

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 2005-2006 2918

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HB 365

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January 11, 2006

The Honorable John Harris
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Harris:

The operating budget bill delivered today contains my proposal for the 2007 fiscal year.

The proposed operating budget, combined with other spending proposals, reflect my administration's commitment to ensuring each Alaskan has the opportunity to fully participate in Alaska's bright future. At the same time, our proposals ensure that the state can continue to meet its obligations, especially to those most in need.

Unlike the first two operating budgets of this administration in which we cut \$150 million in general funds and 473 positions, the Fiscal Year 2007 budget proposals reflect increases in four primary program areas:

K-12 support - \$90 million

The increase, which requires passage of a statute, will bring per student funding to \$5,352 from the current \$4,919. Increased funds will pay the \$40 million in increased retirement system costs, provide funds to meet the increased cost of day-to-day operations, and enable further investment in helping students achieve.

University of Alaska - \$42 million

The Alaska Scholars program is a success story in keeping Alaska's brightest at home. Over the last five years, 98 percent of Alaska Scholars that graduated from the University stayed in Alaska. My proposed budget includes \$5 million to expand this program to the top 15 percent from the current top 10 percent of Alaska's high school graduates.

Other increased investment in the University includes continuing programs that address high demand careers, such as in health and

The Honorable John Harris
January 11, 2006
Page 2

teaching, and establishing a competitive university research program that capitalizes on Alaska's geographic advantages.

Medicaid - \$104 million

Additional funds will meet this formula-based program's requirements due to increased caseloads and costs. Another \$45 million of the increase is due to the federal government's disapproval of the FairShare program that was put in place under the last administration. The program allowed Tribal hospitals to receive a higher reimbursement rate than non-Tribal hospitals for uncompensated care.

Transportation - \$42 million

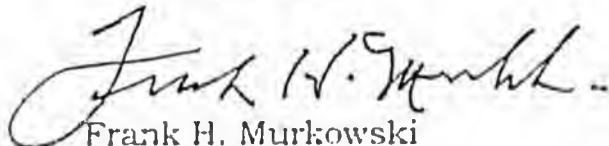
We again propose to increase funding for maintenance of the state's highways, airports, and harbors. Some of this is to cover increased costs of commodities and fuel. In addition, we are proposing additional funding for the Alaska Marine Highway System to cover increased fuel costs and staffing to meet increased ports of call.

Another major increase is \$65 million for state employee salary and benefit costs. Over half of the amount (\$34 million) is to pay the increased retirement system contribution.

Our administration's Fiscal Year 2007 operating budget and other proposals are investments in Alaska's future that will help create the kind of Alaska in which Alaskans can fulfill their tremendous potential and achieve their dreams. By our working together on what I believe to be a shared vision for the future, it will mean every Alaskan can have hope for what the future will bring, instead of simply hoping for a future.

To these ends, I look forward to working with the Legislature.

Sincerely yours,



Frank H. Murkowski
Governor

Enclosure

HB 365

Public
Testimony

Committee members, thank you for the opportunity to express my concerns.

My name is Bruce Bartley. I am the chief of the Chugiak Volunteer Fire and Rescue Company. I have been an EMT in Alaska for 23 years. And I have served on the board of directors of the Southern Region EMS Council for 17 years. For 15 of those 17 years, Southern region...and all the other regional offices in the state...have been flat funded. Even with the modest inflation during that time, flat funding amounts to a serious cut.

As such I've had to participate in many painful sessions where we have cut back regional operations and programs *literally* to the bone.

These regional offices provide training...certifying officers for state-certification exams...public education...and direct grants to EMS squads. The regional offices have worked with private...state...and federal agencies to leverage the

purchase of more than 15 million dollars of badly needed EMS equipment over the past six years.

The House Finance Committee has included in its budget an increment of almost 456-thousand dollars to assist the regional offices in these vital tasks. I urge your committee to do the same.

As an unpaid director of the region with the largest population and most EMS squads in the state... I can tell you first-hand that this group wrings every penny out of every dollar ...to enable mostly volunteer EMS services to provide the best possible pre-hospital care to the citizens of Alaska.

I appreciate the dilemma you face with multiple demands for finite dollars. In some respects...it is harder when you have too much money than it is when you have too little.

But chief among the responsibilities of state government is the health and safety of its citizens. So I urge you to look at

the regional EMS offices with their proven track record...
and the demonstrable impact they have had on Alaska's
citizens.

Most of the people providing EMS in Alaska are
volunteers. Each of us donates thousands of hours of our
precious personal lives to help care for our neighbors in
times of crisis. Please give us the tools and the
infrastructure to continue to do so.

Thank you for your time and consideration. I'd be happy to
try to answer any questions.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance Committee
 committee name
 committee on _____, dated 4/6/06
 bill/subject

I want to thank the Finance Committee for restoring funding for Public Radio and 75% of the original funding for Public TV. However, I urge the committee to consider restoring full funding for Public TV as well as the \$125,000 increment recommended by the Governor.

Public TV provides a service that cannot be found anywhere else. The children's programming provides a safe haven, educational environment that is unique in television. It also provides educational for young adults ("Workplace Essential", "GED Connection") that is geared towards making young adults successful.

Lastly APPN, KSKA, KAKM have taken steps to reduce costs by merging & taking advantages of synergies. However, Public TV cannot survive under budget cuts.

Signed: [Signature]
 Testifier

Representing (Optional)
7500 Aleutina Ave, Anchorage, 99507
 Address
907-345-4782
 Phone No.

Please consider full funding for Public TV as well as the \$125,000 increment.

Good evening, my name is Chris Hall

I am here this evening to speak in favor of funding the University of Alaska at the level proposed by the governor.

My wife and I both graduated from UAA in 2005 and are now in the workforce. Our degrees are serving us well and I believe the state well. I have friends who graduated and now work in the fields of health care, engineering, business, and journalism. In my opinion, we represent a university and state goal, a workforce trained in Alaska working in Alaska.

I appreciate having a high quality educational institution in Alaska. But I am concerned; I am concerned for students coming after me, students who may be thinking of prom, sports, or the latest fashion instead of a college education. I am also concerned for our state, at the current level of funding the university will not be able to create or expand high demand programs.

* The House budget increase will cover only the University's fixed cost increases and nothing else.

* The current Senate Finance Subcommittee proposal will be a considerable cut to the operations of the university and will not address high demand workforce development needs throughout Alaska.

Please restore university funding to a level that provides for future students and the future of Alaska.

Thank you for your service to our state,



Alaska State Legislature

RECEIVED

APR 11 2006

Please enter into the record my testimony to the SFIN
COMMITTEE NAME
 committee on HB365, dated 4-6-06
BILL / SUBJECT TODAY'S DATE

I am addressing the Department of Labor Independent Living line item. I appreciate the \$40,000 increment introduced by Senator Wilken, but am asking the Senate to match Rep. Chenault & Weyrauch's \$150,000 increment.

These funds are used to work w/ youth w/ disabilities in Fbx, Southeast is the Kenai. With \$150,000 increment that the House Finance passed, it would allow \$50,000 for Fbx, \$50,000 for SE & \$50,000 for the Kenai to work w/ youth w/ disabilities to be employed and for maintenance and start up of interpreter referral lines for persons who are deaf.

Signed: Joyanna Geisler
TESTIFIER
Independent Living Center
REPRESENTING
Box 1649 Homer, AK 99603
ADDRESS
907-235-5401
PHONE NO

Faxed 4/7/06

- Good afternoon. My name is Carin Smolin. I live in Juneau and am here representing the Alaska Adult Education Association, a professional association for Alaska's adult educators. I work for the Southeast Regional Resource Center where I supervise the adult education programs for Juneau and southeast Alaska.
- I am here to encourage you to support the one million dollar increase in general fund money for the adult basic education program in the Governor's Budget, located in the Alaska Department of Labor and Workforce Development.
- Adult education programs have seen limited funding for the past decade. There are more than 57,000 Alaskans age 18 and older, that do not have a high school diploma.
- Adult Basic Education programs prepare Alaskans for the workforce. These programs help Alaskans improve basic skills in reading, writing, and math, teach English skills to the immigrant population, and help Alaskans get their GED diploma.
- GED graduates account for more than 20% of the state's high school graduates. There are no other programs that provide this educational service in the state. Last year, there were 1,646 GED grads in the state; 200 graduates in Southeast Alaska.
- ABE students increase their wages. 62% found work or retained their jobs as a result of getting their GED diploma and improving their basic skills.
- ABE students go onto further education and training that is essential for preparing for our workforce needs. 74% entered the postsecondary education and 43% of those entered the University of Alaska system.
- Funding for adult basic education programs is important to help prepare Alaskans to meet the employment opportunities in our state. Please provide the funding needed to help Alaskans in our state be prepared to meet the job opportunities in our state.
- Thank you for your time.

- Hi. My name is Larrisa Roop. I am 20 years old and I live in Juneau.
- I am here to encourage you to support the one million dollar increase in general fund money for the adult basic education program located in the Alaska Department of Labor and Workforce Development.
- I am a graduate of the Juneau Adult Education Center where I got my GED in 2004.
- I dropped out of school at 16 and have been living on my own since then. I tried to finish school but because of my abuse of drugs and other problems I could not finish. I was incarcerated for a while, too. I became pregnant at 18. At that point, I came to the Juneau Adult Education Center to get my GED to better myself so my daughter could have a better life. I knew that I needed a high school diploma or GED to get a good paying job, one that pays over \$8.50/hour for people with a GED.
- I recently enrolled in SERRC's Alaska Vocational Institute Office Skills and Computer Training Program where I am learning job skills to help me succeed in getting a better job in the workplace.
- Funding for adult basic education programs is important to help people like me. Please provide that funding help to our state. If it wasn't for this program, I would not have the education needed to take care of myself and my daughter and my future.
- Thank you for your time.

ALASKA ADULT EDUCATION PROGRAMS

Alaska's 18 regional Adult Basic Education (ABE) programs have been progressive over the past year:

1. Village programs in the Northwest Arctic (Kotzebue Regional Adult Education Program), on the North Slope, and in Bristol Bay have expanded services through support from the Division of Public Assistance.
2. The PLATO distance learning program has expanded to an additional five communities outside of Anchorage (Kodiak, Homer, Soldotna, Fairbanks, and Barrow). With support from Alaska Job Center Partners statewide, Nine Star Enterprises has provided the training and licenses. *Success Story:* Two youth under age 20 in Brevig Mission studied using PLATO and completed the GED and entered the Alaska Sealink Program in Ketchikan.
3. Tlingit-Haida Central Council provided extra support for regional adult education services in four communities in Southeast Alaska through SERRC's Southeast Regional Adult Education Program.
4. The Anchorage Regional Adult Education Program increased the number of locations for classes from 12 to 17 in 2005-2006.
5. In cooperation with the *Building Alaska's Workforce* plan under the Alaska Department of Labor, the Anchorage Regional Adult Education Program offered a Construction Trades Math Class during the winter quarter with 30 students enrolled.
6. The Aleutian-Pribilof program with its far flung population has 1,000 additional student hours due to the PLATO program delivery with five new graduates.
7. The Bristol Bay (Dillingham-based) Adult Education Program has shown educational gains as reported in this information sheet.
8. **The number of GED graduates increased in Alaska from 1,457 in 2002 (the year the test was updated) to 1,646 in 2005.**

Despite these accomplishments, there is a critical lack of infrastructure in Adult Basic Education. Full time personnel are needed in every program to sustain the demand for basic skills services. An example of that demand is the increase in GED graduates in Anchorage to 221 in the fall quarter 2005 from 154 in the fall quarter 2004.

Adult Basic Education is a fundamental need if you want to put people in jobs. And I've made this statement and I absolutely believe it with the data I have been presented. If we could provide sufficient Adult Basic Education in the State of Alaska we would have more Alaskans filling more jobs than will be created by the simultaneous opening of ANWAR and the building of the gas pipeline ... It's a problem much larger than the University if we are going to put Alaskans in jobs.

- University of Alaska President Mark Hamilton
Joint Finance Committees, Juneau, Alaska, February 3, 2005

CORRECTION

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Central Microfilm Services
Department of Education & Early Development
State of Alaska

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- University of Alaska President Mark Hamilton
Joint Finance Committees, Juneau, Alaska, February 3, 2005

Some of the following information was presented by the Alaska Department of Labor and Workforce Development, Employment Security Division, in testimony to the House Finance Committee on Labor this year.

The Challenge

- The National Adult Literacy Survey released on December 18, 2005 affirms the downturn in adult skills needed to qualify for entry level positions in construction trades, mining, and health care.
- From the 2000 census, the number of Alaskans without a high school diploma required for most stable jobs is 57,000 people.
- Employers are finding increasing dissatisfaction with graduating students' level of proficiency in meeting employability standards as documented by the U.S. Chamber of Commerce.
- University of Alaska colleges must offer remedial courses to high school graduates that enroll in the university system.

Adult Basic Education: A Success Story

- One measure of the Adult Basic Education Program is the number of GED graduates. Averaging the past seven years statistics, **GED graduates account for more than 20% of the State of Alaska's high school graduates.**
- The Adult Basic Education program is the state's single largest source of high school diplomas.

Diplomas	2005		2004		2003		2002		2001		2000		1999		1998	
High School*	7,350	82%	7,290	81%	7,366	80%	6,945	83%	6,812	71%	6,668	76%	6,826	78%	6,496	80%
GED	1,646	18%	1,661	19%	1,860	20%	1,457	17%	2,783	29%	2,071	24%	1,919	22%	1,640	20%
Total	8,996		8,951		9,226		8,408		9,595		8,739		8,745		8,136	

*Alaska Department of Education & Early Development (<http://www.eed.state.ak.us/stats/>)
 2005 High School Diploma Count Estimate as of 1/11/06

- All students are asked to set goals for themselves when they enter the Adult Basic Education Programs in Alaska. Below is a table showing goal completion in FY04.

	Percentage of Full-Time Students Achieving Their Goal **
Enter Employment	62.3%
Retain Employment	73.4%
Obtain a GED	79.2%
Enter Postsecondary Ed	74.2%*

*43% of those the goal of "enter postsecondary education," enrolled in the University of Alaska

Budget Increase Supported by Alaska Adult Education Association

A \$1 million increase in State ABE/GED funding would provide:

- An additional 76,923 hours of direct instruction.
- An estimated 21 additional teachers statewide resulting in an estimated increase of 600 GED high school graduates.

