

HOUSE FINANCE COMMITTEE
March 21, 2023
5:02 p.m.

[5:02:42 PM](#)

CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 5:02 p.m.

MEMBERS PRESENT

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

Representative Bryce Edgmon, Co-Chair

ALSO PRESENT

Michael Bucy, Self, Juneau; Luann McVey, Self, Juneau; Brenda Stanfill, Executive Director, Alaska Network on Domestic Violence and Sexual Assault (ANDVSA), Juneau; Christina Apathy, Self, Juneau; Tracy Goldsmith, Self, Juneau; Lisa Eagan Lagerquist, Self, Juneau; Katie Pittman, Self, Juneau; Darren Snyder, Self, Juneau; Dr. Bridget Weiss, Superintendent, Juneau School District, Juneau; Brian Holst, Executive Director, Juneau Economic Development Council, Juneau; Will Muldoon, Juneau School District, Juneau; Maressa Jensen, Self, Juneau; Lori Crupi, Self, Juneau; Morgan Michels, Self, Juneau; Natalie Troy, Self, Juneau; Janette Gagnon, Self, Juneau; Lorrie Heagy, Self, Juneau; Emily Ferry, Self, Juneau.

PRESENT VIA TELECONFERENCE

Jerilyn Devens, Self, Valdez; Fubao Harele, Self, Juneau; Catherine Melville, Juneau Public Library, Juneau; Joanna Forst, Self, Juneau; Kristin Jones, Self, Juneau; Kathy Leary, City Administrator, City of Gustavus, Gustavus; Nola Lamken, Self, Juneau; Nancy Eiler, Self, Juneau; Chris Meade, Self, Juneau.

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. The committee would hear public testimony on the operating and mental health budgets. She reviewed public testimony protocol and call-in information.

#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."

[5:04:53 PM](#)

^PUBLIC TESTIMONY: JUNEAU and OFFNETS

5:05:31 PM

MICHAEL BUCY, SELF, JUNEAU, testified in support of raising the Base Student Allocation (BSA) funding for education by 20 percent. He understood that education was expensive, but it depended on the kind of education that was desired. He shared that his family had left Alaska for one of their children to attend a private school through scholarship for one year. He listed a teacher ratio of 10 to 1, arts, theater, sports, social activities, music, languages, field trips, and other were all part of providing an excellent education. He provided additional details on the school experience out of state. He shared that he is a music teacher and had classes of up to 43 middle schoolers. He was a good teacher, but no one could pay attention to everyone's needs with a class that size. He provided other examples of challenges experienced in the local school system. He stressed that the governor and legislature had not funded schools adequately. He shared that people were moving out of the state. He stressed that education was expensive. He shared there used to be a higher number of teachers, but they have been dramatically reduced. Education was expensive, but not as expensive as the PFD from the past year and the current year. He highlighted that the legislature had a constitutional mandate to provide and maintain the schools. He emphasized that the schools were falling apart. He congratulated the legislature on an overdue pay raise of 67 percent and asked the legislature to raise the BSA 20 percent.

5:08:06 PM

Representative Galvin thanked Mr. Bucy for his testimony and for being a teacher. She asked about the resources in education and how much they went toward administration.

Mr. Bucy responded that he had spoken with his principal about how things had changed in the 14 years she had been there. The school had lost two custodial staff, a counselor, and the nurse position had become part-time. The principal spent a lot of time doing lunch duty and there had previously been a truancy officer, but now the office had to take care of the work. All of the things kept adding up and it showed in the classrooms and performance.

Co-Chair Foster thanked Mr. Bucy for offering the PFD as one solution. He shared that the revenue forecast had been released earlier in the evening showing an additional \$679 million in reduced revenue due to decreased oil prices. The legislature was faced with determining where the funds would come from to fill the deficit and options included the PFD, taxes, cuts, oil tax credit reductions, or savings. He appreciated the suggestion of one way to balance the budget.

[5:11:17 PM](#)

LUANN MCVEY, SELF, JUNEAU, relayed that she is a retired Alaskan teacher. She spoke in support of matching funds for the federal Alaska Marine Highway System (AMHS), grants for seniors and people with disabilities, health professional recruitment and retention, extension of Medicaid coverage, and the Public Defender Agency. She strongly supported increasing the BSA and bringing back a defined benefit retirement plan in order to retain employees and teachers. She was concerned about proposed cuts to public libraries. She supported funding for public broadcasting. She stated that cuts were not the only solution to a slimmer state wallet. She suggested that income could be generated through increased oil taxes, a more moderate PFD payment, and the implementation of an income tax. She shared information about her family. She stated that keeping her family in the state would be an adequate budget that could provide services to Alaskans.

