

HOUSE FINANCE COMMITTEE  
March 31, 2025  
2:42 p.m.

[2:42:52 PM](#)

CALL TO ORDER

Co-Chair Josephson called the House Finance Committee meeting to order at 2:42 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair  
Representative Andy Josephson, Co-Chair  
Representative Calvin Schrage, Co-Chair  
Representative Jamie Allard  
Representative Jeremy Bynum  
Representative Alyse Galvin  
Representative Sara Hannan  
Representative Nellie Unangiq Jimmie (via teleconference)  
Representative DeLena Johnson  
Representative Will Stapp  
Representative Frank Tomaszewski

MEMBERS ABSENT

None

ALSO PRESENT

Alexei Painter, Director, Legislative Finance Division;  
Connor Bell, Fiscal Analyst, Legislative Finance Division;  
Morgan Foss, Fiscal Analyst, Legislative Finance Division;  
Representative Justin Ruffridge.

PRESENT VIA TELECONFERENCE

Megan Wallace, Chief Counsel, Legislative Legal Services;  
Marie Marx, Attorney, Legislative Legal Services.

SUMMARY

HB 53      APPROP: OPERATING BUDGET; CAP; SUPP

HB 53 was HEARD and HELD in committee for further consideration.

HB 55        APPROP: MENTAL HEALTH BUDGET

HB 55 was HEARD and HELD in committee for further consideration.

HB 56        APPROP: SUPPLEMENTAL; FUND CAP

HB 56 was SCHEDULED but NOT HEARD.

Co-Chair Josephson reviewed the agenda. He indicated that the meeting would be focused mainly on HB 53.

#hb53

#hb55

HOUSE BILL NO. 53

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending 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. 55

"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."

[2:43:21 PM](#)

^AMENDMENTS

Co-Chair Josephson relayed that the committee would take up amendments for HB 53 beginning from where it left off on Wednesday, March 26, 2025.

Representative Bynum asked if there was a summary of which amendments had been addressed already and which had not.

Co-Chair Josephson responded that he did not have a summary but suggested that the Legislative Finance Division (LFD) might. He received an indication from LFD in the audience that there was no update. He noted that he would ensure that an update would be provided later.

[2:45:31 PM](#)

Co-Chair Josephson MOVED to ADOPT Amendment N 44 (copy on file):

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

Transaction Details

Title: Restore Funding for Alaska Native Science and Engineering 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:	1,000.0
Miscellaneous:	0.0
	1,000.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund	1,000.0
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Explanation

Based on public testimony, this funding will make a critical difference to the ANSEP program.

Representative Stapp OBJECTED.

Co-Chair Josephson explained that the amendment related to the Special Education Service Agency (SESA).

2:46:07 PM

AT EASE

2:46:19 PM

RECONVENED

Co-Chair Josephson relayed that the amendment was a "past tense" amendment and he had mistakenly offered it.

Co-Chair Josephson WITHDREW Amendment N 44.

Representative Galvin MOVED to ADOPT Amendment N 45 (copy on file):

Agency: Education & Early Dev  
Appropriation: K-12 Support  
Allocation: Special Schools

Transaction Details

Title: Add Funding Above Special Education Service  
Agency Statutory Minimum Calculation  
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:	482.3
Miscellaneous:	0.0
	482.3

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund	482.3
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Explanation

Fix shortfall in formula's numbers. SESA's budget is based on total public-school enrollment, which is declining, while the number of students needing SESA's services continues to grow. This funding gap forces SESA to serve more students with fewer resources, and

without an increase, they will have to implement a waitlist-violating federal law under the Individuals with Disabilities Education Act, which mandates timely special education services.

Co-Chair Josephson asked if Representative Galvin intended to offer the amendment.

Representative Galvin replied that she did not.

Representative Galvin WITHDREW Amendment N 45.

[2:46:56 PM](#)

Co-Chair Josephson MOVED to ADOPT Amendment N 46 (copy on file):

Agency: Education & Early Dev  
Appropriation: K-12 Support  
Allocation: Special Schools

Transaction Details

Title: Add Funding above Special Education Service  
Agency Statutory Minimum Calculation  
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:	482.3
Miscellaneous:	0.0
	482.3

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund	482.3
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Representative Bynum OBJECTED.

Co-Chair Josephson explained that the amendment requested support for further investment in SESA. He relayed that under AS 14.30.630, SESA was required to provide special education services to students who were deaf, deaf-blind, intellectually disabled, developmentally disabled, hearing impaired, blind or visually impaired, orthopedically disabled, otherwise health-impaired, severely emotionally disturbed, or had multiple disabilities. The program provided instructional support in special education and training to local school district personnel. He noted that AS 14.30.640 addressed eligibility for SESA. The program was intended for children who required specialized services not normally available in their local school districts and who could not be easily assisted by school district personnel. He stated that SESA served many rural students and it was a high priority for the Governor's Council on Disabilities.

Co-Chair Josephson stated that SESA faced a funding shortfall of approximately \$3 per child, totaling \$482,300, and it had not received a funding adjustment in several years. He explained that SESA supported students with low-incidence disabilities (LID), which meant disabilities that were not common. He relayed that the Agency and Disability Resource Center had indicated that SESA provided training and resources to special education teachers and school staff in rural Alaska who supported students with LIDs. The disabilities included autism, deafness or hearing loss, vision impairment, deaf-blindness, emotional disabilities, and combined disabilities.

Co-Chair Josephson noted that SESA's budget was based on total public school enrollment, which had been declining, but SESA reported that the number of students needing its services continued to increase. He explained that the funding gap forced the agency to serve more students with fewer resources. Without an increase in funding, the agency would be required to implement a waitlist, which would violate federal law under the Individuals with Disabilities Education Act (IDEA) which mandated timely delivery of special education services. He stressed that the situation was an urgent matter. He shared that advocates had spoken about the need for an increased funding rate due to unprecedented inflation. He explained that the inflation had prevented SESA from hiring full-time staff necessary to meet projected program growth while maintaining competitive salaries. He relayed that a waitlist developed because

there were not enough education specialists for the LID program. He noted that his staff had compiled supporting emails, including one from Ms. Elizabeth Doranilla of the Yukon-Koyukuk School District (YKSD). He also referenced a letter from Mr. Patrick Reinhart, the director of the Governor's Council on Disabilities, as well as additional emails of support from individuals in Petersburg and Galena.

[2:51:05 PM](#)

Co-Chair Josephson relayed that one of the letters was from Ms. Kelly McBride, assistant special education director in Galena. He stated that Ms. McBride had submitted written testimony explaining that SESA provided support to students with low-incidence disabilities in Galena and across the state, including in homeschool programs. He indicated that Galena relied on SESA for special education services for homeschooled students, which was a significant issue. He requested support for the amendment.

Representative Johnson noted that the committee was reviewing a budget that did not yet have a clear funding source, aside from the standard Permanent Fund Earnings Reserve Account (ERA) draw and oil revenue. She did not think that deficit fill language had been included. She asked where the additional funding of approximately \$500,000 would come from, especially in light of the \$1,000 Base Student Allocation (BSA) increase already under consideration.