Adult Basic Education is Direct Service and reaches its target:

- In FY05, 91.7 percent of the state's general fund monies were distributed to local/regional ABE providers through grant agreements.

Fiscal Year	04	05	06	07
General Fund	1,570.5	1,558.6	1,565.0	2,571.1
Federal Funds	1,240.2	1,371.4	1,355.9	1,362.8
Total Funds	2,810.7	2,930.0	2,920.9	3,933.9
Total Hours of Instruction	158,284	159,170	161,500*	230,000**
# of GED's Issued	1,661	1,646	1,700*	2,300**

* Estimate

** Estimate based upon additional \$1,000,000 with the result being 600 additional GED graduates. The number of graduates derived is based on approximately 100 instructional hours per graduate over a three year period.

Thank you for your support!

For more information contact:

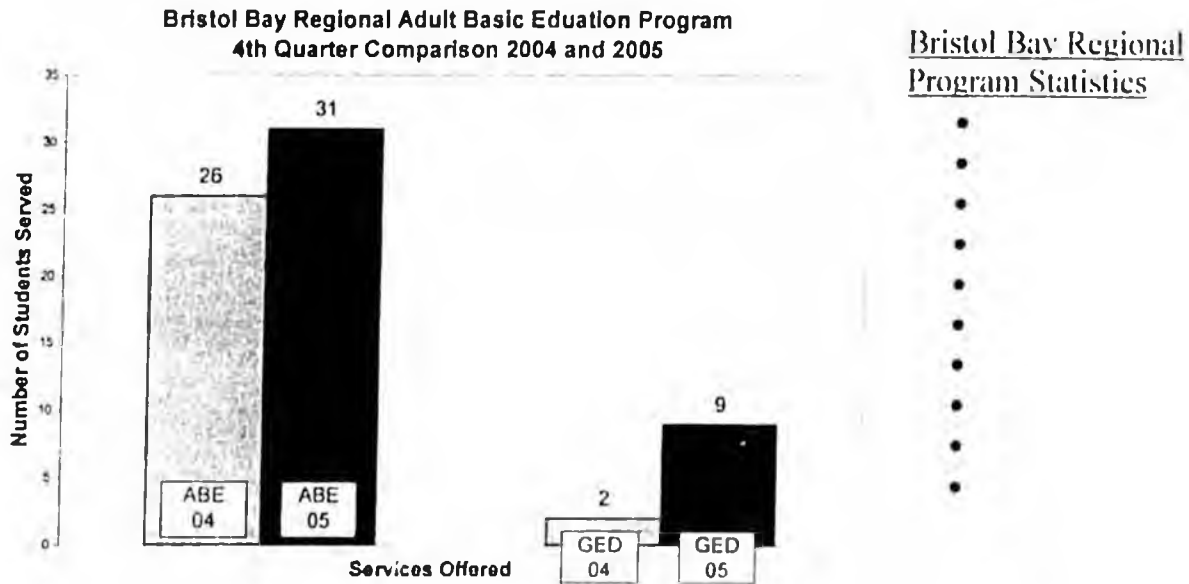
Jan Peyton, President, Alaska Adult Education Association
c/o Kenai Peninsula College, Kachemak Bay Campus, 533 East Pioneer Avenue, Homer, Alaska
99603, cell phone: 299-0153 or 235-5446 (evenings), janpeyton73@alaska.net

David Alexander, AAEA Legislative Committee Chair, Nine Star Enterprises, Anchorage, 279-
7827, davida@ninestar.com

Carin Smolin, AAEA Board Member, Southeast Regional Adult Education Programs, SERRC,
Juneau, 586-5718, carins@serre.org

State of Alaska Adult Basic Education Website: www.ajen.state.ak.us/abe

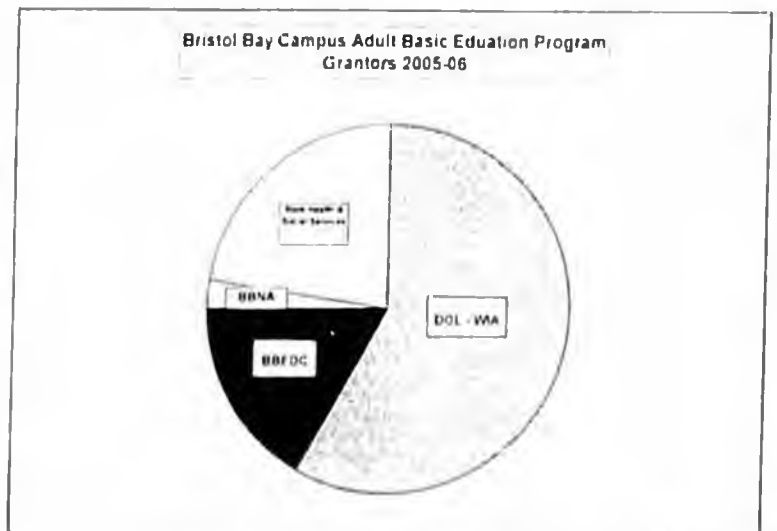
Example of growth and improvement: Bristol Bay Adult Education



- As of the 2000 census, 1,176 residents between the ages of 18 and 44 do not have high school diplomas.
- 74% of students served in 2005 began with a grade equivalency of 5.8.
- With a staff of 13 part-time instructors, 4 part-time GED examiners, and one full time program director, ABE/GED services extend to 32 communities spread throughout an approximately 40,000 square mile area.
- Increasing direct instruction within the 32 communities makes a significant difference. \$40,000 from Alaska State Department of Health and Social Services, Public Assistance Work Services Program received 12/05 provided funds to increase the number of part-time ABE/GED instructors from 6 to 13.

Results:

- 12/04 - 66 students served regionally
- 12/05 - 79 students served regionally
- 2/04 - 1 GED graduate
- 2/05 - 2 GED graduates
- 2/06 - 11 GED graduates



Transition of Youth to Employment

Introduction: Three Center for Independent Living (CIL) offices have begun innovative projects that focus on working with youth with disabilities and assisting with their training and transition to employment. The CILs have had exceptional progress perhaps due to the ability to provide prevocational skills such as assistance with transportation options, interviewing skills, and interpersonal/communication skills on the job to name a few.

Problem: Federal funding for these projects will end June 30th, 2006.

Solution & Request: Funding from the State of Alaska to continue and expand these innovative and successful projects.

CILS involved:

- Kenai Peninsula ILC-Central Kenai Peninsula and Homer offices
- Access Alaska-Fairbanks office
- SAIL-Juneau, Sitka and Ketchikan offices

Successful outcomes in eight months of service delivery include:

Central Kenai Peninsula:

- 30+ youth (ages 14-24) provided transition services including work experience programs and referrals and information to DOLWD, WIA, DVR, Job Corps, AVTEC and Kenai Peninsula College.
- 24 youth attended job preparation classes held in the Peninsula Job Center and assisted by DOLWD and other One Stop partners, Kenai Peninsula Borough School District, community agencies and employers.
- 10 youth in paid employment or ongoing vocational programs with an average wage of \$8 per hour. (One youth working on the slope making \$12 per hour)
- Strong partnership with Peninsula One Stop – 50-75 participant's and families introduced to One Stop services and referred to proper resources to help with work and independent living goals.

SAIL –Southeast:

- 36+ youth (14-24 year olds) are enrolled in the TEAM project in 4 communities in Southeast Alaska (Juneau, Ketchikan, Sitka and Haines).
- 21 youth have paid employment. The average wage earning is \$9.25 per hour and about 13.25 hours per week. 2 of the 21 employed youth are self-employed. 1 of the 21 employed youth, was incarcerated at the Johnson Youth Center, has successfully transition into an apartment with his father and older sister along with securing employment at Cost-co.
- A mother of 2, who was co-enrolled with CEG has been employed with the Tlingit and Haida's Head Start program for 3 months. She is a substitute teacher and is called about 3-4 times a week to fill-in. She is also filing at the Head Start's main office in downtown Juneau.
- A man out of school who has been enrolled in CEG for sometime and hired at a local grocery store lost his job due to not attending work related to his mood swings and transportation issues. The TEAM project, along with his job coach renegotiated his job and he is back working at the grocery store.
- A young woman with Traumatic Brain Injury was a student at UAS in 2005. CEG conducted a person centered planning/Discovery session. Consumer discussed her wishes for employment with all the agencies at the table giving her support. She is now working as a Para-educator for the Juneau School district.

Access Alaska Fairbanks:

- M.D, seventeen year old youth with a learning disability who was interested in computers and information technology became a consumer of Access Alaska's youth transition program to acquire work readiness skills. MD completed a work readiness curriculum, and afterwards, Access Alaska developed an internship placement with a local technology company. MD's summer paid internship was so successful that his employer offered him a full time job at which MD is now employed.
- LV a youth with a developmental disability from a community forty miles outside Fairbanks, was referred to Access Alaska's youth transition program. He was self taught in repairing engines for snow machines, chain saws, and other outdoor equipment, but needed a more formal education to be employed in the field. Access Alaska paid tuition for a small engine repair class, and helped pay for the cost of his tools. LV completed the class, and has been employed as a mechanic in a local engine repair business.
- BH, a Fairbanksan a student with a 504 plan, left school at fifteen when she became pregnant. She was referred to Access Alaska's youth transition program to address a multitude of issues and service needs including setting short term and long term goals, case management, and using the various resources within the community to support her goals. A year later, with Access Alaska's support, BH gave birth to a healthy baby; was living in a three generation household in which her baby was cared for. BH obtained her GED and successfully completed a Medicaid certified eighty hour personal care assistant class. She is now working full time for a local non-profit making \$10.00 dollars an hour as an Independent Living Specialist. BH's accomplishments were publicly recognized this year when she received the Governor's Committee on Employment and Rehabilitation of People with Disabilities Chairperson's Award. BH plans on studying biology at the University of Alaska with the goal of becoming a medical examiner.

Hello and thank you for the opportunity to speak.

My name is Pam Mueller Guy and I have been the Deaf Services Coordinator at Southeast Alaska Independent Living, SAIL, for the past 5 years.

Please help individuals in the deaf community succeed in every aspect of their lives: offer a Senate amendment of at least a \$150,000 to match the House budget increment for Independent Living Services. This money will help the Deaf of Alaska and youth with disabilities transition to employment and post secondary education.

For 15 years, the providers of the Interpreter Referral services in Alaska have seen no increase in funding.

While our funding has stayed the same, the demand for interpreters has steadily been on the rise. It is clearly an unmet need.

10 years ago, SAIL filled 99 sign language interpreter requests.

Over the past two years, requests for interpreters has risen 60 percent.

By the end of this fiscal year, we expect to have filled over 300 requests.

It is so important for a person who is deaf to have good, qualified interpreters to help them succeed.

For example, a consumer we serve was diagnosed with meningitis and became deaf at the age of seven. Last month he successfully completed a three-week training sponsored by the Plumbers and Pipe Fitters. He is well on his way to fulfill his dream—to become a union plumber, like his father before him. His success would not be possible without the assistance of a qualified sign language interpreter.

Another consumer, a mother of 7 children, is also using interpreter services to finish her GED so she can get a good job for her family—her strides toward this goal would not be possible without interpreter services.

I am also a model of that success. As a full time employee, a mother of two grown boys and a current student at the University of Alaska, I do not know where I would be without the service of qualified interpreters and a good interpreter referral agency in town. My world and my success would probably be very different without this important support.

Please offer a Senate amendment, adding an increment of at least \$150,000 for Independent Living Services.

8255 Aspen Avenue
Juneau, AK 99801

April 8, 2006

The Honorable Senator Lyda Green, Co-Chair
The Honorable Senator Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Senators Lyda Green, Gary Wilken, and honorable members of the Senate Transportation Committee,

As a native son and resident of the great state of Alaska, and as a user of the Alaska Marine Highway System, I respectfully request that the Senate Finance Committee appropriate full funding for the Alaska Marine Highway System.

You have no doubt heard from Governor Murkowski, Robin Taylor, and the Alaska Department of Transportation and Public Facilities that a road and shuttle ferry is needed in Southeast Alaska. I do not believe this is true. We have a unique transportation system already in place, one that has served the region for most of my life time. I believe it will continue to serve the needs of Alaskans and visitors from around the world, but *only if it is allowed to operate to advantage.*

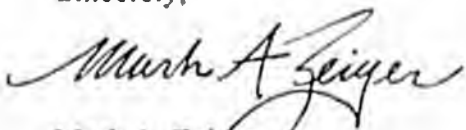
Currently, the ferry system is being bled of funding, and manipulated until it appears to the casual observer that it is an obsolete, inefficient, and costly operation. The road and shuttle are being presented as a less costly alternative. However, if such a road and shuttle is approved and completed, I predict that this committee will, in the future, need to wrestle with the problem of how to fund the higher maintenance and repair costs of the Juneau highway while funding Alaska's many other transportation needs.

Even if a road is to be constructed, surely it is too soon to reduce funding for the ferry system now. We will need the ferries until the day the road is ready to be used.

The people of Southeast Alaska had already expressed a preference for maintaining and improving the Alaska Marine Highway before the current administration decided to make the Juneau access road a priority. The people of Alaska look to you, the Finance Committee, to see the real long term cost of the road, and provide the guidance to avoid such a costly mistake.

I appreciate your willingness to consider this written testimony in the course of today's hearing.

Sincerely,



Mark A. Zeiger

8255 Aspen Ave
Juneau, AK 99801

April 8, 2006

The Hon. Senator Lyda Green, Co-Chair
The Hon. Senator Gary Wilken, Co-Chair
Senate Finance Committee
Alaska State Capitol
Juneau, AK 99801-1152

Dear Senators,

Attached is a letter I wrote outlining my opposition to the proposed road from Juneau to the Kaktzihen River. In addition to this I would like to state that funding the Alaska Marine Highway System is vital to maintaining our current way of life in Southeast Alaska.

Recently, the ferry system has been mismanaged and monies need to be maintained or increased to overcome this. If properly funded this system works with less funds to maintain than any road system that could be built along Lynn Canal.

Thankyou for considering this written testimony in the course of today's hearing.

