

HOUSE FINANCE COMMITTEE  
April 2, 2024  
1:56 p.m.

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CALL TO ORDER

Co-Chair Johnson called the House Finance Committee meeting to order at 1:56 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

Alexei Painter, Director, Legislative Finance Division.

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."

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^AMENDMENTS

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Co-Chair Johnson relayed that the committee left off on Amendment 70 and would return to amendments that had previously been rolled.

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

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

Transaction Details  
Title: Support Alaska Seafood Marketing Institute  
Section: Section 1  
Type: IncOTI  
Line Items (Amounts are in thousands)

Personal Services: 0.0  
Travel: 0.0  
Services: 10,000.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total 10,000.0

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

Funding (Amounts are in thousands)  
1004 Gen Fund 10,000.0

Representative Cronk OBJECTED.

Representative Ortiz relayed that the amendment would address one of the primary pillars of the state's economy. Currently, the seafood industry employed 48,000 people, brought in \$1.8 billion in labor income, and employed 17,000 Alaskans from more than 140 communities with a \$6 billion total impact to Alaskans annually. He stated that unlike previous years, there was currently no operating or capital general fund support for the Alaska Seafood Marketing Institute (ASMI). The amendment supported the overall industry and called for \$10 million in undesignated general funds (UGF) to support marketing of Alaskan seafood products. He cited a recent study indicating that 54 percent of consumers were eating more seafood compared to two years ago and that seeing the Alaska seafood label made 82 percent of consumers more likely to purchase Alaskan seafood. He stated it was a concrete example of seeing a return on investment in ASMI.

Representative Ortiz elaborated that ASMI had worked hard over the years to build the Alaskan seafood brand nationally and internationally. However, with a recent closure of the loophole that allowed Russian seafood to come to America via China, there was a stockpile of Russian seafood on the shelves, but there was a great opportunity to fill future demand. He highlighted that other countries with seafood industries such as Norway and Chile saw the opportunity and had increased their marketing in the U.S. He supported providing resources to ASMI to enable it to

compete against increasing foreign competition for the U.S. market. He had been told by the ASMI director that the agency would be looking to develop its U.S. market more fully during a time of foreign competition. He stated that the amendment was in support of the state's economy. He elaborated that ASMI had a good turn on investment and had done a good job building the Alaska brand. He believed the amendment had great merit. He relayed that the fishing industry was the largest private employer in the state and actions by Russia had created a tough past year. The amendment was in support of the industry and fishermen and would give fishermen more opportunity to market their catch. He asked for members' support.

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AT EASE

2:02:03 PM

RECONVENED

Representative Tomaszewski stated that the amendment was on a services line for ASMI. He had received a brochure from ASMI recently and was amazed to learn there was 2.7 billion pounds of Alaska pollock harvested in 2022. He thought it was a very large number. He asked for the total export value in billions for the state.

Representative Ortiz replied that he did not have the information. He imagined it was in a document Representative Tomaszewski had before him.

Representative Tomaszewski answered it was \$3 billion.

Representative Stapp opposed the amendment. He considered what \$10 million would do for ASMI's efficacy. The agency's current budget was around \$22 million per year and the amendment would result in a 50 percent increase in the agency's available money. He stated that according to the Office of Management and Budget (OMB) website, most of ASMI's marketing initiative had increased visibility when the state spent more money on outreach; however, it did not appear to have increased sales of Alaska seafood products. He did not believe ASMI had ever given a presentation to the House Finance Committee during his time on the committee. He thought it would be great to hear from the agency to have the conversations in depth. He spoke to his reason for opposing the amendment. He believed Alaska

seafood sales were decreasing because Russia had flooded the market with cheap seafood. He hoped action by the federal government would reverse the market trends. He was not currently sold on the value of the \$10 million.

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Representative Coulombe asked to hear from Mr. Painter. She thought there was funding in the budget. She asked for details on any FY 24 and FY 25 funding [for ASMI].

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AT EASE

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RECONVENED

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, replied that in FY 25 there was ~\$16 million in statutory designated program receipt (SDPR) authority from a fee paid by seafood harvesters. In FY 24, there was an additional one-time increment of \$5 million in UGF support.

