

HOUSE FINANCE COMMITTEE  
March 27, 2023  
1:36 p.m.

[1:36:54 PM](#)

CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:36 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

Rob Carpenter, Deputy Director, Legislative Finance Division; Matt Gruening, Staff, Representative DeLena Johnson; Neil Steininger, Director, Office of Management and Budget, Office of the Governor; Representative Justin Ruffridge; Alexei Painter, Director, Legislative Finance Division.

PRESENT VIA TELECONFERENCE

Lacey Sanders, Deputy Commissioner, Department of Education.

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 proposed operating budget amendments.

#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."

^AMENDMENTS

[1:38:40 PM](#)

Representative Coulombe MOVED to ADOPT Amendment N 1 (copy on file):

Agency: Administration  
Appropriation: Centralized Admin. Services  
Allocation: Personnel

Transaction Details

Title: Centralized Accommodation Program

Section: Section 1

Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	100.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	100.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	100.0
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Explanation

Per the Governor's Council on Disabilities and the Work Matters Task Force, this amendment would appropriate funding for Department of Administration to create a Centralized Accommodation Program. The State of Alaska operates a provisional basis that after a 4-month trial period may convert to Probationary Status.

The National Job Accommodation Network estimates that accommodating an employee in this manner costs less than \$500. With the current labor crisis that the State of Alaska is facing, this is an efficient way to hire Alaskans to fulfill meaningful work in State service without costly outside recruiting and retention efforts.

This funding would also operate to accommodate personal assistance services in the workplace for qualifying State employees, further removing barriers to employing Alaskans who are ready to work.

Co-Chair Foster OBJECTED for discussion.

Representative Coulombe explained the amendment. She relayed that it would appropriate funding for the Department of Administration (DOA) to create a centralized accommodation program. The amendment would help people with disabilities work for the state. The state was already required to provide reasonable accommodations and modifications, such as sign language interpreters. The National Job and Accommodation Network (NJAN) estimated that accommodating an employee with disabilities would cost less than \$500. The amendment would establish a fund to make it easier for managers to access money to make reasonable accommodations and encourage individuals with disabilities to work.

Co-Chair Johnson noted that all committee members were present.

Representative Coulombe added that there was significant public testimony in support of the amendment.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment N 1 was ADOPTED.

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Co-Chair Johnson relayed that Amendment N 2 and Amendment N 3 were duplicates.

Representative Josephson WITHDREW Amendment N 2 (copy on file).

Representative Hannan WITHDREW Amendment N 3 and Amendment N 4 (copies on file).

[1:42:45 PM](#)

Representative Hannan MOVED to ADOPT Amendment N 5 (copy on file):

Agency: Administration  
Appropriation: Public Communications Services  
Allocation: Public Broadcasting - Radio

Transaction Details

Title: Rural Public Radio Intent Language  
Wordage Type: Intent  
Linkage: Allocation - Public Broadcasting - Radio

Wordage

It is the intent of the legislature that the Department of Administration allocate funds for public radio grants to rural stations whose broadcast coverage areas serve 20,000 people or less.

Explanation

Public radio stations represent 11 out of the State Emergency Alert System (EAS) Plan's 22 "Local Primary Stations," which are the primary source of EAS information in their region. All 11 are rural stations. Thus, it is important that the limited funding for public radio be focused on rural stations.

Agency: Administration

Appropriation: Public Communications Services

Allocation: Public Broadcasting - Radio

Transaction Details

Title: Rural Public Radio Funding  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	1,500.0
Miscellaneous:	0.0
	1,500.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund 1,500.0

Explanation

This amendment provides funding for the Public Broadcasting radio system in the least populated areas of the state. Public radio stations represent 11 out of the State Emergency Alert System (EAS) Plan's 22 "Local Primary Stations," which are the primary source of EAS information in their region. All 11 are rural stations. This amendment recognizes that while we may not be able to restore public broadcasting funding in all areas of the state, the legislature can take action to ensure that residents in some of our most remote areas are able to maintain access to our Emergency Alert System as well as other benefits of public radio.

Representative Stapp OBJECTED for discussion.

Representative Hannan explained that the amendment would add \$1.5 million for rural public radio and would include specific intent language to address the fact that rural radio acted as emergency broadcast systems. The State Emergency Alert System (EAS) plan called for emergencies to be broadcast across the public broadcast system. Up until FY 20, the state provided \$3.4 million per year for public communications and a little over \$2 million was directly allocated to radio. Many stations were at risk of becoming nonoperational due to lack of funding. There was significant concern that vast swaths of Alaska would not have direct EAS access without public radio stations.

[1:44:45 PM](#)

Representative Cronk MOVED to ADOPT conceptual Amendment 1 to Amendment N 5 to reduce \$1.5 million to \$1 million.

There being NO OBJECTION, conceptual Amendment 1 to Amendment N 5 was ADOPTED.

Co-Chair Johnson relayed that Amendment N 5 as amended was before the committee.

Representative Stapp WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment N 5 was ADOPTED as amended.

[1:46:32 PM](#)

Co-Chair Johnson MOVED to ADOPT Amendment N 6 (copy on file):

Agency: Commerce, Community & Econ Dev  
Appropriation: Corp, Bus & Prof Licensing  
Allocation: Corp, Bus & Prof Licensing

Transaction Details

Title:	Reverse	Fund	Change	to	Offset
Investigative Costs with General Funds					
Section:	Section 1				
Type:	FndChg				

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	0.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	-2,220.0
1156 Rcpt Svcs	2,220.0

Explanation

The amendment reverses the proposed fund change of receipt services for Unrestricted General Funds within the Division of Corporations, Business, and Professional Licensing. The proposed funding was intended to reduce the volatility of investigative costs on licensees under CBPL's purview. This

amendment restores receipt services as the funding source, saving \$2.2 million in UGF.

Co-Chair Foster OBJECTED for discussion.

Co-Chair Johnson relayed that her staff would explain Amendment N 6. She commented that the licensing fees had been reduced during the COVID-19 pandemic and the amendment would reduce the licensing fees.

[1:47:49 PM](#)

MATT GRUENING, STAFF, REPRESENTATIVE DELENA JOHNSON, explained that Amendment N 6 would involve a fund change to offset investigative costs within the Division of Corporations, Business, and Professional Licensing (DCBPL) [within the Department of Commerce, Community and Economic Development (DCCED)] with \$2.2 million in unrestricted general funds (UGF). He relayed that professional licensing programs experienced volatility in investigative costs which created corresponding adjustments and licensing fees. Between 2021 and 2023, the legislature made three one-time appropriations to offset licensing program deficits created by SB 241 [passed in 2020 to reduce licensing fees during the pandemic]. The fund swap of \$2.2 million from UGF to receipt services was intended to supplant the three-year average investigative costs that would otherwise be paid through license receipts. The amendment would align with statute and recognize the state's current fiscal situation by reverting back to receipt services as the fund source rather than adding a permanent \$2.2 million increment to the base budget.

[1:49:18 PM](#)

Representative Josephson asked whether nurses, engineers, and individuals in other licensed professions paid licensing fees between 2020 and 2022.

Mr. Gruening responded that there was a freeze in the increase to licensing fees. Changes in investigative costs needed to be reflected in increased or decreased licensing fees to maintain balance. The costs were volatile because it was based off a three-year running average. Depending on

investigations, the fees increased or decreased. Prior to SB 241, the division set licensing fees based on the overall cost of regulating the licensures.

Representative Hannan understood that some licensing fees were compensated through COVID-19 relief funds. She wondered whether there would be enough money to fund the investigations that were anticipated to occur in the upcoming fiscal year.

Mr. Gruening responded that the fees would need to be increased if the amendment were to pass.

Representative Josephson thought that the amendment was meritorious. He asked if the funds from licensing fees could be swept.

Mr. Gruening suggested that the Legislative Finance Division (LFD) respond to the question.

[1:52:35 PM](#)

ROB CARPENTER, DEPUTY DIRECTOR, LEGISLATIVE FINANCE DIVISION, responded that the funds would not be sweepable.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment N 6 was ADOPTED.

[1:53:39 PM](#)

Representative Hannan MOVED to ADOPT Amendment N 7 (copy on file):

Agency: Commerce, Community & Econ Dev  
Appropriation: AK Gasline Development Corp  
Allocation: AK Gasline Development Corp

Transaction Details

Title: Alaska Gasline Development Corporation  
Section: Section 1  
Type: Dec

Line Items

Personal Services:	-1,887.1
Travel:	-47.6
Services:	-1,111.4
Commodities:	-40.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	-3,086.1

Positions

Permanent Full-Time:	12
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	-3,086.1
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Explanation

In the past decade there have been more than \$176 million deposited into the Alaska LNG Project Fund. With those millions now projected to be fully exhausted by July 1 of this year, we still have no gas pipeline from the North Slope to tidewater.

AGDC now asks for more than \$3 million in General Fund dollars to keep their efforts limping along through FY24.

The purpose of this amendment is to prevent the state from throwing good money after bad on an uneconomical project that runs contrary to national clean energy policies.

Co-Chair Foster OBJECTED for discussion.

Representative Hannan explained that the amendment would delete the \$3 million request by Alaska Gasline Development Corporation (AGDC) to fund its staffing. The state had spent over \$176 million on the Alaska Liquified Natural Gas (AKLNG) fund and the dollars were expected to be fully exhausted by July 1, 2023, and there was still no gasline from the North Slope to tidewater. The purpose of the amendment was to prevent the state from "throwing good money after bad" on an uneconomical project that ran contrary to national clean energy policies.

Co-Chair Edgmon commented that the counter to the amendment was that AKLNG had done a lot of work and had advanced its permitting. He did not think the state had progressed enough to warrant ceasing funding. He thought that the \$3 million should be advanced and suggested that the committee oppose the amendment.