Sincerely,

Michelle L. Zeiger

Michelle L. Zeiger

8255 Aspen Avenue
Juneau, AK 99801

March 11, 2006

Reuben Yost, Special Projects Manager
DOT&PF – Southeast Region
6860 Glacier Highway
Juneau, AK 99801-7999

Dear Mr. Yost,

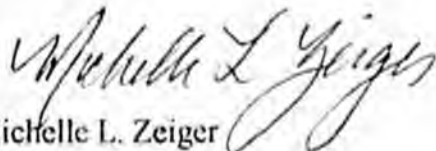
I implore you with all urgency to abandon the plans to build a road from Juneau to the Kahtzihen River. There are numerous reasons not to build this road, but those of most consequence are the misuse of public funds and the mismanagement of the Alaska Marine Highway System.

The mismanagement is already seen in the winter season "experiments" with the Chenega and the Fairweather as well as the poorly conceived ferry schedules that double up the fast ferries and the older ferries on the same days between Juneau, Haines and Skagway. It is so obvious to the public that these moves were set up for failure, so that the road option would seem more cost effective. Please do not assume that we are so gullible.

If the road were built it would be a misuse of public funds. The area the road passes through would be exorbitantly costly both to build and maintain. Not only that, but you would still need to maintain and fuel the shuttle ferries between the Kahtzihen and Haines and Skagway. This road would become a hole in the ground, into which you pour *all* DOT&PF funds for generations to come. A better legacy for you would be able to tell your grandchildren that you ran the most efficient Marine Highway System and the roads in Southeast Alaska (as they exist today) were the best maintained in the country.

My only recommendation, after reviewing the Juneau Access Improvements Final Environmental Impact Statement, is to continue with the plans as they are (what you call the "no action" plan) which include improvements to the current AMHS and other projects that are already slated for various Southeast communities.

Sincerely,


Michelle L. Zeiger

cc: Representative Bruce Weyhrauch
Charlie Huggins, Senate Transportation Committee Chair
Jim Elkins and Carl Gatto, House Transportation Committee Co-Chairs
Southeast Alaska Conservation Council

SCS CSHB 365(FIN)

Susan Sciabbarasi, Superintendent, Wrangell Public Schools, Wrangell, AK 99929

Thank you for the opportunity to provide input to the Operating Budget. My comments will be pertaining to K-12 education and most specifically the foundation formula which incorporates both the base student allocation and the area cost differential.

When school districts developed their school budgets for next year, they budgeted the Governor's proposed Base Student Allocation (BSA) increase of \$90.2 million, however, districts are still having to make huge budget cuts. From the information I have received, the hardest hit districts this year are **Kenai, Valdez and Wrangell. Each must cut an equivalent of 6% from their current budget.** That is a large proportion when considering that cuts have been made annually for the past several years. Their budget deficits are due mainly to the continued increases in the Cost of Living and increases to TRS/PERS, insurance and fuel.

In 1998, SB36 initiated a means for school districts to be funded both adequately and equitably. The Base Student Allocation (BSA) would reflect an amount per student to adequately fund a child in Alaska. Equity issues were addressed through the Area Cost Differential. While the Governor's proposed increase from \$4919 to \$5352 may be an adequate number, I do not feel that it is equitable in relation to the Area Cost Differential. Specifically, schools in **Senate District A (Wrangell, Petersburg, Sitka, Ketchikan)** are the only school districts in the state that **have not received a differential** with the current District Cost Factors.

Senate Bill 36 required the updating and monitoring of District Cost Factors. However, that has not happened and many school districts like Wrangell, have been cutting staff and programs for the past 7 years. In July 2004 the Legislative Budget and Audit Committee contracted with ISER to update and modify the previously determined flawed AIR District Cost Study. Anchorage will still remain at 1.0 because they are the 'base' in which to determine equality. However, **adequacy must be met and then the adjustment for equity.**

House Bill 362 addresses adequacy and would hold Anchorage harmless, however, in order to also meet equity it should be in conjunction with the implementation of the District Cost Factors determined by the ISER study. If only one is updated, as is currently proposed in HB362, then the directive from Senate Bill 36 in 1998 is not being fully met.

Again, I want to reiterate that even with the proposed \$90.2 million to the Base Student Allocation, districts are experiencing large deficits up to 6%. Therefore, I urge you to accept, not only the proposed \$90.2 million, but also fully implement the new District Cost Factors. Only then will both adequacy and equity be met for ALL of Alaska's children.

Thank you for you time and consideration.

John Cannon
3101 Whispering Woods Dr.
Wasilla, Alaska 99654
907.376.6063 Phone

Testimony Senate Finance Committee
4-6-06

Good evening Senators. My name is John Cannon I am from Wasilla, AK. I serve as the Executive Director of Mat Su Services for Children and Adults a Valley based non profit organization serving Mat-Su residents with Developmental Disabilities. I am compelled to testify this evening to ask your support of community services for Alaskans with Developmental Disabilities. According to a study conducted by the State of Alaska in 2005 there are 1233 Alaskans waiting for critically needed services. I strongly urge you to take the House's position on the operating budget by supporting a \$3 million dollar increment for Community DD services.

The individuals and family members I've spoken with are optimistic for the first time in many years that their son or daughter will finally get funding for long awaited services because of the 1.4 billion dollar surplus. I can tell you that the hopes, dreams and spirits of these Alaskans will be broken if the waiting list is not addressed fiscally this year. These individuals have waited and suffered long enough. On behalf of those who wait I ask you to please support a \$3 million dollar increment to address the Developmental Disabilities Wait List. We have the resources to do this. Let's do the right thing for some of Alaska's most vulnerable citizens. Thank you.

John Cannon

4-6-06

From: David F. Bouker
P. O. Box 241
Dillingham, Ak. 99576
842 5433

April 8, 2006

To: Senator Gary Wilken, Co-Chair
Senate Finance Committee
2nd Session, 24th Alaska Legislature
Juneau, Ak.

FAX No. 1 907 465 2187
Page 1 of 1

Re: Funding PCE

We strongly recommend that your committee restore PCE to full funding levels.

This action would not only benefit the rural citizens not living on the railbelt or having the electricity supplied by hydro power, but would benefit the urban businesses and consumers as well because it would make more funds available to rural consumers for food and other necessities of life that are available from urban centers.

There is no better time than the present when the State of Alaskas is operating at a huge surplus to help ease the burden of extraordinary high fuel costs and utility bills in rural areas of the State.

Thank you.

CITY OF TOKSOOK BAY
PO Box 37008
Toksook Bay, AK 99637
Ph (907) 427-7613 Fax (907) 427-7811

April 7, 2006

TO: Senate Finance Committee -or-
WHOM IT MAY CONCERN

FROM: Moses A. Chanar, City Administrator

RE: HB365

HB365 has already affected the rural area than the urban district in cuts in the beneficial areas of government-to-government relationship between the small communities and the State. The small ALASKAN communities as CITIZENS OF the UNITED STATES OF AMERICA, under the STATE OF ALASKA; in their own residential state, are now experiencing the impact from these cuts in the following areas:

1. From becoming self-sufficient communities through lack of adequate training, Statewide and District Governmental workshops & conferences and rural assistance of valuable services funding.
2. Program assistance for state governmental self-proficiency in management of resources already in place.
3. What's next?

I believe the earnings of the State of Alaska through its resources should be placed in beneficial programs that should benefit ALL Alaskan communities who voted and entrusted the legislature to work & serve faithfully, not to take the money and run.

To: Alaska State Legislature

April 7, 2006

ATTN: Senate Finance Committee
FAX: 907 465-2187

Please enter into the record my testimony to the Senate Finance committee on funding Alaska Vocational Technical Center through the 2006 FY General Fund.

Committee, please consider this public testimony to the legislature,

As a member of the maritime industry of Alaska, and a three-year curriculum board member, of the Alaska Vocational Technical Center (AVTEC) I would like to express my thanks to the committee for the funds previously provided to this excellent training center.

AVTEC is truly a market driven school. Their response to industry needs can be measured in a multitude of ways, but I would like to speak of three specific areas that AVTEC has responded to our needs; resulting in the placement and advancement of Alaska people in Alaskan jobs.

1. AVTEC Maritime instructors developed a United States Coast Guard (USCG) approved course to train Tankerman for barge work. Tankerman are difficult to find, as the job requires a five-day in-depth training class that includes fire fighting and learning the complexities of transferring fuel products, as well as at a minimum six months sea-time. Alaskan rural communities rely heavily on barges for transporting their village, and personal fuel oil needs, it is imperative that the Barge companies operating in Alaska are able to have crewmembers that are trained to discharge and load fuel in a safe and efficient manner. As a result of AVTEC's relationship with the maritime community they recognized the need for training Tankerman to meet the needs of transportation to rural Alaska. AVTEC personnel worked hard to develop the program and get USCG approval for this course, which held their first training session in April of 2005 with 15 Mariners enrolled. Through the Tankerman program they have been able to train and put to work more than 50 people over the past year. Prior to the AVTEC tankerman program people had to leave the state to get the necessary training and Alaskans were at a disadvantage for available jobs as Tankerman.

The cost of leaving Alaska to train coupled with the cost of obtaining United States Coast documentation often times keeps people from pursuing this goal.

2. Another example of AVTEC's affect on the community through training is their expertise in training Masters, Mates, and Pilots. The simulator at AVTEC is said to be one of the best in the country. This was proven to our company when the Instructors put together a personalized training class for 8 Masters and Mates that needed to improve their Maritime license to advance in their field by passing a comprehensive Celestial Navigation course. Advancement was necessary so they could maintain employment with the ever-changing USCG regulations. The instructors spent many extra hours out of the classroom offering expertise and practice so that each person was able to confidently perform the duties necessary to take command of the simulator. Every student passed the exam and was able to receive their qualifications on their USCG license. Also, because of the great reviews from the group, many of their peers went to AVTEC to train for their Celestial Navigation endorsement.

3. Basic Safety Training, BST- meeting the needs of the industry. Providing BST is important, valuable, and necessary for mariners to maintain their license with the USCG. Again, due to the ever-changing USCG regulations, AVTEC stepped up to the plate and put together a comprehensive training course required for mariners to sail in outside waters. Many Alaskans' have taken advantage of this course, but many more need the course. BST is in fact a condition of employment for most Mariners.

With the decline of the fishing industry rural Alaskans have found themselves without a viable means to make a living for their families. Many of these people have had life long careers on the waters of Alaska, operating their own fishing vessels and businesses. With fishing in decline they are left with large boat payments and no money coming in. Daily I hear the desperation and sadness in their voices. These folks are hard working, intelligent, and know how to work on the water safely. Most are ready and willing to move forward in the maritime industry, but lack the necessary USCG credentials to work outside the fishing industry. The Coast Guard paperwork process is daunting for people that are accustomed to the paperwork world, but to those that haven't the exposure to governmental entities, the task seems impossible. By having classes available in Alaska people are more likely to move forward to get what is necessary to continue a career in doing what they know best. At AVTEC they are taught the basic courses so that they can get their Coast Guard documents and begin earning a living again. In that process they are also introduced to the USCG requirements and can get help with the necessary paperwork to obtain these documents.

Another great achievement of AVTEC is developing a partnership with the University of Alaska. Through their relationship a student is allowed college credits as a graduate of the AVTEC training programs. Providing hands on training along with course work gives students the confidence and experience necessary to prepare them for furthering their

education at the University, plus a head start by gaining credits toward earning their associate's degree and specializing in a field they have experienced hands on. AVTEC also reaches out to high school students introducing and preparing them for jobs available now, but also those coming to the state in the future.

Since year 2000 enrollment at AVTEC has steadily increased. There has been a 22% increase in enrollment of women and minorities. AVTEC students come from over 200 communities in Alaska. 96% of the 2004 graduates are placed in training related jobs, and 80% of students complete and graduated with a certificate. AVTEC provides quality, in-state training to Alaskan's preparing them for jobs that keep our state moving.

AVTEC is helping to realize jobs for the present and "Jobs for Alaska's Future" by matching the needs of the employers with trained Alaskans ready and willing to work. Please fund this school so that they can keep up with the demand and grow to meet the ever-changing requirements of the work place. Training and employing people that live in Alaska is a "win win" situation for all of us.

Thanks for your time and consideration.

Ketra Anderson
3629 Knik Ave
Anchorage, Alaska 99517

(907) 229-2302



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on HB 365, dated 4-7-06

To the Finance Committee:

Please accept my grateful thanks for restoring full funding for Alaska Public Radio, and 75% of the television funding.

As a former educator, a current library director, parent, community volunteer and a long time (22 year supporting member) of KUAC and Alaska One, I see the positive, daily effect of public broadcasting on people of all ages. I encourage you to restore FULL funding for public television, so our vital link to education, information and entertainment will continue to flourish. The unique Alaskan produced programming found on public television connects us all with a heritage of excellence. To lose this link between our past and our future would be a tragic loss. I'm sure you don't want this it happen!

Strong public broadcasting depends on *both* radio and television. Restoring the \$125,000 increment will assist all stations to help offset escalating operating costs, in particular, fuel, energy, and insurance. As you know, the increment was requested by the Governor and supported in the House. Now it's your turn.

I am asking you to please give this matter your full attention and vote in favor of the increment. Your constituents will be grateful, and the long standing tradition of quality in Alaska Public Broadcasting will be assured.

Signed: Joyce A. McComb
Testifier

Representing (Optional)
AC 60 Box 3760 Delta, AK 99737
Address
895-4909
Phone No.

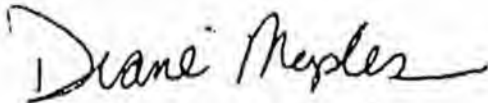
March 27, 2006

Dear Senator,

I am very concerned about the budget for the school year 2006-2007. The financial situation of Valdez City Schools is in serious jeopardy, with a potential 1.2 million dollar deficit (10% of the budget).