Representative Stapp asked about the variability in the SDPR. He asked if the amount depended on a tax on the price per pound of seafood caught.

Mr. Painter believed it was an assessment on value. There was carry forward revenue that could be used to smooth the volatility somewhat. As of the beginning of FY 24, there was about \$10 million in carry forward that could be used to smooth the volatility. He explained that [ASMI] could only spend the SDPR up to its authority (not more than \$16 million). He noted if there was a downturn in receipts, the agency could potentially draw on its carry forward, but temporarily it was a longer downturn.

Representative Stapp stated his understanding there was \$10 million cash on hand, but [ASMI] was blocked from using the funds because its receipt authority did not allow the use of the money unless ASMI went below its \$16 million in authority where it could use its cash balance to smooth volatility.

Mr. Painter responded affirmatively. The agency could use the funding to fill a gap if its receipts fell short, but it could not overspend its authority.

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Representative Hannan asked how often the legislature had given ASMI general fund subsidies and support.

Mr. Painter replied that he did not have the number of times on hand. The agency had received some flexible federal COVID-19 funds and some UGF. He relayed that ASMI had a more stable UGF subsidy prior to budget reductions about eight years back. He believed funding had been provided at least two or three times in the past few years when counting the federal flexible funding provided one year.

Representative Ortiz asked for verification that the vast majority of the funding received by ASMI was from the industry through its own self-assessment.

Co-Chair Edgmon spoke in support of the amendment. He would advocate for a similar amendment throughout the process if the vote came up short. He represented a commercial fishing district including white fish such as pollock and red fish such as salmon and a number of other species that were the backbone of the coastal economy. He pointed out that the \$10 million would keep the Alaska brand alive on an international stage. He believed the last ASMI tradeshow was in Barcelona.

Representative Hannan relayed that the tradeshow was in southern Spain.

Co-Chair Edgmon highlighted that as the sole umbrella marketer for Alaskan seafood, ASMI's display spot was small in comparison to other countries who invested a lot of money [into the event] such as Norway and Chile and farmed salmon producers. For every dollar going into marketing Alaska salmon was a dollar that went into marketing the transportation sector including maritime, aviation, and trucking. He elaborated that the supply chain beneficiaries of the seafood industry were beyond the mere multiplier effect of other industries. He thought it was a reasonable investment.

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Representative Galvin asked about tax revenue from fishing. She asked what it had been and if it had been consistent.

Mr. Painter did not recall the recent revenue numbers offhand. The [Department of Revenue] Revenue Sources Book included an assumption with a three-year recovery in seafood tax revenue, but it had dipped substantially in the past couple of years.

Co-Chair Edgmon stated that some of the tax revenue was shared back with communities. He was not sure the Revenue Sources Book touched on that, but a significant amount went to Kodiak, Unalaska, Sand Point, Dillingham, Naknek, the Bristol Bay Borough, Petersburg, and all throughout the coast.

Representative Galvin remarked that the state had found ways to help boost incoming revenue from tourism, oil and gas, and mining. She referenced the current crisis with Russia [flooding the market] and the movement of the fish, which meant there had to be significant adjustments. She thought of the many corporations such as Peter Pan that had adjusted what they were doing. She stated that if wild fish was preferred four to one, getting marketing out there may help Alaska get more of the tax revenue. She was very supportive of the amendment. She believed the return on investment was there and she thought the state needed to help its fishing communities.

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Representative Hannan spoke in support of the amendment. She stated that virtually all fishermen were paying a tax that was shared with communities. In addition to being the largest private sector employer in the state, the industry had a reach through the state's economy and a ripple effect. The bulk of ASMI's budget had always been a self-assessment tax on the price of delivered fish. She explained that the price would go down because of the price collapse, some related to international reasons. She believed Representative Cronk asked in a past hearing why the money had gone down if there was a high volume. She stated it was due to the price value at delivery. She remarked that some could argue that ASMI had been the biggest marketer of Alaska for the last 40 years. She elaborated that long before the state was helping its tourism industry, ASMI was marketing the fish and state as

a whole. She mentioned ASMI's advertising of the Alaska label during Alaska reality shows. She stated it helped the economy in a variety of ways. She stated that due to the price collapses, ASMI would be hard pressed over the next three years dealing with inventory. She underscored that the communities that would suffer would be the smallest. She expounded that the most remote plants would be shut down and fewer places would get fish delivery. She believed that to keep marketing going in order for all of the state's communities to be in the fish business, the state should be supporting ASMI. She believed it was an important investment and noted that ASMI did not always request UGF funding because it was not always needed.