Co-Chair Josephson responded that there were accounts that were often authorized but unlikely to be used. He stated that the most likely sources were new revenue, such as severance taxes and royalties, the Permanent Fund ERA draw, the Constitutional Budget Reserve (CBR), and potentially other cuts, such as to the Permanent Fund Dividend (PFD). He added that it was difficult on the current date to specify where the funding would come from.

Representative Johnson remarked that none of the proposed new revenue measures had passed yet. She asked for clarification about what new revenue Co-Chair Josephson was referencing.

Co-Chair Josephson responded that there were new revenue bills in both the House and the Senate, but agreed that none had yet passed.

Representative Johnson asked whether the ERA draw had already been fully allocated in the current budget. She suggested that it had already been accounted for and asked if her understanding was accurate.

Co-Chair Josephson responded that he was willing to engage in further dialogue but believed Representative Johnson already knew the answer.

Representative Johnson replied that she did know the answer. The state was in a shortfall situation with no identified revenue to fund additional budget items. She stated that she was not willing to further reduce the PFD and she could not support funding additions without a clear plan to pay for the additions. She emphasized that the situation was unusual because the committee was deep into the budget process without knowing what the state's final revenue sources would be.

[2:55:20 PM](#)

Co-Chair Josephson remarked that he did not think there was anything particularly unusual about the current year's budget process, apart from the state having less revenue. He thought that it was otherwise typical not to know the precise shape of the final budget by the current date of March 31, except in extraordinary cases such as during the COVID-19 pandemic when the budget was finalized by March 28, 2020.

Co-Chair Schrage stated that he shared Representative Johnson's concerns about adding to the budget in the current fiscal environment. He noted that the House version of the budget had significantly reduced the amount of unrestricted general funds (UGF) and overall appropriations compared to what the governor had proposed in December of 2024. He understood that the question was whether the SESA item should be included for prioritization along with other needs in light of limited available revenues. He stated that it remained uncertain whether new revenue would be passed by the Senate or if a CBR draw would be authorized by both bodies. The governor had proposed a significant draw from the CBR and legislators needed to weigh and

prioritize all programs and increments during the ongoing budget process.

[2:57:12 PM](#)

Representative Galvin commented that she agreed with Representative Johnson's concerns and acknowledged that the state was in a very difficult position. She asserted that the committee must look carefully and precisely at where sound decisions could be made. She emphasized the importance of supporting the state's values and, more critically, upholding the constitution. She expressed appreciation for the committee's efforts to reduce spending and stated that work should continue. However, the amendment involved children with special needs, and she cautioned against allowing schools to fall into disrepair or become unsafe for children. The failure to fund SESA could lead to violations of IDEA, which mandated timely special education services. She stated that Alaska was already behind in meeting its obligations and it should not enter a situation where children are placed on a waitlist. She was in support of the amendment.

Co-Chair Josephson recognized Representative Justin Ruffridge in the audience.

Representative Tomaszewski asked Co-Chair Josephson to repeat the statute he had mentioned earlier.

Co-Chair Josephson responded that SESA was located in Article 12 of AS 14.30.

[3:00:02 PM](#)

Representative Jimmie stated that she was in support of the amendment. She explained that if SESA received less funding than was legally required, students in small and rural communities could be left waiting for services that they were legally entitled to receive.

Representative Bynum stated that he did not have the SESA program materials in front of him but appreciated the Co-Chair Josephson's earlier description of the program. He acknowledged that a portion of the program served students who were not enrolled in neighborhood schools, such as those participating in correspondence programs or other educational settings. He asked whether the students

targeted by SESA who were attending brick-and-mortar schools were already being served through the foundation formula, specifically under the special education multiplier of 13.0. He asked whether that multiplier already accounted for students who would be served by SESA. He clarified that he was referring only to students in brick-and-mortar schools and not those in correspondence programs, as the latter were not eligible for any special education multiplier within the foundation formula.

3:02:06 PM

AT EASE

3:06:10 PM

RECONVENED

Co-Chair Josephson suggested that LFD speak to the question from Representative Bynum.

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, responded that the funding calculation for SESA was based on the entire student population of the state. He clarified that it was a fixed amount derived from the total student count statewide. He explained that the 13.0 multiplier applied directly to school districts and districts that had students qualifying for intensive services received the funding through the multiplier. However, the funding for SESA was directed to the agency itself. He noted that some school districts utilized SESA services, but SESA also provided services to a broader range of students who might not necessarily qualify for the 13.0 multiplier.

Representative Stapp observed that the SESA funding appeared to be outside the foundation formula, although it was still being directed towards students attending school. He expressed concern about potential issues with disparity testing if targeted funds were being distributed to different schools. He noted that the amendment language referenced rural students, but Mr. Painter had indicated that the services were available more broadly.

Mr. Painter responded that because the funding was distributed to SESA and not directly to school districts, it would not fall under the purview of the disparity test. He stated that the funding was not available to school districts for direct expenditure. He clarified that SESA's enabling statute indicated that services were intended for

districts with infrequent or unusual needs, which typically referred to smaller districts, although not necessarily rural districts.

Representative Stapp asked whether it would be possible to structure a foundation formula to circumvent the disparity test by directing funding for special education or other services outside the formula altogether.

Mr. Painter responded that by building specific elements into the formula, the state could account for the factors in the disparity test. He noted that the test allowed for cost differences between districts to be considered, such as in the pupil transportation formula. He pointed out that not all districts had transportation programs due to geographic differences and that the formula accommodated for such differences to ensure equitable treatment. He confirmed that various factors could be built into the foundation formula in a way that maintained equity between districts.

[3:10:04 PM](#)

Representative Stapp asked whether the issue had been raised during the finance subcommittee process. He understood that there could be a legal issue if the funding was insufficient. He asked how it could be underfunded if the funding mechanism was formulaic and student numbers were decreasing.

Mr. Painter responded that he was not familiar with any current legal challenges. He explained that while the funding formula would generate a decreasing amount due to the decline in student enrollment, the legislature could appropriate more than the formula dictated, just as it had done under the K-12 formula. He stated the number of students requiring intensive services had grown despite decreasing enrollment numbers. He noted that the population served by SESA differed slightly from the intensive category but reiterated that the trend showed increased need despite overall declining enrollment.

Representative Galvin clarified that she had not intended to suggest that there was a current legal challenge. She explained that her concern was that the creation of a waitlist could trigger a legal issue in the near future. She emphasized the importance of understanding that the

number of students needing SESA services was growing but the agency's funding had not changed accordingly.

Co-Chair Josephson added that the Aging and Disability Resource Center had stated that creation of a waitlist would violate IDEA, which required timely special education services.

Co-Chair Josephson asked if there were any objections to the adoption of the amendment.

[3:12:27 PM](#)

Representative Allard OBJECTED.

Representative Allard stated that she believed there needed to be a responsible approach to adding items to the budget. She noted that the legislature did not yet have clarity on the state's revenue sources. She thought that if new appropriations were added, there needed to be corresponding reductions elsewhere. She was concerned that the committee was making additions without making cuts. She thought the approach was fiscally irresponsible.