The state legislature needs to decide to help the situation by using some of the state's immense, 1.2 billion dollar budget surplus. I am asking you to support, or author and present legislation that will have the state **fully fund the TRS/PERS for all school and city employees**. If the state took this financial burden off of the district and city, the education of our students could continue to be funded properly and extend the best education possible. A good education should include: up-to-date materials, well-maintained facilities and furnishings, activities that encourage students to remain and excel in school, class sizes that allow for learning and not just crowd control, and an educated, dedicated staff. **All of these areas will be negatively affected if the state does not fully fund PERS/TRS and educational quality in Alaska will continue to decline each year. I urge you to make education your NUMBER ONE priority. Please don't campaign and say education is important to you. DO SOMETHING ABOUT IT.**

Sincerely,



Diane Maples - mother of 4 school-aged children

April 7, 2006

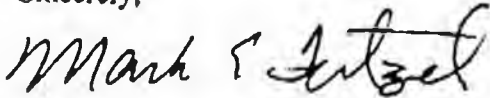
Members of the Senate Finance Committee
Alaska State Senate
Juneau, AK
Fax: 907-465-2187

RE: SUPPORT FOR FULL FUNDING OF PCE, HB 365

Dear Members of the Senate Finance Committee:

Please restore the additional \$6.5 million to bring PCE up to the fully funded amount of \$25.2 million as requested by the Governor without any strings attached to the future price of oil.

Sincerely,



Mark E. Teitzel
9241 Campbell Terrace Drive
Anchorage, AK 99515

Please vote to reauthorize funding for public broadcasting so, at least, the level funded last year. My husband and I have lived in Wrangell for 23 years and wouldn't want to be without the high quality programming brought to us by PBS, unequaled by the regular networks. Our public TV and radio stations are infrastructure that Alaska's far-flung communities can ill afford to be without.

Carol L. Ross
Walter L. Moorhead
117 Mt. Dewey Lane
Wrangell, AK 99929

Carol L. Ross

4/7/2006

TOTAL P.01



Alaska Power Association
703 West Tudor Road, Suite 200
Anchorage, Alaska 99503 6650
907-561-6103
Fax: 907-561-5547
www.alaskapower.org

April 7, 2006

The Honorable Senator Gary Wilken, Co-Chairman, Senate Finance Committee
The Honorable Senator Lyda Green, Co-Chairman, Senate Finance Committee
Juneau, AK 99801-1182
Via fax (907) 465-2187

Dear Members of the Senate Finance Committee:

The membership of Alaska Power Association urges the Legislature to restore the extra \$6.5 million to the FY 2007 Operating Budget, which would bring the Power Cost Equalization program funding back up to the fully funded amount of \$25.2 million as requested by the Governor.

The position of APA is further articulated in the following resolution:

(05-3) A Resolution Supporting Full Funding for Power Cost Equalization

During the 2005 legislative session, Governor Murkowski proposed full funding for the Power Cost Equalization (PCE) program at \$20.7 million for FY 06. The legislature appropriated \$18.7 million, which underfunded PCE by \$2 million. The dramatic increase in the cost of diesel fuel since the legislative session has resulted in the PCE program being underfunded by approximately \$5 million in FY 06 and the Alaska Energy Authority estimates that full funding of PCE in FY 07 will require \$25.2 million.

PCE is a program of the utmost importance to rural Alaska. While its cost per rural beneficiary is modest (\$18.7 million equates to \$240 for each of the 78,000 residents of the participating communities) it makes the basic, essential service of electricity affordable for every Alaskan.

Alaska Power Association strongly supports full funding for PCE. We urge the Alaska Legislature to support a supplemental appropriation to restore the PCE benefit to 100% for FY 06 and to fully fund PCE in the administration's FY 07 operating budget.

Please do not hesitate to contact me if you have any questions about APA's position on this critical issue.

Respectfully,


Craig McCollom
Interim Executive Director

Shelley K. Owens

12175 Glacier Highway #C-8
Juneau, AK 99801

email: skowens@mywy.com

April 7, 2006

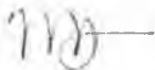
Sen. Lyda Green, Co-Chair
Sen. Gary Wilken, Co-Chair
Senate Finance Committee
State Capitol, Room 516/518
Juneau, AK 99801-1182

Dear Senators Green and Wilken,

I urge you to restore the incremental funding increase for Emergency Medical Services (EMS) which was included in the House budget but not included in the Senate HSS Finance Subcommittee budget. This 20% increment provides for the operation of the EMS Regions which have operated under flat funding for the past 15 years. During this time, the State population alone has increased over 20%, and fixed expenses such as rent, insurance, utilities and other costs have increased between 40% and 65%. There are nearly 200 emergency response services in the state which are staffed by 4,000 Emergency Medical Technicians and Emergency Trauma Technicians, of which 75% are volunteers. These services and responders rely on the operations of the State EMS Regions to provide them with training, equipment and other support. At a time when the State and Federal governments are putting increasing demands on emergency responders to be trained and equipped to respond to biohazard and pandemic influenza threats, it would not be in the best interests of the State to limit the ability of the EMS Regions to support these services.

I would ask you to consider, at 2:00 a.m. when a 911 phone call is made for a family member who has gone into cardiac arrest or has a traffic accident on an icy road, which 20% of the emergency response is discretionary? Please support our EMS Regions and give them adequate funding to continue supporting our communities and our State.

Sincerely,



Shelley K. Owens

cc: Sen. Con Bunde, Vice-Chair
Sen. Fred Dyson, Member
Sen. Bert Stedman, Member
Sen. Lyman Hoffman, Member
Sen. Donny Olson, Member



Alaska Power Association
703 West Tudor Road, Suite 200
Anchorage, Alaska 99503-6650
907-561-6103
Fax: 907-561-5547
www.alaskapower.org

April 7, 2006

The Honorable Senator Gary Wilken, Co-Chairman, Senate Finance Committee
The Honorable Senator Lyda Green, Co-Chairman, Senate Finance Committee
Juneau, AK 99801-1182
Via fax (907) 465-2187

Dear Members of the Senate Finance Committee:

The membership of Alaska Power Association urges the Legislature to restore the extra \$6.5 million to the FY 2007 Operating Budget, which would bring the Power Cost Equalization program funding back up to the fully funded amount of \$25.2 million as requested by the Governor.

The position of APA is further articulated in the following two resolutions:

(05-3) A Resolution Supporting Full Funding for Power Cost Equalization

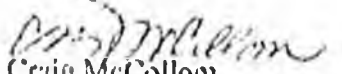
During the 2005 legislative session, Governor Murkowski proposed full funding for the Power Cost Equalization (PCE) program at \$20.7 million for FY 06. The legislature appropriated \$18.7 million, which underfunded PCE by \$2 million. The dramatic increase in the cost of diesel fuel since the legislative session has resulted in the PCE program being underfunded by approximately \$5 million in FY 06 and the Alaska Energy Authority estimates that full funding of PCE in FY 07 will require \$25.2 million.

PCE is a program of the utmost importance to rural Alaska. While its cost per rural beneficiary is modest (\$18.7 million equates to \$240 for each of the 78,000 residents of the participating communities) it makes the basic, essential service of electricity affordable for every Alaskan.

Alaska Power Association strongly supports full funding for PCE. We urge the Alaska Legislature to support a supplemental appropriation to restore the PCE benefit to 100% for FY 06 and to fully fund PCE in the administration's FY 07 operating budget.

Please do not hesitate to contact me if you have any questions about APA's position on this critical issue.

Respectfully,


Craig McCollom
Interim Executive Director

Cordova Volunteer Fire Department

FIRE CHIEF MICHAEL HICKS



P.O. Box 304
Cordova, Alaska 99574
(907) 424-6117 or (907) 424-6100
Fax (907) 424-6120
email: fire@cityofcordova.net

April 7, 2006

Dear Senators and Representatives:

I am writing this letter in support of increased funding in the FY2007 budget for regional EMS grants in the amount of \$455,700.00, which is listed as DHSS Public Health EMS grants to regions and rural grants.

As a small isolated community with very limited resources, as is the case in many Alaska communities, we rely heavily on assistance from the Southern Region EMS Council, both in training and funding for additional equipment.

Rural EMS has not seen an increase in funding since 1991, however, our state has seen an increase in visitors and permanent residents alike since that time, not to mention the added financial strain on our volunteer resources as a result of recent natural disasters such as Hurricane Katrina and the terrorist attacks on our country on 09-11-01.

Many lessons have been learned from these tragic events, but our state and our country has a long way to go in minimizing the impact on human and economic suffering from these and future events and the additional funding for this program is a very big step in the right direction.

I would like to thank all of you for the hard work and dedication that you have contributed to this effort and ask for your continued support of these invaluable programs in the future.

Sincerely,

Michael Hicks
Fire Chief

FEB-25-1900 01:52

P.01

I was disappointed to read that the Senate Finance Subcommittee recommended cutting the funding for our wonderful public television and radio.

Please reverse this stand. Almost nothing in that budget means more to me than helping KAKM and public radio continue at the present level.

The wonderful children's programs I was thankful for when my daughter was growing up, and now thankful that my granddaughter can enjoy and learn from them. The adult programs provide great evening entertainment, on a level far above what is available on regular channels.

In this age when we're growing concerned about our education ratings falling behind other countries, and violence and sex dominating so much of other television, keeping public television and radio as appealing as possible is more important than ever. Our long winters and isolated areas add to the Alaska need.

Programs like Frontline, Nova, American Experience, and the many special Alaska historical programs are great. And Public Radio broadens and deepens reports of world and Alaska news

I feel KAKM already struggles to get donor contributions during many evenings devoted to fundraising, with the studio filled with enthusiastic volunteers taking the calls. They are trying hard. Please don't reduce what they are achieving.

I appreciate your attention to this matter, and hope you will support.

Katherine Parker
907-262-4580
(An Alaskan for 54 years. Owner-
operator of Soldona Map Shop)

Date: April 6, 2006

To: Senate Finance Committee,

**From: Bob Tracey , Mayor
P.O. Box 76
Nondalton, Alaska 99640
(907) 294-2228**

To Senate Finance Committee,

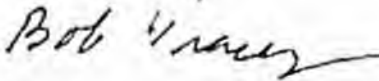
As Mayor of Nondalton I am worried about HB365 the F Y 07 state operating budget and the potential cut to RUBA funding.

Nondalton was in a very desperate financial situation four (4) years ago and was in danger of coming to a complete stop. RUBA and especially Roxanne Auge a local government specialist with Division of Community Advocacy have been a tremendous help with Nondalton getting back on track with our utility management and financial record keeping.

So as a community finally getting back on it's feet we hope that there will be no cuts to RUBA funding.

I would appreciate it if this letter could be distributed to all Senate Finance Committee member.

Sincerely,



**Bob Tracey
Mayor, Nondalton**



**LEGISLATIVE AFFAIRS AGENCY
INFORMATION & TELECONFERENCING**

Nome Legislative Information Office

103 East Front Street, PO Box 1630

Nome, AK 99762

Phone: (907) 443-5555 Fax: (907) 443-2162

Email: Nome_LIO@legis.state.ak.us

WRITTEN TESTIMONY

Following this page is written testimony submitted by Gina Appolloni for the Senate Finance Committee budget hearing on April 7, 2006.

Thank you.

A handwritten signature in cursive script that reads "Angelique Horton".

Angelique Horton
Information Officer

cc: Representative Richard Foster
Senator Donny Olson



KAWERAK, INC. • P.O. Box 948 • Nome, AK 99762

TEL: (907) 443-5231 • FAX: (907) 443-4452

RVING THE

LAGES OF:

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T. MICHAEL

ELLER

NALAKLEET

VALES

WHITE MOUNTAIN

My name is Gina Appolloni; I'm the VPSO Program director here at Kawerak. Kawerak is one of six contractors operating the Village Public Safety Officer Program (VPSO) in rural Alaska through the Department of Public Safety (DPS).

The Senate House Finance Subcommittee is proposing a budget cut of \$563,400 to this important program that provides for all public safety services, including law enforcement, fire fighting, water safety, emergency medical assistance and search and rescue operations in rural Alaska.

Kawerak supports the Governors proposed budget amount of \$5,636,400 and asks for your support to ensure the VPSO's operating budget remains the same. The contractors cannot operate this program effectively with any more proposed budget cuts.

The Senate Finance Subcommittee is also supporting a pilot program with an appropriation of \$400,000 to create a new lower tier safety officer titled Village Safety Assistant (VSA). Creating another tier is not necessarily going to improve rural law enforcement.

The contractors made recommendations in June 2005 to DPS to improve the current program including recommendations to spend the 2004 \$2 million Federal IHS grant that was appropriated to supplement the VPSO program. The proposal focused on attracting new and retaining long-serving VPSO's and increasing the number of rural communities in Alaska that have local law enforcement available. We proposed that the money be used to fund 15 new VPSO positions and provide retention bonuses to long-serving VPSO's. Although we were successful with some recommendations, we still are a long way to operate a program that benefits rural Alaskans.

We were successful in negotiating a \$1.50 pay increase to \$16.55 per hour, which we feel is still low. We are concerned about the success of hiring a lower paying position, Village Safety Assistant, to help with our already low paid VPSO's; this will not alleviate the problem. If we can't hire and retain VPSO's at \$16.55 what is DPS proposing to do to hire a VSA at a lower rate?

The Alaska State Constitution states: "All persons have a natural right to life, liberty and are entitled to equal rights, opportunities and protection under the law. There is a public interest in keeping our children, families and communities safe. The safety and security of citizens in their communities is a fundamental responsibility of government." I encourage you and your colleagues to oppose the proposed cut to the VPSO Program and to advocate for an increase of qualified VPSO positions in rural Alaska as opposed to the creation of a lower tier of safety officers.

Thank you for allowing me to testify on this important matter.

SCS CSHB 365(FIN)

Susan Sciabbarasi, Superintendent, Wrangell Public Schools, Wrangell, AK 99929

Thank you for the opportunity to provide input to the Operating Budget. My comments will be pertaining to K-12 education and most specifically the foundation formula which incorporates both the base student allocation and the area cost differential.

When school districts developed their school budgets for next year, they budgeted the Governor's proposed Base Student Allocation (BSA) increase of \$90.2 million, however, districts are still having to make huge budget cuts. From the information I have received, the hardest hit districts this year are **Kenai, Valdez and Wrangell. Each must cut an equivalent of 6% from their current budget.** That is a large proportion when considering that cuts have been made annually for the past several years. Their budget deficits are due mainly to the continued increases in the Cost of Living and increases to TRS/PERS, insurance and fuel.

