

HOUSE FINANCE COMMITTEE
April 1, 2024
10:21 a.m.

10:21:55 AM

CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 10:21 a.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 (via teleconference)
Representative Will Stapp
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Alexei Painter, Director, Legislative Finance Division;
Representative George Rauscher; Representative Andrew Gray;
Representative Ashley Carrick.

SUMMARY

HB 268 APPROP: OPERATING BUDGET; CAP; SUPP; AM

HB 268 was HEARD and HELD in committee for further consideration.

HB 270 APPROP: MENTAL HEALTH BUDGET

HB 270 was HEARD and HELD in committee for further consideration.

Co-Chair Johnson reviewed the meeting agenda. The committee would consider amendments to the operating and mental health budgets.

#hb268

#hb270

HOUSE BILL NO. 268

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making capital appropriations; making supplemental appropriations; making reappropriations; 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. 270

"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."

[10:22:55 AM](#)

^AMENDMENTS

[10:23:01 AM](#)

Co-Chair Johnson relayed that the committee had been hearing Amendment L 7. Conceptual Amendment 1 to the amendment was adopted at the last meeting on Thursday, March 28, 2024, at the 1:30 p.m. meeting [see separate minutes for detail].

Representative Josephson provided a review of Amendment L 7 (copy on file) as amended. For more than a decade, the state had contributed \$400,000 to the University of Alaska to assist military members with tuition. The funds came through university classes. He explained that the governor wanted to subtract \$200,000 of the total from the University's budget in FY 25 and move the increment to the Department of Military and Veterans Affairs (DMVA). The University subcommittee left the \$400,000 with the

University. Additionally, the DMVA subcommittee added \$200,000. He explained that Amendment L 7 as amended would pay for the autism services with general funds that otherwise would have gone to DMVA. If the amendment were adopted, it would be status quo funding to the University and would fund most of the autism services.

There being NO OBJECTION Amendment L 7 was ADOPTED as amended.

[10:26:08 AM](#)

Co-Chair Johnson moved to amendments to the numbers section of the operating budget.

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

DEPARTMENT: Administration
UNALLOCATED DECREMENT: (\$2,188.2) general funds (1004)

DEPARTMENT: Commerce, Community, and Economic
Development
UNALLOCATED DECREMENT: (\$59.5) general funds (1004)

DEPARTMENT: Corrections
UNALLOCATED DECREMENT: (\$11,864.5) general funds
(1004)

DEPARTMENT: Education and Early Development
UNALLOCATED DECREMENT: (\$1,398.7) general funds (1004)

DEPARTMENT: Environmental Conservation
UNALLOCATED DECREMENT: (\$690.6) general funds (1004)

DEPARTMENT: Family and Community Services
UNALLOCATED DECREMENT: (\$6,535.0) general funds (1004)

DEPARTMENT: Fish and Game
UNALLOCATED DECREMENT: (\$950.7) general funds (1004)

DEPARTMENT: Governor
UNALLOCATED DECREMENT: (\$2,128.3) general funds (1004)

DEPARTMENT: Health
UNALLOCATED DECREMENT: (\$4,176.8) general funds (1004)

DEPARTMENT: Labor and Workforce Development
UNALLOCATED DECREMENT: (\$507.3) general funds (1004)

DEPARTMENT: Law
UNALLOCATED DECREMENT: (\$2,010.0) general funds (1004)

DEPARTMENT: Military and Veterans' Affairs
UNALLOCATED DECREMENT: (\$16.1) general funds (1004)

DEPARTMENT: Natural Resources
UNALLOCATED DECREMENT: (\$2,517.0) general funds (1004)

DEPARTMENT: Public Safety
UNALLOCATED DECREMENT: (\$6,645.7) general funds (1004)

DEPARTMENT: Revenue
UNALLOCATED DECREMENT: (\$808.0) general funds (1004)

DEPARTMENT: Transportation
UNALLOCATED DECREMENT: (\$2,116.2) general funds (1004)

EXPLANATION: Half of UGF actual vacancy less vacancy factor adjustment.

Representative Stapp OBJECTED.

Representative Coulombe explained that the amendment would hopefully provide headroom in the budget. She noted she had used numbers provided by the Legislative Finance Division (LFD) (copy on file). She explained that the data showed budgeted PCNs [position control numbers] that were vacant. The data showed over \$200 million of budgeted vacancies after accounting for the vacancy factor (shown in the second column to the right of the backup document for Amendment N 18). She highlighted that the undesignated general fund (UGF) cost of the vacancies was \$89 million (shown in column 4). The amendment would reduce the agency budgets by half of the UGF cost. The reduction was an unallocated cut, and the departments could choose where to apply it. She stated there was a lot of money sitting out there in vacancies. She relayed that the amendment was an attempt at to increase transparency in the budgeting. She understood some of the funding was used to pay for overtime costs; however, she found it difficult as a legislator to understand what was going towards overtime and what the vacancy money was used for. She reiterated that the amendment attempted to provide more headroom in the budget.

She noted the legislature had recently passed a \$40 million broadband bill. She expounded that the amendment would help departments zero in on exactly what they needed, so the legislature would know exactly what was happening. The numbers were analyzed and put together by LFD. She deferred detailed questions to LFD.

[10:28:44 AM](#)

Representative Cronk asked if the amendment included seasonal positions.

Representative Coulombe stated that to her knowledge it did not, but she deferred to LFD for detail.

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, answered that the amendment did not include seasonal positions. The amendment only included permanent full-time positions.

Representative Stapp stated his understanding that typically the unfilled positions meant funding went to cover things like overtime within the departments or it lapsed back to the Constitutional Budget Reserve (CBR).

Mr. Painter agreed. He explained that it varied between agencies. For example, typically vacant positions in the Department of Corrections (DOC) resulted in the department needing to cover with overtime at 1.5 to 2 times the regular cost. In FY 24, the actual projected personal services expenditures were \$15 million more than budgeted because of the overtime. He elaborated that while there were savings from a vacant position, DOC had to make it up at a higher cost. He detailed that DOC had vacant food services positions and made those up by contracting out services, sometimes at a higher cost than in-house employees. He noted that some agencies had a lower service level when they had vacant positions and the money lapsed to the CBR. He relayed that in the past few years there had been some significant amounts lapsing into the CBR from vacant positions.

[10:31:18 AM](#)

Representative Stapp referenced the \$4 million unallocated cut to the Department of Health. He asked about how much federal match funding was associated with the positions. He

thought all of the positions associated with the Department of Health likely had federal matching funds.

Mr. Painter answered that he did not have the number on hand. The backup document aggregated all UGF funding.

Representative Galvin asked if Mr. Painter was familiar with the number of vacant positions waiting on reclassification so they could be rehired.

Mr. Painter replied that he did not have a number, but the administration was constantly doing classification studies. There were a couple of reclassifications in the supplemental budget to raise the range of certain positions. For example, positions in the Child Support Enforcement Division were increased by two ranges. Additionally, some positions within the Department of Public Safety increased by three ranges. He detailed that child support had active recruitments going before the reclassification and there were many more applicants after the reclassification. He explained that some of the vacant positions could be in active recruitment, but he did not have a number.

