

HOUSE FINANCE COMMITTEE
March 21, 2023
1:33 p.m.

1:33:31 PM

CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Bryce Edgmon, Co-Chair
Representative Neal Foster, Co-Chair
Representative DeLena Johnson, Co-Chair
Representative Julie Coulombe
Representative Mike Cronk
Representative Alyse Galvin
Representative Sara Hannan
Representative Andy Josephson
Representative Dan Ortiz
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Dustin Larna, Residential Youth Care, Ketchikan, In-Person.

PRESENT VIA TELECONFERENCE

Kari Sagel, Early Childhood Coalition/Childcare Now, Sitka;
Rowena Palomar, Advocates for Victims of Violence, Valdez;
Kathy Morgan, Tok Community Library, Tok; Scott Arndt,
Representing Self, Kodiak; Pat Case, Independent Living
Center, Homer; Marilyn Casteel, Executive Director, Safe
And Fear Free Environment (SAFE), Dillingham; Jeff Good,
City and Borough of Wrangell, Manager, Wrangell; Sarah
Keller, Self, Fairbanks; Penny Lample, Kodiak Women's
Resource Crisis Center, Kodiak; Cynna Grubatayao, Ketchikan
Gateway Borough, Assistant Manager, Ketchikan; Robbi Mixon,
Director of Alaska Food Policy Council, Homer; Natalie
Wojcik, Sitkans Against Family Violence, Sitka; Ann

Millard, Self, Eagle; John Zacharias, Client, Southeast Alaska Independent Living, Ketchikan; Patrick Reinhart, Governor's Council on Disability and Special Ed, Homer; Erica Kludt-Painter, Self, Petersburg; Tyler McNeil, Program Director, Community Connections, Ketchikan; Jennifer Jackson, Self, Ketchikan; Alan Sorun, Self, Valdez; Candace Waruch, Self, McGrath; John Anderson, Self, Valdez; Sonja Marx, Librarian, Dillingham Public Library, Dillingham; Herman Morgan, Self, Aniak; Michelle Chase, Valdez Food Bank, Valdez; Susan Kraft-Anderson, Self, Valdez; James Devens, Self, Valdez; Elaine Loomis Olsen, Self, Kodiak; Bill Burr, Superintendent Wrangell Public Schools, Wrangell; Scott Macmanus, Alaska Gateway School District, Tok; Cyndy Mika, Superintendent, Kodiak School District, Kodiak; Michael Robbins, Superintendent Ketchikan Gateway Borough School district, Ketchikan.

SUMMARY

HB 39 APPROP: OPERATING BUDGET/LOANS/FUND; SUPP

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

HB 41 APPROP: MENTAL HEALTH BUDGET

HB 41 was HEARD and HELD in committee for further consideration.

Co-Chair Johnson reviewed the meeting agenda.

#hb39

#hb41

HOUSE BILL NO. 39

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making reappropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

HOUSE BILL NO. 41

"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."

^PUBLIC TESTIMONY: Sitka, Petersburg, Dillingham, Glennallen, Valdez, Wrangell, Homer, Ketchikan, Kodiak, Seward, Tok

[1:35:15 PM](#)

AT-EASE

[1:35:30 PM](#)

RECONVENED

Co-Chair Johnson explained that the committee would hear public testimony on the operating and mental health budgets. She reviewed public testimony protocol and call-in information.

[1:38:30 PM](#)

Co-Chair Johnson opened public testimony.

[1:38:52 PM](#)

KARI SAGEL, EARLY CHILDHOOD COALITION/CHILDCARE NOW, SITKA (via teleconference), testified in support of increased funding for early childhood budget items including childcare services for children and early childhood education. She shared from personal experience a story about a qualified candidate for a position [job undisclosed] that was declined due to lack of proper childcare. The position remained open. She advocated for reliable and affordable childcare. She noted that Sitka was in a crisis because parents were not able to find childcare. Parents placed themselves on childcare waitlists prior to their children's births. The lack of childcare impacted the city through lack of personnel, which reduced its service hours or cut a service completely. She mentioned that schools reported an increase in children with learning difficulties and she favored increases in early childhood education.