Representative Stapp spoke in opposition to Amendment N 7. Many individuals in his district in Fairbanks used heating oil to heat their homes. He thought that the Biden Administration had done a lot of work in developing AKLNG. He agreed that the state should not be spending unwisely, but he thought that it was too early to cease the funding.

Representative Hannan WITHDREW Amendment N 7.

[1:58:03 PM](#)  
AT EASE

[1:59:12 PM](#)  
RECONVENED

[1:59:17 PM](#)

Co-Chair Johnson MOVED to ADOPT Amendment N 8 (copy on file):

Agency: Commerce, Community & Econ Dev  
Appropriation: Alaska Seafood Marketing Inst  
Allocation: Alaska Seafood Marketing Inst

Transaction Details

Title: General Fund Support for Seafood Marketing  
to Replace Federal Funds  
Section: Section 1  
Type: IncOTI

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	2,500.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0

Miscellaneous: 0.0  
2,500.0

Positions  
Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund 2,500.0

Explanation

Agency: Commerce, Community & Econ Dev  
Appropriation: Alaska Seafood Marketing Inst  
Allocation: Alaska Seafood Marketing Inst

Transaction Details

Title: Delete One-Time Increment of General Funds  
Section: Section 1  
Type: Dec

Line Items

Personal Services: 0.0  
Travel: 0.0  
Services: -5,000.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
-5,000.0

Positions  
Permanent Full-Time: 0  
Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund -5,000.0

Explanation

The Alaska Seafood Marketing Institute {ASMI} has not received general fund support since FY18. Given the current fiscal situation and revenue forecast, the \$5

million One-Time Increment is being reduced to \$2.5 million in this amendment.

Representative Josephson OBJECTED for discussion.

Co-Chair Johnson read the explanation section in the amendment. She explained that it would reduce the one-time increment of \$5 million to the Alaska Seafood Marketing Institute (ASMI) to \$2 million.

Representative Ortiz asked for clarification on whether there was an objection to the amendment.

Co-Chair Johnson responded in the affirmative.

Representative Ortiz spoke in opposition to the amendment. He thought ASMI had been building the Alaska seafood brand around the country and the world. With the onset of more mariculture projects and the effort to continue to market AK seafood products as being top quality, the \$5 million would be money well spent.

[2:01:33 PM](#)

Representative Josephson MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Stapp, Tomaszewski, Coulombe, Cronk, Johnson, Foster

OPPOSED: Galvin, Hannan, Josephson, Ortiz, Edgmon

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment N 8 was ADOPTED.

[2:02:39 PM](#)

Representative Tomaszewski MOVED to ADOPT Amendment N 9 (copy on file):

Agency: Corrections  
Appropriation: Administration and Support  
Allocation: Office of the Commissioner

Transaction Details

Title: Delete Vacant Deputy Commissioner Position

Section: Section 1

Type: Dec

Line Items

Personal Services:	-175.8
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	-175.8

Positions

Permanent Full-Time:	-1
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	-175.8
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Explanation

DOC Deputy Commissioner position has been vacant for three years. Associated general fund amount should be removed.

Representative Josephson OBJECTED for discussion.

Representative Tomaszewski explained he had received a list of positions that had been vacant for over one year and the Department of Corrections' (DOC) deputy commissioner position was on the list. The list indicated that the commissioner position had been vacant for three years, but he recently learned that it was filled.

Representative Tomaszewski WITHDREW Amendment N 9.

Co-Chair Johnson commented that there were many positions that were thought to be vacant but were filled. She relayed that Amendments N 10, N 11, N 12, and N 13 dealing with vacant positions would be rolled to the bottom of the list.

[2:05:27 PM](#)

Co-Chair Johnson MOVED to ADOPT Amendment N 14 (copy on file):

Education Support and Admin Services  
Student and School Achievement  
GA 3/7 - Alaska Native Science and Engineering Program  
Partnership

Trans:	Inc
Total Expenditure:	4,000.0
Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	4,000.0
Miscellaneous:	0.0
PFT	0
PPT	0
TMP	0

Alaska Native Science and Engineering Program (ANSEP) high school students can go from ninth grade to baccalaureate degrees in five years. The ANSEP started in 1995 as a scholarship program for university students and has since evolved into a sequential education model that provides a continuous string of components beginning with students in kindergarten and continuing through middle and high school, into science, engineering, and business undergraduate and graduate degree programs through to doctoral degrees. There are approximately 3,000 ANSEP elementary, middle school, high school, and university students in more than 100 Alaskan communities. The program continues to expand every year and will add 650 new middle school students in the current academic year.

The ANSEP components include Kindergarten to Fifth Grade Academy, Middle School Academy, Acceleration Academy High School, University Success, Graduate Success, and Grow Our Own PhD. The ANSEP high schools are in Anchorage, Palmer, Bethel, and Kotzebue with additional schools starting up in Dillingham and

Juneau. A residential high school has started up on the University of Alaska Anchorage (UAA) campus. Students without access to one of these locations come to Anchorage during the summer and take the course work they need so that they do not require remediation when they start college. The ANSEP's goal is to provide an excellent education and a life of unlimited possibilities for every Alaskan. Students at each education level benefit from the inspiration, guidance, and opportunity the program provides. With ANSEP, more students are successful, fewer students drop out, and remediation is eliminated.

The ANSEP received \$9.5 million of federal COVID relief funds through the Department of Education and Early Development (DEED) to assist with expansion and institutionalization of the program. This \$4 million increase, in addition to the \$1 million requested in the FY2024 Governor's budget, for a total of \$5 million to ANSEP, will provide additional funding stream to support the Acceleration Academy High School expansion.

Supporting and maintaining this program meets DEED's mission and several of the goals from Alaska's Education Challenge.

1004 Gen Fund (UGF) 4,000.0

GA 3/7 - Alaska Resource Education Grant

Trans:	IncOTI
Total Expenditure:	1,000.0
Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	1,000.0
Miscellaneous:	0.0
PFT	0
PPT	0
TMP	0

The Alaska Resource Education's (ARE) mission is to educate students about Alaska's resources. The ARE provides statewide educational opportunities to students and teachers and distributes primary education curriculum that meets the Alaska State Science Standards for the greatest ease of use and accessibility for educators.

The ARE's curriculum is crafted to ignite, inspire, and educate students about Alaska's resources. The lessons are designed to spark an interest and encourage students to explore careers in Alaska's resource industry. Lessons span ages K-12 and are focused on the areas of energy, mining, and forestry.

Founded in 1982, ARE is funded through state, corporate, and individual donations. The 501(c)(3) educational nonprofit is a partnership between the State of Alaska Department of Education and Early Development (DEED) and private companies engaged in the resource industry.

This \$1 million funding will provide a steady stream of funding to support ARE growth going forward. Supporting and maintaining this program meets DEED's mission and several of the goals from Alaska's Education Challenge.

1004 Gen Fund (UGF) 1.000.0

Education Support and Admin Services {continued}  
Student and School Achievement (continued)

GA 3/7 - Career and Technical Education Incentive Grants

Trans:	Inc
Total Expenditure:	3,000.0
Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	3,000.0
Miscellaneous:	0.0

PFT	0
PPT	0
TMP	0

Incentive grants will be available to school districts and centers across Alaska to promote Career and Technical Education (GTE) opportunities that support workforce development in high demand sectors that have a direct benefit for Alaska, such as construction, resource management, and skill trades. Grants will be awarded to programs that offer opportunities to build awareness, skills, and work-based learning experiences for high school students.

1004 Gen Fund (UGF) 3,000.0

GA 3/7 - Teacher Recruitment, Retention, and Certification Support (FY24-FY26)

Trans:	Incl
Total Expenditure:	3,000.0
Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	3,000.0
Miscellaneous:	0.0
PFT	0
PPT	0
TMP	0

The Department of Education and Early Development will use this funding to address on-going support for teacher recruitment and retention efforts currently being identified, as well as for the development of an alternate certificate program in Alaska. The program is intended to be reevaluated for efficiency after three years.

1004 Gen Fund (UGF) 3,000.0

GA 3/7 - Alyeska Reading Academy and Institute

Trans:	Inc
Total Expenditure:	5,000.0
Personal Services:	2,000.0

Travel:	0.0
Services:	2,000.0
Commodities:	1,000.0
Capital Outlay:	0.0
Grants:	3,000.0
Miscellaneous:	0.0
PFT	12
PPT	0
TMP	0

The Alyeska Reading Academy and Institute (ARAI) will be designed to: 1) provide high quality reading instruction through the Science of Reading to kindergarten through third grade students in a model school setting; and 2) provide a highly effective school setting for Science of Reading instruction to seive as a model for professional development in the Stale of Alaska.

The ARAI will be a culturally relevant, K-3 Alaska public school serving students, families, and educators. The ARAI's focus is to provide Science of Reading instruction using highly trained teachers and reading coaches to underseived students. Educators from around the state will have a year-round opportunity to receive hands-on training and practice in teaching reading while earning micro-credentials, certification, and endorsements.