Representative Galvin asked if they did not know how many of the positions were vacant because the state was not competitive.

Mr. Painter replied that he could not speak to the reason for the vacancies.

Representative Galvin referenced the amendment's proposed cut to the governor's office of \$2.1 million. She asked if Alaskans would see fewer services due to the position cuts.

Mr. Painter answered that it would depend on a program-by-program basis. He explained that the amendment made unallocated reductions, meaning agencies or the executive branch would choose what would get cut. He could not speak to what agencies would choose to reduce (e.g., positions or programs).

[10:34:18 AM](#)

Representative Josephson looked at the proposed decrement of \$4 million to the Department of Health. He reasoned that in some respects someone could look at the amount through

the lens of the total budget and view it as small. He asked about the potential impact of the reduction given all of the variabilities in healthcare needs, which could change from month to month.

Mr. Painter answered it would depend on how the agency chose to spread the unallocated reduction. For example, if the department applied the decrement entirely to Medicaid, it could ask for a supplemental in that same amount. Alternatively, there would be a much higher impact if the cut were applied to public assistance and the division stopped processing applications.

Co-Chair Johnson recognized Representative George Rauscher in the room.

Representative Josephson referenced the proposed decrements to the Department of Law and Department of Public Safety. He surmised that without hearing from the departments, it was not possible for the committee to know what the departments would cut. For example, the governor wanted to hire more prosecutors to handle sexual assault cases in the FY 25 budget in the range of \$2 million. He surmised that one option was that the governor would decide not to hire the positions. He asked if his understanding was accurate.

Mr. Painter agreed. He explained that an unallocated reduction directed departments to find places to make reductions.

Representative Josephson remarked that by all indications, there was nothing fraudulent going on. He reasoned that because the funding lapsed, it merely remained with the state but did not return to the CBR where it would earn a few percent interest. He asked what happened to the lapsed funds.

Mr. Painter explained that there were several buckets in the budget where unspent personal services money went. Funds went to the catastrophe reserve account to return the account's balance back to \$50 million if there were draws. Funds also went to filling the group health life safety account, which served as a backstop for the state health insurance. Additionally, there was a rates moving appropriation from the governor's office to address insufficient rates. After those buckets were filled, the remaining funds went to the CBR. Any lapsing money at the

end of the year would go to the CBR after the other three or four items were filled. He noted he may be missing one in his explanation.

[10:37:26 AM](#)

Representative Hannan asked which departments lapsed money in FY 23. She remarked that Mr. Painter noted that DOC did not lapse money.

Mr. Painter replied that he did not have the report on hand. He offered to provide it to the committee.

Co-Chair Johnson asked the sponsor to elaborate on the intention of the amendment. She believed the intention was to ensure people knew where money was being spent.

Representative Coulombe explained that during the budget subcommittee process she found it difficult to know where the money was being spent by the departments. She stated there was a lot of money floating around within the departments and they were using the funding where they need to, but she could not see an overtime line showing how much money was being spent. She elaborated that the amendment had a potential savings of \$44 million, but her primary goal was increasing transparency in the budget. She highlighted that the vacancies addressed by the amendment were from 2013 to 2022. She added that if there was a reduction of services it would have already happened because the vacancies were empty. She was not cutting a program or anyone already in a job. She thought the positions were being used to make it hard to see what was actually needed by each department. She wanted to increase budget transparency and curb the habit of letting departments have huge slush funds. She pointed out that the total for those years was over \$200 million. She noted she had narrowed the amount down substantially and focused on UGF and half of UGF. She remarked that she could have opted to list PCNs to eliminate, but she wanted the departments to have some freedom to figure out where they wanted to make the cuts.

[10:40:26 AM](#)

Co-Chair Johnson asked for verification that the decrements were all UGF and not federal.

Representative Coulombe agreed.

Co-Chair Edgmon opposed the amendment. He stated that although it offered what appeared to be a simple solution, the underlying ramifications were highly complicated. He was hesitant as an appropriator to give money to the departments to make the decisions. He believed that to some degree the legislature would be handing over its appropriation authority to the agencies. He stated there was an \$8.3 million cut to DOC. He did not know what it meant or where it would go. He did not see the decrements making their way through the entire budget process and he believed it would create a significant amount of work for the conference committee. He would support taking the topic up in a substantial way and thought it would be a great discussion prior to this trying to put it into the budget. He found the discussion about federal matching funds to be very real and the amendment could endanger the ability to leverage other funds in the budget.

Representative Cronk thanked the amendment sponsor for bringing the amendment forward. He stated that one of the biggest things legislators heard from constituents was transparency on spending and government. He considered the vacant PCNs from 2013 to 2022 and observed there was a lot of money being left out there. He wondered when the legislature would take the issue on if it did not do it in the current session. He supported the amendment and thought it was a rational approach.

Representative Hannan stated that questions about vacancies were asked repeatedly to the departments during the subcommittee process. She had served on the DOC, Department of Public Safety (DPS), Department of Commerce, Community and Economic Development (DCCED), and Department of Administration (DOA) subcommittees. She did not believe three of those departments, including DOC, could absorb the cost. She remarked that it would create an internal nightmare. She could perhaps get onboard with the amendment if the committee was hearing from subcommittee chairs that they were advocating for a cut in a department's general vacancy because they found it to be an issue during the subcommittee process. She emphasized that DPS, DOC, and DCCED could not absorb the costs without creating a substantial administrative burden. She could not support the amendment pertaining to the budgets she was most familiar with. She did not know whether the committee was

interested in parceling the cuts out to some departments and not others, but she could not support the amendment when including them all. She noted that there were vacancies in business licensing and license renewal in DCCED and she heard a lot from constituents that the positions needed to be filled and people paid overtime to fill them in order to keep people at work.

[10:44:57 AM](#)

Co-Chair Johnson appreciated the transparency piece. She stated the vacancy rate issue had been ongoing for years. She felt like they the legislature had to keep its eye on it all of the time.

Representative Coulombe provided wrap up on the amendment. She shared that she had talked to the Office of Management and Budget (OMB) director, who had committed to not creating anymore PCNs. The director was working with departments to reclass PCNs if a position was needed. She reiterated that the amendment went up to 2022 and did not impact vacancies in the past three years. She stated that departments still had an opportunity to reclass positions if needed. She added that the amendment reflected half of the UGF vacancies. She thought it seemed it was easy to dig into the Permanent Fund [Dividend] to pay for more government services, but when the legislature tried to hold departments accountable and cut from them, it could not be done.

[10:46:26 AM](#)

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 18 FAILED (5/6).

[10:47:25 AM](#)

Representative Josephson WITHDREW Amendment N 19 (copy on file).

Representative Hannan MOVED to ADOPT Amendment N 20 (copy on file):

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

Transaction Details

Title: Intent Language for Public Radio Funding.
Wordage Type: Intent
Linkage: Allocation - Public Broadcasting - Radio

Wordage

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

Explanation

This will ensure that public radio grants will go to rural stations that play a vital role in emergency communications.

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

Transaction Details

Title: Add \$1.2 million for Public Broadcasting
Section: Section 1
Type: Inc

Line Items (Amounts are in thousands)

Personal Services: 0.0
Travel: 0.0
Services: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 1,200.0

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 Cronk OBJECTED.