[1:41:02 PM](#)

ROWENA PALOMAR, ADVOCATES FOR VICTIMS OF VIOLENCE (AVV), VALDEZ (via teleconference), testified in support of the Council on Domestic Violence and Sexual Assault (CDVSA). She noted that the amount currently in the budget was a \$3 million General Fund (GF) one-time appropriation along with \$3.5 million in federal funds for CDVSA. Without the one-time increments, services for victims would be \$6.5 million less than the previous year. The cost of operating a shelter became more expensive with inflation. She shared that the shelter's utilities were currently \$4,497 per month increased from \$2,998. The cost of food had increased over \$1,000 in the prior year to \$3,500. In FY 2021, AVV provided 595 shelter nights and since the start of the current fiscal year, the shelter already provided 602 nights. She emphasized that stable funding would help provide AVV's critical services.

[1:43:38 PM](#)

KATHY MORGAN, TOK COMMUNITY LIBRARY, TOK (via teleconference), testified against the \$402,700 that was proposed to be cut from the state library Public Assistance Grant. The grant funded much of TOK's library annual operating costs. She detailed that volunteers kept the library open for 31 hours over 7 days each week. The grant program was the single largest source of income for the library, which would be reduced from \$7,000 to \$2,300 in FY 2024. One of the grant requirements was spending \$3,500 on collection development like new books and movies. She emphasized that the library was completely volunteer operated. She listed items the funding provided including filtered internet, the electronic catalog, and utilities. Tok was not part of an organized borough, therefore it did not provide funding from tax revenue. She disclosed that the library had a small amount of savings that was unsustainable for the long-term. She also urged support for the \$635,000 increment for the Statewide Library Electronic Doorway (SLED) data bases.

[1:46:00 PM](#)

Representative Cronk thanked Ms. Morgan for her testimony.

[1:47:08 PM](#)

SCOTT ARNDT, REPRESENTING SELF, KODIAK (via teleconference), shared that he was a member of the Kodiak

Island Borough Assembly but was testifying on his own behalf. He listed some of the concerns of the assembly in Kodiak: Community Assistance re-capitalization, continued school bond debt reimbursement, education spending, and the Alaska Marine Highway System (AMHS). He supported raising the Base Student Allocation (BSA). He also spoke in favor of funding the Alaska Marine Highway System (AMHS) that was vital to the Kodiak area.

[1:48:29 PM](#)

PAT CASE, INDEPENDENT LIVING CENTER, HOMER (via teleconference), testified in support of the Independent Living Center (ILC) and restoration of funding for the Division of Senior and Disabilities Services (SDS) Community based grant program. He relayed that he was 90 percent blind and a client of ILC, which was an advocacy group that helped keep individuals independent and living in their own homes. The center administered many of the grants that helped the community. Without the center, disabled people of Homer would not have the kind of independence that allowed them to be active community members.

[1:50:16 PM](#)

AT-EASE

[1:51:39 PM](#)

RECONVENED

Co-Chair Johnson reminded testifiers that they were able to send testimony via email.

[1:52:44 PM](#)

MARILYN CASTEEL, EXECUTIVE DIRECTOR, SAFE AND FEAR FREE ENVIRONMENT (SAFE), DILLINGHAM (via teleconference), testified in support of the CDVSA budget and for its services for victims. She thanked the members of the committee for supporting the CDVSA. She spoke to the \$6.5 million increment in one-time increments for the council. She reported that SAFE's food budget had to be increased by an additional \$20,000. The shelter received at least two phone calls per week from clients asking for money to buy food. The issue was one of a few challenges faced by those in rural Alaska and help was needed.

[1:55:06 PM](#)

JEFF GOOD, CITY AND BOROUGH OF WRANGELL, MANAGER, WRANGELL (via teleconference), offered his support for funding the AMHS and relayed that it was a critical lifeline for residents in Southeast Alaska. He also supported increased funding for schools in the state. He requested that funding be increased to at least the level of inflation. He addressed his final item of the 301(h) waiver issued by the Department of Environmental Conservation (DEC), which added new requirements and placed a huge financial strain on the community. He requested financial support other than loans.