The ARAI would start during the 2023-2024 school year and serve 20-25 students in each grade, K-3, for up to 100 students total  
 1004 Gen Fund (UGF) 5,000.0

Allocation Total	
Total Expenditure:	16,000.0
Personal Services:	2,000.0
Travel:	0.0
Services:	2,000.0
Commodities:	1,000.0
Capital Outlay:	0.0
Grants:	11,000.0
Miscellaneous:	0.0
PFT	12
PPT	0

TMP	0
Appropriation Total	
Total Expenditure:	16,000.0
Personal Services:	2,000.0
Travel:	0.0
Services:	2,000.0
Commodities:	1,000.0
Capital Outlay:	0.0
Grants:	11,000.0
Miscellaneous:	0.0
PFT	12
PPT	0
TMP	0

Agency Total	
Total Expenditure:	16,000.0
Personal Services:	2,000.0
Travel:	0.0
Services:	2,000.0
Commodities:	1,000.0
Capital Outlay:	0.0
Grants:	11,000.0
Miscellaneous:	0.0
PFT	12
PPT	0
TMP	0

All Agencies Total	
Total Expenditure:	16,000.0
Personal Services:	2,000.0
Travel:	0.0
Services:	2,000.0
Commodities:	1,000.0
Capital Outlay:	0.0
Grants:	11,000.0
Miscellaneous:	0.0
PFT	12
PPT	0
TMP	0

Co-Chair Foster OBJECTED for discussion.

Co-Chair Johnson explained that Amendment N 14 contained additional amendments that were brought forward by the governor. She was offering the amendments on behalf of the governor. The amendment included a \$4 million increment for the Alaska Native Science and Engineering Program (ANSEP), a \$1 million one-time increment for the Alaska Resource Education grant, a \$3 million increment for the Career and Technical Education grants, a \$3 million temporary increment for teacher recruitment and certification, and a \$5 million increment for the Alyeska Reading Academy and Institute. The total cost was \$16 million.

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Representative Josephson MOVED to ADOPT conceptual Amendment 1 to Amendment N 14 to delete the \$1 million one-time increment for the Alaska Resource Education grant.

[2:06:45 PM](#)

Representative Tomaszewski OBJECTED.

Representative Josephson thought the grant was in the capital budget. He understood that the Resource Development Council typically funded the grant. He did not think it was the role of the government to spend \$1 million to promote resource development to a kindergarten through twelfth grade audience.

Representative Hannan asked if there were any testifiers available that could provide additional information. She wanted to know what the grant had been for the last few fiscal years. She wondered if the state had allocated UGF to the grant in the past.

Co-Chair Johnson asked the Office and Management and Budget (OMB) to comment.

NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, thought a member of the Department of Education and Early Development (DEED) would be able to answer the questions more thoroughly. He shared that there had been some smaller grants from the state in prior years, but he was not sure of the dollar value of the grants.

Co-Chair Johnson asked Representative Hannan if her question had been answered.

Representative Hannan responded that her question had not been answered but she anticipated that she would be supportive of conceptual Amendment 1 to Amendment N 14 proposed by Representative Josephson. She was hesitant to allocate money that would sustain an educational entity but would not reach any more students in educational goals.

[2:10:44 PM](#)

Representative Stapp spoke in opposition to conceptual Amendment 1 to Amendment N 14. He did not understand the argument made by Representative Josephson. He relayed that the state derived the majority of its revenue through resource development.

Co-Chair Johnson noted that Representative Jesse Sumner had joined the meeting.

Representative Cronk thought it was important that kids knew where the state's money came from. He thought there were opportunities in rural Alaska for legacy projects and it was important to ensure that kids were knowledgeable and ready for resource development jobs.

Representative Josephson commented that he was confident that the pedagogy of the educational program would not indicate the impact on the climate associated with resource development. He thought it was promotional material and not a balanced perspective to provide to children.

Co-Chair Foster MAINTAINED the OBJECTION.

[2:14:01 PM](#)

Co-Chair Johnson clarified that the roll call vote would be on conceptual Amendment 1 to Amendment N 14.

A roll call vote was taken on the motion.

IN FAVOR: Hannan, Josephson, Ortiz

OPPOSED: Tomaszewski, Galvin, Coulombe, Cronk, Stapp, Edgmon, Foster, Johnson

The MOTION FAILED (3/8).

[2:15:09 PM](#)

Co-Chair Johnson noted that Amendment N 14 was before the committee.

Representative Ortiz asked Mr. Steininger to provide more details on the amendment. The amendment indicated that DEED would use a \$3 million appropriation to support ongoing teacher recruitment and retention efforts and the development of an alternative certificate program. He asked for more information on how the funds would be used to support the efforts. He was not certain what DEED could do to help retain teachers in local school districts. He was also curious about the details of the alternative certificate program.

Mr. Steininger deferred the question to DEED.

Co-Chair Johnson relayed that she would generally like to avoid involving the departments due to the busy agenda of the meeting.

[2:18:26 PM](#)

LACEY SANDERS, DEPUTY COMMISSIONER, DEPARTMENT OF EDUCATION (via teleconference), responded that DEED had been working with the teacher recruitment and retention workgroup to implement the findings of the workgroup's study. One of the recommendations was to work on alternate pathways for teachers, such as training administrative staff in rural communities to become certified teachers. The department was devising strategies to enable more people in rural communities to become teachers.

Representative Ortiz asked Ms. Sanders for detail about retention efforts. He asked what portion of the \$3 million allocation would support teacher retention.

Ms. Sanders responded that there was not a defined breakdown as far as which funds would be allocated to which

effort. She emphasized that the department was continuing to collaborate with the workgroup to develop a plan. The final recommendation report from the workgroup was set to be referred to DEED by August of 2023, at which point there would be a more formulaic plan on how the money would be spent.

Representative Ortiz understood that the \$3 million was intended to promote the development of a plan to help recruit and retain teachers and potentially provide alternative certificates. He asked if his understanding was correct.

Ms. Sanders responded that the funding was not intended to develop a plan. The plan was already being put into place by the workgroup. She explained that the \$3 million would facilitate forward momentum on the items in the plan.

Representative Ortiz asked for a summary of what was included in the existing plan.

Ms. Sanders responded that if there were changes that could be made in the area of teacher certification that lifted restrictions, the department would implement the changes. The department was working on requests for information (RFI) to examine the federal requirements for registered apprenticeship programs in the state. The state had also been evaluating similar programs in other states for ideas that might make sense to implement in Alaska.

[2:23:31 PM](#)

Representative Hannan asked Ms. Sanders about an existing program at DEED for alternative certification which supported non-certification staff in village schools, such as peer educators, secretaries, and other support staff. She asked if the money would assist individuals in the existing program or if it was a new and different program and would be stood up in a different way.

Ms. Sanders responded that the funding was for the department to implement the alternative pathway for administrative staff to become certified.

Representative Hannan asked how much money had already been put towards the program.

Ms. Sanders responded that there was currently no funding in the budget for the program. The funding would allow the department to move forward with the concept. The RFI would determine how much the program would cost the department and the \$3 million was a package that would address multiple items that the workgroup had identified. She did not have an exact dollar amount.

[2:25:46 PM](#)

Representative Galvin asked Ms. Sanders for more information about the \$5 million allocation for ARAI. She understood that the allocation would fund an opportunity for around 80 students.

Ms. Sanders responded that the money would go towards 20 to 25 students in each grade for a total of up to 100 students.

Representative Galvin asked if the breakdown was \$50,000 per student.

Ms. Sanders responded that there were multiple costs and multiple pieces to the increment before the committee. Up to 100 students would be served and there were teachers that were not included in the number who would be served as well. Additionally, there were 12 new staff positions that would be established within the reading academy.

Representative Galvin asked if the total number of students initially impacted by the program would be 100 students for a cost of \$5 million.

Ms. Sanders responded in the affirmative and added that teachers across the state would be participating and receiving instruction on the science of reading.

[2:28:16 PM](#)

Representative Coulombe MOVED to ADOPT conceptual Amendment 2 to Amendment N 14 to move the \$4 million from ANSEP to the higher education fund.

Co-Chair Johnson OBJECTED for discussion.

Representative Coulombe relayed that she supported education but thought that \$16 million from UGF was a significant request. The purpose of the conceptual amendment was to "cushion the blow" to UGF.

Representative Josephson thought that the conceptual amendment was well intentioned; however, the higher education fund seemed to be the go-to source for funding. The state had already lost about \$50 million from the higher education fund and he did not want to broaden the purpose of the fund.

Representative Galvin wondered if there was a way to learn the degree to which the higher education fund had been impacted.

Co-Chair Johnson asked Mr. Alexei Painter to respond to the question.

[2:30:47 PM](#)

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION responded that a proposed \$24.6 million would be taken from the higher education fund for FY 24.

Representative Galvin asked Mr. Painter how much money was left in the fund.

Mr. Painter responded that the fund had \$358.6 million as the end of February of 2023. Statute dictated that 7 percent of the fund could be spent on scholarships every year. He was not certain how much had been spent on scholarships as of the present day.

Representative Galvin wanted to ensure that the funds would be available for those who had signed up through the governor's scholarship program. There had been some questions in the past about whether the state had been properly funding the scholarships and she did not want to add to the uncertainty.

Mr. Painter responded that regardless of the 7 percent, the fund was projected to earn 5.6 percent per year and the \$24 million would be in excess of the earnings. The loss in the fund's value was due to investment losses in 2022.

Representative Stapp understood that the investment losses were due to the rate of return of the fund. He asked Mr. Painter to detail a three-year or five-year average of the fund. He asked if he could be certain that the fund was not being overdrawn if there were investment losses.

Mr. Painter responded that the projected forward-looking investment returns were 5.6 percent per year. He was not certain what the returns were during the last three years because it had been especially volatile.

Co-Chair Edgmon stated that he opposed the amendment because he felt that the state was at the intersection of policy and budget.

Representative Coulombe WITHDREW conceptual Amendment 2 to Amendment N 14.

Co-Chair Johnson relayed that Amendment N 14 was before the committee. She asked if there were any final remarks on the amendment.

Representative Josephson was concerned about the alternate certificate program. He shared that when he was a teacher, he spent a significant amount of time becoming certified and after graduation, he was required to take six additional credits each year to continue to renew his teaching certificate. He thought the amendment would reduce the standards rather than fixing the problem. He did not think reducing standards was fair to Alaska and he was opposed to the amendment.

