

**MINUTES**  
**HB 375 & HB 377 CONFERENCE COMMITTEE**  
**May 10, 2004**  
**3:57 PM**

**TAPES**

CC-04 # 3, Side A  
CC 04 # 3, Side B

**CALL TO ORDER**

Chair Lyda Green convened the meeting at approximately 3:57 PM.

**PRESENT**

Senator Lyda Green, Chair  
Senator Gary Wilken  
Senator Lyman Hoffman  
Representative John Harris, Vice Chair  
Representative Bill Williams  
Representative Eric Croft

**Also Attending:** JANET CLARKE, Director, Division of Administrative Services, Department of Health and Social Services; TRACI CARPENTER, Staff to Senator Green; DAVID TEAL, Director, Division of Legislative Finance;

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

**SUMMARY INFORMATION**

HB 375-APPROP: OPERATING BUDGET/LOANS/FUNDS  
HB 377-APPROP:MENTAL HEALTH BUDGET

#HB375  
#hb377

CS FOR HOUSE BILL NO. 375(FIN) am  
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

SENATE CS FOR CS FOR HOUSE BILL NO. 375(FIN) am S(brf sup maj fld S)

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

AND

CS FOR HOUSE BILL NO. 377(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

SENATE CS FOR CS FOR HOUSE BILL NO. 377(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

[Note: Items refer to motion sheets (copies on file). "House" and "Senate" refer to the committee substitute version passed by each body. "Amount" refers to the change to the amount proposed in the Governor's Amended budget request.]

Department of Community and Economic Development

Item: #1

Appropriation: Executive Administration and Development

Allocation: Office of Economic Development

Description: Add two positions and funding for promoting films in Alaska

Version: Senate

Amount: \$0

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #2

Appropriation: Executive Administration and Development

Allocation: Office of Economic Development

Description: Transfer funding for Trade Missions & other activities to the Governor's Office

Version: House

Amount: -\$95,000 Stat Desig

0 Blic Rcpts

Note: If H, chose H for item 4 in Governor's Office

If S, choose S for item 4 in Governor's Office

Item: #3

Appropriation: Community Assistance & Economic Development

Allocation: Community Advocacy  
Description: Add funding to aid the Local Boundary Commission  
Version: House  
Amount: \$0

Representative Harris moved for adoption and Item #2 was ADOPTED without objection.

Representative Croft objected to the adoption of Item #3. He recalled that the Senate version appropriates \$50,000 for a study by the Local Boundary Commission on the viability of establishing Eagle River as a separate borough. This project has received local support.

It was established that the item Representative Croft commented to is actually Item #6.

Senator Wilken informed that the proposed appropriation is \$30,000 and that it would not be included in the Department's budget. The \$50,000 the Senate allocated for Item #3 was intended as an appropriation to the Local Boundary Commission to assist its efforts and is unrelated to the community of Eagle River.

Representative Croft removed his objection to the adoption of Item #3.

Although not specified, the intent of the Conference Committee was that Item #3 be ADOPTED.

Item: #4  
Appropriation: Community Assistance & Economic Development  
Allocation: Community Advocacy  
Description: Add funding and Local Government Specialist IV position to aid the Local Boundary Commission  
Version: Senate  
Amount: \$75,800 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #5  
Appropriation: Community Assistance & Economic Development  
Allocation: Community Advocacy  
Description: Restore Alaska Legal Services Grant deleted in Governor's Request  
Version: House minus \$62,500  
Amount: \$62,500 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #6

Appropriation: Community Assistance & Economic Development

Allocation: Community Advocacy

Description: Fund Local Boundary Commission to examine options for Eagle River to form a separate local government

Version: House

Amount: \$0

Item: #7

Appropriation: Qualified Trade Association Contract

Allocation: Qualified Trade Association Contract

Description: Use lapsing FY 04 Business License Receipts to fund the FY 05 QTA Contract

Version: House

Amount: \$2,000,000 Blic Rcpts

-2,000,000 general funds

Note: Both House & Senate allocate total funding at the Governor's requested level. Senate uses \$874,200 more FY 05 general funds.

If House, then 9 = House; if Senate, then 9 = Senate

Representative Harris moved for adoption.

Representative Croft objected to the adoption of Item #6.

Without objection, Item #7 was ADOPTED.

Representative Croft reiterated his support for funding this study.

Chair Green supported adoption of the House version for this item.

Senator Hoffman asked if the funding for this project would be included in the FY 05 capital budget.

Chair Green corrected that the project would "rightly" be categorized as a capital expenditure. She was unsure whether an

A roll call was taken on the motion to adopt Item #6.

IN FAVOR: Representative Williams, Co-Chair Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (6-2)

Item #6 was ADOPTED.

Item: #8

Appropriation: Agencywide

Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches

Version: Senate

Amount: \$1,900 general funds

200 Fed Rcpts

67,800 Other funds

Note: \$900 general funds in Economic Development should be replaced with Business License Receipts. Acceptance of correction implied.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #3

Appropriation: Qualified Trade Association Contract

Allocation: Qualified Trade Association Contract

Description: Conditional Language

Version: House

Language: The amount appropriated by this appropriation includes the unexpended and unobligated balance of business license receipts under AS 43.70.030 for fiscal year 2004, not to exceed \$2,000,000.

Note: If House, then 7 = House; if Senate, then 7 = Senate

Representative Harris moved for adoption and the item was ADOPTED without objection.

All conference items for the Department of Commerce, Community and Economic Development were CLOSED.

#### Department of Corrections

Item: #1

Appropriation: Office of the Commissioner

Allocation: Office of the Commissioner

Description: Delete second Deputy Commissioner PCN 20-0008

Version: Senate

Amount: \$0

Item: #2

Appropriation: Office of the Commissioner

Allocation: Office of the Commissioner  
Description: Delete Public Information Officer PCN 20-X020  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #3  
Appropriation: Office of the Commissioner  
Allocation: Office of the Commissioner  
Description: House deletes one position  
Version: House  
Amount: \$0

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #4  
Appropriation: Office of the Commissioner  
Allocation: Office of the Commissioner  
Description: Reduce professional services contractual line for one-time audit and planning services  
Version: Senate  
Amount: \$0

Item: #5  
Appropriation: Administration and Support  
Allocation: Institution Director's Office  
Description: Move federal manday receipts from IDO to ACC  
Version: Senate  
Amount: \$0  
Note: If 5=H, then 17=H

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #6  
Appropriation: Administration and Support  
Allocation: Institution Director's Office  
Description: Delete vacant Correctional Officer IV PCN 20-5351 per Administrative Order #207  
Version: House  
Amount: -\$71,200 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #7  
Appropriation: Administration and Support  
Allocation: Institution Director's Office  
Description: Delete Administrative Clerk III  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #8  
Appropriation: Administration and Support  
Allocation: Institution Director's Office  
Description: Reduce travel line to FY 03 actual level  
Version: House plus \$13,000  
Amount: -\$13,000 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #9  
Appropriation: Administration and Support  
Allocation: Probation and Parole Director's Office  
Description: Reduce general funds back to FY 04 authorized levels  
Version: Senate  
Amount: \$0

Item: #10  
Appropriation: Administration and Support  
Allocation: Information Technology  
Description: Delete 3 positions and funding  
Version: Senate  
Amount: \$0

Item: #11  
Appropriation: Inmate Services  
Allocation: Offender Habilitative Programs  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #12  
Appropriation: Inmate Services  
Allocation: Offender Habilitative Programs  
Description: Residential Substance Abuse Treatment (RSAT) fund source change

Version: Senate  
Amount: \$0

Item: #13  
Appropriation: Inmate Services  
Allocation: Correctional Industries Product Cost  
Description: Reduce uncollectible receipt authority  
Version: Senate  
Amount: -\$2,000,000 Corr Ind fund

Item: #14  
Appropriation: Inmate Services  
Allocation: Classification and Furlough  
Description: Delete 8 Alaska Transition and Re-entry to the Community (ATRC) program positions due to program never being initiated  
Version: Senate  
Amount: \$0

Item: #15  
Appropriation: Inmate Health Care  
Allocation: Inmate Health Care  
Description: Jail Alternative Services Program fund source change  
Version: Senate  
Amount: \$0

Item: #16  
Appropriation: Inmate Health Care  
Allocation: Inmate Health Care  
Description: Increase general funds to better reflect actual expenditures  
Version: Senate  
Amount: \$1,000,000 general funds

Item: #17  
Appropriation: Institutional Facilities  
Allocation: Anchorage Correctional Complex  
Description: Move federal manday receipts from IDO to ACC  
Version: Senate  
Amount: \$0  
Note: If 17=H, then 5=H

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #18  
Appropriation: Institutional Facilities

Allocation: Anchorage Correctional Complex  
Description: Delete 2 vacant Assistant Superintendents PCN 20-3810 & 20-6703 per Administrative Order #207  
Version: House  
Amount: -\$157,500 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