In 1998, SB36 initiated a means for school districts to be funded both adequately and equitably. The Base Student Allocation (BSA) would reflect an amount per student to adequately fund a child in Alaska. Equity issues were addressed through the Area Cost Differential. While the Governor's proposed increase from \$4919 to \$5352 may be an adequate number, I do not feel that it is equitable in relation to the Area Cost Differential. Specifically, schools in **Senate District A (Wrangell, Petersburg, Sitka, Ketchikan)** are the only school districts in the state that **have not received a differential with the current District Cost Factors.**

Senate Bill 36 required the updating and monitoring of District Cost Factors. However, that has not happened and many school districts like Wrangell, have been cutting staff and programs for the past 7 years. In July 2004 the Legislative Budget and Audit Committee contracted with ISER to update and modify the previously determined flawed AIR District Cost Study. Anchorage will still remain at 1.0 because they are the 'base' in which to determine equality. However, adequacy must be met and then the adjustment for equity.

House Bill 362 addresses adequacy and would hold Anchorage harmless, however, in order to also meet equity it should be in conjunction with the implementation of the District Cost Factors determined by the ISER study. If only one is updated, as is currently proposed in HB362, then the directive from Senate Bill 36 in 1998 is not being fully met.

Again, I want to reiterate that even with the proposed \$90.2 million to the Base Student Allocation, districts are experiencing large deficits up to 6%. Therefore, I urge you to accept, not only the proposed \$90.2 million, but also fully implement the new District Cost Factors. Only then will both adequacy and equity be met for ALL of Alaska's children.

Thank you for you time and consideration.

Wrangell Chamber of Commerce Resolution

A Resolution of the Wrangell Chamber of Commerce Supporting Full Funding for the Alaska Public Broadcasting System

Whereas, The mission of the Wrangell Chamber of Commerce is to support activities believed to be beneficial to the community of Wrangell and its citizens; and

Whereas, Adequate funding for public broadcasting ensures universal public access to the airwaves as provided under the federal Public Broadcasting Act of 1967. (S. 1160) Public Law 90-129 (81 Stat. 365); and

Whereas, The vast majority of rural Alaskan residents depend on public broadcasting as their sole source for emergency broadcast services in the event of a national or civil disaster as well as daily local, regional, state, national and international news; and

Whereas, KSTK-FM has served the community of Wrangell Alaska in this capacity since its incorporation on January, 27 1975; and

Whereas, Inadequate funding would have an adverse effect on KSTK and the citizens of Wrangell who depend on KSTK's daily public services; and

Whereas, Insufficient funding would result in diminished or no service to the community of Wrangell;

NOW, THEREFORE BE IT RESOLVED that the Wrangell Chamber of Commerce fully supports the funding of public broadcasting in Alaska as proposed by Governor Frank Murkowski in his FY 2007 budget and as approved by the Alaska State House.

ENACTED THIS 5 th DAY OF April, 2006.
Wrangell, Alaska

Jim Aslie
Chamber President

04-05-2006
Date

James R. Pruitt
Chamber Vice President

04-05-2006
Date



Alaska State Legislature

Please enter into the record my testimony to the

Senate Finance

Committee on SB305, dated 040706

Good-day,

4/07/2006

My name is James Spinka and I have lived and worked for BP in Alaska for twenty-six years. I have raised three children and currently have eight grandchildren, all residents in Alaska. I have been a registered voter here the whole time. I work on the North Slope at GC-1 as a Lead Technician. I would have written earlier but I was at work getting GC-2 production back on line through our facility. I received an e-mail update from the company, from Angus Walker, that mentioned as a concerned Alaska resident I may want to convey my opinion of the Oil Tax Legislation. My opinion is that BP is a foreign oil company based and controlled from England. BP is still British Petroleum. BP is not interested in how Alaska residents fare, for a very good example of this refer to the article printed in the Clarion on March 31st of this year about Aetna's management of the state's insurance. Well, Aetna has managed BP health insurance in the same way for two years, only for BP employees that are residents of Alaska outside of Anchorage they've managed to blatantly discriminate. Since BP is self insured our state Insurance Commissioner has little control, they come under Department Of Labor direction ERISA. According to the DOL they can discriminate against Alaskans because we are not a protected group! The more Aetna denies claims based on Usual Customary and Reasonable charges the more Aetna gets in bonuses because DOL/ERISA rules allow nominal profit for BP or they become an insurance company. So, BP takes a business expense thereby reducing the profit margin and reducing taxes, sound familiar. What do you think will happen if BP is paying the state its share based on their "Profits".

Last week I mailed out a copy of the Clarion article first to Maureen Johnson, the Performance Unit Leader of BP in Alaska and to Sandy Beitel the Human Resources manager for BP in Alaska. I then sent the same article to BP peers on the West Operating area of Prudhoe Bay. I have enclosed one response which I received from Rique Williams. I have Rique's permission to use his response. Rique lives in the Seattle, Washington area. I work with people that live in the cities of Los Angeles, Houston, Seattle, Cleveland, and Phoenix also, in the states of Florida, Montana and Louisiana and this seems to be a common theme, better insurance coverage if you don't live in Alaska. BP will tell you they have started an Advocacy group/person to reconcile insurance issues. Well, I called, and the Advocate told me if Aetna administered according to the plan then she can't help me. The issue is: Aetna says the Alaska Heart Institute charged above the UC for putting stents in my wife's heart. AHI charges at the 75th percentile of the Ingenix Fee Analyzer. Ingenix figures UC charges for many if not all states. Most healthcare professionals use Ingenix or similar service to establish fee scales per coded procedure. By comparison the codes in question Aetna said AHI charged above UC Aetna said the UC charge would have been paid at the 50th percentile.

The bottom line is: It is BP management's job to maximize profits for the company and I favor that whole heartedly, I am a shareholder. But, I'm an Alaskan first as is my family and the residents of our state need to receive a square deal. Alaska residents working for BP at Prudhoe should be receiving at least as good of healthcare coverage as the folks commuting to Alaska to work and work for the same company. There are more than enough people in our state government ready and willing to give BP anything they request. Please feel free to contact me at 907-262-3807.

Respectfully,

Jim Spinka

400 Endicott Dr, Soldotna, AK 99669

Written testimony to Senate Finance Committee
Thursday, April 6, 2006
Regarding budget, HB365
Fairbanks LIO

From Taber Rehbaum, Arctic Alliance for People and Big Brothers Big Sisters
P.O. Box 438, Ester AK 99725, taber@mosquitonet.com

On behalf of Arctic Alliance for People and its nearly 50 member Interior social service agencies, I would like to ask you to restore the Governor's requested increment to the Health and Social Services Community Matching Block Grant. In the last several years, this grant has been drastically reduced, yet the critical needs in the eligible communities (Anchorage, Fairbanks, and Mat-Su) have not. Having essential human services delivered by efficient and accountable non-profits saves the state money both in the short and long term. It is vitally important to these hub communities as well - in Fairbanks last year every state dollar from this grant source was leveraged by a factor of 19 by the recipient agencies. We recently completed the application process, and without an increase several important programs may not receive funding, including Youth Court (which provides a clear and current savings to the State), the Fetal Alcohol Spectrum Disorders Care Continuum Project, the TEFAP Food Distribution program, and Meals on Wheels. Funding the increment would be making an investment that will pay immediate as well as long term dividends, and we strongly urge that you restore this line item to the requested \$3 million.

On behalf of Big Brothers Big Sisters of Alaska, I would like to ask that you fund the Youth Success Initiative, an exciting partnership to provide services to youth on a statewide basis through the Division of Behavioral Health. The partner organizations are all well established and have proven outcomes and a track record of success. They are Big Brothers Big Sisters, Boys and Girls Clubs, the Alaska Association of School Boards, and RuralCap. Working together through the Division we can develop a coordinated and effective approach to the issues of substance abuse and suicide that will make a significant and positive impact on the future of our state. Alaska has one of the highest, if not THE highest, rates of teen suicide in the nation. Your decisions today can change that. This Initiative would provide a vehicle for these successful programs to make a difference on a statewide basis - to improve and save young lives. Please make this investment in our young people. Even if you aren't able to fund the entire \$6 million that has been requested - we believe that \$2.5 or 3 million would be enough to get this partnership off the ground and begin to show results.

Thank you for your attention.



Fairbanks North Star Borough

Health & Social
Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267
(907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Senate Finance Committee

From: Carrie Darshin, Health and Social Services Commission *C. Darshin*

Date: April 6, 2006

Subject: Human Services Community Matching Grant

On behalf of the Health and Social Services Commission, I am asking you to support the \$3M increment as presented in the Governor's budget for the Human Services Community Matching Grant. I have served as a volunteer on the Fairbanks North Star Borough Health and Social Services Commission for four years. I have been fortunate to work with our local social service agencies and have seen, first hand, the direct impact of these grant funds to members of the Fairbanks community.

We have a rigorous RFP process in place to address the effectiveness and efficiency by which these funds are delivered locally. Through the RFP, applicants are required to document program needs, define expected outcomes, thoroughly describe their methodology, provide a detailed budget, demonstrate organizational capacity and document a program evaluation plan. We have a solid process in place that is reviewed each year. There continues to be an even greater focus on outcomes, the impact on the community, sustainability and the cost savings to the state. These state dollars are used to leverage other funds, through additional grants, in kind donations and fundraising to bring a return of \$19 to each \$1 state dollar.

The need in our communities will only continue to increase. There is a significant increase in individuals seeking food assistance, our senior population continues to grow, medical cost are climbing and the need to support programs that prevent child abuse and neglect, youth mentoring and positive alternatives to children could not be more important and timely.

Some have said, 'why put in the increase if we will need to take it away in future years?' For the people who receive services through the support of this grant, now is the time help them. Now is the time to support a child at risk of delinquency, to help a homebound elder have a healthy meal delivered, to get an uninsured mother in to see a doctor before costly and urgent medical intervention is required. Now is the time to support the people in our communities who are most in need. By allocating \$3M to the HSCMG you can help our local social service agencies do what they do best: provide cost effective, compassionate and competent care within our communities.

Testimony to the Senate Finance Committee
April 6, 2006

Thank you for the opportunity to speak today. My name is Cheryl Keepers; I work for the Fairbanks North Star Borough, as staff to Health & Social Services Commission and in the administration of the Human Services Community Matching Grants.

State funds for this grant have decreased dramatically since FY02, dropping from \$1.7M to \$1.0M in FY04. In FY05 the Matanuska Susitna borough became eligible for funds, and the state budget was adjusted to \$1.235M to hold other participants harmless. We are currently operating with 41% fewer dollars than we had in FY02.

The impact of these funds is substantial. Combined with other dollars and in-kind donations, non-profit agencies provided food to 32,000 hungry people; supported 110 terminally ill patients and 300 loved ones; enriched life for 700 children with adult attention and support; and much more in FY 05.

To accomplish this, agencies leverage the grant dollars with other funds, project income and in-kind donations. In FY 05, the return on investment for state dollars was 19 to 1: for every state dollar, 19 were leveraged.

Projects funded with these dollars also save the state money, through prevention and cost-effective programs. Two examples:

- If Hospice care reduces hospital use by only 10 days, the savings exceed \$2 million.
- With an in-kind budget of 31%, North Star Youth Court provides juvenile services at a fraction of the cost.

The amount of the increment would, when distributed among the eligible communities and matched with the required 30% local contribution, allow us to meet essential human service needs documented in the FY06 allocation process.

As you know, our Mayor and Assembly support the increment, and I urge your support as well. Again, thank you.

**Fairbanks North
Star Borough
Health & Social
Services
Commission**



**Grant Funds Were Distributed to
Seven Non-profit Agencies**

**FY
2005**

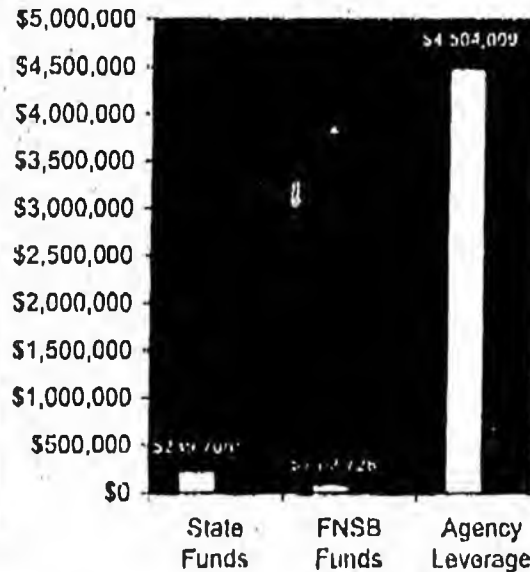
- Alaska Legal Services Corporation
- Big Brothers / Big Sisters
- Fairbanks Community Food Bank
- Hospice of the Tanana Valley
- Interior Community Health Center
- North Star Council on Aging
- North Star Youth Court

Revised

The agencies used state funds to leverage 19 times that amount in the value of services to the community

19
→

FUNDING LEVERAGE



Highlights of Services Provided

- Distributed 841,523 pounds of food to 32,403 hungry people using 20,653 volunteer hours
- 163 homebound seniors received 59,006 hot meals delivered to their home
- 314 people were provided bereavement services after the death of a loved one and 110 terminally ill patients were provided with patient care services
- 306 Individuals received legal advice and referrals for housing, family law, health, and income maintenance problems
- 703 children spent time with their Big Brother / Big Sister, enriching their lives with adult attention and support; over 77% showed improvement in school performance; 69% showed improvement in his/her attitude about school; 78% reported improvement with relationships with adults
- 65 youth were referred to youth court, diverting work from the formal juvenile justice system; youth defendants contributed 909 hours of community service
- 1,537 people were provided with primary healthcare

* Revised - Funding includes the HSCMS and supplemental funds from the DHS



Fairbanks North Star Borough

Financial Services
Health & Social Services Commission

520 Fifth Ave. PO Box 71267 Fairbanks, Alaska 99707-1267 (907) 459-1474 FAX (907) 459-1280

MEMORANDUM

To: Interior Delegation
From: Cheryl Keepers, for the H&SS Commission
Date: March 13, 2006 *ckr*
Subject: Savings to State

Applicants for FY2007 Human Services Community Matching Grant funds were asked to describe how their project leverages funds in terms of savings to the State. The following are excerpts from proposals recently received:

*In 2005, the Interior Community Health Center saved the Medicaid program \$1,892,110.

*With an in-kind budget of 31%, North Star Youth Court provides juvenile services for Fairbanks and the State at a fraction of the cost.