[2:37:05 PM](#)

AT EASE

[2:37:59 PM](#)

RECONVENED

Co-Chair Johnson asked if there were additional comments on the amendment.

Representative Tomaszewski emphasized the importance of reading. The funding would help kindergarten through third grade students and he thought the state needed to improve the educational outcomes of its children.

[2:38:49 PM](#)

Representative Tomaszewski MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Coulombe, Cronk, Stapp, Tomaszewski, Johnson, Foster, Edgmon

OPPOSED: Hannan, Josephson, Ortiz

The MOTION PASSED (8/3). There being NO further OBJECTION, Amendment N 14 was ADOPTED.

[2:39:58 PM](#)

Representative Coulombe MOVED to ADOPT Amendment N 15 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Student and School Achievement

Transaction Details

Title: Add Two Education Specialist 2 Positions as Cultural Reading Specialists  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	258.8
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	258.8

Positions  
Permanent Full-Time: 2  
Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund 258.8

Explanation

Add two Cultural Reading Specialist Positions, which are necessary to assist rural and urban Alaska school districts in teaching students reading skills and proficiency for whom English may be a second language. These positions support the successful implementation of the Alaska Reads Act.

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Student and School Achievement

Transaction Details

Title: Delete Two Education Specialist 2 Positions  
Section: Section 1  
Type: Dec

Line Items

Personal Services: -258.8  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
-258.8

Positions

Permanent Full-Time: -2  
Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund -258.8

Explanation

Change these two positions to Cultural Reading Specialist Positions, which are necessary to assist rural and urban Alaska school districts in teaching students reading skills and proficiency for whom English may be a second language.

Representative Stapp OBJECTED for discussion.

Co-Chair Johnson MOVED to divide the question between the two items.

Representative Coulombe OBJECTED.

Representative Hannan was uncertain as to which question was being divided.

Co-Chair Johnson responded that the question would be divided between the deletion of two Education Specialist 2 positions and the addition of two Education Specialist 2 as Cultural Reading Specialists positions.

Representative Coulombe was opposed to dividing the question. She relayed that she had originally added two standard Education Specialist 2 positions, but the rural legislators had told her that adding two Cultural Reading Specialist positions would be more beneficial. She clarified that there was no transfer of money, but simply a change in specialty.

Co-Chair Johnson asked Representative Coulombe to restrict her comments to the division of the question.

Representative Coulombe responded that she had been speaking to the division of the question. She did not want to divide the two items because the items were inextricably linked. She thought that if the question were divided, the two positions could be deleted and not replaced with other positions.

[2:41:58 PM](#)

Representative Coulombe MAINTAINED the OBJECTION.

A roll call vote was taken on the motion to divide the question.

IN FAVOR: Johnson, Edgmon, Foster

OPPOSED: Hannan, Josephson, Ortiz, Coulombe, Cronk, Stapp,  
Tomaszewski, Galvin

The MOTION to divide the question FAILED (8/3).

2:43:05 PM

AT EASE

2:52:46 PM

RECONVENED

Co-Chair Johnson relayed that Amendment N 15 would be rolled to the bottom of the list.

Representative Coulombe WITHDREW Amendment N 15.

2:53:49 PM

Representative Galvin MOVED to ADOPT Amendment N 16 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Student and School Achievement

Transaction Details

Title: Restore Review Panel for Alaska Reads Act  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	35.0
Services:	150.0
Commodities:	200.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	385.0

Positions

Permanent Full-Time:	0
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Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund 385.0

Explanation

HB114 made a statutory requirement for DEED to convene with school districts and subject experts in reading end elementary education. This convening is intended to give state administrators the opportunity to listen to community concerns and strategize solutions for the ongoing implementation of the Alaska Reads Act. This restores funding as requested by the Governor's budget.

Representative Cronk OBJECTED for discussion.

Representative Galvin explained the amendment and noted that the content was originally part of the Alaska Reads Act (ARA). She presumed that the reason the content was pulled from ARA was that there was not a sufficient understanding of the requirement and the proposed allocation of the money. The panel created by the amendment was required to collectively represent the regions of the state and include teachers of grades one through three, school administrators, stakeholders from indigenous language immersion programs, representatives from early education stakeholder groups, and researchers of best practice for improving literacy performance. She thought the panel would be one of the first instances in which funding had been allocated to accountability. The panel would include an evaluator at a cost of \$150,000 and other panel members were included to represent rural Alaskans who could not regularly join the meetings. The panel would be inclusive of 35 members dedicated to literacy in children and the funding would support the work of the panel. The plan was for the panel to meet for the first time in April of 2023.

[2:57:05 PM](#)

Representative Coulombe remarked that she was the chair of the Education and Early Development (EED) subcommittee and the \$385,000 was used to fund an additional reading specialist position and cover some of the teacher

certification fees. The panel was expensive and ARA would not have been implemented for long enough to draw any substantial conclusions. She relayed that DEED would organize the panel, but it would be more creative and resourceful than the one proposed by the amendment.

Co-Chair Johnson understood that the money was reallocated from the panel to fund additional reading specialist positions. She thought the panel was a negotiated piece of ARA and the money would fund two additional reading specialists. She did not disagree with implementing the panel, but she did not want to implement a panel that was not properly funded.

Representative Josephson remarked that he had been in opposition to the passage of ARA in May of 2022. He assumed that the fiscal notes for FY 23 were already adopted. He marveled at the fact that there had been a distinct goal and the goal was already changing. He did not understand the details thoroughly enough and would like there to be more dialogue.

Representative Coulombe commented that her biggest concern was the implementation of ARA. She thought that the addition of more reading specialists would contribute to ARA's success. She argued that the money should be allocated towards implementation rather than spending nearly \$400,000 to talk about ARA. She offered reassurance that DEED indicated that there would be a panel and it would either be attached to a professional convention or on a smaller scale. She would be open to revisiting the topic in the next year, but presently she wanted to ensure that resources were actively contributing to the success of ARA.

Co-Chair Edgmon agreed with the comments from both Representative Coulombe and Representative Josephson. He understood that ARA regulations would not be adopted until April of 2023. He relayed that he was at a conference about three weeks prior and the mantra at the conference was, "we're building the airplane as we fly it." He liked the amendment, but he thought it was before its time as ARA was still in its infancy. He would not be supporting the amendment.

[3:03:19 PM](#)

Representative Hannan was in support of the amendment. There were a lot of concerns from a variety of communities regarding ARA. A major concern was the legislature either not funding the act to the proper policy level or not including communities early enough to facilitate understanding of the act. She liked that ARA was going to require early discussions with school districts to speak about multilingualism and the different ways districts approached problems. She had liked that discussions were meant to occur before districts built out a reading program, hired reading specialists, and issued contracts. She thought it was important to involve and consult with communities to determine what was working and what was not. Although she was not a strong advocate for ARA, if it was going to be implemented then the legislature should uphold the promises it made to communities that did not have many specialist instructors. She argued that \$385,000 was an appropriate price to ensure that communities were successful in implementing ARA. She would be supporting the amendment.

Representative Ortiz remarked that much of his comments were going to be similar to Representative Hannan's comments. He did not vote for ARA because he thought it was a well-intentioned but underfunded mandate. The community engagement element of the act was critical in order for it to succeed. He would be supporting the amendment.

Co-Chair Johnson relayed that her biggest challenge with the amendment was that she believed it was represented in a fiscal note in ARA. The budget would increase by \$258,000 for two additional reading specialists not requested by the department. She did not want to be absolute on the issue and ARA was wrought with compromise. She was concerned that the original meaning of the act was being undone.

[3:08:02 PM](#)

Representative Cronk thought the amendment would be premature until there were "boots on the ground." He argued that if schools could be online then meetings could occur online.

Representative Galvin commented that she learned about the panel in the current year. She followed ARA a bit in the prior year, but she tracked it closely this year. Changing education outcomes was difficult and communities needed to be involved. She relayed that conducting online meetings with individuals in rural areas of the state was not a reliable solution due to internet difficulties. She was grateful that thought was put into the bill and was proposing the amendment to reinstate the funds.

[3:10:22 PM](#)

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion to adopt Amendment N 16.

IN FAVOR: Josephson, Ortiz, Hannan, Galvin

OPPOSED: Coulombe, Cronk, Stapp, Tomaszewski, Edgmon, Foster, Johnson

The MOTION FAILED (4/7).

[3:11:22 PM](#)

Representative Ortiz MOVED to ADOPT Amendment N 17 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Student and School Achievement

Transaction Details

Title: Civics Education Coordinator Position and Grant Funding  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	100.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0

Grants:	270.0
Miscellaneous:	0.0
	370.0

Positions

Permanent Full-Time:	1
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	370.0
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Explanation

This amendment would allow for the continuation and expansion of three successful K-12 programs: We The People, Alaska History Day, and Kids Voting North. The increment would be split as follows: \$100.0 for a statewide coordinator position, \$100.0 for the We the People program, \$100.0 for the Alaska History Day program, and \$70.0 for the Kids Voting program.

Co-Chair Foster OBJECTED for discussion.

Representative Ortiz explained that the amendment was an increment of \$370,000 in the name of civics education programs that were already in existence. He relayed that \$100,000 would be allocated to a coordinator position created by DEED, \$100,000 would be allocated to support the We the People program, \$100,000 would support the Alaska History Day program, and \$70,000 would be allocated to the Kids Voting program. He shared that the We the People program had interactive and innovative curriculum involving civic competence and responsibility, such as simulated congressional hearings. Since the program's inception in 1987, over 30 million students had participated nationally. The Alaska History Day program provided an education experience that promoted research, critical thinking, and presentations skills to over 500,000 high school students every year. The Kids Voting program was dedicated to promoting lifelong voting habits in children, increasing family communication, and encouraging greater adult voter turnout. The increment would provide stability and a higher capacity across the state for the valuable programs.