[5:14:11 PM](#)

BRENDA STANFILL, EXECUTIVE DIRECTOR, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT (ANDVSA), JUNEAU, provided information about ANDVSA and the services the organization provided for victims. She spoke in support of victims' services funds within the Department of Public Safety (DPS) budget. She relayed that the direct services provided by programs to victims of crime were a core component of the criminal justice system. Victims often found themselves without a safe place to stay and a lack of funds. She provided additional details about the support the services offered to victims. She highlighted that programs had the same amount of funding for five years while their expenses continued to increase. The funding in the Council on Domestic Violence and Sexual Assault (CDVSA) grants had been made up of a patchwork of funds including

federal appropriations (i.e., one-time increments of general funds, COVID relief dollars, and federal and state funds). She was hopeful the legislature could find a more consistent way to fund services for crime victims. She requested moving the \$3 million one-time increment from general funds in the DPS CDVSA grant line to \$3 million in the base funding of CDVSA. She requested funding for a one-time increment to assist with the increased cost of operating buildings needed to operate emergency shelter services.

Co-Chair Johnson asked how long Ms. Stanfill had held her current position.

Ms. Stanfill replied that she had been in her current position for 18 months.

Co-Chair Johnson asked for verification that Ms. Stanfill had been with the state for a number of years.

Ms. Stanfill replied that she had lived in Fairbanks for 25 years as the executive director of the Interior Alaska Center for Nonviolent Living. She had not previously worked for the state until her current position.

Representative Stapp thanked Ms. Stanfill for her testimony.

[5:17:31 PM](#)

JERILYN DEVENS, SELF, VALDEZ (via teleconference), supported the state funding for public media. She stated that public media was often the only timely source of critical information available in emergency situations in remote areas in terms of public safety. She shared that during the 1964 earthquake there had not been immediate warning compared to more recent times when there had been immediate warnings on public media of potential tsunami dangers.

[5:19:29 PM](#)

FUBAO HARELE, SELF, JUNEAU (via teleconference), testified in support of Medicaid. He needed services and everyone in the state needed the services as much as they needed the PFD. He stated that part of the reason people were moving out of state was due to a lack of Medicaid waiver services.

He was advocating for people with disabilities. He stated the waitlist needed to be reduced. He thanked the committee.

[5:21:52 PM](#)

CATHERINE MELVILLE, JUNEAU PUBLIC LIBRARY, JUNEAU (via teleconference), shared that she had worked for the public library for 14 years. She asked for support for restored funding for state libraries. She shared the funds were used to give additional funding to staffing for children's services and to stretch dollars to buy items for the collection including e-resources. She stated that a cut to the funds would be passed on directly to the Juneau Public Library and its services. She stressed that the reduction would be even more painful for libraries with smaller budgets.

Co-Chair Johnson acknowledged Representative Andrew Gray in the audience.

[5:23:59 PM](#)

JOANNA FORST, SELF, JUNEAU (via teleconference), spoke in support of the Parents as Teachers program. She shared that her family had been part of the program since the birth of her son 2.5 years earlier. She shared that having a child during COVID-19 was incredibly difficult and her family had received a lot of support during that time including resources, education, prevention, and referrals. Her family had been able to connect further with groups and education since that time. She stated the Parents as Teachers staff had been a positive influence on her family. She highlighted the importance of a free educational webinar provided by the program. The family had even received employment opportunities through the program. She referenced the high waitlist and spoke in support of increased funding to allow more families to be served.

[5:26:20 PM](#)

KRISTIN JONES, SELF, JUNEAU (via teleconference), shared that she was calling from the Bartlett Hospital campus. She called on behalf of her brother who had been using Medicaid his entire life. She advocated for increased spending flexibility for Medicaid waivers. She shared that her brother had expressed he wanted to start using some mental

health services, but they had been unable to get the funding anywhere. She was currently paying out of pocket for the services. She stressed the service should be available to more people and those in need. She underscored it would make a huge difference to many people. She thanked the committee.

Representative Stapp thanked Ms. Jones for her testimony. He shared that the 1115 waiver process was up for renewal in the current year. There would be a public comment period and he encouraged Ms. Jones to testify.

[5:28:59 PM](#)

KATHY LEARY, CITY ADMINISTRATOR, CITY OF GUSTAVUS, GUSTAVUS (via teleconference), spoke in support of public radio. She stated it was a public safety issue, especially in a community that had abysmal cell coverage. She noted that the community had had land lines cut in the past. She emphasized the importance of public radio for emergency services. She spoke in support of state matching funds for AMHS. The funds were critical for obtaining federal infrastructure funding. The AMHS was also critical for school and sports travel, access to supplies and groceries, and medical appointments. She testified in support of funding for the public library. She shared that the public library in Gustavus supplemented the school with literacy and other reading programs. She asked for matching funds for PFAS mitigation due to the large problem in the community.