*Based on the number of at-risk youth serviced by Big Brothers Big Sisters and the juvenile arrest rate in the Fairbanks area, 17 more youngsters would have been arrested if they had not received services. The cost to the State to incarcerate one minor is \$98,257 per year.

*The cost per patient in the Hospice program is about \$23 per day. Many Hospice patients are on the Medicaid program. If Hospice care reduced the use of:

- assisted living by 30 days, the savings would be about \$700,000;
- skilled medical care by 20 days, the savings would be about \$1M;
- hospital care by 10 days, the savings would be over \$2M.

*North Star Council on Aging Meals on Wheels: by preventing the use of more intensive services for 5% of clients served (10), MOW generates savings of over \$1.2M.

Other applicants describe savings that are not as easily quantified. Savings come primarily through preventative services that avoid higher state costs at a later time, or by providing services that would cost more if provided by the State.

Thank you for your continued support.

cc: Mayor Whitaker
Health & Social Services Commission

**The North Star Council on Aging, Senior Center
Meals on Wheels Senior Nutrition Project
FY 2007 Human Services Community Matching Grant Program**

Part H- Leveraging State Savings

It is difficult to quantify the total savings generated by this project. The State of Alaska receives federal funding to coordinate and fund this project statewide. The Senior Nutrition Program utilizes a proactive prevention approach to defer the cost of other more costly care services such as Medicaid Choice Waiver In-Home Care Services, Assisted Living Care, and Hospitalization. Authorization to receive Choice Waiver services takes a period of two-six months, making this an unfeasible alternative for many consumers who are temporarily incapacitated. Utilizing the figures listed in Chart F-1 (Page F-1), and conservatively estimating that 10 program recipients (5%) do not need more intensive forms of care, it is reasonable to estimate that the program generates over 1.2 million dollars in savings to the State of Alaska.

HOSPICE OF THE TANANA VALLEY
 706 THIRD AVENUE
 FAIRBANKS, AK 99701
 474-0311

II. Leveraging State Savings.

Without the availability of the services and support of Hospice staff and volunteers, many patients with terminal illnesses and their families would be required to use the facilities of assisted living homes, the Denali Center or the Fairbanks Memorial Hospital, especially in the days or weeks immediately preceding the patient's death. In other cases, when a need exists but the patient's condition is not yet critical enough, insurer limitations or lack of coverage can result in the patient and family going without any assistance if Hospice volunteer services were not available.

In 2005, 99 patients were served by Hospice with an average length of stay in the program of 93 days for a total of 9,207 patient days. Using 2005 Hospice expenses of \$213,700, the cost per patient per day was about \$23. The average daily cost for room and care at an assisted living home is about \$257, at Denali Center about \$460, and at Fairbanks Memorial Hospital about \$2,400.

If Hospice care helped reduced the number of days the average Hospice patient spent in assisted living by 30 days, the cost savings would be about \$700,000. If Hospice care helped reduced by the number of days the average patient spent in skilled medical care at Denali Center by 20 days, the cost savings would be about \$1 million. If Hospice care helped reduced by the number of days the average patient spent in Fairbanks Memorial Hospital by 10 days, the cost savings would be about \$2.4 million.

Hospice bereavement clients indicated they would not have received any bereavement support had Hospice services been unavailable. Research supports the rationale that stress and trauma from unresolved grief results in illness, lost work, substance abuse, relationship, and parent-child difficulties (dysfunction). Offering bereavement support lessens the demands for other Human Services, thereby resulting in long-term cost savings to the family, community and to the state.

The requested grant of \$50,000 supports less than 30% of Hospice's personnel costs including benefits and payroll expenses. If the State of Alaska were to directly provide the same services as were delivered by Hospice in 2006, the cost just for the equivalent personnel (not considering other operational costs) is estimated as follows:

Executive Director	\$75,962
<i>AK Social Worker Level IV, \$36.52/hr Full-time</i>	
Patient Care Coordinator	\$53,305
<i>AK Social Worker Level III, \$34.17/hr 1/2 Time</i>	
Volunteer Coordinator	\$46,644
<i>AK Social Worker Level II, \$29.90/hr 1/2 Time</i>	
Bereavement Coordinator	\$62,189
<i>AK Social Worker Level III, \$34.17/hr 1/2 Time</i>	
Office Manager	\$40,466
<i>AK Admin Support Specialist, \$25.94/hr 1/2 Time</i>	

Patient Care/Bereavement Volunteers	
<i>Certified Nurses Aide II, \$19.77/hr (2,192 hrs in 2005)</i>	\$43,336
Office Volunteers	
<i>AK Admin Assistant, \$22.52/hr (1560 hrs in 2005)</i>	\$35,131
Professional Service Volunteers	
<i>Doctors, nurses, accounts, counselors, board & committee, \$60/hr (4,868 hrs in 2005)</i>	\$292,080
Total Direct Cost for State Personnel	\$649,113
Less Grant Request to Hospice	<u>(\$50,000)</u>
Total Savings to the State of Alaska	<u>\$599,113</u>

North Star Youth Court

800 Cushman St. Suite 101 • PO BOX 82147 • Fairbanks, AK • (907) 457-6792

II. LEVERAGING STATE SAVINGS

North Star Youth Court is preventing the need for State services, empowering youth and the community to provide more effective services, and ultimately reducing the number of youth and adults that burden the Alaska Department of Corrections. NSYC accepts from 10-25% of the Fairbanks' jurisdiction misdemeanor referrals, and now reports a greater number of cases with the Minor Consuming Alcohol referrals from the District Court. Each case is saving the State the need to assign a Juvenile Probation Officer at the minimum. This is not to mention the reduction of repeat offenders that results in future savings of perhaps the Attorney General's Office and the Superior Court for adjudication of a more serious offense. A reduction of repeat youth MCA offenders could ultimately cut costs to the State in the areas of alcohol related vehicle fatalities, arrests, and substance addiction. With a budget comprise of 31% In-kind, NSYC provides juvenile and youth services for the Fairbanks community and the State of Alaska at a fraction of the amount that it would cost either.



BIG BROTHERS BIG SISTERS
Greater Fairbanks Area

*Where Little Moments make
Big Magic in Children's Lives*

H. Leveraging State Savings

How has this project leveraged funds in terms of savings to the State?

By matching at-risk kids with positive adult role-models, Big Brothers Big Sisters prevents such behaviors as delinquency, drug and alcohol abuse, teenage pregnancy, and failure at school. The costs of the alternatives to prevention are staggering. Institutional drug rehabilitation costs over \$500 a day. Incarceration of a minor costs \$98,257 per year. The cost of one full time caseworker, providing services to over 50 matched and 30 unmatched at-risk children for a full year is less than 1/2 the cost of incarcerating a single juvenile. BBBS served nearly 600 at-risk youth in matches in 2005. Based on the number of school-aged children in the Borough and the total number of youth arrests, we estimate the juvenile arrest rate to be about 3%. If we apply that arrest rate to the nearly 600 kids served by Big Brothers Big Sisters, we can conservatively estimate that 17 youngsters would have been arrested if they hadn't received our services. If even only two had gone on to be incarcerated, the cost to the State would have been **\$196,514**. This is a very conservative estimate, as the population we serve has higher risk factors than the general population from which we are calculating the arrest rate. Based on the percentage of our 2005 Community Matching Block Grant that represents State dollars, that's a 461% return on investment.

In 2005 over 60,000 hours of companionship, mentoring and friendship were provided by our volunteer Big Brothers and Big Sisters to the children with whom they were matched. When compared to the cost of professional counseling services (much of which could potentially be medicaid billable) at a rate of anywhere from \$60 to \$200 per hour, this represents a savings of between **\$3,600,000 to \$12,000,000**.

The Health and Human Services Community Matching Block Grant provides critical funding that allows the agency to sustain and grow our core programs. The success of these programs has allowed us to bring in additional grant monies for program expansion totaling well over **\$780,000**. A conservative estimate of the value of in-kind contributions and volunteer time is over **\$1 million**.

Interior AIDS Association PROJECT SPECIAL DELIVERY

II. Leveraging State Savings

The state did not contribute funds to PSD in FY 2005, therefore savings to the state are truly a bonus. If the Community Matching Grant is funded, the state's small investment of match to the Borough funds will yield even greater savings, by improving health care monitoring – which will undoubtedly save state dollars by decreasing Medicaid expenses for pregnant or seriously ill consumers.

Cost of Treatment:

PSD's Annual Cost in FY 2005 Per Client Year was \$7,773. Consumers with low-income and no insurance pay ¼ of this cost. Medicaid and insurance typically reimburse for about half the actual cost of treatment. In FY 2005, consumers paid 46% of the treatment costs in cash or through their benefits. This reduced the unreimbursed cost to \$4,353 per year for each consumer – the amount which is supported by grants from the government.

Cost of NOT having treatment available

- Cost of incarceration for one year: \$41,245 (Fairbanks Correctional Center, 12/04).
- Police Department time and expense to pursue and arrest addicts for drug dealing, drug possession, burglary, shoplifting, etc.: not tracked.
- Emergency Room admissions – 41% of PSD consumers reported accessing emergency services 1-6 times in the 6 months prior to starting treatment. After treatment intake, 38% had accessed the ER in the prior six months, and those who did went less often – not drug-related.
- \$2.5 million in illegal drug sales in Fairbanks. A consumer survey (see page 77) indicates that the average amount spent for drugs prior to treatment was \$280 per day. In order to support this expense, many also sold drugs-increasing crime and the potential for violence.
- 70% of consumers have minor children, who had to cope with the drug use and drug seeking behavior of their parent(s) prior to treatment.

Methadone maintenance treatment reduces the frequency of injecting and needle sharing behaviors. Methadone treatment is an important point of contact with service providers and offers opportunities to teach drug users harm reduction techniques such as how to prevent HIV/AIDS, hepatitis, and other health problems that endanger drug users and their communities. PSD participants have gone back to work, gone back to school, resumed taking care of their children, saved their marriages, and much more. When asked at intake, why they want to enter treatment, the most common response is, "I want my life back." Many are well on their way to achieving this goal.

Methadone treatment reduces criminal behavior.⁵ Drug-related arrests decline because methadone treatment participants reduce or stop buying and using illegal drugs. Arrests for predatory crimes decrease because participants no longer need to finance costly heroin habits.

Treatment allows many to stabilize their lives and obtain legitimate employment

⁵ Hubbard, R.L., Rachal, J.V., Cusidock, S.G. *Treatment Outcome Prospective Study*. NIDA Research Monograph 51, 1984; and Ball, J.C., Ross, A. *The Effectiveness of Methadone Treatment*. Springer-Verlag, 1991



Interior Community Health Center

Quality health care accessible to all.

1606 23rd Avenue
Fairbanks, AK 99701

II. Leveraging State Savings

ICHC leverages funds from this grant in terms of savings to the state in that the 1,838 individuals served by this grant make a cost/patient of approximately \$122 per person. This means that for an input of \$50,000 the state receives over \$224,225 worth of services.

The February 3, 2006 APCA *Update* reported that in, "1994 Stanford University found that 10% of all emergency room visits are for non-urgent conditions that could be treated in a primary care setting." They reported that researchers estimated that each unnecessary ER visit was equal to a potential \$650 in savings. FMH ER provided approximately 27,000 visits in 2005, which according to the Stanford University research means that 2,700 of those visits were unnecessary ER visits. At an estimated cost of \$650 per visit, \$1.755 million could be saved if those individuals sought services at a primary care facility. The savings are even more notable when Alaska's high cost of health care is considered.

The APCA *Update* also reported that the Kaiser Commission on Medicaid and the Uninsured reported that the Alaska Medicaid program's "average total Medicaid spending for each Medicaid patient was \$5,568." The *Update* also reported that, "health centers save the Medicaid program more than 30% in annual spending per beneficiary due to reduced specialty care referrals and fewer hospital admissions." According to ICHC's calendar year 2005 UDS data, ICHC served 1,133 Medicaid patients. The average total Medicaid spending per Medicaid patient of \$5,568 multiplied by 30% in savings equals \$1,670 in annual saving per health center Medicaid patient. \$1,670 multiplied by ICHC's 1,133 Medicaid patients equals \$1,892,110 in total annual Medicaid Savings.

All calculations and considerations show that a \$50,000 grant can be leveraged to millions of dollars of services for Alaska's residents.



Fairbanks Counseling and Adoption

912 Barnette Street
P.O. Box 71544
Fairbanks, Alaska 99707
(907) 456-4729 - Telephone
(907) 456-4623 - Fax

E-mail: lca@fcaalaska.org
Website: <http://www.fcaalaska.org>

Leveraging State Savings: This project is cost effective for the Fairbanks North Star Borough and the state. The overall goal of this project is to work in partnership with Ft. Wainwright Mental Health Services to promptly address issues of child abuse and neglect, family violence, alcohol and substance use and mental health and emotional issues as they develop and provide prevention and services. The purpose is to address these issues swiftly so that more serious problems will not develop. The ultimate goal is to provide services that will promote individual health and overall family functioning, well-being and stability.

The benefits to the community and state for providing these services are: decreased child abuse and family violence situations; decreased law enforcement involvement; a decrease in the involvement of the Office of Children's Services; decreased unemployment and lack of productivity resulting from family violence, alcohol and substance use and combat stress related issues. The cost to the borough per military family is \$53, with the overall project cost being \$90. This is less than the standard cost for one hour of professional counseling, which is \$125. Further, this project encourages military soldiers and families to use community mental health service providers and the costs associated with this should be mostly covered by Tricare or similar coverage.

**RESOURCE CENTER FOR PARENTS AND CHILDREN**

1401 Kollum Street
Fairbanks, Alaska 99701
907-456-2866
Fax 907-451-8125

LEVERAGING STATE SAVINGS

This project reduces secondary disabilities in children affected by prenatal alcohol exposure. Due to the supports and services provided by the Care Continuum, fewer of these children will end up in the juvenile justice system. More of them will graduate from school and will move into employment as adults. Additionally, there will be fewer days of productivity lost due to parents leaving work to deal with behavioral issues. All of these impacts result in a cost savings to the state of Alaska.

September 30, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main Street, Room 404
P.O. Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson,

We are writing to request an increase in the state budget for the Human Services Community Matching Grant (HSCMG). This program provides direct funds to the Municipality of Anchorage, and the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services, i.e., those services whose unavailability would subject persons needing the services to serious mental or physical hardship. State funding for this program has declined 43% since 2001. The needs have not.