[3:13:12 PM](#)

Representative Josephson asked what the catalyst was for the amendment.

Representative Ortiz responded that he was offering the amendment on behalf of a fellow legislator from Fairbanks, Alaska.

3:13:40 PM

AT EASE

3:14:20 PM

RECONVENED

Co-Chair Johnson thought that SB 29 included the content of Amendment N 17 in a fiscal note. She was not going to support the amendment because SB 29 would be coming before the committee and she would like to see it debated and passed in the form of a bill rather than in the form of a budgetary amendment.

Representative Hannan did not agree that SB 29 functioned the same way as the amendment. She thought that SB 29 mandated that schools have a civics education program while the programs included in the amendment were three specific programs in which she had personally participated when she was a teacher. Conversely, SB 29 required districts to implement a comprehensive civics curriculum.

Co-Chair Johnson suggested that the committee might not have all of the information.

3:16:29 PM

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Josephson, Ortiz, Hannan, Galvin

OPPOSED: Coulombe, Cronk, Stapp, Tomaszewski, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 17 FAILED (4/7).

[3:17:29 PM](#)

Representative Galvin MOVED to ADOPT Amendment N 18 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Student and School Achievement

Transaction Details

Title: Alaska Excel Bridge Program Grant  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	500.0
Miscellaneous:	0.0
	500.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	500.0
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Explanation

Alaska Excel is a Bridge Program that works with 11 school districts in Alaska:

Alaska Gateway School  
Iditarod Area School District  
Kashunamiut School District  
Kuspuk School District  
Lower Kuskokwim School District  
Nenana City School District  
North Slope Borough School District  
Tanana City School District  
Yukon Flats School District  
Yupiit School District

Yukon-Koyukuk School District

They currently receive no state funding and provide services for 900 students per academic year. Districts send students to APU for 2-8 weeks.

They provide foundational support with life skills, post-secondary education support, and job readiness skills through partnerships students learn and acquire certificates after learning about: aviation, law enforcement, photography and laborer skills at Northern Industrial Training.

Students also acquire life skills such as budgeting, resume writing, mock interviews, acquiring a drivers license and finding housing.

This program does have a waitlist and these funds would allow this program to reach additional students in grades 7-12.

Co-Chair Foster OBJECTED for discussion.

Representative Galvin explained the amendment came about after a discussion with a colleague about the need for a larger breadth within Alaska Excel Bridge Program (AEBP) and the funding would be a complement to ANSEP. The bridge program offered opportunities to students in rural Alaska to be introduced to post-high school options. In 2014, the Kuspuk School District had a graduation rate of 30 percent; however, when AEBP opened its doors and offered options to students that they had never been exposed to before, the graduation rate increased to 75 percent in four years. The program brought students to Anchorage, Alaska and the students stayed at the Alaska Public University (APU) campus. The students lived in an academic environment and were given opportunities to learn life skills such as driver's education and job training. In 2014, there were fewer than 200 students in the program and in 2023 there were about 900 students with 90 more students set to join the program in the following weeks. The students learned things from flying planes, driving "big rigs," to filling out the Free Application for Federal Student Aid (FAFSA). A particular GPA was not required to join the program. She

thought the amendment would help more Alaskans enter the workforce.

3:21:16 PM

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Josephson, Ortiz, Hannan, Galvin

OPPOSED: Coulombe, Cronk, Stapp, Tomaszewski, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 18 FAILED (4/7).

3:22:23 PM

Co-Chair Edgmon MOVED to ADOPT Amendment N 19 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Early Learning Coordination

Transaction Details

Title: Increment for Head Start Program to Provide Grantees with Additional Matching Funds  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	4,965.3
Miscellaneous:	0.0
	4,965.3

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding  
1004 Gen Fund                    4,965.3

Explanation

This funding would support the Head Start program, which promotes school readiness by serving children up to the age of 5 from low-income families by supporting the development of the child through comprehensive services such as health, nutrition, and parent involvement. Head Start children transition to kindergarten with increased literacy, math, and social skills, which is assessed three times per year through Teaching Strategies Gold for the Department of Education & Early Development (DEED). Matching funds provided through the State of Alaska are to guarantee that grantees meet federal match requirements of 20% of total Head Start funding. In the last ten years, the State's contribution to the program has declined to the current 12% state match. Currently, the non-federal match requirement is partially covered by state funds and supplemented through ACF waivers and in-kind donations. This increment would increase the State's contribution to provide the 20% non-federal match requirement.

Agency:                    Environmental Conservation  
Appropriation: Assumption of 404 Program  
Allocation:                Assumption of 404 Program

Transaction Details

Title:            Delete Funding and Positions Associated with  
Assumption of 404 Program Grantees with Additional  
Matching Funds  
Section:        Section 1  
Type:            Inc

Line Items

Personal Services:    -3,487.5  
Travel:                    -124.8  
Services:                -1,129.0  
Commodities:            -224.0  
Capital Outlay:            0.0  
Grants:                    0.0

Miscellaneous:                    0.0  
                                     -4,965.3

Positions  
Permanent Full-Time:            -28  
Permanent Part-Time:            0  
Temporary:                        0

Funding  
1004 Gen Fund                    4,965.3

Explanation  
Given the State's current fiscal situation, revenue forecast, and unknown costs associated with 404 primacy assumption, it is inadvisable to add 28 positions for this function.

Co-Chair Foster OBJECTED for discussion.

Co-Chair Edgmon explained that the amendment would fund the Head Start Program by transferring \$5 million from a program that was yet to be established called the 404 Primacy Program. He understood that there was some controversy attached to the amendment because individuals wanted to see the 404 Primacy Program come to fruition. There was an indeterminate fiscal note and it was unclear how much the 404 program would cost.

Co-Chair Edgmon remarked that in contrast, Head Start had been in place in the state for many years and successfully helped support low income families and children ages zero to five. He thought the track record of the program spoke for itself. The program's viability had been slowly undercut by the state's declining support for it. The program provided up to 20 percent of the federal match ten years ago, but it presently only provided 12 percent. The grantees across the state had to "cobble together" the state match and as a result, the grantees' participation and ability to do their job was being undercut. There was under enrollment in some of the programs as a direct result of declining resources. He proposed that the swap of funds in the amendment was more than warranted. He hoped that he could appeal to members to postpone addressing 404 primacy and instead support Head Start.

[3:26:27 PM](#)

Representative Stapp was in opposition to the amendment; however, he thought Head Start would be a worthy recipient of the funds if the amendment were to pass. He was in favor of maintaining the funds for primacy.

Co-Chair Foster supported the amendment due to the Head Start component. The funds would be contributing to early childhood development but would also help parents who needed child care. Facility construction for Head Start was 100 percent covered by the federal government which would promote new jobs. He reiterated that there was a required 20 percent state match which meant that the federal government provided 80 percent of the funding. He was a strong supporter of Head Start and would be supporting the amendment.

Representative Cronk opposed the amendment because he believed in primacy and private business; however, he also supported Head Start and would not be disappointed if the amendment passed.

Representative Tomaszewski agreed with Representative Stapp that the private market would benefit from 404 primacy. He asked how much funding Head Start currently received due to a fund match. He wondered if the proposed \$5 million increment would bring the state match up to 20 percent. He asked if the program currently had a minimum of \$25 million in it or if the total was higher because the amendment would provide additional matching funds.

Co-Chair Edgmon responded that that the proposed funding in the amendment would bring the program up to the 20 percent fund matching threshold. He would need to look into the first question and follow up with Representative Tomaszewski.

Representative Tomaszewski was amenable to receiving the information at a later date.

[3:31:22 PM](#)

An objection was MAINTAINED.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz, Foster, Edgmon

OPPOSED: Cronk, Stapp, Tomaszewski, Coulombe, Co-Chair Johnson

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment N 19 was ADOPTED.

[3:32:30 PM](#)

Co-Chair Johnson MOVED to ADOPT Amendment N 20 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Early Learning Coordination

Transaction Details

Title: Remove Additional Funding for Best  
Beginnings Dolly Parton's Imagination Library  
Section: Section 1  
Type: Dec

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	-320.0
Miscellaneous:	0.0
	-320.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	-320.0
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Explanation

Best Beginnings is funded in the base budget with

\$320,000, which has been consistent since FY16. This amendment reverses the \$320,000 increment added in subcommittee, which represented a 100% increase in funding, as the additional amount is unnecessary to maintain current levels of service.

Co-Chair Foster OBJECTED for discussion.

Co-Chair Johnson explained that the Dolly Parton Imagination Library had been consistently funded at \$320,000 since FY 16. The funding had been doubled in the EED subcommittee. She relayed that the amendment would return to funding to the historical amount of \$320,000.

[3:33:53 PM](#)

Representative Ortiz commented that the previous legislature had strongly emphasized the importance of promoting pre-kindergarten and lower elementary aged students in order to ensure that the students would be reading by the third grade. He understood that literacy by the third grade was the goal of ARA, but the goal would not be achieved without investment. The funding was doubled to directly support the goal of literacy. The program was well established and well used by both public school students and alternative education students. The funding was intended to support the goal with money and not just with words. He was in opposition to the amendment.

Representative Hannan spoke in opposition to the amendment and in support of the Dolly Parton Imagination Library. The library offered age appropriate books to every child that subscribed. She thought the program was effective and wished that every child in Alaska would enroll in the program.

