

**MINUTES**  
**LIMITED CONFERENCE COMMITTEE SB 283**  
**April 14, 2004**  
**4:46 PM**

**TAPES**

CC-04 SB 283 # 1, Side A

**CALL TO ORDER**

Senator B. Stevens convened the meeting at approximately 4:46 PM.

**PRESENT**

Senator Ben Stevens, Chair  
Representative John Harris, Vice-Chair  
Senator Lyda Green  
Representative John Coghill  
Senator Kim Elton  
Representative Beth Kerttula

**Also Attending:** DEBORAH DAVIDSON, Staff to Senator Green

**Attending via Teleconference:** There were no teleconference participants.

**SUMMARY INFORMATION**

SB 283-APPROP: CAPITAL/SUPPLEMENTAL/REAPPROP/CBR

The Limited Conference Committee established those sections of the bill in which both the House of Representatives and the Senate could reach agreement.

CS FOR SENATE BILL NO. 283(FIN)

"An Act making an appropriation to reverse the deposit of money available for appropriation in the general fund at the end of fiscal year 2003 into the constitutional budget reserve fund; making an appropriation for investment management fees for the constitutional budget reserve fund; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

CS FOR SENATE BILL NO. 283(FIN) am H

"An Act making an appropriation to reverse the deposit of money available for appropriation in the general fund at the end of fiscal year 2003 into the constitutional budget reserve fund; making an appropriation for investment management fees for the constitutional budget reserve fund for fiscal year 2004; making an appropriation for investment management fees for the constitutional budget reserve fund for fiscal year 2005; making appropriations to the Department of Education and Early Development for K-12 educational programs; making appropriations to the University of Alaska and the Alaska Court System; making an appropriation to reverse the deposit of money available for appropriation in the general fund at the end of fiscal year 2004 into the constitutional budget reserve fund; making an appropriation of the amount necessary to balance revenue and general fund appropriations for fiscal years 2004 and 2005; making appropriations for power cost equalization and for grants to municipalities, unincorporated communities, and designated recipients; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

Senator B. Stevens noted the intent of this meeting to establish those portions of the bill in which both the House of Representatives and the Senate have reached agreement and those in which the two bodies differ.

Representative Harris offered a motion to adopt the provisions contained in the Senate version of the bill relating to the Constitutional Budget Reserve (CBR) and the three-quarter vote reverse sweep.

Senator B. Stevens clarified this motion would include approval of an appropriation for the FY 04 management fee.

Representative Harris affirmed.

Senator B. Stevens noted the total of the appropriation is \$125,000.

It was clarified that the reverse sweep language is contained in Section 3(b) and the language relating to the operation of the CBR is contained in Section 3(c). Further clarification was made of the language in the remainder of Section 3, which appears to be identical to that adopted by the House of Representatives.

There was no objection to the motion and the language of Section 3 (b) and (c) of CS SB 283 (FIN) was ADOPTED.

Senator B. Stevens established that agreement has been reached on this language.

Representative Harris offered a motion to accept the language contained in Section 1 of CS SB 283 (FIN) am H, relating to the education Foundation Funding Formula Program, boarding home grants, youth and detention, special schools and pupil transportation; totaling \$721,874,900 general funds, \$20,791,000 impact aid and \$11,947,300 public school funds.

Senator B. Stevens objected for discussion purposes. He asked if this amount was proposed in the Governor's FY 05 operating budget legislation.

Co-Chair Green affirmed.

Senator B. Stevens stipulated that this amount is the "base...non-adjusted number" proposed by the Governor.

Senator B. Stevens removed his objection and the language was ADOPTED.

Representative Harris offered a motion to accept the language in Section 2 of CS SB 283 (FIN) am H relating to the University of Alaska.

Senator B. Stevens objected for clarification to point out again the amounts appropriated in this section are the same as that proposed by the Governor and have not been adjusted.

Senator B. Stevens removed his objection and the language was ADOPTED.

Representative Harris recommended delaying action on adoption of contingency language.

Representative Harris offered a motion to adopt the language in Section 3(d)(e) and (f) of CS SB 283 (FIN) am H, pertaining to withdrawal from the CBR for FY 04 and FY 05 appropriations and the sweep provisions for FY 04.

Senator B. Stevens objected, as he understood these provisions to be included in the contingency language. He pointed out these subsections are subject to adoption of subsection (a).

The language was NOT ADOPTED.