Representative Hannan explained that the amendment provided \$1.2 million for the public broadcasting radio system in the least populated areas of the state. She detailed that public radio stations represented 11 out of the state's 22 emergency alert systems. She stressed the stations were the primary source of emergency alert systems in much of the state. All 11 of the radio stations were rural. The amendment recognized that while the legislature may not be able to restore public broadcasting funding in all areas of the state, it was necessary to ensure residents in the most remote areas had access to the state's emergency alert system. She urged support for the amendment.

Representative Galvin was supportive of the amendment, primarily due to the very convincing advocacy from the Alaska Regional Coalition, which included the Tanana Chiefs Council, Maniilaq, Kawerak, Chugachmiut, Inupiat Community of the Arctic Slope, and Central Council of Tlingit Haida. She highlighted that the coalition members represented 70,000 Alaskans. She believed they needed to have access, especially to emergency information.

Representative Ortiz supported the amendment. He asked members to recall the critical role that public radio played in relationship to the Wrangell landslide disaster in the past fall. He reminded committee members that there had been testimony from a variety of people on the important role the Wrangell public radio station played in providing information to people who were literally cut off from information following the landslide. He stressed public radio had been the way people in Wrangell knew what

was happening. He stated it was a clear example about the critical role public radio played in emergency broadcasting, particularly in rural communities.

Representative Tomaszewski asked how much funding had been requested by DOA. He asked what the additional funding would be used for.

Co-Chair Edgmon stated it was a tough amendment because unfortunately in the past the governor had vetoed every dollar the legislature had appropriated to public broadcasting. He recalled the legislature had included an additional \$1 million in the budget the previous year and it had been vetoed. He stated that public radio in his hometown of Dillingham was limping along with a manager and one reporter. He stated the \$1.2 million was not enough. He was conflicted because he thought it may get vetoed.

[10:52:49 AM](#)

Representative Cronk WITHDREW the OBJECTION.

Representative Stapp OBJECTED.

Representative Hannan provided wrap up on the amendment. She responded to a question by Representative Tomaszewski and relayed that the DOA line item was zero. She addressed her reasoning for including the increment in the budget and risking a veto. She highlighted that the governor began his State of the State address with comments about the increase in disasters in Alaska. She believed there would be more communities needing communication in the face of a disaster. She explained that that in the past, the public radio network across the state was able to keep rural stations alive. She pointed out that it had been a number of years since the state had put any money into public radio. She elaborated that the urban stations were able to fundraise and get underwriting to keep themselves afloat. Thus far, the rural stations had been able to piece it together, but they would not be able to in the future. She relayed there would be a time when emergency broadcasts would not be transmitted, and the rural stations would close. She believed it was worth the risk to put the funding in the budget. She added that the amendment was focused solely on the 11 remote communities with small populations and no other viable options such as commercial radio.

A roll call vote was taken on the motion.

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

OPPOSED: Stapp, Tomaszewski, Coulombe, Johnson

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

[10:55:36 AM](#)

Representative Josephson MOVED to ADOPT Amendment N 21 (copy on file):

Agency: Commerce, Community & Econ Dev
Appropriation: Community and Regional Affairs
Allocation: Community & Regional Affairs

Transaction Details

Title: Grant to Econsult Solutions, Inc. for Alaska
Filming Initiative Feasibility Study
Section: Section 1
Type: IncOTI

Line Items (Amounts are in thousands)

Personal Services: 0.0
Travel: 0.0
Services: 0.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 50.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 50.0

Explanation

The Alaska Filming Initiative has requested this appropriation for the purposes of conducting a comprehensive feasibility study to understand how firm

incentives can boost the Alaska economy, create jobs, and put the state on the global cinematic map.

Representative Cronk OBJECTED.

Representative Josephson explained that the amendment had come to him by way of two advocates who traveled to Juneau asking the legislature to launch a comprehensive study to see whether an Alaska film initiative could be recommenced. He noted that the state used to have a robust film program. The individuals argued that it would help boost the economy, create jobs, and put the state on the global cinematic map. Additionally, he had received an email from a man named Steven Cornfield who had noted there were 192 supporters and had provided a list of names from around the state. He relayed that Alaska's film program went into the early part of the last decade and was reformed by former Senator Mia Costello to give it new, but truncated life. The program had been done away with in what he referred to as the Alaska recession in the teens. He asked for support for the amendment.

Representative Stapp opposed the amendment. He liked the concept of a film industry. He thought a much more in depth conversation would be required related to a feasibility study. He did not know who the company was or what it would do with the study. He shared that one of his first jobs in the Army was on the movie set of Big Miracle. He highlighted that the actors had flown up their own personal catering company to feed the staff on the state taxpayer dime. He did not know that the legislature would want to visit that type of subsidy again under that structure.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment 21 FAILED (4/7).

Representative Coulombe noted that Representative Ortiz had requested to be allowed to present his amendments in person; therefore, Amendment N 22 would be rolled to the bottom of the packet.

Representative Josephson requested to roll Amendment N 23 to immediately follow Amendment N 24 at the appropriate time. He explained that it meant all of the amendments pertaining to the Alaska Seafood Marketing Institute (ASMI) would be rolled to a later time.

11:00:21 AM

AT EASE

11:01:14 AM

RECONVENED

Representative Josephson requested to roll Amendment N 23 until a later time.

Co-Chair Johnson noted that Amendment N 24 would also be rolled to a later time.

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

Agency: Commerce, Community & Econ Dev
Appropriation: Community and Regional Affairs
Allocation: Community & Regional Affairs

Transaction Details

Title: Grant to the Municipality of Anchorage:
State Match for East 56th Avenue Shelter
Section: Section 1
Type: IncOTI

Line Items (Amounts are in thousands)

Personal Services: 0.0
Travel: 0.0
Services: 0.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 4,000.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 4,000.0

Explanation

The former Solid Waste Services Administration building at 1111 E 56th Avenue has been identified and used as an emergency cold weather shelter in Anchorage this year. The current operating costs of the shelter are estimated to be \$3.94 million for the total cost between October 15 - April 30. This funding is covered. However, the shelter is also able to be used as a low-barrier shelter that could be used between May 1 - October 15. The cost for doing so would amount to another \$3.6 million.

The Anchorage Assembly and Mayor have jointly requested (through Anchorage Resolution 2023-37 and the 2024 Anchorage Legislative Program) a \$4 million match for the Alaska Legislature to keep the shelter running year-round. This amendment would allow this to happen.

Representative Stapp OBJECTED.

Representative Josephson explained that the former solid waste services administration building was located in his district. The building had been used as an emergency cold weather shelter and the current operating costs were estimated at \$3.94 million between mid-October and the end of April. He explained that the municipality noted that the funding was covered; however, the shelter could also be used as a low barrier shelter in the coming summer. The cost for doing so would amount to another \$3.6 million. He shared that the Anchorage Assembly and mayor had jointly requested a \$4 million match from the legislature to keep the shelter running year-round. He added it was Mayor Bronson's top operating request. He relayed that the Anchorage Coalition to End Homelessness and the Bronson administration highlighted that the homelessness crisis had impacted all of the western United States and Anchorage in a profound way in that many people were homeless and not directly from Anchorage. He added that Anchorage welcomed all of its guests, but nonetheless it was a shared problem. He noted it was the third of three requests by the mayor including the Don Young Port modernization, energy reliability and affordability in Cook Inlet, and the funding addressed by the amendment.