AT EASE 4:06 PM / 4:06 PM

Item: #19  
Appropriation: Institutional Facilities  
Allocation: Anchorage Correctional Complex  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #20  
Appropriation: Institutional Facilities  
Allocation: Anvil Mountain Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #21  
Appropriation: Institutional Facilities  
Allocation: Combined Hiland Mountain Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #22  
Appropriation: Institutional Facilities  
Allocation: Fairbanks Correctional Center  
Description: Delete vacant Correctional Officer IV PCN 20-4157 per Administrative Order #207  
Version: House  
Amount: -\$72,600 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #23  
Appropriation: Institutional Facilities  
Allocation: Fairbanks Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #24  
Appropriation: Institutional Facilities  
Allocation: Ketchikan Correctional Center  
Description: Reduce gratuities paid to inmates to AY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #25  
Appropriation: Institutional Facilities  
Allocation: Lemon Creek Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #26  
Appropriation: Institutional Facilities  
Allocation: Matanuska-Susitna Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #27  
Appropriation: Institutional Facilities  
Allocation: Palmer Correctional Center  
Description: Delete vacant Correctional Officer IV PCN 20-6136 per Administrative Order #207  
Version: Senate  
Amount: \$0

Item: #28  
Appropriation: Institutional Facilities  
Allocation: Palmer Correctional Center  
Description: Delete Assistant Superintendent PCN 20-6108 per Administrative Order #207  
Version: Senate  
Amount: \$0

Item: #29  
Appropriation: Institutional Facilities  
Allocation: Palmer Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #30  
Appropriation: Institutional Facilities  
Allocation: Spring Creek Correctional Center  
Description: Delete Correctional Officer IV PCN 20-8002 per Administrative Order #207  
Version: Senate  
Amount: \$0

Item: #31  
Appropriation: Institutional Facilities  
Allocation: Spring Creek Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #32  
Appropriation: Institutional Facilities  
Allocation: Wildwood Correctional Center  
Description: Delete vacant Correctional Officer IV PCN 20-6302 per Administrative Order #207  
Version: House  
Amount: -\$70,200 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #33  
Appropriation: Institutional Facilities  
Allocation: Wildwood Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual levels  
Version: Senate  
Amount: \$0

Item: #34

Appropriation: Institutional Facilities  
Allocation: Yukon-Kuskokwim Correctional Center  
Description: Delete Correctional Officer IV PCN 20-4338 per  
Administrative Order #207  
Version: Senate  
Amount: \$0

Item: #35  
Appropriation: Institutional Facilities  
Allocation: Yukon-Kuskokwim Correctional Center  
Description: Reduce gratuities paid to inmates to FY 03 actual  
levels  
Version: Senate  
Amount: \$0

Item: #36  
Appropriation: Institutional Facilities  
Allocation: Point MacKenzie Correctional Farm  
Description: Reduce gratuities paid to inmates to FY 03 actual  
levels  
Version: Senate  
Amount: \$0

Item: #37  
Appropriation: Out-of-State Contractual  
Allocation: Out-of-State Contractual  
Description: Eliminate gratuities paid to inmates in private  
facilities (will be included in contract costs)  
Version: Senate  
Amount: \$0

Item: #38  
Appropriation: Agencywide  
Description: Salary and benefit adjustments for employees of  
Labor, Trades and Crafts Unit (Local 71); PSEA for  
Correctional Officers Unit; PSEA for State Troopers; non-  
covered Executive, Legislative and Judicial Branches  
Version: Senate  
Amount: \$1,329,700 general funds  
          9,500 Fed Rcpts

Representative Harris moved for adoption.

Representative Croft objected to the adoption of Item #37.

Items #33 through #36, and #38 were ADOPTED without objection.

Representative Croft spoke to his objection recalling that the

House identified \$500,000 in savings through the elimination of gratuities paid to inmates housed in private correctional facilities located outside Alaska. He supported this cost-savings measure could be included in the contract, as is done in other such contracts.

A roll call was taken on the motion to adopt Item #37.

IN FAVOR: Representative Williams, Co-Chair Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

Item #37 was ADOPTED.

Item: #39  
Appropriation: Agencywide  
Description: Structure Change [copy of detail on file]  
Version: Senate  
Note: Senate plus CRCs as a separate appropriation

Representative Harris moved for adoption and the item was ADOPTED without objection.

All conference items for the Department of Corrections were CLOSED.

Department of Education and Early Development

Item: #1  
Appropriation: K-12 Support  
Allocation: Foundation Program  
Description: Add funding for Foundation Program  
Version: House  
Amount: \$0  
Note: Appropriations made in Items 1 through 5 are in a language section; the Conference Committee may wish to instruct Legislative Finance to replace the language appropriation with appropriations to various allocations in Section 1 of the bill.

Item: #2  
Appropriation: K-12 Support  
Allocation: Boarding Home Grants  
Description: Add funding for Boarding Home Grants  
Version: House  
Amount: \$0

Item: #3  
Appropriation: K-12 Support  
Allocation: Youth in Detention  
Description: Add funding for Youth in Detention  
Version: House  
Amount: \$0

Item: #4  
Appropriation: K-12 Support  
Allocation: Special Schools  
Description: Special Schools  
Version: House  
Amount: \$0

Item: #5  
Appropriation: K-12 Support  
Allocation: Pupil Transportation  
Description: Pupil Transportation  
Version: House  
Amount: \$0

Representative Harris moved for adoption, noting that appropriations for these items would be included in SB 283, and the items were ADOPTED without objection.

Item: #6  
Appropriation: Education Support Services  
Allocation: School Finance & Facilities  
Description: Add grant funds for charter schools  
Version: House minus \$100,000  
Amount: \$106,000 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #7  
Appropriation: Teaching and Learning Support  
Allocation: Special and Supplemental Services  
Description: Add additional funds for Alaska Minerals and Energy Resources Education  
Version: House  
Amount: \$10,000 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #8

Appropriation: Teaching and Learning Support  
Allocation: Quality Schools  
Description: Add position and supporting funds for Statewide  
Correspondence Study Program Oversight  
Version: Senate  
Amount: \$119,500 general funds

Representative Harris moved for adoption and the item was ADOPTED  
without objection.

Item: #9  
Appropriation: Alaska Library and Museums  
Allocation: Library Operations  
Description: Restore contractual services and operating  
supplies  
Version: Senate plus \$25,000  
Amount: \$25,000 general funds  
Note: Both House and Senate restored \$75,000 in Contractual  
Services

Representative Harris moved for adoption and the item was ADOPTED  
without objection.

Item: #10  
Appropriation: Alaska Library and Museums  
Allocation: Archives  
Description: Increase Archives staff from 9 PFT to 11 PFT  
Version: House minus \$69,400; 1 PFT  
Amount: \$69,400 general funds

Representative Harris moved for adoption and the item was ADOPTED  
without objection.

Item: #11  
Appropriation: Alaska Library and Museums  
Allocation: Museum Operations  
Description: Add funds to restore Curator at Sitka Sheldon  
Jackson Museum  
Version: Senate  
Amount: \$0

Item: #12  
Appropriation: Agencywide  
Description: Salary and benefit adjustments for employees of  
Labor, Trades Crafts Unit (Local 71); PSEA for Correctional  
Officers Unit; PSEA for State Troopers; non-covered Executive,  
Legislative and Judicial Branches  
Version: Senate

Amount: \$2,200 general funds  
800 Fed Rcpts  
52,900 Other funds

Representative Harris moved for adoption.

Representative Croft objected to the adoption of Item #11.

Item #12 was ADOPTED without objection.

Representative Croft emphasized the need for the curator position at the Sheldon Jackson Museum, noting the minimal funding amount compared to the large impact in that community and the State.

A roll call was taken on the motion to adopt Item #11.

IN FAVOR: Representative Williams, Co-Chair Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

Item #12 was ADOPTED.

Senator Wilken asked if the adoption of the House appropriation for Item #7 would provide the Alaska Minerals and Energy Resources program \$50,000 for FY 05.

It was established this is correct.

Item: #13

Appropriation: Department Level

Description: Intent

Version: Senate

Language: It is the intent of the legislature that the Department of Education and Early Development make every effort to reduce interagency charge back between divisions and that the department advance a general fund appropriation for executive administration, including the state board of education and early development and the commissioner's office in the Governor's FY 06 budget request.

Item: #14

Appropriation: Teaching and Learning Support

Allocation: Quality Schools

Description: Intent

Version: Senate

Language: It is the intent of the legislature that the department expend funds appropriated for a new Education Specialist II position to create an office uniquely focused on maximization of all Alaska alternative public school initiatives, including charter schools. Duties of the office shall include the following: (1) monitor and evaluate the expenditures of state funds in accordance with state statutes and regulations; (2) monitor and evaluate curriculum as it pertains to state education and graduation requirements; and (3) monitor and evaluate benchmark and other standardized test results to insure that a quality education is being provided by Alaska's alternate educational system. "Maximization" means: finding ways to use alternative schools to accomplish the requirements of the federal No Child Left Behind Act (NCLB); increasing public choices for quality education; monitoring and overseeing alternative schools in the context of these goals; and providing information to the legislature regarding alternative school legislation, challenges, evaluation and opportunities. Existing alternative schools include: charter schools, boarding schools, correspondence schools and district-operated alternative schools.