Representative Harris offered a motion to accept the language in Section 3(g) of CS SB 283 (FIN) am H, relating to a \$15,700,000 appropriation to the Power Cost Equalization (PCE) program. He detailed this appropriation would include \$11,000,000 in earnings of the Rural Electrical Capitalization fund and \$4.4 million from the general fund through the CBR.

Co-Chair Green objected, suggesting that the funds should be acquired from an alternative source.

The language was NOT ADOPTED.

Senator Elton posed a procedural question asked if the intent is that the Committee would entertain motions but that no roll call votes would be taken on those motions in which an objection was raised.

Representative Harris and Senator B. Stevens responded that if objections were raised, action would be postponed and the Committee would proceed to other items.

Representative Harris offered a motion to accept the language in Section 4(a) of CS SB 283 (FIN) am H appropriating \$84,500,000 to the Department of Education and Early Development for the Foundation Funding Formula program.

Senator B. Stevens objected for discussion, commenting this is another issue requiring clarification of whether action is permitted under the powers of limited conference granted to the Committee. He pointed out the amount is \$2.5 million higher than the amount approved by the Senate.

The language was NOT ADOPTED.

Representative Harris offered a motion to accept the language in Section 4(c) of CS SB 283 (FIN) am H, to appropriate \$15,800,000 general funds from the CBR to the University of Alaska.

Representative Coghill asked if this appropriation includes funds for the Teachers Retirement System (TRS) increased expenses.

Representative Harris replied this appropriation contains the \$10.5 million proposed in the FY 05 capital budget plus funding for the Public Employees Retirement System (PERS) and TRS expenses.

Senator B. Stevens pointed out this language is the same as the language approved by the Senate.

There being no objection the language was ADOPTED.

Representative Harris offered a motion to accept the language in Section 4(d) of CS SB 283 (FIN) am H for the Alaska Court System and the PERS expenses for that branch of government.

Co-Chair Green objected, informing that this appropriation has been included in the Senate version of the FY 05 operating budget legislation.

Representative Harris commented that provided that funding is included in another appropriation, he would not oppose removal of the item from this bill.

Co-Chair Green assured that the Senate would approve appropriation of these funds in the FY 05 operating budget.

The language was NOT ADOPTED.

Representative Harris offered a motion to accept the language in Section 4(e) of CS SB 283 (FIN) am H to appropriate funds to the City of Shishmaref for erosion control efforts.

Senator Green objected, relaying that Senator Olson has approached her with a proposal for reappropriation of school construction funds to match funds from the federal Corps of Engineers. She informed that the school districts and legislators representing the affected area have agreed to this proposal.

Representative Harris expressed he must first discuss the matter with Representative Joule before agreeing to removal of funding from this legislation.

The language was NOT ADOPTED.

Representative Harris moved to accept the language in Section 4(f) through (ee) of CS SB 283 (FIN) am H, noting that the House of Representatives and the Senate are in disagreement over these provisions.

Senator B. Stevens objected to the motion. He asserted this language reflects the core difference between the versions approved by each body. He reminded of the Senate position that capital improvement expenditures should be dedicated to projects included in the Department of Education and Early Development deferred

maintenance list.

Representative Harris asked if the Senate was prepared to present a list of proposals.

Senator B. Stevens responded such proposals would be offered, noting that the list has been published, and would be addressed in the priority order listed.

Senator Elton clarified that Senator B. Stevens' comments reflect the position of the Senate Majority and not the entire Senate body.

The language was NOT ADOPTED.

Representative Harris offered a motion to accept the language in Section 4(ff) of CS SB 283 (FIN) am H. He listed the amount of this appropriation at \$11,369,441.16 from the PCE endowment fund and \$4 million from the CBR fund.

Senator Green objected opining that this item should be included in operating budget legislation.

Representative Harris asked if this item is included in the Senate working document of the FY 05 operating budget legislation.

Senator Green affirmed and specified that approximately \$4.4 million of the appropriation would be general funds.

DEBORAH DAVIDSON, Staff to Senator Green, [speaking out of range of the recording equipment] outlined the appropriation included in the Senate Finance Committee version of HB 375.

Senator B. Stevens established that disagreement on this item remains.

The language was NOT ADOPTED.

Representative Harris clarified that the Senate approved \$82 million for public education.

Senator B. Stevens affirmed this is the position of the Senate Majority.

Representative Harris asked if Senator B. Stevens has any inclination that this amount could be amended.

Senator B. Stevens emphasized the position is firm.

Representative Kerttula recommended that presiding officers establish the powers of the conference committee.

**ADJOURNMENT**

Senator B. Stevens recessed the meeting at 05:12 PM