11:04:28 AM

Representative Galvin supported the amendment. She reminded committee members that soon there would be 900 Alaskans released from housing in Anchorage. She highlighted that 60 percent of the individuals were not from Anchorage. She stressed it was a statewide concern. She stated that the request was a relatively low dollar figure when considering how it may help connect more Alaskans to services as they would have a place to go during the daytime and to access services to help them on their way to an independent life. She appreciated hearing it was a request from Mayor Bronson. Additionally, she had heard from all of the Anchorage Assembly members it was a key priority. She believed the issue had a large impact on the travel industry when there were not places for people to be. She stated the amendment was a temporary economic solution.

11:06:17 AM

AT EASE

11:06:25 AM

RECONVENED

Representative Stapp did not support the amendment. He referenced the language "low barrier shelter." He had been told the term meant a place where homeless people could go throughout the day where they could use drugs and alcohol in a safe place. He did not believe the state should be in the business of giving million dollar grants to places that allow homeless individuals to use substance abuse materials.

Representative Coulombe supported the amendment. She relayed that Anchorage had been struggling with homelessness for some time. She had always believed it was a statewide issue, not just an Anchorage problem. She highlighted that Anchorage had put millions of dollars towards solving the issue and had received very little state support. She remarked that the funding represented a very small amount when compared to the funding that had been directed at the problem. The funding would ensure the shelter could be open year-round. She explained that it impacted tourism because there were numerous problems in downtown Anchorage and the shelter gave people a place to be. More importantly, the space provided people with shelter and safety. She stated it was something Anchorage

had been dealing with and she had not seen a lot of state support for the issue. She added that it was not only people from Anchorage who the city was dealing with. She urged support for the amendment.

Representative Josephson provided wrap up on the amendment. He spoke to Representative Stapp's comment about low barrier shelters. He had heard from Anchorage Assemblymember [Anna] Brawley who was an expert in the area that low barrier did not mean people were invited to bring their stash of drugs and alcohol into the shelter. He explained the term meant there was a welcome sign and individuals would not be screened and given drug tests to gain admittance. He believed there were facility rules and did not believe it was accurate to describe the shelter as a party house.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 25 FAILED (5/6).

[Note: Action on Amendment N 25 was rescinded during the 4/3/24 1:06 p.m. meeting. The amendment was reconsidered and adopted on a vote of 7/4. See separate minutes for detail.]

[11:10:07 AM](#)

Co-Chair Johnson rolled Amendment N 26 to the bottom of the amendment packet.

Representative Josephson MOVED to ADOPT Amendment N 27 (copy on file):

Agency: Commerce, Community & Econ Dev
Appropriation: Community and Regional Affairs
Allocation: Community & Regional Affairs

Transaction Details

Title: Grant to the Iditarod Trail Committee, Inc.
for Iditarod Stimulus Funding
Section: Section 1

Type: IncOTI

Line Items (Amounts are in thousands)

Personal Services: 0.0
Travel: 0.0
Services: 0.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 1,400.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 1,400.0

Explanation

The most prestigious sled dog race in the world, the Iditarod, is facing severe fiscal restraints following three significant factors: inflation, the pandemic, and criticism from PETA. The COVID-19 pandemic left many dog mushers/teams without the ability to seek supplemental income by offering sled dog tours to tourists. Inflation has driven the price of dog food up almost 50%, with some mushers reporting spending nearly \$42,000 a year just to feed dogs. Lastly, PETA has publicly criticized the event as being harmful to dogs and, as a result, major sponsors like Alaska Airlines, ExxonMobil, Coca-Cola and Wells Fargo have ended race sponsorships. The result is a budget problem significant enough to threaten the future of this Alaskan pastime.

The CEO of the Iditarod requested \$1.4 million to offset these costs to the organization and mushers in order to safely secure the future of the race for both Alaskans and tourists.

Representative Cronk OBJECTED.

Representative Josephson relayed that prior to the start of session he had talked with the director of the Iditarod who had been visiting the Capitol Building. The director had noted that because of criticism from groups like People for

the Ethical Treatment of Animals, major sponsors like Alaska Airlines, ExxonMobil, Coca-Cola, and Wells Fargo had ended race sponsorship for the Iditarod. Consequently, the director requested state support for the race. He was not an expert on the economic benefits Alaska received as a result of the race. He thought the benefits must be considerable in the villages along the race route. Benefits were also considerable in Mat-Su and Anchorage. Additionally, the state received some free media, which must benefit tourism. The race was something the state took pride in, and he believed it was a worthy cause. The amendment would be a grant in need of aid through DCCED. He asked for members' support.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 27 FAILED (5/6).

[11:13:25 AM](#)

AT EASE

[11:14:55 AM](#)

RECONVENED

Representative Josephson MOVED to ADOPT Amendment N 28 (copy on file):

Agency: Commerce, Community & Econ Dev
Appropriation: Community and Regional Affairs
Allocation: Community & Regional Affairs

Transaction Details

Title: Grant to Volunteers of America Alaska for
Volunteers of America Direct Services (FY2025-FY2026)

Section: Section 1

Type: IncT

Line Items (Amounts are in thousands)

Personal Services: 887.9

Travel: 0.0

Services: 212.5

Commodities: 0.0
Capital Outlay: 0.0
Grants: 0.0
Miscellaneous: 0.0

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

Funding (Amounts are in thousands)
1004 Gen Fund 1,100.4

Explanation

This appropriation to the Volunteers of America will help ensure direct-service staff are able to spend the maximum amount of time with clients as possible, that clients face less hurdles to services, and help support young Alaskans struggling with mental health. The cost breakdown over two years is as such:

Project Personnel (\$1,775,800)- Psychiatric & medical staff, leadership staff capacity to execute facility & system projects.

Facility Projects (\$75,000)- Facility adjustments to residential center for anti-ligature precautions, security system, and intake office.

System Projects (\$350,000)- Agency systems enhancements to support increased service volume & maximize staff efficiency.

Representative Cronk OBJECTED.

Representative Josephson explained the amendment included a \$1.1 million grant to Volunteers of America (VOA) Alaska for direct services for an expansion of their continued care. He noted the item was complicated in some respects. He referenced a productive Lunch and Learn on February 22 where the issue had been talked about. He stated that the term "volunteers" was a misnomer. The organization worked primarily with dual diagnosis youths with mental health and substance abuse problems. The organization had the only non-tribal 24-hour residential care facility in Alaska. The facility was called ARCH [Adolescent Residential Center for Help] and located in the Eagle River area. He noted he had

toured the facility a couple of times. He explained that there were 1,900 children in Alaska admitted somewhere with behavioral health diagnoses. Only 30 to 40 percent of the adolescents had a continued care plan when they left. The amendment was an expansion of VOA's footprint and also provided the organization with more capacity to treat young people. He elaborated that VOA director Julia Luey noted that in a single year Medicaid paid out \$83 million for children to leave Alaska to go to psychiatric hospitals, while only \$32 million was spent on community-based services. He elaborated that of the 1,600 children taken in by the Office of Children's Services (OCS) for abuse, 53 percent received behavioral health services. He noted that in many cases there was a dead end due to a lack of continuing care. He expounded that 28 percent of those children spoke to suicidal ideation. The amendment was designed to build out the continuum of care.