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AT EASE

[2:22:30 PM](#)

RECONVENED

Representative Ortiz provided wrap up on Amendment N 22. He believed the investment was effective. He remarked that the industry was the primary supporter of ASMI. He elaborated that due to world events, particularly with Russia's flooding of the markets with pink salmon to fund its war in Ukraine, fish prices had plummeted. He emphasized that the fishing industry was the largest private employer in the state. He thought that when people questioned subsidizing the industry it seemed the legislature would be supportive of Alaska's largest private employer in the interest of the state's economic wellbeing. He stated that ASMI was looking to develop its local American market in a potentially competitive market. He concluded that a vote in support of the amendment was a vote in support of the state's fishermen, processors, and the industry overall. He urged members' support.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 22 FAILED (5/6).



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Representative Ortiz MOVED to ADOPT Amendment N 24 (copy on file):

Agency: Commerce, Community & Econ Dev  
Appropriation: Tourism Marketing  
Allocation: Tourism Marketing

Transaction Details

Title: Increase Tourism Marketing Grant to Alaska  
Travel Industry Association (ATIA)  
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: 7,500.0  
Miscellaneous: 0.0  
Total 7,500.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund 7,500.0

Representative Cronk OBJECTED for discussion.

Representative Ortiz that the amendment would provide \$7.5 million to the Alaska Travel Industry Association (ATIA). He relayed that historically the state had been supportive of funding for the tourism pillar of its economy. Currently ATIA had a \$2.5 million grant in the capital budget. He stated that the amendment would complement the existing funding to grant the agency the full \$10 million it had been advocating for. In reality, ATIA needed at least \$15 million to stay competitive in the world market with the top 10 global destinations. In 2022, tourism generated \$5.6 billion in economic output, including \$3.9 billion in direct spending, and \$157 million in state revenues. He added that it had been a year the industry was in recovery.

The industry impacted every corner of the state, supported many small businesses, and provided countless private industry jobs. He stated that supporting ATIA made economic sense when considering the return on investment it provided.

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Representative Josephson supported the amendment. He highlighted that in the past there had been a separate tourism division within the Department of Commerce, Community and Economic Development. Additionally, when he was a legislative staffer "decades ago" there was a special committee on tourism. He recalled that the high water mark in state investment was around \$19 million. The increment was not terribly higher than the governor's proposal. He believed the funding should be higher.

Representative Galvin supported the amendment. She reiterated that in the past and in the future, the state made investments where there would be a multiplier effect. She expounded that all of the smaller communities would gain when oil and gas, fisheries, tourism, and mining were doing well. She highlighted that the current number of tourists coming to Alaska was about 1.3 million annually. The number could continue to grow if important advertising continued. She stated that independent travelers who kept Alaska on their list needed a little reminder. She pointed out that a broad range of areas would all benefit from more travelers. She shared that she had seen an ATIA presentation at the Anchorage Chamber of Commerce and the numbers were indisputable. She believed it was a great investment.

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Representative Tomaszewski declared a conflict of interest. He shared that he manufactured products that may or may not benefit from state subsidized marketing.

Co-Chair Johnson objected.

Co-Chair Edgmon supported the amendment for the same reasons he supported the prior amendment. He viewed the agencies as sister entities from a budget perspective. He stated that the benefits of the year-round tourism industry in Alaska were indisputable. He remarked that there were

quantifiable and unquantifiable benefits from the industry. He communicated he would continue supporting the funding elsewhere in the budget process if the vote came up short on the amendment.

Representative Galvin asked to be recused from voting. She shared that she had an Airbnb and may benefit from the amendment.

Representative Stapp objected.