[1:56:48 PM](#)

Representative Josephson recalled Commissioner Jason Brune, (Commissioner, Department of Environmental Conservation) speaking to the 301(h) waiver and asked for a brief description of the waivers and the reason for the increased costs.

Mr. Good responded that Environmental Protection Agency offered a 401 permit for wastewater systems. The department (DEC) issued an 301(h) waiver for non-standard systems. The Wrangell waiver was based off its mixing zone. The mixing zone requirement was changed over the last year, which impacted 8 Alaskan communities. He delineated that a new facility would need to be built in Wrangell for disinfection costing an estimated \$3 to \$5 million.

Representative Ortiz thanked Mr. Good for his testimony.

[1:58:45 PM](#)

SARAH KELLER, SELF, FAIRBANKS (via teleconference), relayed that one of the things she was most passionate about was public broadcasting. She favored funding for public broadcasting be restored to the FY 2018 level of \$2.7 million. She relayed that public broadcasting across the state was critical to public safety as it relayed emergency information to the public. She referenced the Typhoon Merbok event and recounted that public broadcasting continued in Nome throughout the storm. Public Broadcasting also provided public health notifications. She listed other things that were broadcasted over public radio such as, school board meetings and municipal meetings. She believed

that there were many important and fundamental benefits of public broadcasting for the entire state.

2:01:25 PM

PENNY LAMPLE, KODIAK WOMEN'S RESOURCE CRISIS CENTER, KODIAK (via teleconference), thanked the committee for its work on the budget. She noted that the center in Kodiak was the only safe place for Kodiak and its 6 surrounding villages for those experiencing domestic violence and sexual assault. She emphasized to the need for full funding in order to work with the trauma and mental health issues that accompanied its clients. She spoke of inflation and the fact that prices and utility costs had gone up significantly and how it impacted the center.

2:03:20 PM

CYNNA GRUBATAYAO, KETCHIKAN GATEWAY BOROUGH, ASSISTANT MANGER, KETCHIKAN (via teleconference), addressed two areas of the budget. She noted that AMHS has been crucial to Ketchikan and favored consistent and stable funding. She shared that Ketchikan was greatly impacted by the marine highway's instability. She supported funding to resume and maintain the Prince Rupert runs. She turned to school funding and reported that the Ketchikan Gateway Borough school district was one of many districts that was struggling under the weight of inflation. The FY 22 and FY 23 period had been especially difficult. She advocated for consistent reliable funding versus one-time funding. She clarified that an education funding package included school bond debt reimbursement and major maintenance.

2:04:56 PM

ROBBI MIXON, DIRECTOR OF ALASKA FOOD POLICY COUNCIL, HOMER (via teleconference), shared that she also directed the Alaska Farmer's Market Association and was a member of the Alaska Food Coalition. She testified in support of the appropriations for technology upgrades, additional staff, and Information Technology (IT) workers for the Department of Health (DOH) regarding the Supplemental Nutrition Assistance Program (SNAP) backlog. She related that in Homer and Anchor Point, there had been a huge increase in the demand for food bank assistance. Recipients of SNAP had been waiting for over six months to get SNAP applications approved, which significantly impacted the food banks. She

encouraged the Department of Health and the legislature to consider long-term efforts to improve the SNAP program such as, broad-based categorical eligibility that provided easier food access and big cost savings and efficiencies for the state. She thanked the governor for recent financial assistance to mitigate the backlog.

[2:07:15 PM](#)

NATALIE WOJCIK, SITKANS AGAINST FAMILY VIOLENCE, SITKA (via teleconference), testified in favor of the budget for CDVSA. She expressed her support for the one time increments of \$3 million GF and \$3.5 million in federal appropriations. She highlighted that all the costs for shelter services had increased. She hoped that additional funds would be found. She relayed that the shelter was the only emergency shelter in Sitka. The numbers had been climbing at the shelter since the COVID-19 pandemic and the living room and conference room was currently used for overflow. She informed the committee of the housing crisis in Sitka and the average 1.5 years wait time to find permanent housing. She expressed the importance of primary prevention networks. In 2008, SAFE and her organization embarked on prevention programs and worked on creating a community where domestic violence was eliminated and remarked that funding was needed for prevention work to decrease the need for shelter funding.