Representative Josephson explained that VOA was seeking the state's investment in the amount of \$1.1 million for two years of funding to support its transition into an integrated model of care. The transition was in response to the ongoing youth mental health crisis in Alaska, which was worsened by the COVID-19 pandemic, and the evolving needs of youth and their families. The work would position VOA to open Alaska's first detox facility for youth. In the past three years, VOA expanded its capacity for community-based services by 300 percent, impacting 1,124 youth, young adults, and families in FY 23. The facility would provide psychiatric services and the work would include facility enhancements and software updates, which would enable VOA to continue growing to meet the needs. He continued to review benefits of the program. He relayed the investment was critical to maintain and enhance behavioral health services for youth in the state. He suspected advocates had met with other committee members and their staff during the current session. He urged support for the amendment.

Representative Galvin supported the amendment. She had not visited the facility, but she had been invited several times. She met with the individuals leading the charge. She understood that some people believed the state should not house people unless they had been through detox and yet, the state did not have enough detox opportunities. She referenced her understanding that the facility would be the first non-tribal detox facility for youth. She strongly supported the amendment.

Representative Stapp supported the idea but did not currently support the amendment. He thought the money should be in the grants line in the amendment rather than the services and personal services lines. He wanted to see a similar \$1.1 million reduction [somewhere else in the budget]. He had the things available but was unable to get them done prior to the meeting. He supported the concept but would not support it currently until he figured the mechanizations out.

[11:21:23 AM](#)

Representative Coulombe asked if the funds would go in the base budget or were a one-time increment.

Representative Josephson replied that the funds would occur two times, once in FY 25 and once in FY 26.

Representative Josephson provided wrap up on the amendment. He highlighted that costs associated with juvenile justice and shipping kids out of state were considerable. He pointed out that the cost of sending kids out of state was three times what was spent on in-state children with dual diagnosis. He relayed that VOA was the only organization in the state with a facility to offer youth substance abuse services. The organization provided a unique service. He relayed that the state had invested in a VOA school-based program a couple of years back. He thought about juvenile justice issues, promise the state had with North Star [Youth Court], the Department of Justice report of problems at OCS. He cited past remarks by Ms. Luey that the kids were in a fast moving river and VOA was designed to pull them out of the river. The funding was a way to hopefully circumvent the spending of much more general fund money. He stated it was among the most important amendments he would offer to the budget.

[11:23:17 AM](#)

AT EASE

[11:26:28 AM](#)

RECONVENED

Representative Cronk WITHDREW the OBJECTION.

Representative Coulombe OBJECTED.

A roll call vote was taken on the motion.

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

OPPOSED: Tomaszewski, Coulombe, Foster

The MOTION PASSED (8/3). There being NO further OBJECTION, Amendment N 28 was ADOPTED.

11:27:31 AM

Representative Hannan MOVED to ADOPT Amendment N 29 (copy on file):

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

Transaction Details

Title: Remove Funding for the Alaska Gasline Development Corporation Section: Section 1
Type: Dec

Line Items (Amounts are in thousands)

Personal Services: -4,222.8
Travel: -71.4
Services: -1,818.0
Commodities: -60.0
Capital Outlay: 0.0
Grants: 0.0
Miscellaneous: 0.0

Positions

Permanent Full-Time: -10
Permanent Part-Time: 0
Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund -3,086.1
1235 AGDC-LNG -3,086.1

Explanation

Since 2014 the state has appropriated more than \$180 million to the Alaska LNG Project Fund. We have very little to show for that investment. AGDC has failed to attract a single investor over its entire existence.

Many experts in the industry have said the project iterations over the years have not attracted participants because they simply do not pencil out. This also goes for AGDC's latest "Hail Mary" pitch for an in-state line, taking advantage of growing desperation across the Railbelt due to the looming energy crisis.

As a prominent member of the other body said of AGDC earlier this session, "At some point, we need to have a conversation about mothballing it." This is that conversation.

Representative Stapp OBJECTED.

Representative Hannan explained the amendment would defund the Alaska Gasline Development Corporation (AGDC). She detailed that since 2014, the legislature appropriated \$180 million to the Alaska LNG [liquid natural gas] project fund with very little to show for the investment. She detailed that AGDC had failed to attract a single investor over its entire existence. She elaborated that many experts in the industry had said the project iterations over the years had not attracted participants because they did not pencil out. She stated it also applied to AGDC's recent "hail Mary" pitch for an instate line that took advantage of people's crisis thinking about the Railbelt energy crisis. She referenced a comment by a member from the other body earlier in the year that at some point there needed to be a conversation about moth balling the agency.

Representative Galvin requested to be recused from the vote due to family involvement in AGDC.

Representative Stapp OBJECTED.

[11:29:09 AM](#)

Representative Cronk thought there was likely some validity to the money that had been spent. He remarked that it was difficult to bail on the idea. He believed it was easy for people who did not live in the Interior or Southcentral to say that the project may never pan out. He did not support the amendment because some sort of gasline was crucial for the state and its energy needs. He hoped it occurred sooner rather than later. He was definitely willing to have the

conversation because he thought it was necessary to sit down and determine whether the idea was a fallacy or could come into play. He had heard rumors recently that the project had possibility. He stated it was a big possibility for Alaska because the energy was needed.

Co-Chair Edgmon agreed with the comments. He stated that every year he drifted closer to wanting to remove the funding and close the project. Since 2014, permitting had taken place and there was a federal guarantee to ensure the \$150 million the legislature was told Goldman Sachs would procure, but it had not happened the past year. He reasoned that at some point the stranded gas would make its way to market in the future. He was conflicted, but he did not know it was the time to remove all funding; however, there were an increasing number of arguments every year to do just that.

Representative Stapp was not currently in favor of complete liquidation of AGDC. He was very inclined to take a decrement out of the personal services line to send a message. He recalled that the previous year one AGDC employee told him they had the greatest economic project in the history of the North American continent, which had clearly not turned out to be true. Additionally, a second AGDC employee had expressed high confidence AGDC would receive the front engineering and design money; however, the money had not yet been secured. He did not support defunding AGDC; however, he may support a slight decrement to the personal services line.

[11:32:47 AM](#)

AT EASE

[11:34:17 AM](#)

RECONVENED

Representative Stapp MOVED to ADOPT conceptual Amendment 1 to Amendment N 29. He explained that the conceptual amendment would restore \$5,573,600 back to AGDC's budget due to the way Amendment N 29 was drafted. The conceptual amendment would decrement the personal services line. He did not appreciate the two people from AGDC coming to the House Finance Committee making promises. He believed the best way to hold people accountable was to do a decrement in the personal services line.

11:35:25 AM

AT EASE

11:36:55 AM

RECONVENED

Representative Stapp clarified the conceptual amendment would restore the cuts in the underlying amendment minus \$598,588 in general funds. The amendment would result in maintaining the vast majority of the appropriation to AGDC minus \$598,588.