Co-Chair Josephson noted that reductions had been made, though Amendment 46 did not propose additional cuts.

A roll call vote was taken on the motion to ADOPT Amendment N 46.

IN FAVOR: Hannan, Jimmie, Galvin, Schrage, Foster, Josephson

OPPOSED: Johnson, Allard, Tomaszewski, Stapp, Bynum

The MOTION PASSED (6/5).

[3:14:21 PM](#)

AT EASE

[3:14:57 PM](#)

RECONVENED

Representative Bynum MOVED to RESCIND action on Amendment N 14 (copy on file) [see minutes from the March 25, 2025, meeting for details]:

Agency: Various

Appropriation: Various  
Allocation: Executive Branch

Transaction Details

Title: Delete funding for all UGF Governor amendments  
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:	0.0
Miscellaneous:	-85,056.6
	-85,056.6

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund	-85,056.6
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Explanation

Returning the budget to reflect the Adjusted Base in UGF by removing all Governor UGF increments.

Co-Chair Josephson OBJECTED.

Representative Bynum began to explain the motion.

Co-Chair Schrage asked to take a brief at ease.

Representative Johnson called a point of order. She asked for Representative Bynum to be allowed to finish his comments.

Co-Chair Josephson responded that he was inclined to allow Representative Bynum to finish.

Co-Chair Schrage commented that he did not want there to be a point of order. He explained that the issue before the committee was whether to rescind the previous action, not the merits of Amendment 14 itself. He requested the at ease

because he wanted to ensure that the committee was following proper procedure.

3:15:58 PM

AT EASE

3:16:26 PM

RECONVENED

Co-Chair Josephson noted that a motion to rescind action had been offered by Representative Bynum. He understood that on the House floor, discussion was generally restricted to the motion itself. He invited Representative Bynum to briefly explain the basis of the motion.

Representative Bynum explained that on March 27, 2025, the committee had received an additional legal memorandum [addressed to Representative Jubilee Underwood from Marie Marx, Legislative Counsel with Legislative Legal Services] (copy on file) addressing the action previously taken on Amendment 14. He noted that during the initial vote, legal counsel was present and had advised that the unallocated cut in Amendment 14 might be blatantly unconstitutional. He explained that he had consulted with LFD and Legislative Legal Services (LLS) and he had worked to craft a better approach to achieve the original intent of Amendment 14 without violating the constitution. He stated that he prepared another amendment which he believed would address constitutional concerns.

Co-Chair Josephson asked Representative Bynum to identify the author of the legal opinion.

Representative Bynum replied that it was authored by Ms. Marie Marx.

Co-Chair Josephson understood that Ms. Marx had expressed that she had constitutional concerns but had not used the phrase "blatantly unconstitutional." He stated that while Ms. Marx had not praised the amendment, she had acknowledged that the additional language that detailed where the cuts would occur within each department helped to clarify the intent of the amendment.

Representative Hannan asked if the motion to rescind was debatable or if she should simply request an at ease in order to review the legal memo.

[3:19:45 PM](#)

AT EASE

[3:33:04 PM](#)

RECONVENED

Representative Bynum clarified that he meant that the amendment would be highly likely to be unconstitutional rather than blatantly unconstitutional.

Representative Bynum WITHDREW the MOTION to rescind action on Amendment N 14. He stated that he would revisit the motion at another time.

[3:33:54 PM](#)

Co-Chair Schrage WITHDREW Amendment N 47 (copy on file).

Co-Chair Schrage WITHDREW Amendment N 48 (copy on file).

Representative Galvin MOVED to ADOPT Amendment N 49 (copy on file):

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

Transaction Details

Title: Teacher Incentive Payments and Reimbursements  
for National Board Certification under AS 14.20.225  
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:	750.0
Miscellaneous:	0.0
	750.0

Positions

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

Funding (Amounts are in thousands)  
1004 Gen Fund                750.0

Explanation

Provides funding for the unfunded HB 230 (33rd Legislature), AS 14.20.225, providing \$5000 to certified teachers and reimbursement for teachers pursuing initial certification or renewing certification.

Representative Stapp OBJECTED.

Representative Galvin explained that the amendment addressed a bill that had been passed during the final day of the previous legislature in 2024. The bill was one of several that were rolled into other legislation, specifically HB 230. She explained that the amendment ensured a fiscal note would accompany that bill. The amendment provided for a \$5,000 incentive payment to each teacher who held a current and valid national board certification. She noted that research showed that students taught by nationally certified teachers learned more than those taught by non-certified teachers. She added that the incentive aimed to retain nationally board certified teachers. There was a report from South Carolina that found lower turnover rates among national board certified teachers. The report also stated that many teachers in South Carolina indicated that a state supplement allowed them to remain in the classroom and that they would likely pursue higher-paying positions without the supplement.

Representative Galvin stated that thirty-four states currently offered financial incentives or covered application fees to support teachers in obtaining national board certification. She described the incentives as targeted and strategic, referring to national board certified teachers as the "black belts of teaching." She relayed that the legislature had already passed HB 230 to reimburse teachers for certification fees and therefore had an obligation to fund it, since it was now law.

Representative Galvin MOVED to ADOPT conceptual Amendment 1 to Amendment N 49. She explained that the conceptual amendment would reduce the amount of funding from \$750,000 to \$554,000.

Co-Chair Josephson asked if there was any objection to the conceptual amendment.

Representative Johnson stated that she did not have an objection but had a question.

[3:37:31 PM](#)

Representative Stapp OBJECTED for discussion.

Representative Johnson asked whether HB 230 had passed before or after midnight [on the last night of the previous session].

Representative Galvin responded that her understanding was the bill passed before midnight and had not been funded.

Representative Johnson stated that she wanted to get a sense of how the bill was not funded.

Representative Galvin responded that it was folded into another bill, and the fiscal note was not included.

Representative Johnson noted that she was reviewing backup materials and understood that the language of the amendment could be open-ended. She asked how the amendment was prepared.

Representative Galvin responded that LFD had assisted with the fiscal estimate and explained that the original fiscal note had been higher than the amendment request. The estimated cost would be approximately \$520,000 based on current data indicating there were no more than 104 nationally certified teachers. There were additional costs related to recertification and renewal fees were estimated at \$34,000, which brought the total to approximately \$554,000. She thought that revising the amount from \$750,000 to \$550,000 was appropriate.

Representative Johnson asked for clarification that the amendment had a narrower focus on a specific type of teacher.

Co-Chair Josephson responded that was also his understanding.

Representative Johnson stated that she had no objection to the amendment but was concerned about ensuring the funding amount aligned with the actual number of eligible teachers. She noted that she did not want to underfund or overfund the program and remarked that she personally would have preferred using the language suggested by LFD. However, she was comfortable with the amendment overall.

