

HOUSE FINANCE COMMITTEE
May 02, 2002
4:21 PM

TAPE HFC 02 - 102, Side A

CALL TO ORDER

Co-Chair Williams called the House Finance Committee meeting to order at 4:21 PM.

MEMBERS PRESENT

Representative Eldon Mulder, Co-Chair
Representative Con Bunde, Vice-Chair
Representative John Davies
Representative Richard Foster
Representative John Harris
Representative Bill Hudson
Representative Ken Lancaster
Representative Carl Moses
Representative Jim Whitaker

MEMBERS ABSENT

None

ALSO PRESENT

Denny Dewitt, Staff, Representative Eldon Mulder; Wendy Redman, Vice President, Statewide Programs, University of Alaska.

PRESENT VIA TELECONFERENCE

There were no teleconference testifiers.

SUMMARY

HB 175 "An Act making an appropriation to the Alaska Industrial Development and Export Authority for power projects; and providing for an effective date."

CSHB 175 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

HB 524 "An Act relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and maintenance of schools and state facilities; and providing for an effective date."

CSHB 524 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a fiscal impact note by the Department of Revenue.

HB 525 "An Act relating to the issuance of general obligation bonds for the purpose of paying the cost of deferred maintenance of public facilities; and providing for an effective date."

CSHB 525 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a fiscal impact note by the Department of Revenue.

HB 528 "An Act relating to programs of state reimbursement for debt payments for certain capital projects; and providing for an effective date."

CSHB 528 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

CSSB 299(FIN)

"An Act relating to the establishment of an additional south-central panel to the Alaska Workers' Compensation Board and to appointments to that panel; and providing for an effective date."

CSSB 299(FIN) was postponed 5/06/02.

SB 345 "An Act relating to medical assistance for rehabilitative services for certain children with disabilities; relating to agreements to pay medical assistance for covered services paid for or furnished to eligible children with disabilities by a school district; and providing for an effective date."

SB 345 was postponed to 5/6/02.

#hb175

HOUSE BILL NO. 175

"An Act making an appropriation to the Alaska Industrial Development and Export Authority for power projects; and providing for an effective date."

Co-Chair Mulder noted that Amendment 1, 22-LS0705\X.9 was adopted on 4/30/02.

Representative Lancaster MOVED to report CSHB 175 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 175 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

#hb524

HOUSE BILL NO. 524

"An Act relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and maintenance of schools and state facilities; and providing for an effective date."

Co-Chair Mulder provided members with proposed committee substitute, work draft 22-LS1725\F, dated 5/2/02 (copy on file).

Co-Chair Williams MOVED to ADOPT work draft 22-LS1725\F, dated 5/2/02. There being NO OBJECTION, it was so ordered.

Co-Chair Mulder reviewed the committee substitute and noted that duplicative projects in the Fairbanks School District were deleted from the deferred maintenance component. A central kitchen/operations and maintenance facility in Fairbanks and a nutrition services facility in Mat-Su were added.

DENNY DEWITT, STAFF, REPRESENTATIVE ELDON MULDER explained that there were two technical changes corrected in the committee substitute. Bartlett High School was listed in at \$19 million dollars, which was an error and was changed to \$1.9 million dollars. Chugiak High School was corrected to show the state share of \$3,655,728 dollars (the local share had been listed).

Representative Hudson questioned if overall education GO bonds were expanded. Representative Mulder explained that the Fairbanks central kitchen project was a substitution for another project that was already authorized. The Mat-Su project would require additional bonding. He anticipated that the Mat-Su project would have been added in the other body.

Representative Foster MOVED to report CSHB 525 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 524 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a fiscal impact note by the Department of Revenue.

#hb525

HOUSE BILL NO. 525

"An Act relating to the issuance of general obligation bonds for the purpose of paying the cost of deferred maintenance of public facilities; and providing for an effective date."