Representative Harris moved for adoption and the items were ADOPTED without objection.

All conference items for the Department of Education and Early Development were CLOSED.

#### Department of Health and Social Services

Item: #1

Description: Appropriation Structure

Version: House

Note: House structure, except Assessment & Planning shall be an allocation under Department Support Svcs appropriation

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #2

Appropriation: Behavioral Health

Allocation: Alcohol Safety Action Program (ASAP)

Description: Restructure Adult ASAP program

Version: Senate

Amount: \$0

Item: #3

Appropriation: Behavioral Health

Allocation: Behavioral Health Grants  
Description: Align appropriation with expected revenues for the Alcohol/Other Drug Abuse Prevention & Treatment fund  
Version: Senate  
Amount: -\$733,600 A/D P&T Fd

Item: #4  
Appropriation: Behavioral Health  
Allocation: Behavioral Health Grants  
Description: Increase Behavioral Health Grants to offset alcohol fund reduction  
Version: Senate  
Amount: \$191,400 general funds  
Note: If S then 5= S

Item: #5  
Appropriation: Behavioral Health  
Allocation: Behavioral Health Administration  
Description: Ensuring tobacco funds fully support enforcement activities  
Version: Senate  
Amount: -\$191,400 general funds  
191,400 Tob ED/CES funds  
Note: If S then 4=S

Item: #6  
Appropriation: Behavioral Health  
Allocation: Services to the Seriously Mentally Ill  
Description: Restore partial funding for the consolidation of catchment areas  
Version: Senate  
Amount: \$330,000 GF/MH funds

Item: #7  
Appropriation: Behavioral Health  
Allocation: Services to the Severely Emotionally Disturbed Youth  
Description: Restore partial funding for the consolidation of catchment areas  
Version: Senate  
Amount: \$220,000 GF/MH

Item: #8  
Appropriation: Behavioral Health  
Allocation: Community Action Prevention & Intervention Grants  
Description: Reinstate funding for Community Action Prevention & Intervention grants  
Version: Senate

Amount: \$0

Item: #9

Appropriation: Children's Services

Allocation: Family Preservation

Description: Reinstate funding for Medicaid Targeted Case Management for Family Preservation Services

Version: Senate

Amount: \$0

Item: #10

Appropriation: Children's Services

Allocation: Residential Child Care

Description: Reinstate partial funding for Residential Child Care grants and client travel

Version: Senate

Amount: \$0

Item: #11

Appropriation: Children's Services

Allocation: Children's Trust Programs

Description: Fed grant to increase awareness/contributions to the Children's Trust Fund and strengthen families and prevent abuse

Version: Senate

Amount: \$600,000 general funds

Note: Received federal funding from US Dept. of Justice, Juvenile Justice Program

Item: #12

Appropriation: Health Care Services

Allocation: Medicaid Services

Description: Implementing efficiencies in transportation services

Version: Senate

Amount: \$0

Representative Harris moved for adoption.

Senator Hoffman requested explanation of Item #3.

Chair Green recalled that less funding was available for this item.

AT EASE 4:14 PM / 4:15 PM

JANET CLARKE, Director, Division of Administrative Services, Department of Health and Social Services, showed that the Alcohol and Drug Abuse Prevention and Treatment Fund source for these

grants was over-obligated for FY 05.

Representative Croft requested explanation of Items #8 and #9.

Ms. Clarke explained the allocation to Item #8 in the Senate version is identical to the Governor's budget request. The Department recommended this funding reduction to reduce the "least affected grants in that program." The House of Representatives did not approve this reduction at the time it considered the FY 05 operating budget.

Ms. Clarke next explained that the allocation to Item #9 reflects a reduction to the Governor's proposed budget. She told of separate pending legislation, sponsored by Chair Green, which would allow the Department to implement "targeted case management". Ms. Clarke stated, "We believe that during FY 05, we will be able to implement the savings in general funds through the Medicaid program to allow us to make up the difference." This is a fund source change proposed in the Governor's budget request that replaced \$270,600 with federal funds.

Chair Green recalled the other legislation has a fiscal note "of a comparable amount".

Ms. Clarke would investigate.

Representative Croft remarked that if such a fiscal note exists, he would support the proposal for Item #9. Otherwise, he expressed concern that the Family Preservation program could be jeopardized in the event that Medicaid funding could not be utilized for the program.

Chair Green pointed out that funding for this program is over \$9 million and that the Senate version is the same as that initially proposed by the Governor as the amount sufficient to operate the program.

Item #9 was HELD OPEN to await determination of the existence of a fiscal note for the related legislation.

Chair Green established there was no objection to the adoption of Item #3.

Items #4 through #7 were ADOPTED without objection.

Chair Green announced that the pending legislation related to Item #9 has no fiscal note. She qualified that an amount is "referenced" in the supporting documentation to that bill.

Representative Croft objected to the adoption of Items #8 and #9.

A roll call was taken on the motion to adopt Item #8.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

A roll call was taken on the motion to adopt Item #9.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

It was established there was no objection to the adoption of Items #10 through #12 and the intent of the Conference Committee was that those items were ADOPTED.

Item: #13

Appropriation: Juvenile Justice

Allocation: Probation Services and Delinquency Prevention

Description: Transfer general funds and federal funds to establish Youth Courts allocation

Version: House

Amount: -\$279,500 Fed Rcpts

-28,800 general funds

Note: House position on 13 and 14 creates a separate allocation for Youth Courts

Item: #14

Appropriation: Juvenile Justice

Allocation: Youth Courts

Description: Transfer general funds and federal funds to establish Youth Courts allocation

Version: House

Amount: \$28,800 general fund

279,500 Fed Rcpts

Note: House position on 13 and 14 creates a separate allocation for Youth Courts

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #15  
Appropriation: Juvenile Justice  
Allocation: Youth Courts  
Description: Increment to re-establish funding for continued support  
Version: Senate  
Amount: \$0  
Note: H increment will go to Juvenile Justice allocation if Youth Courts allocation is not created

Item: #16  
Appropriation: Public Assistance  
Allocation: Adult Public Assistance  
Description: Reduce general funds as a result of utilizing the remaining federal TANF bonus award balance  
Version: Senate  
Amount: \$0

Item: #17  
Appropriation: Public Health  
Allocation: Community Health Grants  
Description: Increase general funds in Community Health Grants and reserve tobacco funds for future years  
Version: Senate  
Amount: \$0

Item: #18  
Appropriation: Public Health  
Allocation: Tobacco Prevention and Control  
Description: Reduction to align appropriation with expected revenues  
Version: Senate  
Amount: -\$866,400 Tob ED/CES fund

Item: #19  
Appropriation: Senior and Disabilities Services  
Allocation: Senior and Disabilities Medicaid Services  
Description: Implementing efficiencies in Personal Care Attendant program  
Version: Senate  
Amount: \$0

Item: #20  
Appropriation: Senior and Disabilities Services  
Allocation: Senior and Disabilities Medicaid Services  
Description: Increased funding to reduce Senior and  
Disabilities Services waitlist  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Senator Hoffman objected to the adoption of Item #16.

Items #15 and Items #17 through #20 were ADOPTED without objection.

Senator Hoffman asked if adequate funds exist in the Temporary Assistance for Needy Families (TANF) account to fund this item.

Ms. Clarke replied that the TANF funds are available, although the House version adopted a \$900,000 funding reduction to the Adult Public Assistance program. The full requested amount is necessary to successfully operate the program.

Senator Hoffman removed his objection and Item #16 was ADOPTED.

Item: #21  
Appropriation: Senior and Disabilities Services  
Allocation: Home and Community Based Care  
Description: Matching funds for Alzheimer's Disease and  
Related Dementia (ADRD) support services  
Version: House  
Amount: \$250,000 GF/MH fund

Item: #22  
Appropriation: Senior and Disabilities Services  
Allocation: Home and Community Based Care  
Description: Matching funds for innovative respite care and  
chore services for all beneficiaries  
Version: House  
Amount: \$187,500 GF/MH

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #23  
Appropriation: Senior and Disabilities Services  
Allocation: Community Developmental Disabilities Grants  
Description: Community Development Disabilities grant to high  
risk clinic

Version: Senate  
Amount: \$0

Item: #24  
Appropriation: Departmental Support Services  
Allocation: Information Technology Services  
Description: To align Tobacco Education and Cessation Fund with expected revenues  
Version: Senate  
Amount: \$49,200 general fund  
          -49,200 Tob ED/CES fund

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #25  
Appropriation: Departmental Support Services  
Allocation: Assessment and Planning  
Description: Comprehensive strategic long term formula program planning  
Version: House minus \$125,000 federal funds and \$125,000 general funds  
Amount: \$125,000 general fund  
          125,000 G/F match fund

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #26  
Appropriation: Agencywide  
Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches  
Version: Senate  
Amount: \$80,500 general fund  
          16,900 Fed Rcpts  
          30,700 Other funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #27  
Appropriation: Health and Social Services  
Description: Conditional  
Version: Senate  
Language: No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service

required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services. This statement is a statement of the purpose of the appropriation and is neither merely descriptive language nor a statement of legislative intent.