[3:37:01 PM](#)

Representative Galvin relayed that there was a longitudinal study completed in 2020 on the impacts of the imagination library. Presently, 70 percent of five-year-olds were one to two years behind upon beginning kindergarten. The 2020 study showed that the impacts of the library on children were extremely positive. When more funding was allocated to the library, over 48,000 children in the state were

enrolled. The number had dwindled to 13,000 participants due to lack of funds. She thought the impact of the library directly correlated with the governor's goal to ensure that the children in the state were ready to read by the third grade. The program cost was around \$30 per child and it would be an investment of about \$1.5 million if every child in the state were to join. Any funding increase would allow the program to be restored in areas where the program had been previously discontinued and increase enrollment in existing program areas. She thought the funding was one of the key pieces of the puzzle in making sure children could read. The program distributed books to individual homes and offered a teaching tool on how to read to children.

[3:40:10 PM](#)

Representative Cronk asked Representative Galvin if the cost of the program was \$30 per child per year.

Representative Galvin responded in the affirmative. There were roughly 50,000 children from age zero to five in the state and it was calculated that \$1.5 million would cover the entire state.

Representative Cronk asked if individuals could enroll in the program independently.

Representative Galvin responded that an individual could donate to Best Beginnings. She assumed that an individual could also enroll in the program independently.

Representative Cronk thought it seemed like a program worthy of donation.

Representative Galvin thought it was an important partnership between public and private entities.

Co-Chair Edgmon commented that the amendment presented a tough choice for him and he was struggling to know how he should vote. He hoped that the budget would get "rest" sometime in the future if it were to pass.

[3:42:13 PM](#)

Co-Chair Johnson commented that the amendment was returning the program to historic funding levels. She argued that it was unnecessary to maintain the current levels of service and it was unwise given the state's current fiscal situation. She did not think doubling state funding for the library was justified but she did support the program. She emphasized that the amendment would not change the base funding or current rate of funding to the library.

[3:43:19 PM](#)

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

OPPOSED: Galvin, Hannan, Josephson, Ortiz

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment N 20 was ADOPTED.

[3:44:28 PM](#)

Co-Chair Johnson relayed that Amendment N 21 (copy on file) had been WITHDRAWN.

Co-Chair Johnson announced that the committee would take a brief break.

[3:45:00 PM](#)

AT EASE

[4:06:53 PM](#)

RECONVENED

Representative Ortiz MOVED to ADOPT Amendment N 22 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Early Learning Coordination

Transaction Details

Title: Parents as Teachers  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	750.0
Miscellaneous:	0.0
	750.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	750.0
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Explanation

Increase for Parents as Teachers (PAT) program to meet waitlist needs and to support this child abuse and neglect prevention program.

It is estimated in a 2020 MIECHV Needs Assessment that only 36% of Alaska's at-risk families receive home visiting services. There are an estimated 4,952 at-risk families across Alaska that could benefit from PAT, yet PAT funding through DEED is only set to serve 149 families (with an additional 50 families funded through OCS). This increment would increase PAT's capacity for more outreach and additional families served.

Co-Chair Foster OBJECTED for discussion.

Representative Ortiz explained that the amendment was a \$750,000 increment to increase the ability for the Parents as Teachers (PAT) program to meet its waitlist needs and support the program. He relayed that PAT was a program to build parenting skills and teach about optimal childhood learning and prevent child abuse and neglect. He noted that

it was estimated that only 36 percent of Alaska's at-risk families received home visiting services such as PAT. There were an estimated 4,952 at-risk families across the state that could benefit from PAT, yet the funding through DEED would only support 149 families. The amendment would support reading-readiness for kids as well as kindergarten-readiness. The amendment would contribute to the overall goals of ARA and was in support of the overall goal of literacy in children.

Representative Galvin supported the amendment. She had been advocating for vulnerable families for a substantial period of time and PAT was one of the programs with the strongest outcomes in the state. Focusing on vulnerable families by providing resources for their children made a difference. Parents were given opportunities to learn how to better engage with their children through the program. A highlight of the program was that specialists could help connect families to the right resource to get their children back on track as soon as possible.

[4:11:06 PM](#)

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

OPPOSED: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 22 FAILED (4/7).

[4:12:06 PM](#)

Representative Ortiz WITHDREW Amendment N 23 (copy on file) and Amendment N 24 (copy on file).

Representative Ortiz MOVED to ADOPT Amendment N 25 (copy on file):

Agency: Education & Early Dev  
Appropriation: Libraries, Archives & Museums  
Allocation: Library Operations

Transaction Details

Title: Restore Library Operations Funding

Section: Section 1

Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	402.7
Miscellaneous:	0.0
	402.7

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	402.7
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Explanation

This amendment would reinstate the decrement made in subcommittee. The subcommittee assumed that the FY23 actuals could be maintained this year, but those were due to vacancies that have already been filled or are in the process of being filled. Because of the lack of vacancies, the department testified they would take this cut to the Public Library Assistance (PLA) grant.

PLA distributes about \$7000 per library to 86 libraries across the state. Without this amendment, the libraries will only get about \$2300. This will have an incredibly big impact on smaller communities and libraries run by volunteers, potentially even closing much needed public libraries

Representative Cronk OBJECTED for discussion.

[4:13:20 PM](#)

AT EASE

4:13:30 PM  
RECONVENED

Representative Ortiz explained that the amendment would restore funding to libraries in the state. The EED subcommittee identified the cut based on unspent funds in FY 22 due to vacancies currently being filled. If the reduction was not restored, it would result in significant cuts to over 80 libraries in the state. Without the amendment, the \$7,000 per-facility funding received by 86 libraries in the state would be reduced to about \$2,300. Individuals and libraries across the state would be negatively impacted if the reduction was left in place. He highlighted that the cut was especially significant for rural library operations and might cause the partial closure of many rural libraries. The amendment was in support of literacy, libraries, and encouraging the state to engage in reading. He reiterated that the amendment would allocate critical funding to libraries across the state.

Representative Coulombe chaired the EED subcommittee and explained the reason for the cut back to FY 22 levels. There were two positions that DEED had unsuccessfully tried to fill and the positions accounted for half of the cut. She was aware of the positive work done by libraries but she did not see the cut as a substantial cut to services. She added that a topic of conversation in subcommittee was whether it was possible to remove the positions. The department was choosing not to take the positions away but to instead reduce funding.

4:18:31 PM

Representative Galvin supported the amendment. She emphasized the importance of the \$7,000 per-facility funding and highlighted the high number of public testifiers who called in in support of libraries. The programs provided by libraries were especially important to families who did not have expendable income for activities. There were recruiting challenges throughout the state and she had not seen many other departments receive position cuts.

Representative Hannan supported the amendment. She reminded committee members that the state library employed librarians with specialized knowledge and training. There were statutory mandates about programs and records that librarians stored for the state. She relayed that two of the vacant positions had been vacant less than five months, which she argued was not a long period of time for a position to be vacant. The libraries were actively recruiting for some of the positions, but funding was removed for some positions and the libraries were not able to recruit for the positions until the beginning of the new fiscal year. When she visited Unalaska, Alaska, she saw the libraries busy every evening with individuals using the internet as every home did not have internet access. She thought that paying \$402,000 to keep 86 libraries operational was a good investment.

Representative Josephson supported the amendment. He argued that DEED was "being stubborn" in saying that it would not fund the positions but instead take the funding from libraries. He thought the amendment should be adopted to prevent DEED from taking the action.

Representative Stapp thought library grant programs were great, but disagreed with Representative Josephson and thought that DEED should not be able to choose how it appropriated funds. He argued that the legislature should be the appropriating body. He was in opposition to the amendment.

[4:23:32 PM](#)  
AT EASE

[4:23:49 PM](#)  
RECONVENED

Representative Ortiz provided wrap up on the amendment. He listed some of the 86 libraries that would be impacted and urged that members support the amendment.

Representative Cronk WITHDREW the OBJECTION.

Representative Coulombe OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz, Cronk, Foster, Edgmon, Johnson

OPPOSED: Tomaszewski, Coulombe, Stapp

The MOTION PASSED (8/3). There being NO further OBJECTION, Amendment N 23 was ADOPTED.

[4:26:42 PM](#)

Representative Ortiz MOVED to ADOPT Amendment N 26 (copy on file):

Agency: Education & Early Dev  
Appropriation: Libraries, Archives & Museums  
Allocation: Library Operations

Transaction Details

Title: Subscription Service to National Federation of the Blind NFB-NEWSLINE  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	23.5
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	23.5

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	23.5
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Explanation

This amendment provides the funds for Alaska to subscribe to NFB-NEWSLINE service to provide blind,

low-vision and print-disabled Alaska residents with access to emergency weather alerts, critical news, and a broad range of information sources available to the nondisabled public. Alaska is one of only three states in the United States that does not provide this service for their residents.

Co-Chair Foster OBJECTED for discussion.

Representative Ortiz explained that the amendment would restore funding to allow Alaska to subscribe to the National Federation of the Blind (NFB) Newsline service to provide Alaskans with a range of vision disabilities critical resources.

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

OPPOSED: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 26 FAILED (4/7).

Representative Ortiz WITHDREW Amendment N 27.

Co-Chair Johnson relayed that Amendment N 28 would be rolled to the bottom.

[4:29:41 PM](#)

AT EASE

[4:30:19 PM](#)

RECONVENED

Co-Chair Johnson rolled Amendment N 29 and Amendment N 30 to the bottom of the list.

[4:31:08 PM](#)

AT EASE

[4:33:37 PM](#)

RECONVENED

Representative Ortiz MOVED to ADOPT Amendment N 31 (copy on file):

Agency: Fish and Game  
Appropriation: Commercial Fisheries  
Allocation: SE Region Fisheries Mgmt.