[2:09:37 PM](#)

Representative Galvin asked for clarification that the conference rooms were being used for sleeping quarters. Ms. Wojcik responded in the affirmative. Representative Galvin asked if children were also staying in the conference rooms and living there for up to a year and a half. Ms. Wojcik affirmed that children lived in the shelter, but they were prioritized for family rooms and single women were sleeping in the conference room.

[2:10:39 PM](#)

Co-Chair Johnson reiterated the communities from which testimony was currently being received.

[2:11:59 PM](#)

ANN MILLARD, SELF, EAGLE (via teleconference), clarified that she is from the community of Eagle located on the Yukon River. She relayed that she was a "snowbird" and lived in Fairbanks in the winter. She testified in support of funding public broadcasting. She stressed that it was critical to the Eagle community. She explained that she and her husband did not have cell phone service in the community and the internet source was unreliable. The only source of public information and safety and weather information was the radio. She shared that she financially supported public broadcasting and asked the legislature to do its part to help. She reiterated the critical nature for the community to have public broadcasting.

[2:14:25 PM](#)

Representative Cronk thanked Ms. Millard.

[2:14:55 PM](#)

JOHN ZACHARIAS, CLIENT, SOUTHEAST ALASKA INDEPENDENT LIVING, KETCHIKAN (via teleconference), shared that he was bipolar and that there were few services available for disabled people in the state and they were difficult to find. He was grateful to have discovered the organization Southeast Alaska Independent Living (SAIL) that helped him immensely with many resources. He was able to finish his college degree and find work and become a "vital Ketchikan citizen." He urged the committee to continue to fund the Senior and Disabilities Services (SDS) grant that enabled SAIL to help people like him.

[2:16:30 PM](#)

PATRICK REINHART, DIRECTOR, GOVERNOR'S COUNCIL ON DISABILITY AND SPECIAL ED, HOMER (via teleconference), testified in support of disabilities services. He relayed that the council asked for the state to develop a "Centralized Accommodation Fund" of \$100,000 for employees with disabilities and noted that large governments often provided the fund to dispel the myth that disabled people were costly to hire. The second item he spoke to was related to the Intellectual and Developmental Disabilities (IDD) waitlist eradication plan (5-year) requested by the legislature in the prior year. He explained that Senior and Disability Services devised the plan and he advocated for two of the plan's items. The first was for \$647,800 GF in

disability services to develop a better consumer assessment tool that could also be useful for future self-directed waivers called the interRAI assessment tools. The eradication plan also called for \$16 million of Medicaid waiver funding, of which \$5.4 million was GF matching funds.

[2:18:53 PM](#)

Representative Josephson recalled that he was familiar with the interRAI assessment tools. He asked Mr. Reinhart to explain the program. Mr. Reinhart responded that the \$647,800 was needed to replace the old 1980's ICAP consumer assessment tool that defined which services were needed by individuals with disabilities. The new assessment tool was more specific in determining the exact services an individual needed.

[2:20:35 PM](#)

ERICA KLUDT-PAINTER, SELF, PETERSBERG (via teleconference), supported an increase in public education spending. She relayed that she was the superintendent of the Petersburg School District since 2001, and the mother of two graduates of the Petersburg High School. Her commitment to schools in the state was steadfast. She voiced her support for an operating budget that funded public education with a BSA increase of \$1,250 [per student]. She furthered that the education budget in Alaska had been unstable for years. The impact of inflation had created a significant loss of purchasing power. The instability had resulted in inadequate resources, underfunded programs, and limited opportunities that lead to a decline in the quality of education in Alaska. She declared that in order to foster quality education, the state needed to make a major investment in education. Stable and predictable funding was necessary to attract and retain high quality teachers. After years of conservative budgeting, the Petersburg School District was facing a \$1,000,000 deficit. The current operating budget was not sufficient to support successful implementation of the Reads Act.