Representative Ortiz provided wrap up on the amendment. He stated that the amendment process was a tradeoff situation because there was not sufficient money to put everywhere. He confirmed that adopting the amendment meant there would be \$7.5 million less to spend elsewhere. He believed the investment was wise and would bring one of the best returns on investment to the state. He remarked that it was clear the benefits outweighed the opportunity costs. He asked for members' support.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 24 FAILED (5/6).

[2:35:22 PM](#)

Representative Josephson requested to move Amendment N 23.

Representative Josephson MOVED to ADOPT Amendment N 23 (copy on file):

Agency: Commerce, Community & Econ Dev  
Appropriation: Tourism Marketing  
Allocation: Tourism Marketing

Transaction Details

Title: Tourism Marketing Grant to Alaska Travel Industry Association (ATIA)  
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: 2,500.0  
Miscellaneous: 0.0  
2,500.0

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

Funding (Amounts are in thousands)  
1004 Gen Fund 2,500.0

Explanation

Last year, the Senate amended into the first Senate Committee substitute of HB 39 (2023) an appropriation request titled "Tourism Marketing Grant to the Alaska Travel Industry Association (ATIA)." An additional amount was added during the Senate Finance budget process, and the total amount equaled \$5 million. This appropriation was passed out of both bodies and sent to the Governor where he vetoed half the amount. FY 25 does not include a new IncOTI for this allocation. This amendment adds the amount vetoed last year.

Representative Stapp OBJECTED for discussion.

Representative Josephson explained the amendment. He noted that the governor had reduced a \$5 million appropriation to \$2.5 million in his vetoes. He stated there was some evidence the governor would tolerate a \$2.5 million state investment. He asked for members' support. He added it would be nice to be able to tell John Binkley and others that the state still had skin in the game.

Representative Tomaszewski declared a conflict of interest.

Representative Galvin declared a conflict of interest.

Co-Chair Johnson stated there was an objection and the members would be required to vote.

Representative Stapp called the question.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 23 FAILED (5/6).

[2:38:13 PM](#)

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

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

Transaction Details

Title: Grant to Inter-Island Ferry Authority for  
Operations

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: 250.0

Miscellaneous: 0.0

Total 250.0

Positions

Permanent Full-Time: 0

Permanent Part-Time: 0

Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund 250.0

Representative Cronk OBJECTED.

Representative Ortiz explained the amendment would provide \$250,000 for the Inter-Island Ferry Authority. He detailed that it was a privately run ferry system with some state support. The ferry served Prince of Wales Island and ran

regularly from Ketchikan. He detailed there were at least six or seven small communities located on Prince of Wales. He stated that the ferry was a self-pay, pay-as-you-go service. The amendment was in line with prior state funding. He stated that the amendment of \$250,000 would enable the ferry to continue providing service in a cost efficient way.

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Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

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

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AT EASE

[2:43:40 PM](#)

RECONVENED

Representative Ortiz MOVED to ADOPT Amendment N 30 (copy on file):

Agency: Education & Early Dev  
Appropriation: Education Support and Admin  
Allocation: Alyeska Reading Academy

Transaction Details  
Title: Remove ARAI Salary Adjustment  
Section: Section 1  
Type: Dec  
Line Items (Amounts are in thousands)  
Personal Services: -31.6  
Travel: 0.0  
Services: 0.0  
Commodities: 0.0  
Capital Outlay: 0.0  
Grants: 0.0  
Miscellaneous: 0.0  
Total -31.6

Positions

Permanent Full-Time: 0

Permanent Part-Time: 0

Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund -31.6

Agency: Education & Early Dev

Appropriation: Education Support and Admin

Allocation: Alyeska Reading Academy

Transaction Details

Title: Delete Funding for Alyeska Reading Academy and Institute

Section: Section 1

Type: Dec

Line Items (Amounts are in thousands)

Personal Services: -1,140.5

Travel: -44.6

Services: -708.0

Commodities: -1,115.0

Capital Outlay: 0.0

Grants: -1,991.9

Miscellaneous: 0.0

Total -5,000.0

Positions

Permanent Full-Time: -7

Permanent Part-Time: -2

Temporary: -3

Funding (Amounts are in thousands)

1004 Gen Fund -5,000.0

Representative Cronk OBJECTED.