Transaction Details

Title: Dive Fisheries Assessments  
Section: Section 1  
Type: IncOTI

Line Items

Personal Services:	35.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	35.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	35.0
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Explanation

One-time funding is appropriated from the Civil Fines and Penalties account. These receipts are tracked under the Fish and Game Fund, though the Civil Fines and Penalties account itself is not generated through Dedicated revenues and is appropriate to expend for Commercial Fisheries management. The FY23 balance of this account is estimated at \$108.0. The Southeast Alaska Regional Dive Fisheries Association (SARDFA) has a cooperative agreement with the Department of Fish & Game to pay for dive fisheries stock assessments. SARDFA has paid over \$2.4 million to DFG since the implementation of this self-assessment. The current 5-year cooperative agreement between DFG and

SARDFA expires this year and DFG has requested that SARDFA contribute approximately \$137.0 (thousand) up from \$104.0 to pay for stock assessment surveys. Due to less quota for geoducks and less value for sea cucumbers in recent years SARDFA has faced declining assessment tax revenue from dive fisheries.

Co-Chair Foster OBJECTED for discussion.

Representative Ortiz explained the amendment pertained to dive fishery stock assessments. The amendment would help supplement the monies that dive fisheries were already paying to the Department of Fish and Game (DFG) to help support surveys. He read from the explanation section of the amendment.

[4:36:06 PM](#)

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz, Edgmon

OPPOSED: Cronk, Stapp, Tomaszewski, Coulombe, Foster, Johnson

The MOTION to adopt Amendment N 31 FAILED (5/6).

[Note: Amendment N 31 was subsequently taken up again and adopted. See below for details.]

[4:37:19 PM](#)

AT EASE

[4:45:40 PM](#)

RECONVENED

Representative Cronk MOVED to RESCIND his vote on Amendment N 31. There being NO OBJECTION, it was so ordered.

Co-Chair Johnson stated that Amendment N 31 was back before the committee.

Representative Ortiz clarified that the amendment would cost \$35,000 and the money would come from the Civil Fines and Penalties account which currently held a balance of \$108,000. The funds would support dive fisheries, which paid for their own assessments. He was not aware of any other fisheries that paid for their own assessments.

Co-Chair Johnson wanted to ensure that there was no objection to Representative Cronk rescinding his vote. There being no objection to the rescind, the roll call vote would be on the adoption of Amendment N 31.

A roll call vote was taken on the motion to adopt Amendment N 31.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz, Edgmon, Cronk, Stapp, Tomaszewski, Coulombe, Foster, Johnson

OPPOSED:

The MOTION PASSED (11/0). There being NO further OBJECTION, Amendment 31 was adopted.

[4:48:31 PM](#)

Representative Ortiz MOVED to ADOPT Amendment N 32 (copy on file):

Agency: Fish and Game  
Appropriation: Sport Fisheries  
Allocation: Sport Fisheries

Transaction Details  
Title: Funding for Rockfish Survey  
Section: Section 1  
Type: Inc

Line Items  
Personal Services: 49.0  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0

Miscellaneous:                    0.0  
   49.0

Positions

Permanent Full-Time:            0  
Permanent Part-Time:            0  
Temporary:                        0

Funding

1004 Gen Fund                    49.0

Explanation

This funding will allow agency personnel to survey activity related to demersal shelf rockfish in Southeast Alaska inside waters using a Remote Operated Vehicle (ROV).

Co-Chair Foster OBJECTED for discussion.

Representative Ortiz explained that the amendment was in support of a rockfish survey. The funding would allow DFG personnel to survey the activity of demersal shelf rockfish using a Remote Operated Vehicle (ROV). The amendment would cover operating expenses for the survey. The department had a ROV but he would be proposing a future amendment to acquire an ROV based permanently in Southeast Alaska. He relayed that it was a food security issue because the fishing for rockfish, otherwise known as the yelloweye red snapper, had been closed to sport fishers in the past few years. The department had taken conservative measures due to lack of data on the species. The amendment was a small increment funded by the DFG fund and related to a sport fishery. He had heard loud and clear from his constituents that the availability of fish was a key component to ensure that there was enough food on the table and in the freezers.

Representative Cronk supported the amendment because he supported food security. He believed that the most important fish was the one on the table.

Co-Chair Johnson MOVED to ADOPT conceptual Amendment 1 to Amendment N 32 to add funding for Mat-Su weirs. The conceptual amendment would add \$40,000 for additional operating time for the Deshka River weir to accommodate

fishing opportunities during coho season, \$55,000 for additional operating time for the Jim Creek weir, and \$25,000 for additional operating for the Fish Creek weir for a total of \$120,000. She explained that the funding would be sourced from the DFG fund.

Representative Hannan OBJECTED for discussion. She understood that the balance of the DFG fund was only \$108,000.

Representative Ortiz clarified that the Civil Fines and Penalties account was the fund with \$108,000.

Representative Hannan asked how much money was in the DFG fund.

Co-Chair Johnson responded approximately \$18 million.

Representative Hannan WITHDREW the OBJECTION.

There being NO further OBJECTION, conceptual Amendment 1 to Amendment N 32 was ADOPTED.

Co-Chair Johnson noted that Amendment N 32 as amended was before the committee.

Co-Chair Foster WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment N 32 was ADOPTED as amended.

[4:52:55 PM](#)

Co-Chair Johnson relayed that Amendments N 33, N 34, and N 35 relating to vacant positions would be rolled to the bottom of the list.

Representative Hannan MOVED to ADOPT Amendment N 36 (copy on file):

Agency: Health  
Appropriation: Behavioral Health  
Allocation: BT Treatment and Recovery Grants

Transaction Details

Title: MH Trust: Crisis Now Continuum of Care Grants  
(FY24-FY26)

Section: Section 1

Type: InCT

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	333.0
Miscellaneous:	0.0
	333.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	333.0
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Explanation

This amendment brings the funding for Crisis Now Continuum of Care grants through the DOH Division of Behavioral Health up to the level recommended by the Alaska Mental Health Trust Authority. These grants will be awarded to organizations partnering with communities to provide more therapeutic, less restrictive options for people suffering a behavioral health crisis. Less funding for this program could contribute to delayed implementation or scaling back of planned projects and could dissuade additional communities from creating programs.

Co-Chair Foster OBJECTED for discussion.

Representative Hannan explained that the amendment would add \$333,000 for Crisis Now Continuum of Care grants in FY 24 through FY 26. The Alaska Mental Health Trust Authority (AMHTA) had suggested funding the grants at \$1 million and the grants were currently funded at \$667,000. The amendment would bring the total up to \$1 million to match the amount

that AMHTA thought the crisis centers would need to be fully operational.

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

OPPOSED: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 36 FAILED (4/7).

4:55:50 PM

AT EASE

5:00:40 PM

RECONVENED

Representative Josephson MOVED to ADOPT Amendment N 37 (copy on file):

Agency: Health  
Appropriation: Behavioral Health  
Allocation: BT Treatment and Recovery Grants

Transaction Details

Title: General Behavioral Health Treatment and Recovery Grants Increase  
Section: Section 1  
Type: Inc

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	3.000.0
Miscellaneous:	0.0
	3.000.0

Positions

Permanent Full-Time:	0
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Permanent Part-Time: 0  
Temporary: 0

Funding  
1004 Gen Fund 3.000.0

Explanation

1115 waivers are not enough to adequately cover the necessary funding to support behavioral health treatment and recovery services. This amendment would partially restore the difference in behavioral health grants funding seen between FY19 and FY23.

Co-Chair Foster OBJECTED for discussion.

Representative Josephson explained that the amendment concerned treatment and recovery grants. Since 2016, there had been a dramatic movement towards using an 1115 waiver to finance behavioral health treatment programs. He had asked a representative from the Medicaid office about the behavioral health problems that did not qualify for 1115 waivers. He had received many letters from constituents over the years requesting that behavioral health grants be continued. There had been a diminishment of state investments in cash grants and a dropping off of the UGF portion of the grants. The programs performed some functions that were not allowed under Medicaid.

Representative Josephson relayed that he had provided to the committee four letters opining on the 1115 waiver (copies on file). The first letter highlighted that the 1115 waiver was not a "be all end all" for behavioral health. Many Alaskans would not be eligible for the service and problems could become more acute without the programs. The residential rehabilitation facility in Wasilla, Alaska, Nugen's Ranch, was discussed often when he was a prosecutor because individuals often went to the ranch to receive credit for time served; however, the ranch had too many beds to qualify for an 1115 waiver. He relayed that organizational collapse was a concern for the immediate future. All of the letters in support of the amendment echoed the argument that the funds provided for the 1115 waiver were not adequate to cover the increased costs for behavioral health treatment. He added that the problem was not as dire in the previous fiscal year because several

million dollars were distributed to the state from the federal government for the purpose of behavioral health treatment. He highlighted that the drop off in UGF since 2019 in behavioral health funds was negative \$21 million. His amendment was proposing the restoration of about one-third of the funds.

[5:07:39 PM](#)

Representative Stapp noted that the 1115 waiver process was discussed in the Health and Social Services (HSS) subcommittee process. The purpose of the 1115 waiver process was to offset some grant fund applications. He relayed that the 1115 waiver was in the renewal process and the Department of Health (DOH) was looking at an amended process as well at the end of the year which would include a public comment period. He emphasized that many of the issues brought up by Representative Josephson would be covered in the public comment process. He agreed that the funding could be useful but he was not in support of the amendment.

Representative Galvin asked Representative Stapp for details on the timeframe of the public process.

Representative Stapp responded that he was not certain how long the public comment period would last. He thought someone from the department could speak to the process.

Representative Josephson appreciated Representative Stapp's comments about the panel that would be examining the waiver. He was concerned because the department was supposed to rebase a number of programs in 2014 and it did not happen. He was worried about the timeline and thought the amendment was important.

[5:10:38 PM](#)

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

OPPOSED: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 37 FAILED (4/7).

Co-Chair Johnson noted that Representative Justin Ruffridge was in the audience.