Note: Senate conditional language appears only once in the Senate structure. Similar language appears with items 32 and 34 in the House structure.

Item: #28

Appropriation: Behavioral Health

Allocation: Alcohol Safety Action Program

Description: Intent

Version: Senate

Language: It is the intent of the legislature that the Department of Health and Social Services collaborate with the Alaska Court System and ASAP providers to devise a system of centralized revenue collection from those persons assigned to ASAP screening and evaluation as a condition of their sentence in Co-Chair Wilken and alcohol and drug related misdemeanors. The Department is directed to prepare a comprehensive plan to address the deficiencies in the current ASAP system, including a cost-benefit analysis of transitioning the Anchorage ASAP to a local nonprofit provider, an evaluation of which agency should logically manage the program, and a review of other states' ASAP programs. This report is to be provided to the legislature by January 10, 2005.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #29

Appropriation: Public Assistance

Allocation: Public Assistance Field Services

Description: Intent

Version: House

Language: It is the intent of the legislature that there shall be no fee agents engaged in activities within 50 road miles of any public assistance office.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #30

Appropriation: Senior and Disabilities Services  
Allocation: Senior and Disabilities Medicaid  
Description: Intent  
Version: Senate

Language: It is the intent of the legislature that the agency allocate additional resources to reduce Senior and Disabilities Medicaid Services waitlists in the following order: 1) Mental Retardation and Developmental Disabilities Waivers; 2) Older Alaskan Waiver; 3) Adult Disability Waiver; 4) Children with complex medical conditions.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #31

Appropriation: Senior and Disabilities Services  
Allocation: Human Services Community Matching Grant  
Description: Intent  
Version: House

Language: It is the intent of the legislature that the Human Services Community Matching Grant funding is subject to future phase-out or elimination. This anticipated reduction is to provide opportunity for development of Faith Based and other community focused initiatives to supplant dependency upon direct State funding. Faith Based and other community focused initiatives are most appropriate to direct specific resources to particular community needs, complimenting the concentration of State resources on core public health and social services needs.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #32

Appropriation: Departmental Support Services  
Description: Conditional  
Version: Senate

Language: No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). This statement is a statement of the purpose of this appropriation and is neither merely descriptive language nor a statement of legislative intent.

Note: Senate conditional language appears only once in the Senate structure. Similar language appears with items 32 and 34 in the House structure.

Item: #33

Appropriation: Behavioral Health

Description: Intent  
Version: Senate  
Language: None

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #34  
Appropriation: Health Care Services  
Description: Conditional  
Version: House  
Language: No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health Care Services may be expended only for mandatory services required under Title XIX of the Social Security Act and for optional services offered by the state plan for medical assistance that has been approved by the United States Department of Health and Human Services. This statement is a statement of the purpose of the appropriation for Health Care Services and is neither merely descriptive language nor a statement of legislative intent.  
Note: Senate conditional language appears only once in the Senate structure. Similar language appears with items 32 and 34 in the House structure.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #35  
Appropriation: Health Care Services  
Description: Intent  
Version: Senate  
Language: None

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #36  
Appropriation: Senior and Disabilities Services  
Description: Intent  
Version: House  
Language: It is the intent of the legislature that the Department of Health and Social Services continue cost containment by encouraging lower cost residential based care for the elderly and severely disabled. Further, it is the intent of the legislature that the Department address escalating growth in the Personal Care Attendant program

through regulation to avoid the loss of home care provider services and the consequential growth in institutional facilities in this state.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #37  
Appropriation: Senior and Disabilities Services  
Description: Intent  
Version: Senate  
Language: None

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #38  
Appropriation: Departmental Support Services  
Allocation: Assessment & Planning  
Description: Intent  
Version: House  
Language: It is the intent of the legislature that the Assessment and Planning funding is specifically provided to identify and implement actions and regulatory changes necessary to achieve Medicaid and related program growth cost containment requested in this budget with the least possible effect on the most vulnerable beneficiaries. The Department is to dedicate necessary resources to analyze and project future entitlement growth of Medicaid and related program spending and to identify alternatives to mitigate of stop increases. A progress report is to be provided to the legislature prior to the beginning of the 2005 session and will include a rationalization for any supplemental budget request expected to be made as a result of failure to achieve Medicaid growth cost containment requested in this budget.

Representative Harris moved for adoption and the item was ADOPTED without objection.

AT EASE 4:27 PM / 4:27 PM

Item: #39  
Appropriation: Behavioral Health  
Allocation: Designated Evaluation and Treatment  
Description: Intent  
Version: Conference Committee  
Language: It is the intent of the legislature that the amount appropriated to this program is the full amount that will be

allocated to the Designated Evaluation and Treatment (DET) program for the fiscal year ending June 30, 2005. If the amount appropriated is not sufficient to cover the costs of DET, the department shall take steps to reduce costs and shall not seek supplemental funding.

Representative Harris moved for adoption.

Senator Hoffman objected for clarification.

Chair Green and Representative Harris explained the intent that the Department would not request a supplemental appropriation for this program, but to rather reduce costs if funding is inadequate.

Representative Harris qualified that this language would not "absolutely" preclude a supplemental appropriation request, although it directs the Department to make efforts to reduce costs.

Chair Green remarked, "In other words, we want them to be acting in the most appropriate way, with the most judiciously and most efficient manner possible."

Senator Hoffman asked if the language implies that regardless of need, the Department must not request supplemental funds.

Chair Green stated, "Anytime the need exists and it rises high enough in the priority list, they can always seek a supplemental."

Senator Hoffman removed his objection and the item was ADOPTED.

All conference items for the Department of Health and Social Services were CLOSED.

Department of Labor and Workforce Development

Item: #1  
Appropriation: Commissioner and Administrative Services  
Allocation: Alaska Labor Relations Agency  
Description: Reduce personal services authorization for Alaska Labor Relations Agency staffing  
Version: Senate  
Amount: \$0

Item: #2  
Appropriation: Workers' Compensation and Safety  
Allocation: Workers' Compensation  
Description: Restore 1 PFT position and funding deleted in the FY 05 budget

Version: Senate  
Amount: \$50,000 Wrkrs Safe fund  
Note: Senate corrects technical error reducing administrative support for the WC Board that should have been addressed in a fiscal note

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #3  
Appropriation: Workforce Development  
Allocation: Employment and Training Services  
Description: Use inter-agency receipts to accept STEP funds as match for the Senior Employment Prog and reducing general fund match  
Version: House  
Amount: -\$229,800 G/F Match  
229,800 I/A Rcpts

Item: #4  
Appropriation: Workforce Development  
Allocation: Alaska Vocational Technical Center  
Description: Reduce general fund and replace with Technical Vocational Education Program Receipts  
Version: House  
Amount: -\$100,000 general funds  
100,000 VoTech Ed funds

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #5  
Appropriation: Workforce Development  
Allocation: Kotzebue Technical Center Operations Grant  
Description: Restore funding for Kotzebue Tech Center operations grant to FY 03 level  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption, noting the funding for this item is include in the FY 04 supplemental appropriation budget. Without objection the item was ADOPTED.

Item: #6  
Appropriation: Vocational Rehabilitation  
Allocation: Client Services  
Description: Reduce Client Services funding  
Version: Senate

Amount: \$0

Item: #7

Appropriation: Agencywide

Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches

Version: Senate

Amount: \$7,100 general funds

7,900 Fed Rcpts

22,900 Other funds

Representative Harris moved for adoption and the items were ADOPTED without objection.

All conference items for the Department of Labor and Workforce Development were CLOSED.

Department of Public Safety

Item: #1

Appropriation: Alaska State Troopers

Allocation: Alaska State Trooper Detachments

Description: General fund reduction to assist other criminal justice entities

Version: Senate

Amount: -\$50,000 general funds

Item: #2

Appropriation: Alaska State Troopers

Allocation: Alaska Bureau of Investigations

Description: General fund reduction to assist other criminal justice entities

Version: Senate

Amount: -\$50,000 general funds

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #3

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

Description: Increase grants for Council on Domestic Violence and Sexual Assault

Version: Senate plus \$100,000

Amount: \$300,000 general funds

Representative Harris moved for adoption.

Representative Croft objected. He stressed funding is "badly needed" for women's shelters and other victims' services. Although increasing the Senate appropriation by \$100,000 is "progress", the amount approved by the House of an additional \$600,000 would impact battered women's lives.

Chair Green relayed that the Council has indicated a preference to receive money through administration programs rather than through the grant program. The Senate encouraged the Council to reduce administrative expenses, although the Council chose to implement all funding reductions through the grant program rather than reductions to administrative functions.

Senator Hoffman understood; however, emphasized the Council should be given an opportunity to implement administration reductions. The Alaska program is "top in the nation in domestic violence", which the legislature should be "ashamed of" and should attempt to address the problems. Administrative issues should be acknowledged and changed. Increased funding is necessary to reduce Alaska's rating of high incidences of domestic violence. He objected to the motion.