Based on the needs we are currently experiencing, we request state funding for the HSCMG be increased to \$3M. This amount would be allocated by population among the three communities, who, in turn, provide a 30% match with local dollars. Funds are then allocated to non-profit organizations who provide the services.

These grants save the state considerable money by providing services in a very cost effective manner.

- Using non-profits to deliver services adds more value to the grant. Non-profits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be tremendous: In FY04, for every \$1 of state funds, a return of \$17 was generated by the non-profits in Fairbanks.
- Using non-profits simply costs less than providing services through the state.
- The HSCMG funds activities that save state dollars in the long run. Again using an example from Fairbanks, one day of Hospice care cost about \$21 in FY04. The average cost for room & care at an assisted living home was about \$140, at the Denali Center about \$350 and at Fairbanks Memorial Hospital over \$2,000. In 2004, over 100 people received Hospice assistance, for an average of 95 days. Without Hospice, many of these people would have had to turn to the State to pay for care at a much higher cost.

Similar savings and results are replicated in Anchorage and Mat-Su, providing vital services in the most cost-effective manner.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease.

The current amount of \$1.2 M does not meet our communities' needs. We respectfully request the grant be increased to \$3M. This statewide amount would allow each of us to meet the needs as presented to us in the most recent year.

▪ Fairbanks:

- Access to food is a basic need. The Fairbanks Community Food Bank has served a relentlessly increasing percentage of the population in recent years. While HSCMG funding has decreased 43% since 2001, the number of individuals in the FNSB seeking food assistance has risen from 32% of the population to 38% of the population. Over 32,600 individuals requested and received food assistance at least once in 2004. This is a 14% increase since 1995.
- Requests for funding for FY06 jumped by 61% from the prior year. Vital programs providing hot meals for homebound seniors, meals for homeless people, hospice services to the terminally ill and their families, dental care for the poor and more were not funded.

▪ Anchorage:

- The level of food insecurity, derived from national statistical data, has increased to 11.5% of our total population. Using Bean's Cafe as a representative example, Bean's has seen a 16% increase in individuals needing food from FY04 to FY05. The current trend in "meals served" counts indicate that last year's increase of 16% will be exceeded again this year. Bean's is in imminent danger of reaching capacity.
- Another increasing and alarming unmet need in Anchorage, and across the state, is oral health care. Anchorage Neighborhood Health Clinic (ANHC) uses its HSMG funds to provide dental care. According to ANHC, rural health clinics spend more money to fly people into Anchorage for oral health care than for any other medical necessity. In 2003 ANHC saw 4,398 oral health patients for a total of 7,413 patient visits. Despite those numbers the clinic was forced to turn away many needy patients. The clinic's capacity is severely limited by the number of dentists that they can hire. In 2004 with the loss of another staff

dentist, ANHC was only able to see 3,550 patients for a total of 6,571 visits – a 20% reduction in capacity. The director of the clinic noted that demand exceeds their capacity to provide care by over 300%. People are increasingly forced to turn to the state for dental care at a higher cost. Additionally, medical evidence clearly indicates that poor oral health care directly results in highly expensive medical conditions such as heart disease. Providing health care to severely or chronically ill patients also increases the state's financial burden.

- **Mat Su:**

- The Matanuska-Susitna Borough continues to be the fastest growing region in Alaska and the demand for services is also increasing rapidly. As documented in the 2005 Matanuska-Susitna Community Assessment, the lack of affordable health care was a major issue in every community throughout the Borough. Top concerns also included alcohol and methamphetamine abuse, inadequate public transportation, unemployment or underemployment, family violence, and the lack of availability of services in all areas of the Borough.
- In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the funding cap, Mat-Su was not able to fully fund many critically needed programs because the need for services greatly exceeded available funds

The local communities are good stewards of these state funds. Our communities make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities. For example:

- **Fairbanks:**

- The Health & Social Services Commission has developed a rigorous RFP process that requires applicants to: document the need, define expected project outcomes, describe methodology, provide a detailed budget, prove organizational capacity, and include a project evaluation component. Proposals must receive a certain score to be eligible. We frequently hear from grant applicants that this process is the most demanding of the all the grants they receive.
- Grant requests for the current year totaled \$787,435. All of these requests met the criteria for funding, as outlined above. Only the highest scoring proposals were funded. Over time, many non-profits have been discouraged from applying due to the work involved and the declining funding. Thus, we could easily allocate a greater amount.

Anchorage:

- Anchorage also uses a rigorous RFP process. In FY 03, 32 agencies met the rigorous funding criteria. Grant requests totaled \$2,839,279. Available HSMG funding allowed the MOA to fund only \$1,544,523 of those requests.
- In FY 04, because of further reductions in the HSMG grant from the state, the MOA eliminated 50% (16) of those agencies previously eligible for funding. Vital services were not funded. Agencies have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available.

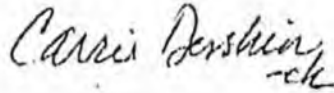
Mat Su:

- The Matanuska-Susitna Borough's rigorous RFP process is similar to that of Anchorage and Fairbanks. A volunteer Human Services Citizens Advisory Committee independently scores the applications based on project need, goals, methodology, budget/cost effectiveness, management/organization, program evaluation, and value to the community. The committee also considers the Mat-Su Community Assessment in scoring the applications. The committee then tackles the difficult task of making recommendations to the assembly in accordance with the scores and available funding.
- FY05 was the first year that the Matanuska-Susitna Borough was eligible to receive HSMG funding. In FY05, nine applications were received from eligible agencies totaling \$316,685 in funding requests, with a deficit in available funds of \$161,885. Only the top scoring proposals were fully funded out of a diverse array of programs providing critically needed services for residents with disabilities, victims of domestic violence, seniors, residents with mental health challenges, and homeless youth.
- The number of applications received for Mat-Su HSMG funding increased by nearly 50% in FY06. Thirteen eligible agencies requested funding totaling \$354,766. This represents a 12% increase in eligible funding requests from the previous year and a funding deficit of \$219,766.

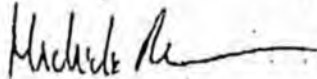
Regarding the 30% local match, we have attached letters of support from our respective administrations.

Thank you for your consideration. Should you have any questions, please do not hesitate to contact any or all of us. We look forward to an opportunity to discuss this with you in the near future.

Sincerely,



Carrie Dershin
Health & Social Services Commission
Fairbanks North Star Borough



Michele Brown
United Way Anchorage
(contractor to the Municipality of Anchorage)



Murph O'Brien, Planning and Land Use Director
Matanuska-Susitna Borough

cc: Janet Clark, Assistant Commissioner for Finance & Management, Dept.
of Health & Social Services

Attachments

Letters of support from:

Jim Whitaker, Mayor, Fairbanks North Star Borough
Mark Begich, Mayor, Municipality of Anchorage
John Duffy, Manager, Matanuska-Susitna Borough



Fairbanks North Star Borough

Office of the Mayor

809 Pioneer Road

P.O. Box 71267

Fairbanks, Alaska 99707-1267

907/459-1300

Fax 907/459-1102

Email mayor@co.fairbanks.ak.us

September 26, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
350 Main St. Room 404
PO Box 110601
Juneau, AK 99811-0601

Dear Commissioner Jackson:

I am writing to support the request to increase state funding for the Human Services Community Matching Grant. During my tenure as Mayor, I have seen this grant program serve a vital purpose in our community.

The allocation process we have developed is fair and rigorous. The recipients make excellent use of state and borough dollars and provide much needed services. They are able to leverage these grant dollars with other funds and in-kind donations and thus provide a value that greatly exceeds the cash value.

The Fairbanks North Star Borough has limited health and social services powers. Providing the required match to this grant program is one of the few steps available to us to address our pressing health and social services needs.

It is appropriate that the borough budget include an increased level of funding for fiscal year 2007 to match an increased state amount; very few efforts return a greater benefit to the taxpayers.

Do not hesitate to contact me if you have any questions, or you may direct questions to Cheryl Keepers, who provides staff support to our Health & Social Services Commission, at 459-1474.

Sincerely,

Jim Whitaker, Mayor



Municipality of Anchorage

PO Box 196550 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4432 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

September 29, 2005

Commissioner Karleen Jackson
Department of Health & Social Services
P.O. Box 110601
Juneau, AK 99811-0601

Re: Human Services Matching Grant

Dear Commissioner Jackson:

Congratulations on your new position as commissioner. You are certainly well versed in the social service and health arena. That is why I know that you will understand why I am writing to request an increase in the state budget for the Human Services Matching Grant (HSMG). As you know, this program provides direct funds to the Municipality of Anchorage, the Matanuska-Susitna and Fairbanks North Star Boroughs for essential human services. State funding for this program has declined 43 percent since 2001 although the needs have not

The current year budget amount is \$1,235,300, allocated by population among the three communities. In turn, each community matches their amount with 30 percent local cash, bringing the cash total to \$1,764,714. Funds are then allocated to non-profit organizations that provide the services.

Because grant funds are to nonprofit agencies that use volunteer labor and donated items, the HSMG funds provide many times their monetary value in services to needy Alaskans. These grants save the state considerable money by providing services in a more cost effective manner. Using nonprofits to deliver services adds more value to the grant. Nonprofits use grant dollars to leverage other funds and in-kind donations. The "return on investment" can be incredible.

The needs continue to substantially increase, while dollars available to fund these vital health and human services continue to dramatically decrease. The amount of \$1.2 million does not meet Anchorage's human services needs. We respectfully request the grant be increased to \$3 million. This statewide amount that would allow each of us to meet the needs as presented to us in the most recent year.

Community, Security, Prosperity

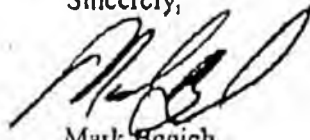
Commissioner Karleen Jackson
September 29, 2005
Page -2 -

Last year, with the support of your office, the United Way of Anchorage began administering the HSMG in Anchorage. This is another example of the nonprofits stretching the grant monies even further. Unfortunately, each year we have been forced to eliminate or drastically reduce programming as a result of the continuing decrease in amount of HSMG funds available. The local communities are good stewards of these state funds. Our community partners make every effort to ensure that these monies are used in cost-effective manners to target the greatest needs in our communities.

My administration continues to be supportive of the HSMG and will continue to with the 30 percent match necessary to obtain this grant. An increase in the amount allocated to the three communities will provide essential funds that are the safety net of the poor and vulnerable in Alaska.

As you are beginning the budget process for Fiscal Year 2007, I am grateful for your effort in securing the continuance of the HSMG and would appreciate your support in this requested increase for the three communities. Please do not hesitate to contact me or my staff assistant, Diane DiSanto at 343-7105, with any questions. I look forward to working with you in your new capacity as commissioner.

Sincerely,



Mark Begich
Mayor

**MATANUSKA-SUSITNA BOROUGH****Borough Manager's Office**

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 745-9689 • Fax (907) 745-9669

September 29, 2005

Commissioner Karleen Jackson
Department of Health and Social Services
P.O. Box 110601
Juneau, Alaska 99811-0601

Dear Commissioner Jackson:

Please accept my congratulations on your new position as commissioner. I believe that your expertise in the health and social services field will be of great value to the citizens of Alaska.

On behalf of the Matanuska-Susitna Borough, I strongly support the request by the Municipality of Anchorage, the Fairbanks North Star Borough, and the Matanuska-Susitna Borough to increase funding for the Human Services Community Matching Grant Program.

During the brief time that the Matanuska-Susitna Borough has participated in the program, we have seen a 50 percent increase in the number of applications received and a 12 percent increase in requested funds. In FY06, the Human Services Citizens Advisory Committee recommended a cap of \$35,000 per program in an attempt to more equitably distribute funding. Even with the cap, we were not able to fully fund many critically needed programs because the need for services greatly exceeded available funds.

Rapid population growth is expected to continue in the Matanuska-Susitna Borough and the need and demand for services are great, as documented by the 2005 Mat-Su Community Assessment. Therefore, we are requesting an increase in HSMG funds and are committed to providing additional local matching funds so that these and other critically needed programs can be fully funded.

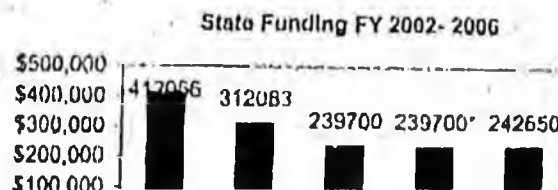
We respectfully request your consideration of the proposed funding increase from \$1.2 million to \$3 million and look forward to working with you for the continued benefit of our citizens. If you have questions or would like additional information, please do not hesitate to contact me at (907) 745-9869.

Sincerely,

John Duffy,
Borough Manager

State Funding Decreased 41% Since FY 2002.

The community lost the potential to generate \$459,466, \$769,652, \$1,287,480, \$1,887,899 and \$2,166,736 of other funds, project income and in-kind contributions in FY02-03-04-05-06



ALASKA STATE LEGISLATURE

50 Front St. Suite #203
Ketchikan, Alaska 99901



Phone: 225-9675
Fax: 225-8546

LEGISLATIVE INFORMATION OFFICE

WRITTEN TESTIMONY

To: Senate
Finance
907-465-2187

NAME: Beth Antonsen
ADDRESS: 102 Edgediff Way
Ketchikan, AK.
PHONE: 907-242-458
EMAIL: bethantonsen@kpnnet.net

BILL# or SUBJECT: HB 365
COMMITTEE: OPERATING BUDGETS/LOANS

~~THE~~ OUR FERRY SYSTEM IS IMPORTANT
AND NEEDS FULL FUNDING. INSTEAD OF
SQUANDERING FUNDS ON A NEEDLESS BRIDGE
IN KETCHIKAN WE SHOULD EXPAND THE USE
OF THE FERRY LITUYA AND BUILD TERMINALS
ON GRAVINA AND PENNOCK WITH ACCESS ROADS.

PLEASE FULLY FUND THE STATE FERRY
SYSTEM AND THINK ABOUT OPTIONS TO
THE BRIDGE. PAT TIRSCHEL AND JOHN
STEWART PUT FORTH AN ALTERNATE PLAN.
THAT WOULD COST 45 MILLION THAT INCLUDES
FERRYS, BOAT HARBORS AND ROADS. THERE ARE
PEOPLE THAT SUPPORT THIS OPTION.