11:37:30 AM

Co-Chair Johnson asked for the total for the total decrement proposed in conceptual Amendment 1.

Representative Stapp replied that the decrement was \$598,588.

Representative Hannan supported the conceptual amendment. She supported having the conversation on the record that the committee's expectations for AGDC were higher than the agency had delivered, and the focus needed to be fixing the Railbelt energy problem regardless of the status of an instate gasline. She thought the state should not just continue to say that someday there would be the penultimate access to LNG. She knew the underlying amendment would not be popular, but she wanted the committee's expectations on the record. She wanted two of the highest paid state employees to pay more attention to Alaskans' need for a return on investment. She supported the decrement to the personal services line.

11:39:04 AM

Representative Galvin asked to be recused from the vote due to family involvement in AGDC.

Co-Chair Foster OBJECTED.

Co-Chair Edgmon OBJECTED to conceptual Amendment 1 to Amendment N 29 for purposes of discussion.

Representative Josephson asked for verification that the conceptual amendment would continue to split the funding

source in the underlying amendment 50/50 between general funds and AGDC LNG.

Representative Stapp agreed.

Co-Chair Edgmon WITHDREW the OBJECTION.

Co-Chair Johnson OBJECTED.

A roll call vote was taken on the motion.

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

The MOTION PASSED (10/1). There being NO further OBJECTION, conceptual Amendment 1 to Amendment N 29 was ADOPTED.

Co-Chair Edgmon stated that the conceptual amendment passed without objection and the underlying amendment was adopted on a vote of 10/1.

There being NO further OBJECTION Amendment L 29 was ADOPTED as AMENDED.

Co-Chair Johnson relayed the committee would take a 10 minute break.

[11:43:15 AM](#)

AT EASE

[11:53:13 AM](#)

RECONVENED

Representative Stapp clarified that the intention of Amendment L 29 as amended was an approximate decrement of \$598,600 to the personal services line in UGF. With the adoption of the amendment the fund source split for AGDC would be approximately \$2,487,500 UGF with a fund source code of 1004 and \$3,086,100 in AGDC interagency receipts with a fund source code of 1235.

Co-Chair Johnson rolled Amendment N 30, sponsored by Representative Ortiz, to the bottom of the amendment list.

[11:58:21 AM](#)

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

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

Transaction Details

Title: Reduce Grant Funding for Hunting Education
Section: Section 1
Type: Dec

Line Items (Amounts are in thousands)

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

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund -500.0

Explanation

This program will provide competitive grant funding to school districts for hunter education, gun safety, and archery. This will teach students firearm safety, respect for natural resources, and wildlife conservation. This is a permanent increment, and the program will be administered by DEED.

Representative Cronk OBJECTED.

Representative Josephson explained the amendment would cut the grant for hunting education in half. He did not believe there needed to be a permanent increment for the item.

Representative Cronk opposed the amendment. He stated that hunting safety was mandatory in many units across Alaska. He elaborated that getting safety training and qualified with hunter education could be a tough process, especially

in rural Alaska. He detailed that hunting provided food security and was part of a cultural way of life. He noted it was grant funding that allowed different groups to get out and provide hunter safety and archery education. He stated it was very good for kids. He remarked that most importantly, it helped support lifestyle in rural and urban Alaska. The amendment went against the lifestyle he lived. He saw the real need for gun safety. He remarked that it was hard to get people out to rural Alaska to work with kids. He stated that every one of the programs he had seen in schools was interactive and taught kids a substantial amount. He spoke to the importance of the gun safety aspect.

Co-Chair Johnson spoke against the amendment. She was supportive of anything that helped children understand how guns worked and how to respect them. She also supported getting people away from video games and out into nature.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Josephson

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

The MOTION to adopt Amendment N 31 FAILED (1/10).

[12:01:58 PM](#)

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

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

Transaction Details

Title: Add Funding for Parents as Teachers Program

Section: Section 1

Type: Inc

Line Items (Amounts are in thousands)

Personal Services: 0.0

Travel: 0.0

Services: 0.0

Commodities: 0.0
Capital Outlay: 0.0
Grants: 500.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)
1004 Gen Fund 500.0

Explanation

Direct state funding for Parents as Teachers (PAT) program from DEED, in cooperation with the Department of Health, to meet waitlist needs and to support this child abuse and neglect prevention program.

Representative Cronk OBJECTED for discussion.

Representative Galvin explained that the amendment added \$500,000 to the grant program for Parents as Teachers. She referenced a backup document for the amendment provided to committee members (copy on file) that described services provided by the program. The second page described how the program was seated in the Alaska Reads Act. She detailed that approximately 30 percent of children beginning kindergarten in Alaska were ready to learn and had the average vocabulary skills necessary. She stressed that 70 percent were not ready. She highlighted that a lot of learning happened at home when parents, as first teachers, understood how to engage and interact with their kids. The program was over 30 years old and had begun in the Midwest. The program had been in Alaska for decades and was an evidence-based home visiting model used by Parents as Teachers affiliates. The program provided services to families with children from the prenatal period through kindergarten. The program was a critical part of supporting early childhood education because it helped parents know how to be interactive to ensure their kids developed the skills necessary for the next step in learning. The services were delivered by trained parent educators who visit homes and build relationships between the caregiver and child while teaching about optimal early childhood development learning.

Representative Galvin highlighted that parents were continually learning in their knowledge of how to support a child as they develop. The program helped that support. She detailed that the program was administered by the Section of Women's, Children's and Family Health through a contract with the Department of Education and Early Development (DEED). She relayed that the Parents as Teachers program was located across the state including the communities of Anchorage, Toksook Bay, Kodiak, and Juneau. There were waitlists throughout the state and RurAL CAP wanted to bring in three more rural communities. She had just received news that there were \$726,000 in federal matching grants that required \$242,000 in non-federal matching funds (\$1 in state funds for every \$3 in federal funds). The additional funding would support an additional 100 to 200 families across Alaska. She believed it was a wonderful opportunity for children to be better prepared for kindergarten. She asked members to support the amendment.

[12:06:17 PM](#)

Representative Stapp thanked Representative Galvin for identifying the amendment. He believed that if the item was to go through the Department of Health it should have a federal receipt authority match. He thought the department likely could receive the match. He would vote against the amendment at present, but he supported revisiting the topic later after looking into it.

Representative Coulombe asked if the funding was going into the base or was a one-time increment. She asked if the people going in to teach parents through the program were state workers.

[12:07:39 PM](#)

Representative Cronk asked how much funding the program currently had.

Representative Galvin provided wrap up on the amendment and responded to prior questions from committee members. She stated that according to Trevor Storrs at Alaska Children's Trust, current MIECHV [Maternal, Infant, and Early Childhood Home Visiting] funds managed by the Department of Health, Section of Women's, Children's and Family Health did not require any matching funds. She noted that Mr. Storrs shared the information because it may help grow

support if individuals understood the opportunity for federal matching funds. She stated that MIECHV was a federal initiative designed to support pregnant women and families, particularly those at risk, through voluntary home visiting programs. The programs provided valuable resources, guidance, and support. She added that Parents as Teachers had been approved as one of the programs. The current funding in the DEED budget for the program was \$474,700. She relayed that the funding was a one-time grant for the program. She believed the biggest black hole for children in Alaska was what was being done to help children aged zero to five to be prepared and in helping young parents have the skills they need to be a first teacher. She relayed that there were waitlists for the program. She highlighted that every \$1 spent on early childhood education saved \$8 down the road. She stated that the return on investment was unquestionable.