[3:40:59 PM](#)

Representative Stapp directed attention to page 3 of the amendment, which cited an estimated cost of \$520,000 for teacher stipends, plus an additional \$23,900 for renewal fees. He understood that the total estimated cost was approximately \$543,900 and asked if the conceptual amendment amount was \$544,000.

Co-Chair Josephson clarified that the conceptual amendment amount was \$554,000.

Representative Stapp WITHDREW the OBJECTION.

There being NO further OBJECTION, conceptual Amendment 1 to Amendment N 49 was ADOPTED.

Co-Chair Josephson relayed that Amendment N 49 as amended was before the committee.

[3:42:11 PM](#)

Representative Stapp OBJECTED to Amendment N 49 as amended. He noted that page 2 of the amendment included language from LFD stating that there was nothing preventing the legislature from appropriating funding for the program. He understood that if full funding was not needed, the remainder would either lapse to the general fund or be spent by the Department of Education and Early Development (DEED) on something else. He asked if the amendment was structured to ensure that the appropriation would only be used for the intended program.

Representative Galvin responded that funding for the amendment was for its specific purpose.

Representative Hannan understood that the language referenced by Representative Stapp from LFD indicated that if the entirety of the appropriation was not needed, the

remaining money would lapse or could be spent elsewhere. She asked if it would be appropriate to include intent language in the amendment using phrasing such as, "the amount required is estimated to be \$554,000 and this would mean the item would fund the actual reimbursement." She asked if similar intent language could be incorporated through a conceptual amendment.

Representative Johnson expressed support for adding the intent language via conceptual amendment. She thought the language would make the amendment cleaner and better align it with LFD's recommendations. She relayed that she was willing to offer the conceptual amendment if Representative Hannan did not wish to do so.

Representative Bynum replied that he had a separate conceptual amendment to offer that would solve the problem, but it would not change the dollar amount. He stated that he would hold her amendment until the \$554,000 matter was resolved. He explained that his conceptual amendment would address Representative Hannan's concerns about how the money would actually be spent.

Co-Chair Josephson noted that there appeared to be some interest in incorporating intent language and asked Mr. Painter whether doing so would be appropriate.

[3:45:21 PM](#)

Mr. Painter commented that it was a numbers section amendment, which meant that the amount was certain and not estimated. He clarified that if the committee wished to convert the amendment into a language section amendment, that would constitute a fundamentally different amendment. As written, the amendment added \$554,000 to the numbers section.

Co-Chair Josephson understood that the law was currently unfunded. He asked if the Office of Management and Budget (OMB) would typically include such funding in the governor's proposed budget in December of each year. He asked whether other examples existed of bills that had been passed but were not funded.

Mr. Painter responded that the governor could choose to put forward fiscal notes for bills that were passed in the previous year but not funded, but there was no requirement

to do so. He explained that there were numerous instances of unfunded or underfunded statutory obligations. He cited the municipal property tax exemption as one example, noting that it had not been funded for approximately 26 years.

Co-Chair Josephson remarked that the lesson for the public was that laws require funding to be effective. He asked if it was accurate to say that laws required monitoring and funding.

Mr. Painter responded in the affirmative. He noted that dedicated funds were not allowed under the constitution, which meant that all bills put into statute were subject to appropriation.

Co-Chair Josephson noted that there had been discussion about the challenges of including intent language and then recognized Representative Bynum.

Representative Bynum asked for clarification on why the amount was being reduced from \$750,000 to \$554,000.

Representative Galvin explained that the number had been based on the actual count of teachers eligible for the benefit. She stated that there were 104 eligible teachers, which had been multiplied by the \$5,000 stipend. Additionally, \$520 per teacher was the figure used for teachers undergoing recertification or renewal. She estimated that there were approximately 61 such teachers, and the total of the calculations had resulted in the \$554,000 figure. She emphasized that the figure was calculated and specific and based on known certification and renewal data. She added that some eligible teachers may have moved out of state, in which case any unspent funds were not intended to be retained by the department but should be returned. She stated that the potential issue of eligible teachers who had moved was why she would be open to considering a conceptual amendment to clarify the purpose and use of the funds.

[3:49:43 PM](#)

Representative Hannan stated that it appeared that a conceptual amendment to Amendment 49 was not in order because the amendment fell within the numbers section. She understood that if the committee wished to clarify use of funds, it would be more appropriate to address the issue

through intent language added later in the budget process. She asked Mr. Painter to confirm whether the legislature could retain the appropriation in the numbers section while separately adding intent language to define its purpose.

Mr. Painter responded that the committee could turn a numbers amendment into a language amendment, but it was preferable for LLS to draft such language rather than having it be conceptual language created during committee discussion. He explained that while the committee may create conceptual language, legal would still need to formalize it in bill drafting. He relayed that if intent language was not included, LFD would inquire during its status report in December how many teachers had used the program and whether the department expected to use the full appropriation. He stated that the legislature could then address any over-funding or underfunding through a supplemental request.

Mr. Painter noted that the situation was common with appropriations made in the numbers section, as the figures were often estimates that could be adjusted in the supplemental budget. He added that the statute allowed for two types of reimbursements, including payments for new candidacy fees, which were not accounted for in the current amendment. If there were insufficient certified teachers to use the entire appropriation, the legislature could allow some funds to be applied to new candidates through intent language or simply allow the department to prorate the funding as needed.

[3:51:52 PM](#)

AT EASE

[3:53:21 PM](#)

RECONVENED

Co-Chair Josephson stated that the committee was considering Amendment N 49 as amended.

Co-Chair Josephson MOVED to TABLE Amendment N 49 as amended.

[3:53:42 PM](#)

AT EASE

[3:54:03 PM](#)

RECONVENED

Co-Chair Josephson relayed that there being NO OBJECTION, Amendment N 49 as amended was tabled.

Representative Jimmie MOVED to ADOPT Amendment N 50 (copy on file):

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

Transaction Details  
Title: Remove Minecraft License Funding  
Section: Section 1  
Type: Dec

Line Items (Amounts are in thousands)

Personal Services:	0.0
Travel:	0.0
Services:	-1,209.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	0.0
	-1,209.0

Positions

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

Funding (Amounts are in thousands)

1004 Gen Fund	-1,209.0
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Explanation  
Last year, the Department of Education was given \$600.0 in partial funding for Minecraft Licenses. They spent \$1,209.0 on the program despite the Legislature's intent. This amendment removes the \$600.0 UGF that was granted last year, as well as \$187.9 from the Career and Technical Education allocation and \$412.9 in general funding that was used to make up the rest of the license costs.

Approximately 120 children earned certifications through the program last year. The Department was

unable to provide information on what type of certification was received. While we support Career and Technical Education, Khan Academy offers robust and child-appropriate computer educational opportunities to all children with internet access for free. These include courses on a variety of coding languages, animation, computer science theory, and referrals to Hour of Code and Code.org, both nonprofit coding education programs. Thus, this is not a cost-effective use of state funds.

Co-Chair Josephson OBJECTED for discussion.