[2:23:00 PM](#)

TYLER MCNEIL, PROGRAM DIRECTOR, COMMUNITY CONNECTIONS, KETCHIKAN (via teleconference), testified in support of the increased rate needed to sustain the Home and Community

Based Service Program. He stressed that the services were essential to keep people with disabilities in their homes and community. Community Connections helped people live and work independently and be fully integrated members of the community. The rates had not increased over the prior 12 years. He offered that the increase in the rates needed to be adequate to continue providing the important and valuable services in the future. There were several service agencies that had gone out of business in the prior few years and many were operating with deficits including his organization. He advocated for the \$647,800 GF necessary to address the IDD waitlist.

[2:24:52 PM](#)

Representative Ortiz thanked the testifier for his work.

[2:25:21 PM](#)

AT-EASE

[2:26:31 PM](#)

RECONVENED

Representative Josephson asked Mr. McNeil about the \$647,800 for the IDD waitlist. He referred to prior testimony that identified the same amount for the interRAI assessment program. He reported that the state had prepared a report on how to eradicate the waitlist. The funding had not been appropriated yet, but the report called for \$7 million in the upcoming fiscal year for the initial implementation. He asked about the discrepancy between the \$7 million necessary and the \$647,800 figure. Mr. McNeil understood that the \$647,800 was allotted to help begin the restructure of the IDD program, which would include adopting the interRAI assessment, a consultant, and additional administrative support at SDS to address the IDD waiver waitlist. He clarified that he advocated for the initial implementation of the eradication plan and for the InterRAI assessment tool be implemented to help eradicate the waitlist.

[2:29:26 PM](#)

JENNIFER JACKSON, SELF, KETCHIKAN (via teleconference), testified in support of home and community based services. Mr. McNeil relayed the statements of Ms. Jackson. He relayed that home and community based services had helped

Ms. Jackson return to her hometown and live independently as well as receive other services. She shared that she was Miss Wheelchair Alaska in 2015 and had published her own book titled "Little Raven's Tail" since her return to independent living.

[2:31:19 PM](#)

Representative Ortiz thanked Ms. Jackson for testifying. He asked Mr. McNeil whether it saved the state funding when Ms. Jackson returned to Ketchikan to live independently. Mr. McNeil answered in the affirmative and added that home and community based services were significantly cheaper than institutional level of care. The supports that met Jennifer's needs were cheaper than the nursing facilities she had resided in and also had greatly improved her quality of life. Mr. McNeil relayed that Ms. Jackson stated that she was in her 20's when she was put in a nursing home and "it was not very fun" and she was currently very happy.

[2:33:36 PM](#)

ALAN SORUN, SELF, VALDEZ (via teleconference), testified in favor of funding for public radio. He listed all the communities the public radio station in Valdez served. He thanked the committee for its service.

[2:34:20 PM](#)

CANDACE WARUCH, SELF, MCGRATH (via teleconference), testified in support of public broadcasting corporation funding. She related that she worked for the Kuskokwim public broadcasting corporation KSKL radio in McGrath. She shared that KSKL served 7 villages with repeaters and had been broadcasting since 1981. The station was constantly providing emergency updates, pandemic information, weather, voting information in multiple languages, subsistence regulations and closings, etc. The system also hired locals and had student training. The community relied on the radio for everything. She informed the committee that she lived in a roadless community in a vast wilderness and stressed the importance of public radio.

[2:36:28 PM](#)

JOHN ANDERSON, SELF, VALDEZ (via teleconference), testified in support of public radio. He relayed that the Valdez

public radio station was important to the people of Valdez and had excellent programming. He indicated that KCHU, the radio station, also handled all types of emergency alerts for Valdez and all the communities it served. He would be relieved to know that the emergency alerts would continue to be broadcasted. He noted that the radio station had its own generators so emergency alerts would continue in an emergency situation. He requested increased funding for public radio.

[2:38:06 PM](#)

SONJA MARX, LIBRARIAN, DILLINGHAM PUBLIC LIBRARY, DILLINGHAM (via teleconference), testified in support of public library funding and specifically for the Public Library Assistance Grants. She appreciated the support the grant provided the library. She would like to receive the funding in the amounts that had been provided in the prior years, which was \$7,000. She related that the money was used for internet and library materials. She also favored continued funding for the SLED library system.

[2:39:52 PM](#)

HERMAN MORGAN, SELF, ANIAK (via teleconference), testified against funding for public radio stations. He believed that he was being censored for speaking against certain things he believed was being taught in public schools. He felt that public radio was partisan. He spoke in favor of a full Permanent Fund Dividend (PFD).