Representative Ortiz explained the amendment that would decrease the budget by \$5 million for the Alyeska Reading Academy. He explained that that the funding had been removed by the Department of Education and Early Development (DEED) finance subcommittee and reinserted in the current [HB 268] committee substitute (CS). He considered whether the \$5 million was a good return on investment and stated that evidently the subcommittee did not think so. He relayed that the Alyeska Reading Academy

used \$5 million to lease a space and make \$1.4 million in renovations. The academy hired four positions including a teacher for \$100,800 and had purchased student materials that could be accomplished by DEED. He remarked the academy had managed to provide some support in Chevak; however, he believed the legislature should expect more from the \$5 million. The academy was not mentioned in the Alaska Reads Act. He elaborated that there was no study recommending the academy and no business plan for what it would produce. He remarked that there was not a lot of accountability there. He reasoned that \$5 million was a significant amount of money that could be saved or used for other things. He considered items that would help Alaska's kids read and was uncertain an academy in Anchorage would push the envelope significantly in the goal of helping kids read on a statewide basis.

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Co-Chair Edgmon recalled thinking the request had been for the Alaska Reads Act the previous year. He remembered asking the acting commissioner [of DEED] at the time several questions and had discovered the increment was \$5 million to pay for a facility in Anchorage that appeared to be largely unused. He did not know what the plan was. He stated that the Alaska Reads Act had prescriptive statutory language requiring students between kindergarten and 3<sup>rd</sup> grade to do screenings, reading improvement plans, interactive consultations with accredited and paraprofessional reading specialists. The act also required a number of visits with parents and principals in addition to a substantial amount of work in-house. He guessed the Alyeska Reading Academy was set up for more than online activities, which is what it had done the previous year. He listed zoom calls and online professional development reaching out to Kalskag and other communities. He thought there should be an audit of the academy. He did not know how it took the Reads Act and brought it into small schools. He stressed the necessity of having teachers and reading specialists in classrooms. He stated that overworked K-3 teachers needed additional help because they were teaching all day and were also tasked with doing reading improvement plans and the other requirements of the Reads Act. He did not know where the academy fit in. He asked if it was a recognition that the state would continue to have high turnover in its teaching ranks and therefore it was necessary to have a place in Anchorage for all of



the teachers who came and went to be constantly certified through the Reads Act program. He felt it had been a fairly disingenuous presentation to the committee the previous year. He emphasized the committee had not been led to believe it was a brick and mortar facility. He still felt duped.

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Representative Galvin concurred with remarks by Co-Chair Edgmon about the prescriptive guidelines of the Reads Act. She had been examining what the state was doing to ensure its schools could follow through with "what is there, already as it is." She stated it was difficult for families to reach out three times a year for children with difficulty reading, especially given the class sizes. She stated it was asking a lot of teachers to follow through with requirements. She understood that teachers may benefit from learning the science of teaching reading. Currently, it was not possible to meet the goals of the Reads Act because it was not adequately funded. She noted the \$30 additional per student through the formula was insufficient. She stated that in terms of teaching reading skills, the system was woefully inadequate. She stressed that class sizes should be reduced in some cases by half. There were kindergarten classes with 28 students. She stated that the amendment triggered her because she was concerned about the overall issue that enough was not being done to meet the overall goal of the governor's Alaska Reads Act. She supported the amendment because she believed there were many other basic ways the money should be spent to support public K-12 education.

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Representative Stapp did not know how he would vote on the amendment. He remarked that the amendment pertained to 7 permanent positions, 2 permanent part-time positions, and three temporary positions. He considered that perhaps the \$100,000 for the teacher salary included benefits, which would be more in line. He was not certain what the Alyeska Reading Academy was, but DEED described it as being located in Anchorage and providing tutoring and support services for children who were struggling in reading to become fluent in reading skills, expand vocabulary, and more. He noted there were many interesting things on the website and

fliers for tutoring and applications for kids to learn to read in Anchorage.