Representative Jimmie explained that she introduced the amendment because she believed more effective options for coding education were available at a lower cost than the state was currently paying for Minecraft licensing fees. She stated that there were dozens of free, high-quality platforms where students could learn coding and even earn certificates. She added that the state could teach the skills without spending public funds on brand-name software and emphasized the importance of maximizing impact while minimizing costs during a period of fiscal constraint.

Representative Allard MOVED to ADOPT conceptual Amendment 1 to Amendment N 50.

Co-Chair Josephson OBJECTED for discussion.

Representative Allard stated that the budget had increased by \$41 million. She said she was proposing a reduction to the base student allocation (BSA) as part of the backstop language in the bill. She explained that the conceptual amendment would reduce the BSA from \$1,000 to \$500. She clarified that the reduction would apply to the BSA backstop language in the budget.

Co-Chair Josephson responded that he would allow the amendment but characterized it as marginally germane. He confirmed that Representative Allard was seeking to reduce the BSA backstop figure from \$1,000 to \$500.

Representative Allard responded in the affirmative.

Co-Chair Josephson MAINTAINED the OBJECTION.

[3:58:24 PM](#)

A roll call vote was taken on the motion to adopt conceptual Amendment 1 to Amendment N 50.

IN FAVOR: Allard, Tomaszewski, Johnson  
OPPOSED: Galvin, Hannan, Bynum, Stapp, Jimmie, Schrage, Foster, Josephson

The MOTION FAILED (3/8).

Co-Chair Josephson asked whether there was further objection to the amendment.

Representative Bynum OBJECTED. He commented that he had been a long-time supporter of career and technical education (CTE) activities in schools. He acknowledged there had been ongoing discussion suggesting that the Minecraft funding targeted by the amendment might be better spent elsewhere, but no appropriate alternative had been identified. Based on certifications issued in November of 2024, students had earned 120 certificates after just three months of participation in the program. He explained that many students studying coding in Minecraft also focused on other subjects. He emphasized that the program offered industry-recognized certification in JavaScript and Python. The program already offered a meaningful pathway to engage students in active industries.

Representative Bynum stated that the program both engaged students in their education and provided a tangible benefit in the form of a certification. He added that the advanced-level certification required 60 hours to complete and the expert level required 120 hours. He noted that the program also included both in-person and virtual professional development for educators. He asserted that anyone who had observed children using Minecraft could attest to the level of engagement it inspired. He stressed the importance of supporting opportunities that actively engaged students and provided clear educational outcomes. He did not think it was an appropriate area to cut funding, and he would not support removing the funding.

Co-Chair Josephson WITHDREW the OBJECTION. He understood that Representative Bynum's objection was maintained.

[4:02:34 PM](#)

Representative Stapp recalled that the committee had cut the funding the previous year and believed that he may have made the motion to do so. He asked how DEED proceeded to spend the money anyway. He suggested that either the department had surplus funds or redirected existing funds without clear authority.

Co-Chair Josephson indicated that the question might be best answered by LFD.

CONNOR BELL, FISCAL ANALYST, LEGISLATIVE FINANCE DIVISION, responded that DEED used \$600,000 of UGF that had been appropriated for coding education, in addition to another \$600,000. He relayed that a portion of the funding had come from the CTE increment provided in the FY 25 budget. He stated that the remainder of the funds were sourced from within the same appropriation but were otherwise indeterminate, and that further clarification would need to come from the department itself as he did not have all of the details.

Representative Stapp asked for clarification on the rules regarding committee members participating in meetings telephonically. He asked if members participating by phone were permitted to move amendments. He would not object if the matter had already been addressed, but he wanted to ensure that there was clarity on the record for future reference in case he chose to participate remotely himself.

Co-Chair Josephson responded that the Wallace Memorandum (copy on file) addressing telephonic participation had been comprehensive and that, to his recollection, it had only prohibited the telephonic moving of bills out of committee. He reiterated that it was his strong understanding that telephonic participation in moving amendments was permitted.

Representative Stapp thought the situation spoke for itself in that the origin of some of the funds used for the program remained unclear.

Co-Chair Josephson noted that Ms. Megan Wallace was online and available to speak about the memorandum if the committee desired to hear from her directly.

Representative Stapp relayed that he would like to hear from her. He repeated his question about telephonic participation.

4:05:29 PM

MEGAN WALLACE, CHIEF COUNSEL, LEGISLATIVE LEGAL SERVICES, JUNEAU (via teleconference), responded to Representative Stapp that his understanding was correct. The precedent had been that members could participate fully in committee proceedings as long as the member was not voting to move a bill from committee. She clarified that moving and voting on amendments telephonically was allowed.

Representative Allard stated that her children used Minecraft and it was available for free. She questioned the need to spend \$1.2 million on something that could be accessed at a minimal cost. She stated that if a child wanted to participate in a coding program, a school could likely provide access to Minecraft at a low cost. She did not believe that the expenditure of \$1.2 million was justified and she would not support the amendment. She closed by stating she would take a Nancy Reagan approach and "just say no."

Representative Galvin clarified that the amendment would remove Minecraft funding. She would support funding the program if the state was in a different financial position. She estimated that the cost amounted to \$10,075 per student based on the reported 120 certifications and the \$1.2 million in funding. She emphasized that the legislature needed to make targeted and strategic budget cuts and stated that the amendment represented one such cut. She reiterated Representative Jimmie's earlier comments about the availability of online CTE programs, such as Khan Academy. She shared that her own son had learned Python and Java through free online resources. She appreciated the accessibility of the free tools, especially for homeschooled children. She thought that the Minecraft program may once have been innovative but it had since become more commonplace and less essential as free resources became available. She thought that students would already be learning coding skills if schools were not overwhelmed and had technical instructors and adequate computer access from middle school onward. She understood that making cuts was difficult, but she thought that

Representative Jimmie had identified a reasonable and responsible reduction.

[4:09:12 PM](#)

Representative Hannan relayed that she would support Amendment 50. She clarified that while the committee may have cut the funding on the House side the previous year, \$600,000 had still been appropriated to the program. She noted that the department had found another \$600,000 from within its budget to bring the total to \$1.2 million. She emphasized that only a portion of the funding had originally been removed and that the program had not been executed entirely without appropriation.

Co-Chair Foster stated that he had received an email from one of his larger school districts, which consisted of 15 schools. He shared that the district strongly supported the Minecraft program which was why he would oppose the amendment. He relayed that his constituents had told him that the program helped to bridge the digital divide between rural and urban communities.

Representative Johnson recalled that there had been a robust debate on the topic during the prior legislative session. She stated that the final action on the House side had been to delete the Minecraft funding, though some of the funding was ultimately included in the final budget. She expressed appreciation that DEED had deemed the program important enough to continue it with reduced funding. She would support the amendment and hoped to provide the department with the same opportunity to effectively use a reduced allocation again in the current year.

Representative Jimmie stated that she and her staff had spoken with librarians, teachers, and students, and found that the Minecraft program was widely unpopular and came at a significant cost of over \$10,000 per student. She pointed out that coding certificates were available for free through other platforms such as Code.org and Khan Academy. She asserted that the funds could be better allocated elsewhere. She stated that the legislature faced decisions that involved life, death, and public safety. She expressed her desire for the highest possible BSA and PFD and asked for support for the amendment.