[2:42:26 PM](#)

MICHELLE CHASE, VALDEZ FOOD BANK, VALDEZ (via teleconference), testified in support of funding SNAP and providing immediate financial help for the program. She thought that there was nothing more critical than people receiving food and emergency assistance when it was needed. She indicated that the state systems were outdated and needed increased staffing and new equipment to provide people in the state with access to the program.

[2:43:37 PM](#)

SUSAN KRAFT-ANDERSON, SELF, VALDEZ (via teleconference), testified in support of public radio funding. She noted that KCHU was the radio station in Valdez, and it was

important not only to Valdez but other remote communities where other radio stations do not reach. Public radio provided disaster information and she believed that public radio stations should be allowed to remain in operation. She supported the funding of public radio.

[2:44:38 PM](#)

Co-Chair Johnson called a brief at-ease.

[2:45:00 PM](#)

AT-EASE

[2:45:52 PM](#)

RECONVENED

[2:46:00 PM](#)

AT-EASE

[2:46:22 PM](#)

RECONVENED

Co-Chair Johnson invited an in-person testifier to the witness table.

[2:46:41 PM](#)

DUSTIN LARNA, RESIDENTIAL YOUTH CARE, KETCHIKAN, IN PERSON, explained that Residential Youth Care (RYC) was a children's behavioral health agency. He testified in support for funding for behavioral health services and noted that there had been an ongoing reduction in grants in prior years. The grant funding would fill in the funding gaps where money fell short in the 1115 waiver. He voiced support for fully funding education, including increasing the BSA. He indicated that one of the important things learned during the pandemic was how important schools were for youth and families in communities. He believed that inadequate funding for education increased the need for services like behavioral health. He advocated for funding for the Office of Children's Services (OCS) to help them improve it services.

[2:48:48 PM](#)

Representative Josephson asked if Mr. Larna knew the amount of year after year reductions in behavioral health grants.

Mr. Larna was uncertain but offered to provide the information.

[2:49:34 PM](#)

Representative Stapp informed Mr. Larna that the 1115 waiver renewal was in process during the current week and there was a public comment period for amending the waiver.

[2:50:14 PM](#)

Co-Chair Johnson reminded the committee of the communities from which the committee was hearing testimony. She reiterated the method of submitting written testimony.

[2:51:39 PM](#)

RECESS

[3:07:35 PM](#)

RECONVENED

Co-Chair Johnson noted that there would be five more testifiers.

[3:08:27 PM](#)

JAMES DEVENS, SELF, VALDEZ (via teleconference), testified in support of public media funding. He explained that public media was often the only source of news in rural areas and was integral for communities' emergency planning. Public media was the sole provider for emergency alerts to many communities in costal and remote Alaska. He commented that lack of funding diminished the emergency notice services. Prior to the current administration his public radio station had nine employees and due to the vetoes, there were only two employees. He communicated that his community radio station served more than a dozen remote communities, national parks, remote sections of highway, native villages, and across 40,000 miles of waterways, bays, and ports. In many areas, the radio station provided the only access to news, weather, and emergency alerts. He recounted that in 1964, his community lost a huge number of people as a result of the Good Friday earthquake because they lacked adequate warnings of an impending Tsunami. Currently, each of the communities were served by emergency alerts that broadcasted automatically. Alaska was the only

state that was not currently funding public media. He believed that the funding was a matter of public safety.

[3:11:15 PM](#)

ELAINE LOOMIS OLSEN, SELF, KODIAK (via teleconference), testified in support of her daughter who suffered from mental illness since a traumatic brain injury in 2012. The testifier was a care coordinator for vulnerable adults with intellectual disabilities and cognitive disorders. She fully supported all behavioral health funding. However, she was particularly hopeful that the Division of Behavioral Health's Crisis Now Continuum of Care grants at the amount recommended by the Alaska Mental Health Trust Authority (AMHTA) would be funded. She relayed an incident when her daughter was homeless in Anchorage, and she felt unsafe and afraid of staying at the shelter. She was missing for two weeks and had frostbite on her feet when the mobile crisis team found her. The mobile community crisis teams provided a safety net for at-risk Alaskans.