Representative Croft requested Commissioner Tandeski, or a member of the Council, join the Committee to answer a question.

Chair Green denied the request. She directed attention to a spreadsheet dated May 10, 2004 that provides "insight" and recommendations for addressing the situation with the Council [copy on file]. She detailed the information, noting funding from the Denali Commission could be expended to leverage and offset addition funds. The Senate would appoint a group that would investigate the matter further over the legislative interim. The Legislative Budget and Audit Committee could appropriate any additional funding if identified that at that time. She spoke to the need to reduce the dependence on garnished Permanent Fund dividend receipts in anticipation of years with low dividend payouts. The proposed appropriation "covers the primary role, which they serve very well."

Representative Croft again requested to hear from the Council.

Chair Green again denied the request.

Representative Croft remarked upon a significant decision made without the input of the Council.

Chair Green retorted that the matter has received several hearings in both bodies and has also been discussed by the full Senate and the full House of Representatives.

Representative Croft remarked that he had just received the spreadsheet and had not had an opportunity to consult with the Council on the information contained in the data. The decision as to whether to hold harmless or reduce funding by \$700,000, has only just been made and the Council has had no opportunity to participate in this decision.

Senator Hoffman supported a review of the Council by the Legislative Budget and Audit Committee, of which he was a member. However, the issue does not necessitate reductions to the program. The Council should be provided notice and time to respond to the allegations. He reiterated Alaska's "top of nation" ranking on domestic violence, and the need to address this issue.

A roll call was taken on the motion to adopt Item #3.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Item: #4

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

Description: Redistribute funding from administrative overhead (Contractual line) to grants for shelters (Grants line)

Version: Senate

Amount: \$200,000 PFD Crim fund

-200,000 PFD Crim fund

Item: #5

Appropriation: Agencywide

Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches

Version: Senate

Amount: \$784,400 general funds

32,200 Fed. Rcpts

35,800 Other funds

Note: \$2.2 of PFD Criminal funds appropriated for salary adjustments is a technical error. Appropriations exceed available money.

Representative Harris expressed intent to move for adoption of these items.

Representative Croft objected to both and requested an explanation.

Co-Chair Green stated Item #4 would transfer funds from the contractual portion of the Council to the women's shelters portion.

Representative Croft asked the "policy call" involved in determining that the contractual portion was overfunded and the shelter portion was underfunded.

Co-Chair Green responded, "This is just a decision that we made in the process of getting to the point we've come to."

Representative Croft asked if "no articulate rationale for it" could be provided.

Co-Chair Green replied that it was determined that adequate funding for administrative overhead would be provided to allow for a portion to be transferred to grants for shelters. The shelters grant is a greater priority.

A roll call was taken on the motion to adopt Item #4.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Representative Croft spoke to his objection to Item #5, noting the significant amount. He understood the Senate version is based in information received after the House had considered the budget. He asked the "character" of that information and "it translates to these numbers."

Chair Green replied that the allocations reflect the completed contract negotiations with some bargaining units of State employees.

Representative Croft asked if this relates to disputed contracts.

Chair Green corrected this reflects those contracts that have been completed after the House had passed its version of the budget.

Representative Croft removed his objection and Item #5 was ADOPTED.

Item: #6

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

Version: Senate

Language: Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual Assault may be used to fund operations and grant administration.

Representative Harris moved for adoption.

Representative Croft objected. He asked the purpose of the ten percent limit and requested the Council be allowed to speak to this matter.

TRACI CARPENTER, Staff to Senator Green, testified this is language that has been included in the operation budget for "a number of years". The statute referred to is the Permanent Fund criminal fines statutes, which stipulates that up to ten percent of those funds may be expended for administration.

Representative Croft clarified this establishes a cap to prevent a higher percentage from being spend for administrative costs. He asked what funds are utilized for administrative expenses.

Ms. Carpenter replied that ten percent of the PFD funds are utilized for administration.

Representative Croft removed his objection and the item was ADOPTED.

Item: #7

Appropriation: Council on Domestic Violence and Sexual Assault

Allocation: Council on Domestic Violence and Sexual Assault

Version: Conference Committee

Language: It is the intent of the legislature that the Council on Domestic Violence and Sexual Assault use all of the federal grant funds awarded to the Council in Federal Fiscal Year 2005 for the grants and services required of the federal grant awards in State Fiscal Year 2005 to the maximum extent

allowable by the federal grants.

Representative Harris for adoption of the item.

Representative Croft objected for an explanation.

Ms. Carpenter relayed that this language indicates the legislative intent that the Council use all of the federal funding available to it in State FY 05, rather than withholding 25 percent of the funds to carry-forward to the following fiscal year. That amount is approximately \$485,500.

Representative Croft asked if this represents funds the Council expects to receive.

Ms. Carpenter corrected this is funding the Council expects to receive in FY 05. The Department has provided "indication" that "these particular grants will come through."

Representative Croft asked why the carryover of 25 percent is a "bad practice" that should be prevented.

Chair Green assumed that in the event of shortages in grants and other programs in a current fiscal year, the funds should not be held for the next fiscal year.

Representative Croft suggested the Council could have viable reasons for holding the funds. He was unsure that the option should be prohibited.

Senator Hoffman understood the Council held 25 percent for the following fiscal year was for "cash flow purposes".

A roll call was taken on the motion to adopt Item #7.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED

SFC 04 # 3, Side B 04:46 PM

The conference items for the Department of Public Safety were CLOSED.

University of Alaska

Representative Harris moved for adoption of the House version for Item #1 and the item was ADOPTED without objection.

All conference items for the University of Alaska were CLOSED.

Legislature

Item: #1  
Appropriation: Budget and Audit Committee  
Allocation: Committee Expenses  
Description: Reduce contractual (no longer anticipate legal expenses associated with redistricting)  
Version: Senate  
Amount: -\$500,000 general funds

Representative Harris moved for adoption.

Representative Croft objected and commented that the House reduced this allocation by \$1 million. He supported the larger reduction given the significant excess funds within the Legislature that are carried over. The funds would be better appropriated to other programs such as women's shelters.

Representative Harris reminded the Committee of separate legislation that had passed, which provides for review of the State's oil and gas policy. The remaining \$500,000 would be utilized to fund this activity.

Representative Croft argued that sufficient funds are available within the Legislative budget, which are carried over every year. This involves millions of dollars and would be adequate to fund the review activity.

A roll call was taken on the motion to adopt Item #1.

IN FAVOR: Representative Williams, Senator Hoffman, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft

The motion PASSED (5-1)

The item was ADOPTED.

Item: #2  
Appropriation: Legislative Council  
Allocation: Council and Subcommittees  
Description: Structure Change - Create a new allocation for Office of Victims' Rights  
Version: House  
Amount: \$0  
Note: House creates separate allocation for the Office of Victims' Rights (153,000 general funds and \$328,600 PFD Crim)  
If H, then Statewide 9 = H, if S, then Statewide 9 = S.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #3  
Appropriation: Agencywide  
Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches  
Version: Senate  
Amount: \$218,900 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

The conference items for the Legislature were CLOSED.

#### Office of the Governor

Item: #1  
Appropriation: Commissions/Special Offices  
Allocation: Human Rights Commission  
Description: Deny Governor's request for funds required to maintain FY 04 level of service  
Version: Senate  
Amount: -\$70,000 general funds

Item: #2  
Appropriation: Executive Operations  
Allocation: Executive Office  
Description: Deny transfer of funding from Contingency Fund  
Version: Senate  
Amount: -\$340,000 general funds  
Note: Items 2,3,6 and 7 are a set and either the House or Senate position should be adopted for the set.

Item: #3  
Appropriation: Executive Operations  
Allocation: Governor's House  
Description: Deny transfer from Contingency Fund  
Version: Senate  
Amount: -\$10,000 general funds  
Note: Items 2,3,6 and 7 are a set and either the House or Senate position should be adopted for the set.

Representative Harris moved for adoption and the items were ADOPTED without objection.

Item: #4  
Appropriation: Executive Operations  
Allocation: Executive Office  
Description: AMD: Transfer funds from Dept. of Community and Economic Dev. Required for Trade  
Version: House  
Amount: \$95,000 Stat Desig funds  
          0 BLic Rcpts funds  
Note: If H, chose H for item 2 in DCED; if S, choose S for item 2 in DCED

Representative Harris moved for adoption.

Representative Croft objected for clarification. He understood that the increase in business license fees generated an increase of Business License Receipts funds that could be utilized for this purpose.

Chair Green deferred to the Division of Legislative Finance.

DAVID TEAL, Director, Division of Legislative Finance, testified that the trade functions were transferred from the Department of Community and Economic Development to the Office of the Governor. The statutory designated program receipts were available to the Department and are eligible for allocation to this item. The Senate had adopted the funding according to the Governor's request, which utilized some business license receipts to fund a portion of the operations. He qualified that the statutory designated program receipts "may or may not be collectable," depending upon the amount of trade that occurs.