CITY OF ELM
ELM CITY COUNCIL
P.O. BOX 39009
ELM, ALASKA 99739
PH: (907)890-3441
FAX: (907)890-3811

April 6, 2006

To: *Senate Finance Committee* FAX: (907) 443-3596
3 pages

From: Luther

RE: HB365

Please use this for comments and send to Senator Olsen with my facts and comments.

Thank you



STATE OF ALASKA
NOME CITY COUNCIL
P.O. BOX 39000
NOME, ALASKA 99739
TEL: (907)898-3441
FAX: (907)898-2811

April 6, 2006

Honorable Senator Donald Olsen
Alaska State Senate
Juneau, Alaska

RE: HB365 - Finance Committee

Dear Senator Olsen:

Our Municipal Offices are concerned on cuts to the only programs that assist our Rural Offices. Funding that is continuing downward from Revenue Sharing, State matching Funds for Federal Funds and Rural Development Matching Grants.

Our State has at least 33 Billion dollars in the Permanent Fund Program and Windfalls Hitting our Firms with no aid to our Rural Villages.

Municipal Governments represent everyone in the village and provide public services.

Many of our services are mandated by the State and Federal Government Agencies.

Many of our Rural Villages do not have the Economic Base to support our Municipal Offices.

At least 91% of Alaska's Wealth is pumped out of Rural Alaska.

When it comes to matching grants - we have no matching funds and many of our villages do not have the experience or training to understand how to complete a grant.

The problem is we lack training and the only programs that provide training comes under the RUBA Program. We lost a program when DCRA was tied in with another program, which took away funding from our Rural Municipal Training Programs.

Bookkeeping is important to operate our Municipal Offices and the State and Federal Government came up with a meeting recently regarding just that. How can the State Government and Legislatures penalize our Municipal Offices for not keeping up with the Books when funding keeps getting cut.

The City Clerks have an organization that does training of City Clerk and there now private instructors in the market who are past Alaskan City Clerks. It takes money for instructors and transportation to provide the education for Office Clerks, Bookkeepers

page 2.

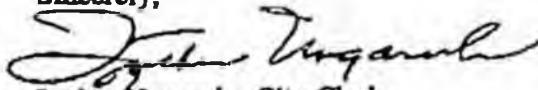
and City Clerks. It also takes money to attend programs provided by the Alaska Municipal League and the Clerks Programs.

Rural Municipal Governments have suffered more in the last two to three years than ever before. Alaska claims to be the richest State in the Union is creating a third world country of its own. Many of our Urban Legislatures have not been to Rural Alaska and do not want to spend time there due to lack bathroom facilities.

We are a unique State with different local nationalities that have existed for thousands of years.

My comments may offend some of our Legislatures, "This problem is our problem and as Legislatures it is also your Problem". Let us solve this problem together.

Sincerely,



Luther Nagarak, City Clerk

Cc: Elim City Council

City of Hooper Bay

P.O. Box 29

Hooper Bay, AK 99604

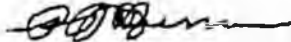
Phone (907) 758-4311

Fax (907) 758-4761

Email cityhpb@yahoo.com

RUBA PROGRAM is a most effective program that helps Rural Alaska. Many of the rural municipalities would have gone under, if RUBA had not assisted them. Also multi-million dollar water and sewer systems depend upon RUBA to assist them from going bankrupt. These water and sewer systems are investments of the State and Federal governments. To cut out RUBA program is akin to cut out the mainstream life-line of rural Alaska. Cutting out revenue sharing and cutting out old-age assistance were enough. The RUBA Program should remain.

Sincerely,



RJMurrar/City Administrator

HB 365 Testimony

April 6, 2006

Hello, my name is Wanda Rasmussen. I am the Field Coordinator for the Operations Department at Alaska Village Electric Cooperative, Inc. We service 52 villages with electricity – primarily in Western and Northwestern Alaska.

Power Cost Equalization is very important to me for the consumers that we service, along with family that I have in some of the villages. I appreciate the consideration that you have given to restore a substantial amount of the funding for PCE.

I am concerned that the budget that is being presented will start in FY07, working off the cost of fuel used during 2005. Next year's PCE was determined by last year's fuel cost and its funding should not be tied to next year's oil prices. Fuel is a major part of our budget and the cost is picked up by our consumer's. If PCE starts the year at 75% of full funding, electric rates for the eligible kilowatthours will cost a full 5.3 cents more. That increase of 5.3 cents is half of the cost of an urban kwh. PCE needs to be restored to full funding at the beginning of the new fiscal year, not at the end.

The major businesses in urban Alaska depend on rural Alaskans spending their dollars in their businesses. PCE makes a huge impact for a modest annual cost. If rural Alaskans lose this money, they will no longer be able to afford their electricity or many other basic necessities. It will have a huge snowball affect on all of Alaska.

PLEASE make PCE a priority issue for restoration at the 100% level.

Thank you.

A handwritten signature in cursive script that reads "Wanda Rasmussen".

Kwig Power CompanyP.O. BOX 44
KWIGILLINGOK, AK 99622
(907) 285-0166

(907) 465-2187

Senate Finance Committee

On behalf of Kwig Power Companies Customers
I am requesting that PCE be funded at its
FULL Level. Oil prices from last year should
not be used to you making this decision.
Money that comes from legislature eventually
ends up in urban businesses making your
lives more comfortable.

Please seriously consider Funding PCE
at its FULL LEVEL.

Respectfully submitted

By: William Igkurak, Utility Manager



Fax Cover

To: Senate Finance Committee	From: Meera Kohler, President & CEO <i>TK</i>
Fax #: (907) 465-2187	Alaska Village Electric Cooperative, Inc.
Company: Alaska Legislature	Fax #: (907) 562-4086 E-mail: mkohler@avec.org
Date: April 7, 2006	Voice #: (907) 561-1818 or 565-5531 direct

Number of pages including this page: 2

Testimony re HB 365

I apologize for leaving the Legislative Information Office last night before the Committee was able to receive testimony from Anchorage.

I watched the Committee receive testimony from Mat-Su and Fairbanks and it was growing quite clear that it would be 8 pm before Anchorage's turn arrived and there were still six other communities to follow us! Out of consideration for my starving family and the senators' need for a reduction in the number of testifiers, I opted to submit my testimony via fax.

Thank you for the opportunity to testify. And thank you for the graciousness and good humor that was exhibited, particularly by Sen. Wilken, during the hour of testimony that I observed.



April 6, 2006

Senate Finance Committee

Re: HB 365 Testimony

My name is Meera Kohler. I am the President & CEO of Alaska Village Electric Cooperative, Inc. – an electric utility serving 52 villages – primarily in Western and Northwestern Alaska.

I very much appreciate the good work that your committee has done to substantially restore funding for Power Cost Equalization closer to the 100% level.

The budget that was presented yesterday starts FY07 at 75% of full funding for PCE and then adds another \$6.5 million in two installments during the year, predicated on the actual average cost of ANS crude oil during that period.

I wish to point out that the current PCE levels were established by the Regulatory Commission of Alaska based upon the actual delivered cost of fuel during 2005. Regardless of what happens to the cost of fuel this summer, the RCA will not recalculate those rates until late in 2006 or in early 2007. In other words, utilities collect fuel costs 12 to 18 months after those costs are incurred and not until the RCA approves revisions to the utilities' rates and sets the appropriate PCE rates. If the cost of North Slope crude (and the cost of fuel) falls this year, it will not be reflected in electric rates until next year – and then not until spring or summer.

If PCE starts the year at 75% of full funding, that translates to electric rates for the eligible kilowatthours costing a full 5.3 cents more! That is 50% of the cost of an urban kwh.

Please restore PCE to full funding at the beginning of the new fiscal year, not at the end.

Thank you.

Meera Kohler
President & CEO

**Testimony:
House Bill 365**

Chairman and Members of the committee: I am Sarah Welton President of the Mat Su Borough School Board. I appreciate the opportunity to speak with you. The Mat Su borough is growing, we are the fastest growing area of the state. It is projected that we will have 584 new students for the next school year. That equals a whole elementary school.

The school board is appreciative of the money that is being allocated for education. We do thank you for all of your considerations. There are concerns for more financial impacts upon this community as well as the other districts in the state.

Municipal revenue sharing is requested by the school district for our borough government. These additional funds would help in providing for many local needs for the fastest growing area in the state. Any additional funds would positively impact the ability for the borough to help meet its obligation for local funding of the schools.

As for the school district, it has put in measures to reduce consumption of energy and is seeing very positive results, at the same time the costs have risen dramatically. The district has out-sourced a portion of its work force starting next year to reduce costs of personnel and supplies. Other cost savings measures are being considered including reducing administrative staffing although the district's central administration is one of the leanest in the state, averaging over the last few years 4% of the total budget.

The Trs and Pers impact is staggering. The district's obligation has risen to \$4 million which is approximately the cost of 80 teachers with salaries and benefits. These 80 teachers could be teaching 25 students per classroom, each, which then translates into 2000 students. We expect 16,000+ students in our district next year. We know that smaller class sizes, especially, in the early grades is the key to better education. We know that our students in the high schools need to have more class selections, such as foreign languages, to broaden their educational knowledge base. We have a need to increase our vocational technical education programs as well as our advanced placement options and opportunities for our students to take college courses.

Materials and supplies have been cut to the bone, and, while we have talented people who can teach with little support, there comes a point when some books are needed as well as visual aids like maps and charts, supplies, and new technology.

Other impacts upon our district are the issues of special education intensive funding, which, if the district loses its appeal of the audit, translates into approximately 5.8 Million dollars. This is lost revenue for the district that had been counted upon in the preparation of our budget.

Thank you for attention today and I am looking forward to meeting with many of you in Juneau later this month.



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance
committee name

committee on HB 365 , dated APRIL 6, 2006
bill/subject

I would like to thank the Senate Finance Committee for restoring funds to public radio + tv. This service is so important to our remote community and provides services for all of the non profits, governmental bodies in airing public meetings, and in providing information on our basic economy - fisheries. I urge you to restore public television funds, but do thank you for your continued support for public broadcasting.

Signed: Pat Branson

Testifier

SELF

Representing (Optional)

PO BOX 38853 KODIAK

Address

Phone No.



Alaska State Legislature

Please enter into the record by testimony to the SFIN
COMMITTEE NAME
 committee on H.B. 365, dated 4-6-06
BILL / SUBJECT TODAY'S DATE

I am addressing the Department of Labor Independent Living line item. I appreciate the \$40,000 increment introduced by Senator Wilken, but am asking the Senate to match Rep. Charnault & Weyrauch's \$150,000 increment.

These funds are used to work w/ youth w/ disabilities in Ft. Belknap, Southeast & the Kenai. With \$150,000 increment that the House Finance passed, it would allow \$50,000 for Ft. Belknap, \$50,000 for SE and \$50,000 for the Kenai to work w/ youth w/ disabilities to be employed and for maintenance and start up of interpreter referral lines for persons who are deaf.

Signed: Jenavina Geisler
TESTIMONY
Independent Living Center
REPRESENTING
Box 1649 Homer, AK 99603
ADDRESS
907-235-5401
PHONE



Alaska State Legislature

Please enter into the record my testimony to the Senate Finance Committee
 committee name
 committee on _____, dated 4/6/06
 bill/subject

I want to thank the Finance Committee for restoring funding for Public Radio and 75% of the original funding for Public TV. However, I urge the committee to consider restoring full funding for Public TV as well as the \$125,000 increment recommended by the Governor.

Public TV provides a service that cannot be found anywhere else. The children's programming provides a safe haven, educational environment that is unique in television. It also provides educational for young adults ("workplace essential", "GED Connection") that is geared towards making young adults successful.

Lastly APRN, KSKA, KAKM have taken steps to reduce costs by merging & taking advantages of synergies. However, Public TV cannot survive under budget cuts.

Signed: [Signature]
 Testifier

Representing (Optional)
7500 Aleutian Ave, Anchorage, 99507
 Address
907-345-1782
 Phone No.

Please consider full funding for Public TV as well as the \$125,000 increment.

Good evening, my name is Chris Hall

I am here this evening to speak in favor of funding the University of Alaska at the level proposed by the governor.

My wife and I both graduated from UAA in 2005 and are now in the workforce. Our degrees are serving us well and I believe the state well. I have friends who graduated and now work in the fields of health care, engineering, business, and journalism. In my opinion, we represent a university and state goal, a workforce trained in Alaska working in Alaska.

I appreciate having a high quality educational institution in Alaska. But I am concerned; I am concerned for students coming after me, students who may be thinking of prom, sports, or the latest fashion instead of a college education. I am also concerned for our state, at the current level of funding the university will not be able to create or expand high demand programs.

- * The House budget increase will cover only the University's fixed cost increases and nothing else.

- * The current Senate Finance Subcommittee proposal will be a considerable cut to the operations of the university and will not address high demand workforce development needs throughout Alaska.

Please restore university funding to a level that provides for future students and the future of Alaska.

Thank you for your service to our state,

Committee members, thank you for the opportunity to express my concerns.

My name is Bruce Bartley. I am the chief of the Chugiak Volunteer Fire and Rescuc Company. I have been an EMT in Alaska for 23 years. And I have served on the board of directors of the Southern Region EMS Council for 17 years. For 15 of those 17 years, Southern region...and all the other regional offices in the state...have been flat funded. Even with the modest inflation during that time, flat funding amounts to a serious cut.

As such I've had to participate in many painful sessions where we have cut back regional operations and programs *literally* to the bone.

These regional offices provide training...certifying officers for state-certification exams...public education...and direct grants to EMS squads. The regional offices have worked with private...state...and federa' agencies to leverage the

purchase of more than 15 million dollars of badly needed EMS equipment over the past six years.

The House Finance Committee has included in its budget an increment of almost 456-thousand dollars to assist the regional offices in these vital tasks. I urge your committee to do the same.

As an unpaid director of the region with the largest population and most EMS squads in the state... I can tell you first-hand that this group wrings every penny out of every dollar ...to enable mostly volunteer EMS services to provide the best possible pre-hospital care to the citizens of Alaska.

I appreciate the dilemma you face with multiple demands for finite dollars. In some respects...it is harder when you have too much money than it is when you have too little.

But chief among the responsibilities of state government is the health and safety of its citizens. So I urge you to look at