[4:12:38 PM](#)

A roll call vote was taken.

IN FAVOR: Tomaszewski, Hannan, Jimmie, Galvin, Johnson,  
Allard, Schrage, Josephson  
OPPOSED: Bynum, Stapp, Foster

The MOTION to ADOPT Amendment N 50 PASSED (8/3).

[4:13:34 PM](#)

AT EASE

[4:13:46 PM](#)

RECONVENED

Representative Bynum stated that he would not be offering Amendment N 51 (copy on file) at the current time.

[4:14:01 PM](#)

AT EASE

[4:21:43 PM](#)

RECONVENED

Co-Chair Foster WITHDREW N Amendment N 52 (copy on file).

Co-Chair Josephson MOVED to ADOPT Amendment N 53 (copy on file):

Agency: Fish and Game  
Appropriation: Commercial Fisheries  
Allocation: Westward Region Fisheries Mgmt

Transaction Details

Title: Restore Test Fishery Receipt Authority to  
Replace Lost Federal Receipts  
Section: Section 1  
Type: Inc

Line Items (Amounts are in thousands)

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

500.0

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

Funding (Amounts are in thousands)  
1109 Test Fish 500.0

Representative Stapp OBJETED.

Co-Chair Josephson explained that the amendment would restore \$500,000 in test fishery receipts. He emphasized that it would not impact UGF. He clarified that the amendment would only provide receipt authority for the test fishery receipts fund. He explained that the program funded onboard observers who collected data used in fisheries management to ensure long-term sustainability. He stated that the current observer rates were set by a state-negotiated contract that was considered favorable. He cautioned that the contract would be terminated if the funding were to be removed, which would result in significantly higher observer costs ranging from \$460 to \$900 per day. The costs would be borne directly by individual boats, regardless of catch size, which could be financially burdensome during years of low harvest or stock collapse.

Representative Stapp understood that the amendment would backfill lost federal receipt revenue for the test fishery program. He asked if there were other examples of lost federal receipts that were being backfilled with general funds or if the situation was an exception.

Co-Chair Josephson responded that he did not know but suggested that someone from LFD might have the answer. He added that he had been reminded that the funding had been removed in subcommittee. He thought that the item had been included in the original budget and was a request from the governor. He stated that he would need confirmation of the information.

MORGAN FOSS, FISCAL ANALYST, LEGISLATIVE FINANCE DIVISION, responded that the decrement was accepted in the subcommittee. She clarified that the test fishery receipts in question had been part of the base budget previously and

that the current action was to restore the receipts authority through a budget increment.

Representative Hannan asked whether the amendment authorized the use of UGF to backfill funds or if it consisted entirely of industry-generated receipts that would generate the funds associated with the receipt authority.

Ms. Foss responded that the test fishery receipt authority allowed the agency to contract with a vessel to conduct a test fishery. She explained that the proceeds from the sale of the fish were used to pay for the contract and also accumulated within the receipt authority. She added that the balance could be carried forward and used to fund the agency's management activities.

Representative Hannan asked for confirmation that the amendment was not appropriating \$500,000, but that it would grant receipt authority to expend money that could otherwise become UGF if unspent. She understood that the funds collected were intended to support the management of the fishery and that the funds were derived from the sale of fish, which supported the continued operation of the fishery. She remarked that the funds did not appear to be what the legislature typically referred to as UGF dollars.

Ms. Foss responded that Representative Hannan's understanding was correct. She confirmed that the amendment pertained to a non-UGF fund source and that it simply granted receipt authority.

[4:26:39 PM](#)

Representative Stapp WITHDREW the OBJECTION.

There being NO further OBJECTION, Amendment N 53 was ADOPTED.

Representative Jimmie WITHDREW Amendment N 54 (copy on file).

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

[4:27:47 PM](#)

AT EASE

[4:28:54 PM](#)

RECONVENED

Co-Chair Josephson asked for confirmation that Amendment N 55 would not be offered at this time.

Representative Jimmie responded in the affirmative.

Representative Stapp MOVED to ADOPT Amendment N 56 (copy on file):

Offered In: The House Finance Committee  
To: HB 53 / HB 55  
Offered By: Representative Stapp

Agency: Health  
Appropriation: Medicaid Services  
Allocation: Medicaid Services

Transaction Details  
Title: Appropriations for Abortions  
Wordage Type: Intent  
Linkage: Appropriation - Medicaid Services

Wordage

No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for the Department of Health may be expended only for mandatory services required under Title XIX of the Social Security Act, unless a U.S. Supreme Court decision provides new precedent, and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.

Co-Chair Josephson OBJECTED for discussion.

Representative Stapp explained the amendment. He stated that the committee had previously discussed the offering of intent language in the budget during the review of Amendment 4. He thought that Amendment 56 should be familiar to most members of the committee, noting that it had been affectionately coined the [Senator John] "Coghill Amendment." He stated that the amendment included intent

language relating to Medicaid services and abortion and had appeared in nearly every operating budget ultimately sent to the governor for many years. He explained that Senator Coghill crafted the language when he served as a representative. He stated that the amendment expressed the legislature's intent not to appropriate funding through Medicaid services for abortion. He added that the amendment included language related to the United States Department of Health and Human Services (DHHS) and referenced potential changes under the Social Security Act (SSA). He stated that for over sixteen years, the legislature had maintained this intent language in the budget to reflect the state's pro-life stance.

Co-Chair Josephson remarked that he was aware that the committee was capable of having extended conversation on the topic, but he was not sure it was necessary, and he was prepared to move to a vote.

[4:32:19 PM](#)

Representative Johnson relayed that that she wished to comment on the topic. She stated that the amendment ensured that emergency, life-or-death situations could still be addressed medically through appropriations, such as protecting the life of the mother. However, she asserted that elective abortions should not be funded by the state. She stated that the position for those who were pro-life was that state funds should not be used for non-emergency abortions. She acknowledged that legal challenges might be resolved in court at some future date but reiterated that the language in the amendment was longstanding and had been reviewed in light of prior legal challenges.

Co-Chair Josephson responded that he appreciated Representative Johnson's comments and was glad she had the opportunity to make her comments. He stated that litigation on the issue had already occurred and that the amendment language had been found unconstitutional multiple times under Alaska's constitutional right to privacy. He cited the Valley Hospital case from the late 1990s as one example and noted that there had been subsequent rulings reaffirming the position. He stated that the rulings generally concluded that if the state provided maternal health care under Medicaid, it must provide the full scope of care, including abortion services.

Representative Johnson responded that the amendment language had been revised and reviewed specifically to address past legal challenges and to ensure it would not be deemed unconstitutional. She asserted that the language had been reviewed and approved by LLS. She added that the national legal landscape had changed significantly with the overturning of *Roe v. Wade*, and that the national changes made the amendment particularly timely. She emphasized that the purpose of the amendment was to ensure that Medicaid services were directed toward life-saving health care and that the language had been carefully crafted within legal bounds.