[5:31:58 PM](#)

CHRISTINA APATHY, SELF, JUNEAU, shared that she is a first year teacher at Thunder Mountain High School. She shared that she supported the increase in the BSA. She stated her classrooms had a lack of hope. She relayed that her students cared and were upset at adults and a society that could not get its act together. She spoke about the importance of an atmosphere of safety for students.

[5:35:31 PM](#)

TRACY GOLDSMITH, SELF, JUNEAU, had been a teacher in Juneau for 11 years. She asked the committee to increase education funding in the current year. She stated that with the lack of funding and flat funding for the past seven years meant

employees had been lost and hiring was difficult. She thanked the committee for working hard on behalf of Alaskans.

[5:36:35 PM](#)

LISA EAGAN LAGERQUIST, SELF, JUNEAU, is a mother and former high school teacher in Juneau. She shared three brief stories about her children and their teachers. The first story was about a fourth grade teacher letting the family know their son needed glasses. The impact had been miraculous for her son. She shared separate information her son had learned about another country in a Model UN activity led by the librarian. She stressed that no other teacher had time to lead the activity and the librarian had taken it up. It had made a difference to her son. She implored the committee to increase the BSA.

[5:39:31 PM](#)

KATIE PITTMAN, SELF, JUNEAU, shared information about her personal background from rural Alaska and her work in various rural areas of the state. She spoke in support of increased funding for education. She stated that without an increase in the BSA for numerous years, private organizations, grants, and federal funding was having a more powerful voice than the state in Alaska's public schools. She stressed that the legislature's power came in the form of money many times. She currently managed federal title money for the Juneau School District. She relayed that half of her budget came from state general funds. The funds fund certified teachers, cultural specialists and people who provided services that prevented students from needing social services work. She asked the committee to consider investing early in Alaskans and in public education.

[5:42:28 PM](#)

NOLA LAMKEN, SELF, JUNEAU (via teleconference), stressed the importance of state funding for Medicaid funding and paying attention to specific needs people listed in prior testimony. She noted that the funding would go much further than individuals having it all. She supported matching funds for AMHS and stated it was tragic what had happened to the ferry system in the past 20 years. She would like to see the ferry system strongly improved and the federal

funds used. She spoke in support of funding for education. She asked for the support of teachers and morale. She strongly supported funding for libraries and public media. She thanked the committee.

[5:44:43 PM](#)

DARREN SNYDER, SELF, JUNEAU, shared that he is a father of three and grandfather of two Alaskans. He supported the sustainability, prosperity, resilience, and success of Alaskan communities. He shared that he worked for the UAF Cooperative Extension and worked daily on the daily improvement of Alaskans' lives in food security and many other areas. He asked how the state could achieve the goal for every Alaskan to be self-reliant, resilient, and successful if the education system was not adequately funded. He questioned how communities and kids were being prepared for the plethora of challenges that exist. He spoke in support of increasing the BSA. He was paid by the state and federal government to do important work that he felt was undercut by the state's lack of commitment to its schools, educators, and volunteers that made the education system work. He encouraged adequate funding to support things like HB 65 [proposed legislation to increase BSA funding].

Co-Chair Johnson noted there were no additional callers online. She recessed the meeting until 6:15 p.m.

[5:47:55 PM](#)

RECESSED

[6:15:55 PM](#)

RECONVENED

NANCY EILER, SELF, JUNEAU (via teleconference), shared that she is the mother and caregiver of her 36-year-old disabled son. She asked the committee to support the governor's \$1.5 million increment for senior and disability services community based grants. She highlighted that the increment included funding for independent living centers. Her son and her family had benefitted from SAIL [Southeast Alaska Independent Living] services in Juneau for many years. The support and kindness of SAIL staff had been important for her over the years. Her son shared that he enjoyed the people at SAIL and the services provided. She stated that any services she and her husband could get to help their

son become as independent as possible was incredibly valuable. She thanked the committee for supporting the increment.