[3:13:48 PM](#)

BILL BURR, SUPERINTENDENT, WRANGELL PUBLIC SCHOOLS, WRANGELL (via teleconference), testified in support of educational opportunities for students in Wrangell. Wrangell had experienced many negative economic impacts such as: the loss of the timber industry, changing fishing seasons, and substantial reductions in AMHS, which affected school funding. When the pandemic happened, it was expected that Wrangell would have 308 students, but the student enrollment actually decreased to 170 students. The hold harmless would run out in the next year. He reexamined all aspects of the district's budget and cut class offerings, eliminated staff, and increased class size. The district had asked the borough for its maximum contribution. He urged the committee to support a BSA increase. He also asked for sustainable funding for the AMHS.

[3:16:40 PM](#)

SCOTT MACMANUS, ALASKA GATEWAY SCHOOL DISTRICT, TOK (via teleconference), testified in support of protecting the schools in the state by increasing the BSA and inflation proofing school funding. He elaborated that since FY 2017 the district's audited maintenance costs had gone up by 50 percent and was being deferred. He listed other significant

increases experienced by the districts that included soaring health care costs. The district ran heavily on competitive grants which was not a long term solution but was currently the only solution. The foundation and BSA funding totaled approximately \$9,000,000 but the total budget was \$18,000,000. The other half of the budget was being accomplished with grants. He had recently traveled to the Capitol and heard about "administrative bloat." However, his administrative costs were roughly 4 percent of the entire budget. He also was informed of how the legislature wanted districts to be "more accountable." In response, he made a list of the things his district did to show accountability and the list was "pages long." He mentioned that he was recently audited for Public Employees' Retirement System (PERS) and TRS Teachers' Retirement System, the food service program, the regular financial audit, the maintenance program, and Every Student Succeeds Act (ESSA) audit. He remarked that very time the legislature wanted to increase accountability, administrative costs were immediately increased.

[3:18:59 PM](#)

Representative Cronk thanked Mr. Macmanus for his testimony.

[3:19:39 PM](#)

CYNDY MIKA, SUPERINTENDENT, KODIAK SCHOOL DISTRICT, KODIAK (via teleconference), testified in support of an operating budget that fully funded public education. She shared that she was also a parent of a Kodiak High School student. She indicated that the state's education had been flat funded since 2016 and coupled with a 40-year high in inflation had led to historic costs. The situation led to the district's \$4,400,000 budget deficit. She stressed that there was no more fat left to trim. Currently, the district was forced to look at how to reduce staffing, which led to increased class size and decreased learning opportunities. She commented that the district could not comply with the requirements of the Reads Act due to the current budget. She agreed that students in the third grade needed to reach full reading, but there needed to be full funding in order to accomplish that. Additionally, she advocated for full AMHS funding. Lack of ferry service impacted the district's budget. She thanked the committee for the opportunity to speak and for the legislature's efforts.

[3:22:04 PM](#)

MICHAEL ROBBINS, SUPERINTENDENT, KETCHIKAN GATEWAY BOROUGH SCHOOL DISTRICT, KETCHIKAN (via teleconference), testified in support of stable and predictable school funding, which he believed was necessary to provide high quality education and educators. He pointed out that the BSA had only been increased by \$30 since 2016 and along with inflation had significantly decreased districts' purchasing power. In his school district, the impact of insufficient funding had been apparent. He reported that over 38 positions were cut, including 20 teaching positions. The future of Alaskan educators and families were being lost. Recruiting and retaining teachers was becoming more and more difficult. Reliable funding was key to improving student outcomes, stabilizing schools, and providing quality education. He urged the committee to increase the BSA and to include inflation proofing.

[3:23:35 PM](#)

Representative Ortiz thanked Mr. Robbins for his testimony.

[3:23:47 PM](#)

Co-Chair Johnson reviewed the agenda for the evening meeting.

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

HB 41 was HEARD and HELD in committee for further consideration.

[3:25:15 PM](#)

ADJOURNMENT

[3:26:57 PM](#)

The meeting was adjourned at 3:26 p.m.