Representative Croft asserted that because the business license fees were increased, increased revenue was anticipated. He asked if Business License Receipt funds would be unallocated with the adoption of the House version.

Mr. Teal replied that the funds have been allocated to other programs, primarily within the Department of Community and Economic Development. The House version should provide enough funding to replace expenditures made for trade missions. The Senate version would have provided "cash" in addition to funding recoverable from private companies, trade shows and other activities.

Representative Croft asked if this item would have any affect on operations or whether this is only a "fund switch".

Mr. Teal remarked this proposal should have no impact on operations.

Representative Croft removed his objection and Item #4 was ADOPTED without objection.

Item: #5  
Appropriation: Executive Operations  
Allocation: Executive Office  
Description: SenFin Amd: Funding for World Trade Center Alaska (WTCAK)  
Version: Senate  
Amount: \$96,000 BLic Rcpts funds

Item: #6  
Appropriation: Executive Operations  
Allocation: Contingency Fund  
Description: Deny transfer of funding to Executive Office  
Version: Senate  
Amount: \$340,000 general funds  
Note: Items 2,3,6 and 7 are a set and either the House or Senate position should be adopted for the set.

Item: #7  
Appropriation: Executive Operations  
Allocation: Contingency Fund  
Description: Deny transfer of funding to Governor's House  
Version: Senate  
Amount: \$10,000 general funds  
Note: Items 2,3,6 and 7 are a set and either the House or Senate position should be adopted for the set.

Representative Harris moved for adoption.

Representative Croft objected to the adoption of Item #5 and #6. He asked if the Governor vetoed the allocation of Item #5 in the FY 04 budget.

Representative Harris recalled it was either vetoed or not included.

Chair Green noted this allocation was an addition made in the Senate.

Representative Croft removed his objection, commenting that if the Conference Committee intends to reattempt to fund this grant, he would not oppose the effort.

Item #5 was ADOPTED without objection.

Representative Croft spoke to his objection to the adoption of Item #6. He recognized the requests to transfer funds from the Contingency Fund were specified to be a set, but requested the House version be accepted for this item.

A roll call was taken on the motion to adopt Item #6.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Item: #8  
Appropriation: Executive Operations  
Allocation: Contingency Fund  
Description: Reduce Contingency Fund  
Version: House  
Amount: \$0

Representative Harris, in correcting an earlier motion to adopt the Senate version, moved for adoption of the House version for this item.

Representative Croft objected and pointed out that if the Senate version were adopted, the Contingency Fund could be reduced. In the same manner as the Legislature, the Office of the Governor has sufficient funds and that significant amounts of funds are carried over each fiscal year. Funds should not be taken from "other valuable programs like shelters."

A roll call was taken on the motion to adopt Item #8.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Item: #9

Appropriation: Lt. Governor

Allocation: Lt. Governor

Description: Create a separate appropriation

Version: Senate

Amount: \$0

Note: The Senate proposes separating the Lt. Governor's Office from the Executive Office appropriation.

Representative Harris moved for adoption.

Representative Croft objected and requested an explanation of this "fairly major policy choice".

Chair Green opined that appropriations to the Lieutenant Governor's Office could be "separated very easily", as the functions are clearly defined. This is an appropriate action.

A roll call was taken on the motion to adopt Item #9.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Item: #10

Appropriation: Elections

Allocation: Elections

Description: Replace an FY 04 transfer to OMB for audit functions

Version: House

Amount: \$200,000 general funds

Representative Harris moved for adoption and the item was ADOPTED

without objection.

Item: #11

Appropriation: Agencywide

Description: Salary and benefit adjustments for employees of Labor, Trades and Crafts Unit (Local 71); PSEA for Correctional Officers Unit; PSEA for State Troopers; non-covered Executive, Legislative and Judicial Branches

Version: Senate

Amount: \$65,500 general funds

500 Fed Rcpts

2,300 Other funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

The conference items for the Office of the Governor were CLOSED.

### Statewide

Item: #1

Appropriation: Section 1

Allocation: Missions and Measures

Description: Intent

Version: Senate

Language: It is the intent of the legislature that the administration work with the legislature to: 1) ensure that missions and measures continually align with the organizational structure of departments; 2) promote the ultimate goal of supporting effective activities and change; 2) eliminate ineffective programs and activities; and 4) develop mutually agreeable End Results. It is the intent of the legislature that, in addition to the requirements prescribed by AS 37.17.050, each executive branch agency report the following to the legislature, no later than February 1, 2005, in a forum to be determined by the legislature:

1. Any desired legislative action, including proposed changes to missions and measures.

2. A comparison of expected and actual results, including analysis of trends, reasons for improvement and actions that resulted in no change or a decline in performance.

In instances of no change or deteriorated performance, it is the intent of the legislature that each agency describe actions the agency will take to advance progress toward performance targets. For measures lacking data, it is the intent of the legislature that the reporting agency describe any significant impediments to measuring progress toward the

performance target, describe how and when impediments will be overcome, and estimate when the agency anticipates data will be reported to the legislature. When desired results involve more than one agency, each agency will note the joint effort and report on its contribution to achieving desired results.

Item: #2

Appropriation: Section 1

Allocation: Procurement Pilot Project

Description: Intent

Version: Senate

Language: It is the intent of the legislature that the Department of Administration, Office of the Governor and other state agencies actively pursue implementation of the state procurement pilot program authorized by ch. 51, SLA 2003 (HB 313, Twenty-Third Alaska State Legislature). It is essential that state policy makers show strong leadership in reducing the cost of government at a time when the State of Alaska is facing a fiscal gap. The procurement pilot program provides an opportunity to address the fiscal condition of the state in a way that does not reduce program delivery. The procurement pilot program will reduce the costs associated with procurement and supply chain management, which are significant areas of the state's administrative costs and represent an area of potentially substantial cost savings in the future. As a basic administrative function, procurement and supply management represent appropriate opportunities for achieving costs savings through the use of process management specialists from the private sector and, when combined with electronic commerce tools, offer opportunities to reduce the amount of back-office overhead resources required to requisition, procure, and otherwise administer the acquisition of goods and services, as well as to reduce the actual costs of goods and services. Given the early indications of large potential cost savings to the state from the procurement pilot program, the legislature encourages the executive branch to actively pursue full implementation authorized by ch. 51, SLA 2003.

Item: #3

Appropriation: Section 10

Allocation: Alaska Housing Finance Corporation

Description: Information Only

Version: Senate

Language: ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that the net income from the second preceding fiscal year will be available in each of the fiscal years 2005

through 2006. During fiscal year 2005, the board of directors anticipates that \$103,000,000 will be available for payment of debt service, appropriation in this Act, appropriation for capital projects, and transfer to the Alaska debt retirement fund (AS 37.15.011). (b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2005, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

- (1) \$1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;
- (2) \$37,978,856 for debt service on the bonds authorized under sec. 2(c), ch. 129, SLA 1998;
- (3) \$12,019,790 for debt service on the bonds authorized under sec, 10, ch. 130 SLA 200;
- (4) \$2,893,808 for debt service on the bonds authorized under ch.2, SSSLA 2002;
- (5) \$29,894,063 for debt service;
- (6) \$2,050,000 to capitalize the senior care fund (sec. 2, ch. 3, SLA 2004); and
- (7) \$17,163,400 for capital projects.

Note: Subsections 5, 6 and 7 show differing uses for the dividend.

Item: #4

Appropriation: Section 12

Allocation: Alaska Permanent Fund Corporation

Description: Conditional Language

Version: Senate

Language: None

Note: The House language appears to be unnecessary; section 12 appropriates PF earnings to dividends and principal, but not to the corporation, so there is no opportunity to use the money for advocating.

House language is included in section 1. See DOR item 2.

Representative Harris moved for adoption and the items were ADOPTED without objection.

Representative Croft objected to Item #4 for clarification that the House version would allow the Alaska Permanent Fund Corporation to advocate for a Percent of Market Value (POMV) method of managing the Fund.

Representative Harris amended his motion to adopt Items #1 through #3. Without objection the three items were ADOPTED.

AT EASE 4:59 PM / 5:01 PM

Representative Harris moved for adoption of Item #4 and the item was ADOPTED without objection.

Item: #5  
Appropriation: Section 16  
Allocation: Department of Education and Early Development

Representative Harris moved that no action be taken on this item as action taken on Items #1 through #5 of the Department of Education and Early Development make this item unnecessary.

Item: #6  
Appropriation: Section 20 (House) Section 21 (Senate)  
Allocation: Alaska Marine Highway System Capitalization  
Version: Senate  
Language: FUND TRANSFERS. The sum of \$32,000,000 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060).

Representative Harris moved for adoption, noting that additional funds would be included in a supplemental appropriation to address increased costs.

Representative Croft objected, asserting that \$40 million should be included in this legislation regardless of anticipated supplemental appropriations. Historical data indicates that \$40 million would be required.

A roll call was taken on the motion to adopt Item #6.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The item was ADOPTED.