5:12:24 PM

Representative Hannan MOVED to ADOPT Amendment N 38 (copy on file):

Agency: Health  
Appropriation: Behavioral Health  
Allocation: Behavioral Health Administration

Transaction Details

Title: MH Trust: Peer Support Certification (FY24-FY25)  
Section: Section 1  
Type: IncT

Line Items

Personal Services:	0.0
Travel:	0.0
Services:	100.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	100.0

Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding

1004 Gen Fund	100.0
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Explanation

This would bring funding for Peer Support Training in the DOH Division of Behavioral Health to the level

recommended by the Alaska Mental Health Trust Authority.

Peer support is a critical service in community behavioral health settings across the state. Peer support ensures that people with lived experience can effectively help beneficiaries in their recovery efforts.

Without this recommended level of funding, training and oversight of peers would be constricted

Co-Chair Foster OBJECTED for discussion.

Representative Hannan explained that the amendment would add \$100,000 to Peer Support Training in the Division of Behavioral Health within DOH. She relayed that peer counselors were significant and there was evidence supporting the claim that peer counselors made a difference in behavioral health improvements. The amendment would allow AMHTA to continue the certification of counselors in FY 24 and FY 25. There were significant downstream impacts when behavioral health problems were ignored and she argued that \$100,000 to address the problem was money well-spent.

Representative Coulombe supported the program but she thought that there was a "hiccup" with the certification. The peer-to-peer certification required a background check, but the peer-to-peer program involved people with criminal backgrounds helping other people with criminal backgrounds. An individual interested in becoming a peer counselor would need to receive a waiver for every conviction and wait for it to be cleared before the individual could become certified. She would oppose the amendment due to the flawed process but she supported the idea.

Representative Galvin was not aware of the background check issue but she had met with individuals in the program and had heard breathtaking stories. In addition to positive personal anecdotes, the data showed that the peer counselors had made a significant difference. She was supportive of the amendment and was also supportive of any adjustment suggested by Representative Coulombe.

Representative Hannan thought AMHTA understood the backlog created by background checks. The trust's budget was to accommodate the worker load currently held and without the additional funding, AMHTA's ability to train and certify additional peers would be impacted. She thought that an upfront investment of \$100,000 would help ease the downstream impacts in the long run. She urged support for the amendment.

[5:16:55 PM](#)

Co-Chair Foster MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

OPPOSED: Stapp, Tomaszewski, Coulombe, Cronk, Edgmon, Foster, Johnson

The MOTION to adopt Amendment N 38 FAILED (4/7).

[5:18:03 PM](#)

AT EASE

[5:19:08 PM](#)

RECONVENED

Co-Chair Johnson noted that the committee had been joined by Representative Jesse Sumner.

[5:19:27 PM](#)

Representative Josephson MOVED to ADOPT Amendment N 39 (copy on file):

Agency: Health  
Appropriation: Public Assistance  
Allocation: Child Care Benefits

Transaction Details

Title: Additional Funding to Support Child Care Block Grant Discretionary Funds (FY24-FY25)

Section: Section 1

Type: InCT

Line Items	
Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	15,000.0
Miscellaneous:	0.0
	15,000.0

Positions	
Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

Funding	
1004 Gen Fund	15,000.0

Explanation

The Governor has put \$25,000,000 into the budget for Child Care stabilization, but stakeholders argue that an additional \$15,000,000 is needed. It should be noted that prior years saw funding of this allocation at over \$90,000,000.

Representative Ortiz OBJECTED for discussion.

Representative Josephson explained the amendment. He could not recall the specifics, but there had been a generous allocation of child care dollars though a federal provision for state and local governments. He recalled that around \$90 million was allocated for the state and some of which was distributed to local municipalities. The amendment would address the cliff on state support for child care. He understood that Thread was the best known umbrella organization for the child care sector. He relayed that Thread sought an additional \$30 million, but he thought that \$15 million would suffice because it would leverage federal Child Care and Development Block Grant (CCDBG) dollars. Every document in the packet he provided to the committee (copies on file) apart from the top document were letters received by the committee during the public testimony process. The size of the packet was substantial because each letter came from an Alaskan who cared about

the child care crisis. The first letter was from Ms. Blue Shibler, the executive director of the Southeast Alaska Association for the Education of Young Children (AEYC). He relayed that Ms. Shibler stated in her letter that a \$15 million increase to child care funding would raise wages by up to \$5 per hour. Many companies in the retail sector in the state were paying \$18 per hour through \$20 per hour and child care struggled to compete with a wage offering of \$15 per hour. Ms. Shibler noted that the lack of child care was costing Alaska's economy and businesses \$165 million annually. She arrived at the figure by looking at lost municipal sales tax revenue, turnover in local industries, and lost revenue due to absences in the workforce. The committee had heard in countless hearings the impact the lack of revenue had on the profitability of work. He had also been told that there were 1,700 providers and groups that would benefit from the increase. He argued that it would help stabilize the market by increasing wages from about \$14.50 per hour to \$19.60 per hour.

[5:24:32 PM](#)

Representative Coulombe understood that the budget included \$25 million for child care and the amendment would increase the total by \$15 million. She asked if she was correct.

Representative Josephson responded in the affirmative. The difference was that the \$25 million was already committed to emergency stabilization grants to prevent child care centers from going bankrupt, but it did not stabilize the labor force.

Representative Coulombe emphasized that she cared about child care. She understood that if child care centers were given the grants, the state could not force the centers to use the money for pay raises. She asked if her understanding was correct.

Representative Josephson responded that he had heard the same concerns from others. He had every expectation that the centers would use the money for pay raises, but he could not guarantee that it would happen.

Representative Ortiz spoke in support of the amendment. He did not think there was any other issue that impacted the

workforce more than child care. The lack of child care options prevented willing individuals from entering the workforce. The amendment related to child care but it truly related to supporting the economy of the state and the economy would not grow unless the state was supported properly. He thought the money would be well-invested.

Co-Chair Edgmon commented that he also viewed the amendment as intended for economic development. He recognized that \$15 million was difficult to justify when considering the state's fiscal situation. He recently attended a national seminar organized by the Hunt Institute on early learning and child care and it was interesting to hear from other states that were in similar positions as Alaska. The overwhelming statement was that child care was integral in workforce development and attracting and retaining employees. He hoped the progress seen in other states could be seen in Alaska soon. He was not confident that the committee had the votes to pass the amendment, but he wanted to speak in favor of the amendment and the approach it took to address the issue of child care. Young people were leaving the state and would continue to leave if wages stayed the same. There was a long list of items that were subsidized in Alaska but the state did not put enough resources towards child care. He spoke with the Alaska Chamber of Commerce and learned that child care was the chamber's number one priority. He thought something needed to be done to address the issue.

5:30:20 PM

AT EASE

5:31:29 PM

RECONVENED

Representative Ortiz MOVED to ADOPT conceptual Amendment 1 to Amendment N 39 to reduce the proposed \$15 million to \$7.5 million. He suggested that a smaller step in the right direction might be more palatable to members of the committee.

Representative Cronk OBJECTED.

Co-Chair Edgmon thought the situation was awkward because he knew what would be the right thing to do, but he was

aware that the legislature did not have the votes. He would be voting against the conceptual amendment and to the underlying amendment.

Representative Galvin was supportive of the conceptual amendment. The letters in the packet provided to the committee spoke directly about increasing pay and what it would mean for each of the child care centers. She understood that \$15 million was perhaps too substantial but she wanted to ensure that the return on investment was high.

Representative Cronk MAINTAINED the OBJECTION.

Representative Ortiz commented that the legislature could believe it wanted to support child care or it could take action to support child care. He thought the amendment was a small step towards addressing a big problem.

[5:35:31 PM](#)

AT EASE

[5:37:17 PM](#)

RECONVENED

A roll call vote was taken on the motion to ADOPT conceptual Amendment 1 to Amendment N 39.

IN FAVOR: Hannan, Josephson, Ortiz, Coulombe, Galvin

OPPOSED: Stapp, Tomaszewski, Cronk, Edgmon, Foster, Johnson

The MOTION FAILED (5/6).

Representative Hannan noted that she voted for the conceptual amendment and intended to vote for the underlying amendment. Child care impacted labor and was a workforce issue. She thought that allocating money to the grant program was likely to elicit increased wages and allow child care centers to stay open, which would allow more families to go to work. The Hunt Institute had relayed that child care was a failed business model because the profit margin was always small and a greater burden could not be pushed onto clients considering the significant increase in inflation. There were fewer people working and the centers could not take on more clients. Child care was

the center of labor in Alaska and money needed to be allocated to it in order to fix the problem.

[5:40:48 PM](#)

AT EASE

[5:58:05 PM](#)

RECONVENED

Co-Chair Johnson relayed that Amendment N 39 was before the committee.

Representative Stapp OBJECTED for discussion.

Representative Stapp MAINTAINED the OBJECTION.

Co-Chair Johnson asked Representative Josephson if he would like to make wrap up comments.

Representative Josephson remarked that he could not add to anything stated by Representative Hannan because her comments perfectly covered the topic.

[5:59:10 PM](#)

A roll call vote was taken on the motion.

IN FAVOR: Josephson, Ortiz, Coulombe, Galvin, Hannan

OPPOSED: Cronk, Stapp, Tomaszewski, Edgmon, Johnson

Co-Chair Foster was absent from the vote.

The MOTION to adopt Amendment N 39 FAILED (5/5).

[6:00:54 PM](#)

AT EASE

[6:01:25 PM](#)

RECONVENED

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

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

Co-Chair Johnson reviewed the agenda for the following day's meeting.

Co-Chair Johnson offered a reminder on committee rules.

#

ADJOURNMENT

6:03:24 PM

The meeting was adjourned at 6:03 p.m.