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Representative Hannan supported the amendment. Her concern resided with where the academy had come from and mission creep. She stated that DEED had not been a direct deliverer of services for decades. She elaborated that most of the people who worked at the department were not certified teachers - there were a few and the commissioner was required to be a certified teacher - and DEED was there to assist school districts. She stated that in the aftermath of the passage of the Reads Act, DEED stood up seven new permanent positions, part time positions, and temporary positions and decided it would provide tutoring. She asked whether the 53 school districts across the state should now send their tutoring needs to the academy in Anchorage. She stated there had been significant discussion around the Reads Act about reading specialists providing training to teachers in order to disperse them across the 53 school districts and into the right places. She emphasized that individual tutoring of children did not fall within DEED's mission. She noted that the Mount Edgecumbe state-operated boarding school had been DEED's only direct service delivery of education to students for decades. Otherwise, the department was there working to support teachers in order to have a multiplier effect. She stated that if the academy was a teacher training institute to develop reading specialists for Alaska, it would be different than tutoring children in one school district that may or may not be identified as the most in need. She remarked that many people hired tutors for their children to help them excel, not because they had deficits. She did not believe DEED should expand in mission creep into the school districts' jurisdiction was a step that should not be taken without a longer term plan.

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Representative Josephson referenced a recent article by Iris Samuels that was a devastating expose on the school. He stated that the article was balanced, but the evidence was not helpful to the cause of the academy. The article noted that \$1.4 million was spent on refurbishing what looked like a mall located behind the Village Inn (a restaurant near the university). He believed a lot of the

districts thought people were coming to the districts, but the article noted it was rare. He elaborated that there were a number of teaching sessions for hundreds of teachers, but he did not know that it was the best way to get the desired results. He highlighted that the point of the Alaska Reads Act was to have a team of people that would go to rural districts to offer direct assistance. He supported the amendment.

Representative Coulombe stated it had been her subcommittee that took the funding away and gave it to Head Start. She did not know how she would vote on the amendment. She elaborated that many of the issues discussed in subcommittee had been expressed during the current meeting. She stated there had been an understanding that the reading specialists would be flying out into the community. She continued that there had been a surprise that the academy was actually adapting the building for children to come in for tutoring, which was a great thing. She stated it was benefiting the Anchorage School District (ASD). She remarked that unfortunately the Reads Act did not just apply to the ASD, which was her concern. She stated there was substantial need in rural areas and it required teachers to fly into Anchorage to get the training rather than flying out. She expounded that during a subcommittee meeting someone from DEED stated the intention was to fly reading specialists out, but it was not really happening a lot currently. She remarked that there had been some misunderstandings about the goal of the academy. The academy had a lease, had hired people, and was actively tutoring. She noted it was a good point that she did not hear the mention in the Reads Act the previous year; however, the academy had made commitments. She stated that a part of her wanted to give the academy another year to see if it was fulfilling its functions.

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Representative Tomaszewski looked at the DEED website and relayed that the Alyeska Reading Academy within DEED was designed to support districts and provide services for successful implementation of the Alaska Reads Act. He elaborated that professional development was grounded in the science of reading and helping those implementing the program across the state. He stated that the academy had the expertise to collaborate with staff on Reads Act components and implementation. He remarked that Alaska

ranked 49<sup>th</sup> in reading in math and he believed it was failing its students in reading. He noted the institute was trying to help kids read. He understood it had been implemented the previous year and he had not seen results, but he thought it was a real effort to help kids read. He viewed the funding as another allocation to education. He stated that a lot of people talked about how there had not been a Base Student Allocation (BSA) increase in a long time, but there was a lot of funding that went into education outside the BSA. He thought the academy was aiming to help school districts implement the Reads Act. He believed it was a valiant thing to try to accomplish. He opposed the amendment.

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Representative Cronk stated it was a tough amendment. He shared that in his first year as a kindergarten/first grade teacher he did not know how to teach kids how to read because he had not been taught how to do so in college. He stated that college students were still not taught how to teach kids to read unless they were specifically a reading instructor. He was leaning towards opposing the amendment. He did not know if the academy had been given enough time to run to know whether it was successful. He stated that a lot of kids were not prepared to read when they reached school and he wanted to give the academy the chance to work.

[3:03:56 PM](#)

Representative Cronk MAINTAINED the OBJECTION.