Item: #7  
Appropriation: Section 20 (House) Section 21 (Senate)  
Allocation: Senior Care Fund Capitalization  
Version: Senate minus \$7,787,000  
Language: (m) the sum of \$22,689,500 is appropriated to the senior care fund (sec. 2, ch. 3, SLA 2004) from the following sources in the amounts stated:  
General fund \$9,729,000

Alaska Housing Finance Corporation dividend \$2,050,000  
Alaska Industrial Development and Export Authority dividend  
\$8,162,600  
Alaska Student Loan Corporation dividend \$2,747,900

Representative Harris moved for adoption.

Representative Croft objected for an explanation.

Mr. Teal explained this allocation relates to capitalization of the Senior Care Fund. A fiscal note exists to indicate funds would be expended from the Senior Care Fund. This item would deposit monies into the Fund. The Senate version would have capitalized the Fund for FY 05 and FY 06, which is unnecessary at this time. He indicated that this capitalization could be transferred to FY 04. Regardless, this would adequately capitalize the fund for FY 04 and FY 05.

Representative Croft removed his objection and the item was ADOPTED.

Item: #8  
Appropriation: Section 20 (House) Section 21 (Senate)  
Allocation: ADRF Capitalization  
Version: Senate  
Language: (n) The sum of \$2,837,400 is appropriated from the Alaska Industrial Development and Export Authority dividend to the Alaska debt retirement fund (AS 37.15.011).

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #9  
Appropriation: Section 22 (House) Section 23 (Senate)  
Allocation: Legislative Council  
Description: Reappropriation  
Version: Senate  
Language: LEGISLATIVE COUNCIL. The unexpended and unobligated balance, estimated to be \$60,000, of that portion of the appropriation made by sec. 1, ch. 83, SLA 2003, page 37, line 26 (Legislative Council - \$22,824,800) that is appropriated from PFC Appropriations in lieu of Dividends to Criminals is reappropriated to the Legislative Council for the office of victims' rights for expenses for the fiscal year ending June 30, 2005.

Representative Harris moved for adoption.

Mr. Teal clarified that this reflects the establishment of the Office of Victims' Rights as a separate allocation.

The item was ADOPTED without objection.

AT EASE 5:07 PM / 5:37 PM

Item: #10  
Appropriation: Section 24 (House) Section 25 (Senate)  
Allocation: Election Fund Capitalization  
Version: Senate  
Language: OFFICE OF THE GOVERNOR. (a) the sum of \$7,446,803 is appropriated from federal receipts to the election fund required by the Help America Vote Act.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #11  
Appropriation: Section 28  
Allocation: Power Cost Equalization  
Description: Supplemental

Item: #12  
Appropriation: Section 28  
Allocation: Power Cost Equalization

AT EASE

At the request of Senator Hoffman, these items were HELD OPEN.

Item: #13  
Appropriation: Section 20 (House) Section 21 (Senate)  
Allocation: Salary and Benefit Adjustments  
Description: Information Only  
Version: House  
Language: None

Representative Harris moved for adoption and the item was ADOPTED without objection.

[NOTE: The adoption of Item #14 supersedes the language of Item #13. It was the recommendation of the Division of Legislative Finance that the Conference Committee adopt the House version to establish that the Senate version would not be incorporated.]

Item: #14  
Appropriation: Section 30

Allocation: Salary and Benefit Adjustments

Description: Information only

Version: Conference Committee

Language: SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act, and sec. 1 of the Act making appropriations for the state's integrated comprehensive mental health program, include \$5,294,500 for benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the monetary terms for the fiscal year ending June 30, 2005, of the following collective bargaining agreements:

- (1) Public Employees Local 71, for the Labor, Trades and Crafts Unit;
- (2) Public Safety Employees Association, for the Correctional Officers Unit;
- (3) Public Safety Employees Association, representing the state troopers and other commissioned law enforcement personnel.
- (4) Alaska Public Employees Association, representing the Confidential Employees bargaining unit;
- (5) Alaska Public Employees Association, representing the Supervisory Employees bargaining unit;
- (6) Teachers' Education Association of Mt. Edgecumbe.

(b) The operating budget appropriation made the University of Alaska for the fiscal year ending June 30, 2005, includes amounts for salary and benefit adjustments for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements with the following entities representing employees of the University of Alaska:

- (1) Alaska Higher Education Crafts and Trades Employees;
- (2) Alaska Community Colleges' Federation of Teachers;
- (3) United Academics;
- (4) United Academics-Adjuncts

(c) If a collective bargaining agreement listed in (a) of this section is not ratified by the membership of the respective collecting bargaining unit, the appropriations made by this Act, and the Act making appropriations for the state's integrated comprehensive mental health program, that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #15

Appropriation: Section 30 (House) Section 33 (Senate)

Allocation: State Debt and Other Obligations

Version: Senate

Language: STATE DEBT AND OTHER OBLIGATIONS. (b) the sum of \$81,870,084 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011) \$51,670,084

School fund (AS 43.50.140) \$30,200,000

Representative Harris moved for adoption and the item was ADOPTED without objection.

Representative Harris noted this item corrects an error in calculating the school debt reimbursement costs for the Anchorage School District.

Item: #16

Appropriation: Section 35

Allocation: Grants for Charter Schools

Item: #17

Appropriation: Section 136

Allocation: University of Alaska

Representative Harris announced that adoption of these items was unnecessary.

Representative Harris

All conference items, except Items #11 and #12, for the Statewide category were CLOSED.

#### Department of Administration

Item: #9

Appropriation: Legal and Advocacy Services

Allocation: Office of Public Advocacy

Description: Decrease for prioritization and correction of billing and payment issues

Version: House

Amount: -\$50,000 general funds

Version: Senate

Amount: \$0

Representative Harris moved to rescind the Committee's action in adopting this item. Without objection the action was RESCINDED.

Representative Harris moved to adopt the Senate version for this item and the motion was ADOPTED without objection.

Item: #10  
Appropriation: Legal and Advocacy Services  
Allocation: Office of Public Advocacy  
Description: Establish full funding for a Social Services Specialist II for the Anchorage Wellness Court  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected to request clarification.

Item #10 was left OPEN.

Item: #12  
Appropriation: Violent Crimes Compensation Board  
Allocation: Violent Crimes Compensation Board  
Description: Add general fund grants to compensate for the loss of PFD Fund and PFD Crim funding sources.  
Version: House minus \$76,200  
Amount: \$76,200 general funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

All conference items, except Item #10 for the Department of Administration were CLOSED.

#### Department of Law

Item: #4  
Appropriation: Criminal Division  
Allocation: Second Judicial District  
Description: Reduce travel by 25%  
Amended Version: House plus \$8,900  
Amount: -\$8,800 general funds

[Note: It was the intent of the Conference Committee to RESCIND its earlier action in adopting the House version plus \$12,000 for this item.]

Representative Harris moved for adoption of the House version plus \$8,900 for this item and it was ADOPTED without objection.

Item: #5  
Appropriation: Criminal Division  
Allocation: Third Judicial District: Anchorage  
Description: Deny Victims for Justice increment request  
Version: House  
Amount: -\$125,000 general funds

Representative Harris moved for adoption.

Representative Croft objected.

Chair Green announced this item would be left OPEN.

Item: #49  
Appropriation: Civil Division  
Allocation: Opinions, Appeals and Ethics  
Description: Deny 1 new attorney - Indian Law  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected.

Chair Green announced this item would remain OPEN.

Item: #50  
Appropriation: Civil Division  
Allocation: Opinions, Appeals and Ethics  
Description: Deny 1 new attorney - Human Services Appeals  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected.

This item remained OPEN.

All conference items except Items #5, #49 and #50 for the Department of Law were CLOSED.

Department of Natural Resources

Item: #17

Appropriation: Resource Development  
Allocation: Development - Special Projects  
Description: AMD Scientific Assessments for Resource  
Development  
Version: Senate  
Amount: \$150,000 general funds

Representative Harris moved for adoption.

Senator Hoffman or Representative Croft objected.

Chair Green announced this item would remain OPEN.

Department of Revenue

Item: #2  
Appropriation: Permanent Fund Corporation  
Description: Conditional Language  
Version: Conference Committee  
Language: "It is the intent of the legislature to give notice as permitted by statute and regulations of the Alaska Public Offices Commission that the Alaska Permanent Fund Corporation may use amounts appropriated for operations of the Corporation in the Corporation's FY 04 and FY 05 budgets to educate voters concerning the Permanent Fund Percent of Market Value to the Alaska Constitution and the reasons why the Trustees recommended this change in law. It is further the intent of the legislature that the Alaska Permanent Fund Corporation not advocate a position on the ballot question. It must permit persons with all viewpoints to participate in a public forum and shall present all known affects that the Percent of Market Value proposal could have on the Alaska Permanent Fund."

Representative Harris moved for adoption and read the intent language into the record as shown above.

Senator Hoffman pointed out that a resolution had not been passed during this session relating to a ballot initiative requesting voter approval to change the management of the Permanent Fund to a POMV method. He asked if it is anticipated that such a resolution would pass the legislature.

Representative Croft objected to the adoption of the item.