12:11:33 PM

AT EASE

12:12:21 PM

RECONVENED

Co-Chair Johnson noted there were some questions on the funding.

Representative Galvin clarified that the funds would be in the base budget. She asked Mr. Painter to explain.

Mr. Painter clarified that the increment in the amendment was permanent and would be in the base budget. He relayed that the federal funding was not part of the amendment as it had been learned about after the amendment had been drafted.

Representative Galvin explained that the funds were in the base budget and went through a grant program. She noted there were different grantees listed on the backup document including Kids Corp, RurAL CAP, and in areas such as Kodiak, Juneau, and Haines. She clarified that Parents as Teachers did not use state employees. She noted that state employees were responsible for administering the grants to ensure the program met guidelines and money was dispersed accordingly.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion to adopt Amendment N 32.

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

The MOTION to adopt Amendment N 32 FAILED (4/7).

[12:15:11 PM](#)

Representative Josephson MOVED to ADOPT Amendment N 33 (copy on file):

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

Transaction Details

Title: Increase Head Start Grants to Provide Grantees with Additional Matching Funds
Section: Section 1
Type: Inc

Line Items (Amounts are in thousands)

Personal Services: 0.0
Travel: 0.0
Services: 0.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 200.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 200.0

Explanation

\$5,000,000 was added for Head Start grants during the House Finance Education and Early Development subcommittee process. However, the Alaska Early Childhood Advocacy Group asked for \$5.2 million to

total \$12 million in state investment. This amendment adds the remaining part of that request.

Representative Cronk OBJECTED.

Representative Josephson remarked that the amendment may seem unnecessary and/or de minimis; however, in order to fully match the funding, the state needed to contribute \$5.2 million [for Head Start grants]. The state had contributed \$5 million. He was told the previous week that the Head Start program at Meadow Lakes in the Mat-Su Valley with 48 kids would be closing at the end of May. He clarified that the facility had not stated they would not close if the \$200,000 increment was included in the budget. Additionally, there were 51 Head Start seats also closing in Anchorage. The amendment finished the job done by the subcommittee. He asked for members' support.

Co-Chair Edgmon thanked the Co-Chair Johnson and the subcommittee for the \$5 million in the budget currently before the committee, which he saw as a big step forward. He recognized that the \$200,000 was less material, but important. He advocated for the Head Start program, which had been the primary player for early learning in Alaska for many years. He highlighted that the program was seeing a steady erosion and perhaps an eventual demise because unfortunately the state was not keeping up with the federal match rate of 20 percent. He believed the state's contribution had been up to 12 percent. He explained that the Head Start program was having difficulty keeping up in an environment where the Alaska Reads Act was beginning to compete. He noted that the Reads Act was not fully funded.

Co-Chair Johnson noted that \$5 million had been put in the budget by the subcommittee, which was included in the bill before the committee. The increment in the amendment was in addition to the \$5 million. Additionally, the committee had included \$5 million in the FY 24 budget, and it had not been retained through the whole budget process. She hoped the \$5 million would make it through the budget process. She remarked on the value of the program. She had concerns that adding more funding could decrease the likelihood the funding would make it through the process.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

OPPOSED: Stapp, Tomaszewski, Cronk

The MOTION PASSED (8/3). There being NO further OBJECTION,
Amendment N 33 was ADOPTED.

[12:19:32 PM](#)

Representative Josephson WITHDREW Amendment N 34 (copy on
file).

Representative Galvin MOVED to ADOPT Amendment N 35 (copy
on file):

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

Transaction Details

Title: Add Funding for Best Beginnings' Imagination
Library
Section: Section 1
Type: Inc

Line Items (Amounts are in thousands)
Personal Services: 0.0 Travel: 0.0
Services: 0.0
Commodities: 0.0
Capital Outlay: 0.0
Grants: 320.0
Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 320.0

Explanation

This amendment would allow more communities, children,
and families to access the highly successful early
literacy program Imagination Library.

Representative Cronk OBJECTED.

Representative Galvin explained that the amendment would add \$320,000 UGF for the Best Beginnings Imagination Library. The amendment would invest in early reading through the Dolly Pardon Imagination Library. The program provided age appropriate early literacy children's books and parent education weekly newsletters to help parents know how to read to their children and talk to them to grow their vocabulary. She stated that engagement activities were extremely important in children's readiness for kindergarten. The funding would allow more families to access the program. She explained that books arrived monthly to children from birth to age five, serving 112 Alaska communities. The program was supported statewide by Best Beginnings as a public/private partnership. She detailed that Best Beginnings provided training and financial assistance to local organizations. Participation in the Imagination Library nearly doubled from 2010 to 2018. In 2018, 24,586 children across the state received over 200,000 books. The amendment supported the continuation and expansion of the program in Alaska. She added that Imagination Library participation was associated with new data showing higher reading and math achievement in grade 3.

[12:22:06 PM](#)

Representative Stapp had a conflict because his kids received the books in the mail.

Representative Cronk OBJECTED.

Representative Stapp appreciated the amendment but did not support the amendment. He noted the amendment would add \$320,000 to the base budget and he was not aware of the program's resources. He did not know what the increment would do.

Co-Chair Johnson clarified that no matter how members voted on the amendment the Dolly Pardon program still sent books to preschoolers.

Representative Hannan supported the amendment. She remarked that although the Imagination Library provided the service at a very low cost, the program was not free. There were grant funds available through a variety of organizations

across the state to provide the service. For example, Bartlett Hospital in Juneau enrolled every child born at the hospital in Best Beginnings through a grant that was locally received. She noted that the program was not available statewide. The amendment would provide more kids with access to the program. The idea of putting literacy in the hands of children was the best way to make reading a life skill. She detailed that three or four-year-olds receiving the books knew the books came to them, which gave them ownership and pride in the idea that the skill and resource were theirs. She referenced the goal of improving literacy across the state. She emphasized that helping people who were the least likely have a lot of access to get better access to literacy tools was beneficial and had a strong return on investment.

12:25:08 PM

Representative Cronk clarified for the public watching the meeting that adding money to the base meant the funding would be permanently in the budget. He stated that adding funding to the base meant the budget continued to grow. He clarified that he was not saying the Imagination Library was not a good program. He noted that some of the votes were very difficult, but once money was added to the base it would be there going forward.