[6:18:15 PM](#)

DR. BRIDGET WEISS, SUPERINTENDENT, JUNEAU SCHOOL DISTRICT, JUNEAU, shared she had been born and raised in Juneau. She urged the committee to support education in the operating budget. She shared it had been quite an experience being an educator for 39 years. For the past 23 years she had been an administrator consistently looking through assets, resources, the many needs of students, and how to allocate the limited resources. She highlighted that another committee room was currently packed with public testifiers in support of an increase to the BSA. She noted there were also some individuals testifying that public education was not the place to invest. She underscored that if the state did not increase its investment in education, educators could not do what was needed for students and staff. She shared that she started teaching in 1984 when she was 22. She shared that she had earned \$14,600 in another state. She would have doubled her salary if she had come home to teach at that time. Whereas, currently the teachers in other states made more. She emphasized that the school system had lost all of its purchasing power to have the best and brightest teachers. She thanked the committee for its support.

[6:20:56 PM](#)

Representative Hannan asked about the growth in P&I insurance in the last several years.

Dr. Weiss replied that the property liability insurance cost the district \$200,000 in FY 21. The same insurance had increased to \$400,000 in FY 22 and \$1.2 million in FY 23. The price was increasing another \$59,000 in the coming year.

Representative Stapp shared that the Fairbanks School District pooled health insurance with the borough. He asked if the City and Borough of Juneau (CBJ) and the Juneau School District had a commercial risk pooling arrangement.

Dr. Weiss answered affirmatively. The district pooled liability insurance and some health insurance with CBJ.

6:22:22 PM

BRIAN HOLST, EXECUTIVE DIRECTOR, JUNEAU ECONOMIC DEVELOPMENT COUNCIL, JUNEAU, advocated for a much stronger investment in public education funding. He had served nine years on the Juneau School Board and had seen the district make improvements despite inadequate funding. The district maintained a high graduation rate and had seen the graduation rate amongst minorities increase as well. Nonetheless, the outcomes were not adequate, and resources were not keeping up. He highlighted that in the 1990s Alaska's educational assessments were on par with the rest of the United States, whereas the state now lagged the national average in math and reading. The state's economy required that 65 percent of its workers had some postsecondary education; however, only 55 percent of Alaskans had the credentials. He stressed that teacher turnover exceeded 20 percent, which cost Alaska over \$20 million annually. He underscored that Alaska was the only state where teachers and administrators hired after 2006 could not earn a pension. He highlighted that New Jersey was ranked number one in the country for education and spent over \$20,000 per student, while Alaska spent less than \$18,000. The state was ranked 49th in the quality of its schools. He provided additional statistics. He pointed out that Alaska was ranked number one in fiscal stability; however, it was necessary to make choices about how the resources were used. The size of the Permanent Fund Dividend was the only inflation proofed item in the state's budget.

6:25:01 PM

WILL MULDOON, JUNEAU SCHOOL DISTRICT, JUNEAU, testified in support of education funding. He shared that he served on the Juneau School Board, which had just approved its budget of \$92.3 million with roughly \$70 million in operating funds. He remarked that the district had seen a 12.9 percent enrollment decline with the COVID-19 pandemic and the district did not recapture all of the students. The district had just budgeted the last of the [federal] COVID relief funds. He stressed that the current budget cycle had been very difficult. The budget had been passed based on a \$400 increase to the BSA. He shared that without the increase the district would be faced with a deficit of about a \$3 million for the coming year. He stated that

education needed a little help in the budget. He thanked the committee.

[6:27:26 PM](#)

MARESSA JENSEN, SELF, JUNEAU, shared that she is a parent and was an employee at in the Juneau School District for four years until the past July. She understood there were difficult choices to make on the budget, but for too many years the hard choices had been made at the cost of children and their future. She spoke in support of an increase in BSA funding. She stressed that everyone depended on today's children for their wellbeing and care in the future. She underscored the need to invest accordingly. She recognized that some of the current outcomes from schools were not great; however, she argued it was a result of underfunding and should not be used to justify continued underfunding. She asked if people expected their vehicles to get more miles per gallon because they paid more when the cost of fuel increased. She answered, "Of course we don't." She emphasized that the cost of fuel for the education system had been steadily increasing for the past several decades. She stressed the need to keep up with the costs. She underscored the need for children to thrive in order for the state to thrive.

Co-Chair Foster thanked Ms. Jensen for her car analogy to help emphasize the point.

[6:29:41 PM](#)

LORI CRUPI, SELF, JUNEAU, thanked the committee for its hard work. She testified in favor of public education and an increase in the BSA. She shared that she had been an educator her whole professional life and her parents had been educators. She shared information about her children in the Juneau School District. She highlighted the number of cuts made to staff and teachers in the past 12 years. She underscored that schools could not afford to lose more teachers. She is a school psychologist and had seen marginalized students and the issue had been exacerbated by COVID. She stated that distance education was hard on everyone, and the kids were slowly getting back and connected. She emphasized that students needed people, connections, and to feel they were a part of the schools. She stated it took people to run schools. She thanked the committee.

