



April 1, 2026

Senator Lyman Hoffman, Co-Chair
Senator Donny Olson, Co-Chair
Senator Bert Stedman, Co-Chair
Senate Finance Committee

Re: Senate Bill 196, Beh. Health Crisis Surcharge & Fund (version 34-LS0926\1)

Dear Co-Chairs Hoffman, Olson, Stedman, and members of the Senate Finance Committee,

The Alaska Chamber (the Chamber) writes to express concerns with Senate Bill 196, an Act establishing a behavioral health crisis services surcharge; establishing the behavioral health crisis services fund; and providing for an effective date.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

While we strongly support improving access to behavioral health and crisis services for all Alaskans, we have serious concerns with the funding mechanism proposed in this legislation. SB 196 places the cost of a broad behavioral health system on telecommunications subscribers through a flat per-line surcharge. This approach is inherently regressive, disproportionately impacting seniors on fixed incomes, low-income households, and rural Alaskans who already face higher costs of living.

Additionally, the bill expands the use of surcharge revenues beyond the core function of supporting 988 crisis communications, directing funds toward a wide range of behavioral health services. While these services are important, tying them to a telecommunications surcharge creates a disconnect between the funding source and the services provided. It also raises concerns about transparency, oversight, and equitable distribution of funds, particularly for rural communities that may contribute to the fund but see limited direct benefit.

SB 196 would also impose new administrative and compliance burdens on telecommunications providers, including billing system changes, reporting requirements, and potential audits. These requirements are especially challenging for small and rural providers, and the limited reimbursement included in the bill does not adequately cover the true cost of implementation.

Alaska's business community supports strong behavioral health systems, but SB 196 creates an inequitable and inefficient funding structure that places undue burden on consumers and employers. We respectfully urge the Legislature to oppose this bill and instead pursue sustainable, transparent, and broadly supported funding solutions.

Thank you for your consideration of the Chamber's comments on this bill.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



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