Representative Ortiz provided wrap up. He thought the comments made were reasonable, but he reminded members to look at the model. He noted a committee member's comments that if the academy would be there to support the state's 54 school districts it would be a good thing. He asked how it would be possible for the small number of staff - the organization was not fully staffed after a year - to increase the ability for kids to read on a statewide basis. He emphasized that it would not happen. He stated it was the wrong model. He noted it would help some students in Anchorage. He referenced a report showing the academy was serving 147 students. He underscored it was a small number compared to the number of students needing services statewide. He pointed out that the House Finance Committee

was supposed to look at return on investment. He believed it was a bad model that would not work. He stressed that people were needed in communities for the long-term to build trust and understand the areas. He stated it was needed for real reform in education. He thought the proposed reduction to the budget made good sense. He asked for members' support.

A roll call vote was taken on the motion.

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

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment N 30 was ADOPTED.

[3:08:23 PM](#)

Co-Chair Johnson remarked that Amendments N 39 and N 40 were next. She asked Representative Ortiz if the amendments were hefty.

Representative Ortiz replied that they should not take a lot of time; however, he would need a brief at ease prior to presenting them.

Co-Chair Johnson relayed that the committee would take a break for about an hour.

[3:09:25 PM](#)

AT EASE

[4:36:52 PM](#)

RECONVENED

Representative Ortiz MOVED to ADOPT Amendment N 39. [Due to the length of the amendment, it has not been included here. See copy on file for details.]

Representative Cronk OBJECTED.

Representative Ortiz explained the amendment that would provide for an increase for the cost of services due to inflation (a 10 percent increase of FY 25) for Department of Fish and Game (DFG) stock assessment. He had previously served as the chair of the DFG finance subcommittee and in order to provide maximum opportunity for commercial

fishermen there needed to be thorough and adequate assessment of stocks. He explained that assessments included using airplanes to fly over schools of fish or dealing with weirs in rivers to determine escapement levels and the number of fish, which enabled DFG to make decisions for fishermen. He explained that if DFG could not monitor the weirs, it had to manage more conservatively and not allow potential opportunities that may exist if the assessments were done. He elaborated that inflation and increased fuel costs and other things resulted in circumstances where DFG did not have the resources for management. The amendment amounted to \$43,500. He explained that under the CS, the Chelatna weir located in the central district had been added back at a cost of \$130,000 to allow DFG to do a more accurate count. He asked for members' support.

Representative Hannan supported the amendment. She pointed out that the funds appeared in the commercial fisheries budget. She explained that the commercial fisheries assessment did all of the assessment and stock analysis for all fisheries. She detailed that when commercial fisheries did not have the money to do assessments, no fishing took place. The in-season management determined the number of days dip netting was open on the Kenai or Copper River. She stated it was important to ensure the department had the resources to keep as many fisheries open and that required as much surveying and analysis in season as possible.

[4:41:41 PM](#)

Representative Cronk stated that the key word pertaining to the amendment was "additional." He had the budget in his subcommittee and DFG had requested inflation proofing in its budget for every division. He stated that the money in the amendment was not needed, and DFG had plenty of money. He stated relayed that the money in the amendment exceeded the department's request and it was not needed for the department to do what was needed.

Representative Ortiz provided wrap up. He highlighted that the CS added the Chelatna weir at a cost of \$130,000. He did not recall whether it had been taken out by the department and did not know whether DFG asked for it to be added back. He stated that what the department asked for publicly and what it needed was sometimes different. He shared that people within commercial fisheries under DFG

had told him that the division had been hit hard by inflation and costs had increased. Additionally, he had been told that there were assessments that had not been done because the money was not available. The amendment was in support of the overall industry and all of the districts; it gave DFG the resources needed to manage the state's fisheries to the maximum sustainable yield as directed under the state's constitution. The amendment cost \$43,500 for the benefit of fishermen. He asked for members' support.

Representative Cronk MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 39 FAILED (4/7).

[4:45:02 PM](#)

Representative Ortiz MOVED to ADOPT Amendment N 40. [Due to the length of the amendment, it has not been included here. See copy on file for details.]

Representative Stapp OBJECTED.

Representative Ortiz explained the amendment was the same as Amendment N 39, but the increment was reduced to 5 percent at a cost of \$21,800. He asked for members' support.