Co-Chair Mulder provided members with proposed committee substitute, work draft 22-LS1735\F, dated 5/2/02 (copy on file). He noted that there are many deferred maintenance needs throughout the state that need to be addressed. The legislation attempts to address these needs. The total amount is \$199,317,717 dollars. There is: \$113 million dollars for schools, \$5.56 million dollars for the university, \$31,887,500 for docks and harbors, and \$48.5 million dollars for state facilities. He observed that duplicative funds, which will receive federal funding, were removed. This made room for deferred maintenance projects for schools in Yukon-Koyukuk, Dillingham City, and Hoonah City.

Co-Chair Williams MOVED to ADOPT work draft 22-LS1735\F, dated 5/2/02. There being NO OBJECTION, it was so ordered.

Representative Hudson MOVED to report CSHB 525 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 525 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with a fiscal impact note by the Department of Revenue.

#hb528

HOUSE BILL NO. 528

"An Act relating to programs of state reimbursement for debt payments for certain capital projects; and providing for an effective date."

Co-Chair Mulder provided members with proposed committee substitute, work draft 22-LS1742\P, dated 5/2/02 (copy on file).

Co-Chair Williams MOVED to ADOPT work draft 22-LS1742\P, dated 5/2/02. There being NO OBJECTION, it was so ordered.

Co-Chair Mulder explained that funding for the Juneau museum project was not included because preliminary planning (land purchase and design) cannot be bonded.

Representative Hudson noted that the Juneau Joint Readiness Center project had not been included in any legislation to date. The project would involve the Department of Military and Veterans Affairs and the University of Alaska, Southeast. He emphasized the importance of the project and noted that the Armory needs to be relocated. Some federal funds have been appropriated, but the project needs \$5.4 million dollars. This is the number one long-range construction priority of the Army National Guard and the University of Alaska, Southeast. Co-Chair Mulder expressed sympathy for the project, but emphasized the need to "hold the lid on the bond package".

Co-Chair Mulder explained that the Metlakatla light and power project was included in order to protect their solvency. If the project were to go into receivership they would not be eligible for other federal assistance. The appropriation would not cover the full cost of the project, but it would provide enough assistance to meet their obligation. The university indicated that the university center could be done through the reimbursement methodology, which reduced the need on the capital budget.

Representative Davies noted that the \$2 million dollar project for the Fairbanks campus needs to occur this summer and asked if it were possible to place the project in the regular capital budget in order to meet the construction schedule. Co-Chair Mulder indicated that he would not object, but emphasized his concern with moving items from the deferred maintenance bond legislation.

Representative Carl Moses MOVED to ADOPT AMEND: page 4, line 21: delete "Lake and Peninsula" and insert "Aleutians East". There being NO OBJECTION, it was so ordered.

Representative Hudson reiterated his desire to see funding for the Juneau Readiness Center.

WENDY REDMAN, VICE PRESIDENT, STATEWIDE PROGRAMS, UNIVERSITY OF ALASKA explained that the university's bonding capacity would be used to secure funding for the Juneau Readiness Center. The debt service would be paid by the state under the debt service account. She felt that the project would fit under the educational requirements for bonding or borrowing capacity. She expressed some concern that the University's bonding capacity is limited to projects that do not exceed a million dollars in debt service. She felt that an adjustment would be needed in statutory language to adjust the limit.

Representative Hudson MOVED to ADOPT \$5,470 million dollars for the Juneau Readiness Center. There being NO OBJECTION, it was so ordered.

Representative John Davies MOVED to report CSHB 528 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 528 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

#hb524

HOUSE BILL NO. 524

"An Act relating to the issuance of general obligation bonds for the purpose of paying the cost of design,

construction, and maintenance of schools and state facilities; and providing for an effective date."

Co-Chair Mulder explained that a technical amendment to the Department of Community and Economic Development appropriation was needed to add "under 37.05.315" after "grant" on line 27, page 3.

Co-Chair Mulder MOVED to RESCIND the Committee's action in passing CSHB 524 (FIN) from Committee for the purpose of an amendment. There being NO OBJECTION, it was so ordered.

Co-Chair Mulder MOVED to ADOPT "under 37.05.315" after "grant" on line 27, page 3. There being NO OBJECTION, it was so ordered.

Vice-Chair Bunde MOVED to report CSHB 524 (FIN) out of Committee with the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSHB 524 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

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ADJOURNMENT

The meeting was adjourned at 4:52 PM