Representative Allard expressed her appreciation to Representative Stapp for bringing the amendment forward. She stated that not everyone agreed with the amendment, but that she did not believe public funding should be used to terminate a pregnancy simply because the individual chose to do so. She added that if a life-or-death situation arose, a medical provider could make a determination, but she did not believe that the state should fund the termination of a child's life.

Representative Tomaszewski stated that he agreed with the comments in support of the amendment. He acknowledged that the topic was difficult for many but emphasized that it was important to discuss and to establish a public record. He stated that he did not believe elective abortion should be funded by the state as a pro-life legislator. He stated that he anticipated new legal rulings and actions at the federal level on the subject and urged the committee to remain attentive to the developments.

Representative Bynum asked whether the court case referenced by Co-Chair Josephson had specifically addressed the current amendment's language, or whether it had dealt more generally with the issue of creating a discriminatory practice under existing statute, specifically AS 47.07.030. He indicated that he was familiar with what had been referred to as the Coghill amendment.

Co-Chair Josephson stated that he was also familiar with the Coghill amendment but was unsure whether the language in the amendment was identical to previous iterations. He asked LLS to respond.

Ms. Wallace deferred to Ms. Marie Marx to respond.

[4:36:39 PM](#)

MARIE MARX, ATTORNEY, LEGISLATIVE LEGAL SERVICES (via teleconference), responded that to her knowledge, similar language had been included in prior operating and mental health budgets but it had never been directly challenged in court. However, the Alaska Supreme Court (ASC) had held that the state must fund medically necessary abortion services for eligible women under Medicaid to the same extent that it funded pregnancy-related services for women under Medicaid. She clarified that the requirement was based on the Equal Protection Clause of the Alaska Constitution.

Co-Chair Josephson requested confirmation that similar language to that in the amendment had not been challenged in court. He asked if Ms. Marx could confirm whether ASC had ruled that abortion services must be considered part of maternal care for purposes of Medicaid coverage.

Ms. Marx responded that his understanding was correct. She added that if the language currently in the budget were challenged in court, it would likely be found unconstitutional for the same reasons cited in previous cases.

[4:39:17 PM](#)

Representative Galvin stated that in 2001, ASC had held that withholding Medicaid coverage for abortions while covering other medically necessary care violated the Equal Protection Clause of the Alaska Constitution. She indicated that she would be a no vote on the amendment.

Representative Bynum emphasized the importance of addressing the repeated references to "medically necessary" services. He noted that current statute prohibited creating discriminatory conditions in relation to medically required care. The broader issue appeared to hinge on distinguishing between elective procedures and procedures deemed medically necessary. He did not believe the constitution obligated the state to use public funds for procedures considered elective. He understood ASC's position regarding medically necessary services and equal protection, but he asked for clarification from LLS on whether the court's guidance

applied only to required services under statute or also to elective services.

Ms. Marx responded that ASC had ruled that the state could use neutral criteria to prioritize funding, such as medical necessity. However, the criteria must be narrowly tailored to achieve the objective of preserving Medicaid funds. The state could not single out one specific procedure among others available to pregnant women. The language in the amendment clearly singled out abortion services, which would likely not be constitutionally permissible.

Co-Chair Josephson acknowledged the importance of the issue but stated his belief that the committee was unlikely to reach resolution that evening.

Representative Bynum asked if the intent of the amendment was to restrict the use of state dollars specifically, or if it was meant to apply to all sources of funds. He asked if the amendment sought to preserve long-standing language already in statute, or if the intent was to remove it.

Ms. Marx responded that she had not heard a legal question. She asked if the question was policy related about removing the language or if it was a legal question.

Representative Bynum acknowledged that perhaps his questions were not legal in nature. He clarified that he was trying to understand whether the language was intended to prevent the use of state match dollars to fund elective services, and whether the original intent was to prevent the use of state funds as opposed to federal Medicaid funds. He asked Co-Chair Josephson for more information about the rationale for removing the long-standing language from law.

Co-Chair Josephson responded that he did not recall the details of the conversation in subcommittee.

[4:44:06 PM](#)

Representative Johnson stated that a previous lawsuit had resulted in a settlement related to similar language, specifically referencing a case associated with the 2016 budget cycle. She added that the language had changed over time to ensure it referenced only mandatory services as defined in statute and under the Social Security Act. She

emphasized that the amendment was not outside legal bounds and would not prevent Medicaid coverage in life-and-death situations and that changes to the language had been made since the court case. She could not speak to the reason the language had been removed previously.

Representative Allard asked Ms. Marx to identify the point in a pregnancy at which a termination may be performed under the law, and whether that could extend to nine months.

Ms. Marx responded that she was not aware of any ASC case addressing the specific issue.

Representative Allard asked whether there was a legal limit under Medicaid for when a pregnancy could be terminated.

Ms. Marks responded that her job was to provide legal advice based on case law and that Representative Allard's question had not been addressed by the courts. She could not provide an informed legal opinion without an opinion from the courts.

Representative Allard asked if Ms. Marx was stating that she did not know how late in a pregnancy a termination could occur under Alaska law.

Ms. Marx responded that she did not have enough information to provide an informed opinion on the matter.

Representative Allard asserted that termination was permitted up until delivery.

[4:47:28 PM](#)

Representative Galvin noted that there was a previous ASC decision in 2001 and a confirming case in 2015 that reaffirmed the application of the Equal Protection Clause to Medicaid coverage of abortion services. She stated that the rulings established a legal precedent, and she emphasized the importance of not adopting budget language that might trigger litigation. She shared that her daughter was pregnant and living in Texas, and restrictive laws had prompted her daughter to develop a contingency plan in case of a medical emergency due to doctors' hesitation to provide care. She stated that the conditions created fear and uncertainty. She urged the committee not to adopt

language that might result in similar unintended consequences in Alaska. She expressed concern that vague or restrictive language could deter doctors from providing necessary medical care in Alaska.

Representative Stapp stated that Representative Galvin's concerns were unrelated to the amendment under discussion. He reiterated that the amendment contained intent language that had appeared in nearly every operating budget for the past decade. He affirmed that the language had been present in the budgets for the last several years and had not been changed in response to litigation. He emphasized that its inclusion was consistent with long-standing legislative practice, regardless of court rulings. He stated that his intention was not to debate the issue but to remind members that declining to adopt the proposed language would represent a significant departure from long-standing legislative practice. He thought it would send a message to the public about the legislature's value. He believed it was important to highlight that the exclusion of the language constituted a major policy shift.

[4:51:03 PM](#)

AT EASE

[4:51:58 PM](#)

RECONVENED

[4:52:12 PM](#)

Co-Chair Josephson noted that ten members were present in the room and one was participating telephonically [Representative Jimmie].

Co-Chair Josephson MAINTAINED the OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Johnson, Stapp, Allard, Bynum, Tomaszewski  
OPPOSED: Hannan, Jimmie, Galvin, Schrage, Foster, Josephson

The MOTION to adopt Amendment N 56 FAILED (5/6).