Representative Galvin provided wrap up on the amendment. She addressed points discussed by other committee members. She highlighted there were approximately 50,000 children in Alaska between the age of zero to five. Currently, 24,586 children received the books. She appreciated that a couple of her colleagues in the legislature had children receiving the books. She also believed it was very important that children with parents who did not know how to navigate had the opportunity to get the books. She stressed that it gave children the leg up that they needed. She referenced a comment about whether there was any data showing the program would make a difference in a child's higher literacy skills. She considered that it may not make a difference for her colleagues' children because she imagined they were interactive and read a lot; however, it made a big difference for some children. She pointed out that the state spent over \$1 billion [annually] on its public school system. She emphasized that a significant portion of that money was spent to help bring children up to speed because 70 percent of the kids were arriving one

to two years behind their peers and what was considered ready to read. She stated that the increment was an investment, but it would make a mark and more children would receive the books. She did not believe the program would go away because a lot of small communities, especially affluent ones, would provide funding to the Dolly Pardon Imagination Library. The amendment would direct \$320,000 into zero to five-year-olds. She thought it would potentially bring a return on investment that would help the K-12 system do much better.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Galvin, Hannan, Josephson, Ortiz

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

The MOTION to adopt Amendment N 35 FAILED (4/7).

[12:29:02 PM](#)

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

Agency: Education & Early Dev
Appropriation: Education Support and Admin
Allocation: Career and Technical Education

Transaction Details

Title: Coding in Minecraft Program for School Districts to Meet Computer Science Education Initiative

Section: Section 1

Type: Inc

Line Items (Amounts are in thousands)

Personal Services: 0.0

Travel: 0.0

Services: 1,200.0

Commodities: 0.0

Capital Outlay: 0.0

Grants: 0.0

Miscellaneous: 0.0

Positions

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

Funding (Amounts are in thousands)
1004 Gen Fund 1,200.0

Explanation

This request is to continue providing virtual educator courses for Coding in Minecraft, a computer science credential program with supporting curriculum delivered through Minecraft Education, which is currently being funded through federal COVID-19 relief funds. The curriculum is fully aligned with the Alaska Computer Science Standards to ensure quality of learning. It also provides licenses to any public school in Alaska and immerse students through game-based learning to develop and prove their coding skills using MakeCode and JavaScript or Python. This program has been very successful and since its launch in September 2022, Alaska has seen the fastest adoption curve of any state.

Representative Cronk OBJECTED.

Representative Josephson noted that he was not an expert in Minecraft, but he knew enough to argue the merits of the amendment. He had been told that the governor wanted the appropriation. The Minecraft program was currently being used and was designed to enhance computer science education. He noted that while it sounded like gaming, it was about something constructive and real that was important to students. The request was to continue providing virtual educator courses for coding in Minecraft, a computer science credential program with supporting curriculum delivered through Minecraft Education. He noted there were people who may ask why not go to an Office Max to buy the software version of the program. He clarified that the software version did not include assessments, certifications, and teachers were needed to run the program. The amendment would provide funding for the purchase of licensing for third-party software that added educational instruction materials and allowed standards and oversight to achieve nationally recognized accreditation. The state was currently paying for the program with COVID-19 funding and the amendment would use general funds.

Representative Josephson noted that members of the committee had school districts that would be impacted by the failure to adopt the amendment including the Tok school, Walter Northway school, Sandpoint school, a school in the Bering Strait, Paul Asicksik school, Unalakleet school, Arctic Light school, West Valley, Anne Wien school Ryan middle school, Ketchikan high school, Schoenbar middle school, the Aniak junior and senior high school, Auntie Mary Nicoli elementary school, Bethel regional school, Alakanuk school, Marshall school, Burchell high school, Colony high school and middle school, Denina elementary school, Mat-Su central school, Meadow Lakes elementary, Sherrod elementary, Valley Pathways school, Wasilla middle school, Nenana City public school, Petersburg school, Mitkof middle and high school, and Evergreen elementary in Wrangell. He stated the funding impacted a lot of schools represented by members of the committee. He asked for members' support.

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Representative Stapp was fascinated by the amendment and had done research into the issue. He thought kids learning code was great, but he did not believe it cost \$1.2 million to get kids to code in Minecraft. He had looked at the funding mechanism from the department and the order was 500 units of coding in Minecraft curriculum at \$2,418 apiece. The second part of the appropriation was Minecraft education additions for teachers at \$0.84 for 80 units and a total of \$67.20. The third part pertained to the free license version of the software at 1,200 units. He thought the amendment was a great exercise in how much things should cost. He highlighted that the coding version of Minecraft cost \$40 on Steam. He noted that the appropriation in the amendment equated to \$249 per student. He wanted kids to be able to learn to code, but he did not believe it cost \$249 per student. He opposed the amendment.

Co-Chair Foster supported the amendment. He noted that Bering Strait School District and Lower Yukon Schools were in his district. He supported helping urban and rural kids to become more tech savvy. He noted that the \$1.2 million cost was spread over quite a few schools.

Representative Coulombe had put forward the amendment in subcommittee. She shared some concerns expressed in subcommittee. She had shared the same concerns voiced by

Representative Stapp. Several members were concerned about the cost. Another member had expressed concern about starting something with COVID-19 funding and continuing it after the money was gone. Another member thought the focus should be on the Alaska Reads Act and having kids read before learning to code. One committee member had reported that a school district in Southeast was able to use Minecraft at a much cheaper cost. The district could still pursue the funds through DEED, but it had decided to do it on its own without the exorbitant price.

[12:36:49 PM](#)

Co-Chair Edgmon asked Representative Josephson to verify that the governor supported the increment. He thought the commissioner of DEED supported the item. He noted it was difficult to keep kids in school when they reached a certain age. He asked Representative Josephson as a former teacher whether it was the kind of program that could encourage kids to learn more about the computer sciences in general. He noted that Representative Josephson had listed numerous rural schools in his explanation of the amendment.

Co-Chair Johnson recognized Representative Andrew Gray in the room.

Representative Cronk highlighted that the issue reflected the woes of federal funding. The funds were received and became part of everyday life and the budget got bigger and bigger. He remarked that federal money was great, but if it continued on and on it became state money. He stated that it was necessary to budget the money the state had.

Co-Chair Johnson agreed with Representative Cronk that it was a tough amendment. She knew the governor supported coding and teaching kids to code. She also wanted to support the subcommittee chairs for their work. She would vote against the amendment.

Representative Cronk WITHDREW the OBJECTION.

Representative Coulombe OBJECTED.

[12:40:16 PM](#)

Representative Josephson provided closing remarks. He relayed that the free software would require teachers to be

certified in a relevant field, whereas the increment in the amendment would pay for software through third parties. He confirmed that the DEED commissioner supported the increment. He highlighted that Alaska had the highest adoption rate of any state using the program. He considered that it may relate to why Governor Dunleavy talked about a Harvard study indicating Alaska had the finest charter schools. He pointed out that regular live lessons could include engagement with homeschool students. He could understand why the governor supported the funding. He noted that the price was \$2,418 for 500 units, which added up to the \$1 million when throwing in education licenses per teacher and per student. He did not believe it looked like there was excess funding, it merely reflected the cost. He asked for members' support for the amendment.

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AT EASE

[12:42:23 PM](#)

RECONVENED

Representative Coulombe MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION FAILED (5/6).

Co-Chair Johnson stated it was a good time to take a break. The next meeting noticed for 1:30 p.m. would be delayed until after floor session.

HB 268 was HEARD and HELD in committee for further consideration.

HB 270 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[12:45:08 PM](#)

The meeting was adjourned at 12:45 p.m.