Representative Galvin thanked Ms. Crupi for calling out the importance of having relationships with students in schools. She thought it was critical to have people in schools who notice when students did not show up. She thanked Ms. Crupi for her work in education.

[6:32:54 PM](#)

MORGAN MICHELS, SELF, JUNEAU, shared that she is a first year teacher in Juneau. She grew up in Alaska and was a product of the Alaska public school system. She encouraged the committee to fund the public education system as much as possible. She shared that she had been an active member in the communities she had lived in. She felt she was a perfect example of what the schools in the state were looking for. She had gone back to school and obtained her master's degree to teach in Alaska. She encouraged a significant investment in education funding to ensure there were others to make the same choice to teach in Alaska.

Co-Chair Foster thanked Ms. Michels for testifying.

[6:35:10 PM](#)

NATALIE TROY, SELF, JUNEAU, currently worked for the Alaska Council of School Administrators. She spoke in support of an increase to the BSA. She was looking at options to get certified to teach and was from North Carolina. She was currently trying to figure out where she would like to teach. She was hoping to get certified in Alaska, but without a stable investment in education she did not know whether she would stay to teach in Alaska. She encouraged the committee to provide stable, predictable funding through the formula.

[6:37:13 PM](#)

JANETTE GAGNON, SELF, JUNEAU, was a special education teacher in Juneau. She spoke in support of education funding. She shared that she had been told by students that when they were younger, they hid under their porches from their drunk parents. The same children had told her they learned how to steal their parents' welfare checks so they could buy food before their parents bought drugs with the money. She shared additional stories. She stressed the

importance of funding education so students with the lowest possible denominators had equal opportunities.

[6:40:04 PM](#)

CHRIS MEADE, SELF, JUNEAU (via teleconference), shared that he took care of his disabled daughter who required Medicaid services. He shared information about his daughter and the services she required. The most important program had been the Medicaid home and community based waiver program. The program had made a huge difference for his daughter. His daughter required 24-hour care. He supported increased funding for the waiver program and the care agencies and indirect service providers and care coordinators. His daughter lived a much better life as a result of the services.

[6:42:33 PM](#)

LORRIE HEAGY, SELF, JUNEAU, shared that she is a teacher in Juneau and was the 2010 teacher of the year. She thanked committee members for their work in helping Alaska be a place people wanted to live and stay. She encouraged an increase in education funding. She shared that she had seen teachers rotating out of key positions in the past five years because teachers were leaving. She stated that class sizes continued to grow and fourth and fifth grade classes now had about 35 students. She was heartened by the governor's statement in support of education. She highlighted that the state had a right to be on equal footing with the other states. She believed the only way it was possible was to have sufficient funding for education in order for kids and teachers to have a chance to be successful. She encouraged increased education funding in order to have manageable class sizes. She thanked the committee.

Representative Galvin shared that Ms. Heagy taught her son 20 years back at a time when the class size was 25 students. She noted that her son was perhaps a challenge in class. She shared that her son is a biophysicist and had benefitted from Ms. Heagy's teaching.

[6:45:54 PM](#)

EMILY FERRY, SELF, JUNEAU, shared that she is a parent and in her work life she had heard from employers across the

state who were having difficulty finding people to fill positions. She encouraged the committee to invest in the state's education system. She stressed that investment in education resulted in better outcomes. The outcomes were much worse when the budget was cut. She highlighted the need to invest in elementary school and middle school. She shared bridge models her children had made in school. Two of her three kids now wanted to be engineers based on the projects. She shared that her child's friend had shared that he had days where there were over 100 kids and one teacher. She was confident none of the students felt they learned anything in a hands-on meaningful way when class sizes were that large. She felt lucky to have choices of different education programs (i.e., Montessori, charter, and home school options). She reiterated her support for increased funding for schools. She stated that a school could close in Juneau without an increase in funding.

[6:49:25 PM](#)

Co-Chair Johnson noted there were no additional testifiers online or in the room. She recessed the meeting until 7:30 p.m.

[6:49:54 PM](#)

RECESSED

[7:33:55 PM](#)

RECONVENED

Co-Chair Johnson relayed there were no additional testifiers signed up. She shared that the call-in deadline was 7:30 p.m. She expressed appreciation to those who had testified. She reviewed the schedule for the following day. She reviewed the LIO call-in numbers.

Representative Hannan understood there was an invitation to a joint session from the Senate.

Co-Chair Johnson replied that in her opinion it was more important to be present in committee to listen to the public.

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

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

ADJOURNMENT

7:39:50 PM

The meeting was adjourned at 7:39 p.m.