued to read from his prepared statement:

SESA is requesting reauthorization, to continue providing the key services identified by the state of Alaska, as being important to the full academic and social development of a child with a disability. This includes all the activities of technical assistance reviewed earlier in the presentation.

Mr. Pillai continued to read from his prepared statement:

SESA's customized database allows us to run reports of agency productivity. The slide captures activities of technical assistance, of schools and districts served, of trainings (customized and general) conducted onsite and via distance delivery, and an analysis of funds saved with SESA's investment in technologies of distance delivery. Savings are more than indicated on slide 17 since savings are also realized with site consultation provided via distance delivery.

Senator Hoffman wondered whether the department or administration supported the legislation.

Ms. Teshner replied that DEED supported the legislation.

Senator Hoffman queried department's position on the amount of funding that had not been increased since FY 13.

Ms. Teshner replied that the department did not have a position on the amount, but were supportive of SESA. She felt that matching funds would be worth addressing.

Mr. Lamkin felt that the Ms. Curtis would provide further information.

[10:09:54 AM](#)

KRIS CURTIS, LEGISLATIVE AUDITOR, ALASKA DIVISION OF LEGISLATIVE AUDIT, discussed the audit (copy on file).

Ms. Curtis continued to discuss the audit.

Ms. Curtis stated that the audit had one recommendation.

[10:15:24 AM](#)

Senator Wilson wondered whether the recommendation was to allow more students to receive services or to make them ineligible for services.

Ms. Curtis replied that the recommendation was simply to improve documentation.

Senator Wielechowski wondered whether Anchorage was exempt from the program.

Ms. Curtis replied that there should not be many SESA students in large districts, because it was considered supplemental to "help fill the holes. "

[10:19:05 AM](#)

Co-Chair Bishop OPENED public testimony.

KATIE BOTZ, SELF, JUNEAU (via teleconference), spoke in support of the bill.

Co-Chair Bishop CLOSED public testimony.

SB 19 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

10:25:18 AM

The meeting was adjourned at 10:25 a.m.