A roll call vote was taken on the motion.

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

The MOTION to adopt Amendment N 40 FAILED (4/7).

[4:46:25 PM](#)

Representative Josephson WITHDREW Amendment N 41 (copy on file).

4:47:09 PM

AT EASE

4:49:58 PM

RECONVENED

Representative Ortiz MOVED to ADOPT Amendment N 54 (copy on file):

Agency: Health  
Appropriation: Senior and Disabilities Svcs  
Allocation: Senior Community Based Grants

Transaction Details

Title: Increase Funding for Adult Day Services

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: 2,000.0

Miscellaneous: 0.0

Total 2,000.0

Positions

Permanent Full-Time: 0

Permanent Part-Time: 0

Temporary: 0

Funding (Amounts are in thousands)

1004 Gen Fund 2,000.0

Representative Cronk OBJECTED.

Representative Ortiz explained the amendment that would add \$2 million for Alaska adult daycare operations. He relayed that Alaska's ten adult daycare grantees were struggling to provide services due to inflation, increased needs, challenging behaviors, and workforce turnover. In addition to the need for meaningful financial support for existing grantees, many Alaskans were underserved or had no adult day or respite services available. The development and expansion of the services was needed across urban and rural Alaska as the state's population aged. Support was needed



to provide caregivers with financial stabilization. He stated that the funding would enable grantees to serve more Alaskans, especially those not qualified for Medicaid. He explained that the service provided respite service for adults with impairments. Qualifying adults received support in group-based facilities. He characterized the situation as a question of priorities. He elaborated that the state's population was aging and there were real needs to provide services to elders and other adults experiencing challenges. He asked members to support the amendment.

Representative Galvin supported the amendment. The number of Alaskans above the age of 75 was growing by 5 percent. She shared that she had used adult day services for family members and emphasized that even an hour of bingo gave the family important breaks. She elaborated that it allowed families the ability to take care of their elders and kept individuals out of institutions. She stressed that the cost of institutional care was extremely high for the state. She added that the services provided individuals with dignity. She was very supportive of the amendment. She added that given the increased age of Alaskans and increased cost, the amendment was a reasonable investment.

[4:54:18 PM](#)

Representative Josephson supported the amendment. He remarked that there had been a relatively narrow vote of 5/6 on an inflation adjustment of \$998,000 for AGEnet and AARP. He noted that adult day services provided some of the same needs. He cited his notes from a meeting on March 11 where the Alzheimer's Association and related organizations spoke in support of the \$2 million for day providers. There were currently facilities in Fairbanks, Nome, and Ketchikan and the money would be housed with senior and disabilities grants. The organizations reported that the Fairbanks Resource Agency was short staffed, facing budgeting challenges, and needing money for adults experiencing impairments and family caregivers. The Ketchikan Rendezvous Senior Center was struggling to attract and retain staff due to low wages. The Nome XYZ Senior Center sought funding to provide dementia training, ensure nutritious meal programs, and provide respite for more families. There were a total of 10 grantees. In a follow up meeting on March 14, the group reported that a 13 percent senior and disability services increment went away. The top five reasons were the impact of inflation, increased need, changing workforce,

operations being limited to care for families, and the need for more respite hours.

Representative Ortiz provided wrap up. He referenced individuals suffering from Alzheimer's disease. The individuals who qualify for adult services included people of any age with Alzheimer's or any dementia related diagnosis, people over the age of 60 who experience functional impairments, adults over the age of 18 with similar disabilities and service needs to older Alaskans who were at risk of institutionalization. He shared that his parents had been impacted by Alzheimer's and it had not been an easy situation. He stressed that any support to help with the particular issue should be a priority. He asked for members' support.

Representative Stapp MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

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

The MOTION PASSED (6/5). There being NO further OBJECTION, Amendment N 54 was ADOPTED.

[4:59:04 PM](#)

Representative Josephson WITHDREW Amendment N 55 (copy on file).

Co-Chair Johnson stated that the committee had caught up on the amendments that had been rolled. She relayed that the committee would continue to address budget amendments the following morning.

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

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

#  
ADJOURNMENT

[5:00:13 PM](#)

The meeting was adjourned at 5:00 p.m.