[4:53:13 PM](#)

AT EASE

4:53:25 PM

RECONVENED

Co-Chair Josephson stated that the committee would continue for approximately 15 more minutes due to an upcoming joint meeting.

Representative Stapp WITHDREW Amendment N 57 (copy on file).

4:53:53 PM

Representative Stapp MOVED to ADOPT Amendment N 58 (copy on file):

Agency: Health  
Appropriation: Medicaid Services  
Allocation: Medicaid Services

Transaction Details

Title: Increase Funding to Eliminate the Intellectual and Developmental Disabilities Waitlist (FY26-FY27)

Section: Section 1

Type: IncT

Line Items (Amounts are in thousands)

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	247,352.6
Miscellaneous:	0.0
	247,352.6

Positions

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

Funding (Amounts are in thousands)

1002 Fed Rcpts	148,411.6
1003 GF/Match	98,941.0

Explanation

The Waitlist Elimination Plan displayed two scenarios for the elimination of the service waitlist for

individuals with intellectual and developmental disabilities (IDD). In FY 24, the Legislature provided a Multi-Year appropriation through FY26 for the development of the InterRAI tool to facilitate the drawdown of this waitlist. This amendment provides the temporary funds necessary to facilitate the elimination of the waitlist, with the expectation that in FY 27 the InterRAI tool can assist incoming individuals get services quickly.

Co-Chair Josephson OBJECTED for discussion.

Representative Stapp explained that the amendment highlighted a "travesty" in the state. He noted the existence of a current waitlist for individuals with intellectual and developmental disabilities (IDD) and acknowledged that Co-Chair Josephson had put significant time and effort into streamlining the system with the goal of eventually eliminating the waitlist. He relayed that addressing the full waitlist under current fiscal conditions would cost the state nearly a quarter of a billion dollars in combined federal and state funds, spread over multiple years. The legislature had recently taken steps to move forward with a roadmap supported by the Key Coalition, an organization that regularly advocated for individuals with IDD. He added that the coalition brought its members to the Capitol each year to elevate awareness of the waitlist issue. He emphasized that it was important for the committee to take time to recognize the efforts of advocates and the challenges experienced by caregivers. He thought that the waitlist for individuals with IDDs was something the legislature should strive to eliminate as practically as possible. He noted that tools had been developed in recent years to help analyze and ultimately reduce the waitlist.

Representative Bynum stated that he appreciated the amendment. He acknowledged that Alaska faced significant backlogs across many areas and the legislature had a responsibility to address the issues. He asked if eliminating the waitlist over the proposed two-year period would lead to a lasting solution, or if the waitlist would continue to grow again.

Representative Stapp replied that the high level of services and personnel would likely mean the appropriation would be ongoing until the state finalized implementation

of tools such as the interRAI assessment tool. He expressed appreciation to the committee for allowing him time to address the issue and to acknowledge those who advocate for individuals with IDD.

Representative Stapp WITHDREW Amendment N 58.

Co-Chair Josephson commended Representative Stapp for offering the amendment and for bringing attention to the issue.

[4:58:06 PM](#)

Representative Stapp WITHDREW Amendment N 59 (copy on file).

Representative Stapp MOVED to ADOPT Amendment N 60 (copy on file):

Agency: Health  
Appropriation: Public Health  
Allocation: Chronic Disease Prev/Hlth Promo

Transaction Details

Title: Increase Funding for the Dementia Education and Prevention 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:	100.0
Miscellaneous:	0.0
	100.0

Positions

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

Funding (Amounts are in thousands)

1037 GF/MH	100.0
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Explanation

This funding will allow the Dementia Education and Prevention Program (DEPP) to achieve their stated 2025 goal to build out a workplan that aligns with the Center for Disease Control Healthy Brain Initiative Road Map for American Indian and Alaska Native Peoples. With this funding the DEPP can engage communities, share knowledge, support the growth of a skilled and representative workforce, measure, evaluate, and use data, and strengthen policies and relationships.

Representative Hannan OBJECTED for discussion.

Representative Stapp explained that the amendment would provide a \$100,000 allocation to the Dementia Education and Prevention Program (DEPP) to support the programs' goal to build a work plan aligned with the Centers for Disease Control and Prevention's (CDC) Healthy Brain Initiative. He stated that the initiative aimed to raise awareness and ultimately prevent dementia. He acknowledged that the appropriation request was relatively small and that the cause was worthy of prioritization despite fiscal constraints.

Co-Chair Josephson responded that he had discussed the initiative with an advocate in January. He noted that the language of the amendment referenced the CDC's Healthy Brain Initiative roadmap for American Indian and Alaska Native populations and asked for more information.

Representative Stapp responded that the plan aligned with the CDC roadmap.

Representative Bynum stated that he supported the amendment. He thought it was clear that spending money on health care programs had the potential to reduce overall state expenditures by decreasing long-term care costs. He emphasized that small investments could lead to significant savings over time and asserted that any effort to shift individuals earlier on the continuum of care would benefit the state and allow it to serve more residents.

Representative Galvin thought the proposal sounded promising, but it resembled the kind of effort that could be advanced through a bill. She asked for more information on the funding source, whether Indian Health Services (IHS)

funds were being leveraged, and whether the Alaska Native Tribal Health Consortium (ANTHC) was involved. She asked if the \$100,000 appropriation represented the full budget or if it was being combined with other sources. She asked how many Alaskans would be served. She requested any data that might help demonstrate the value of the program.

[5:01:48 PM](#)

Representative Stapp stated that he would address the questions during his wrap-up to keep the discussion efficient.

Representative Jimmie relayed that she would be supporting the amendment. She thought the funding would provide increased outreach, better local training, and stronger data to guide care and prevention. She thought the funding would allow DEPP to build a plan that better reflected the needs of Alaskans and supported families facing dementia.

Representative Hannan MAINTAINED the OBJECTION.

Representative Stapp explained that CDC's Healthy Brain Initiative Roadmap provided best practices and guidelines, not mandates. He noted that the plan included a communication strategy involving communities across the state that were affected by dementia. The allocation would be made through the Division of Public Health (DPH) under the chronic disease and prevention guidelines. He responded to Representative Galvin's question by noting that the initiative involved public and private organizations that aimed to address dementia. He emphasized the growing impact of chronic diseases in Alaska and requested support for providing targeted funding toward dementia prevention and planning.

[5:03:42 PM](#)

A roll call vote was taken on the motion to ADOPT Amendment N 60.

IN FAVOR: Allard, Tomaszewski, Bynum, Johnson, Jimmie, Stapp, Foster, Schrage, Josephson  
OPPOSED: Gavin, Hannan

The MOTION PASSED (9/2).

5:04:40 PM

AT EASE

5:04:58 PM

RECONVENED

Co-Chair Josephson remarked that he was pleased with the committee's progress. He noted that the committee had addressed Amendment N 44 through Amendment N 60.

HB 53 was HEARD and HELD in committee for further consideration.

HB 55 was HEARD and HELD in committee for further consideration.

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

#

ADJOURNMENT

5:06:00 PM

The meeting was adjourned at 5:05 p.m.