Chair Green clarified this language addresses a conflict identified by the Alaska Public Office Commission and specifies that any education efforts by the Permanent Fund Corporation must be "fair and judicious". State agencies are often required to provide

information to the public regarding various matters. The Alaska Permanent Fund Corporation must have this ability as well, with the understanding that any information provided is unbiased.

Senator Hoffman informed that the Corporation published an advertisement in newspapers, which he characterized, not as information, but rather the testimony of Trustees. If this was the anticipated practice, he opposed the conditional language as presented.

Chair Green announced this item would remain OPEN.

### Mental Health

Item: #1  
Deferred Maintenance and Accessibility Improvements (ED 99)  
Version: Senate  
Amount: \$400,000 GF/MH & MHTAAR funds

Representative Harris moved for adoption.

Representative Croft objected for an explanation.

Representative Harris stated this would allocate \$400,000 more than the House version approved.

Representative Croft removed his objection and the item was ADOPTED.

Item: #2  
Essential Program Equipment Grants to Service Providers (ED 99)  
Version: House  
Amount: \$350,000 GF/MH & MHTAAR funds

Item: #3  
Van/Vehicle and Housing Modifications for Families or Individuals (ED 99)  
Version: House  
Amount: \$300,000 GF/MH & MHTAAR funds

Item: #4  
Transitional Housing  
Version: House  
Amount: \$500,000 MHTAAR fund

Item: #5  
Fairbanks Detoxification Unit Expansion and Renovation (ED 7-

11)  
Version: House  
Amount: \$1,450,000 Fed Rcpts & Fed MH funds

Item: #6  
Treatment-Based Special Needs Housing Program (ED 99)  
Version: House  
Amount: \$400,000 GF/MH fund  
          250,000 MHTAAR fund  
          150,000 AHFC Div fund

Item: #7  
Consumer Designed and Managed Projects (ED 99)  
Version: House  
Amount: \$250,000 MHTAAR fund

Item: #8  
Medicaid Review and Enhancement Project (ED 99)  
Version: House  
Amount: \$300,000 MHTAAR fund

Item: #9  
Provider Resource Sharing and Coordination (ED 99)  
Version: House  
Amount: \$150,000 MHTAAR fund

Item: #10  
Update Issues Affecting Economic Well-Being of Alaska Seniors  
(ED 99)  
Version: House  
Amount: \$30,000 MHTAAR fund

Representative Harris moved for adoption. He understood the actions represent the recommendations of the Alaska Mental Health Trust Authority.

Chair Green affirmed.

The items were ADOPTED without objection.

Item: #11  
Mental Health Trust Land Development (ED 99)  
Version: House  
Amount: \$650,000 MHTAAR fund

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #12  
Homeless Assistance Program (ED 99)  
Version: Senate  
Amount: \$400,000 GF/MH fund  
          250,000 MHTAAR fund  
          150,000 AHFC Div fund

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #13  
Beneficiary and Special Needs Housing (ED 99)  
Version: House  
Amount: \$1,200,000 GF/MH & AHFC Div funds

Representative Harris moved for adoption and the item was ADOPTED without objection.

Item: #14  
Coordinated Transportation and Vehicles  
Version: Senate  
Amount: \$650,000 GF/MH fund  
          150,000 MHTAAR fund  
          500,000 AHFC Div fund

Representative Harris moved for adoption and the item was ADOPTED without objection.

All conference items for the Mental Health appropriation were CLOSED.

#### Fiscal Notes

Representative Harris moved for adoption of the fiscal notes for legislation passed, as listed on a spreadsheet titled, "FY 2005 Fiscal Notes Adopted by the Conference Committee on the Operating and Mental Health Budgets" [copy on file.]

Without objection the fiscal notes were ADOPTED.

The conference fiscal note items were CLOSED.

#### Department of Community and Economic Development

Item: #5  
Appropriation: Community Assistance & Economic Development  
Allocation: Community Advocacy  
Description: Restore Alaska Legal Services Grant deleted in

Governor's request  
Version: House minus \$62,500  
Amount: -\$62,500 general funds

Senator Hoffman requested the Conference Committee rescind its actions in adopting this item and to hold the item open.

Representative Harris asked why.

Senator Hoffman intended to research the history of the program. He surmised the action taken would "decimate the Alaska Legal Services program".

Chair Green ruled the item would be left OPEN.

AT EASE 5:53 PM / 6:35 PM

Department of Administration

Item: #10  
Appropriation: Legal and Advocacy Services  
Allocation: Office of Public Advocacy  
Description: Establish full funding for a Social Services Specialist II for the Anchorage Wellness Court  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected.

A roll call was taken on the motion to adopt Item #10.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft, Senator Hoffman

ABSENT: Senator Hoffman

The motion PASSED (4-1-1)

The item was ADOPTED.

All conference items for the Department of Administration were CLOSED.

Department of Law

Item: #5  
Appropriation: Criminal Division  
Allocation: Third Judicial District: Anchorage  
Description: Deny Victims for Justice increment request  
Version: House  
Amount: -\$125,000 general funds

Representative Harris moved for adoption.

Representative Croft objected and agreed that the name of a grant recipient should not be specified in the budget and that the grant should be competitive in future years. However, "vital services for victims drop off in the meantime" unless funding is provided.

A roll call was taken on the motion to adopt Item #5.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft

ABSENT: Senator Hoffman

The motion PASSED (4-1-1)

The item was ADOPTED.

Item: #49  
Appropriation: Civil Division  
Allocation: Opinions, Appeals and Ethics  
Description: Deny 1 new attorney - Indian Law  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected.

A roll call was taken on the motion to adopt Item #49.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft

ABSENT: Senator Hoffman

The motion PASSED (4-1-1)

The item was ADOPTED.

Item: #50  
Appropriation: Civil Division  
Allocation: Opinions, Appeals and Ethics  
Description: Deny 1 new attorney - Human Services Appeals  
Version: Senate  
Amount: \$0

Representative Harris moved for adoption.

Representative Croft objected and commented this funding should be expended "in other places".

A roll call was taken on the motion to adopt Item #50.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft

ABSENT: Senator Hoffman

The motion PASSED (4-1-1)

The item was ADOPTED.

All conference items for the Department of Law were CLOSED.

Department of Natural Resources

Item: #17  
Appropriation: Resource Development  
Allocation: Development - Special Projects  
Description: AMD Scientific assessments for resource development  
Version: Senate  
Amount: \$150,000 general funds

Representative Harris moved for objection and the item was ADOPTED without objection.

All conference items for the Department of Natural Resources were CLOSED.

Department of Revenue

Item: #2  
Appropriation: Permanent Fund Corporation  
Description: Conditional Language  
Version: Conference Committee

Representative Harris moved for adoption of intent language he had earlier read into the record [copy on file.]

Representative Croft objected, asserting that the legislature should not grant the Permanent Fund Corporation any ability to "spend government money trying to affect a decision of how much of the dividend is taken." The issues of how to calculate the earnings of the Fund and whether to appropriate a portion of the earnings for government services have become intertwined and it would be inappropriate for the Corporation to influence the latter decision.

A roll call was taken on the motion to adopt Item #2.

IN FAVOR: Representative Williams, Senator Wilken, Representative Harris, Chair Green

OPPOSED: Representative Croft

ABSENT: Senator Hoffman

The motion PASSED (4-1-1)

The item was ADOPTED.

Department of Community and Economic Development

Co-Chair Green informed that Senator Hoffman has withdrawn his request that the Conference Committee rescind its actions in adopting Item #5.

All conference items for the Department of Community and Economic Development were CLOSED.

Representative Harris offered a motion to give direction and authorization to the Division of Legal and Research Services and the Division of Legislative Finance to make technical amendments as necessary.

There was no objection and the motion carried.

AT EASE 6:44 PM / May 11, 12:06 AM

Statewide

Item: #11

Appropriation: Section 28

Allocation: Power Cost Equalization

Description: Supplemental

Version: Conference Committee

Language: (a) the sum of \$4,400,000 is appropriated to the power cost equalization and rural electric capitalization fund from the following sources:

\$2,200,000 from the power cost equalization endowment fund

\$2,200,000 from the general fund

Representative Harris read the language into the record and moved for adoption. The item was ADOPTED without objection.

Representative Harris commented this language includes the Senate language.

Item: #12

Appropriation: Section 28

Allocation: Power Cost

Version: Senate

Language: (b) the amount necessary to provide the sum appropriated from the power cost equalization and rural electric capitalization fund (AS 42.45.100) by sec. 1 of this Act, after the appropriation made in (a) of this section, is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the power cost equalization and rural electric capitalization fund. However, in accordance with AS 42.45.085(a), the amount appropriated by this subsection may not exceed seven percent of the market value of the power cost equalization endowment fund, determined by the commissioner of revenue to be \$11,369,441.16 minus amounts appropriated during the fiscal year ending June 30, 2005, for reimbursement of the costs set out in AS 42.45.085(a)(2) and (3).

Representative Harris moved for adoption and the item was ADOPTED without objection.

All conference items for the Statewide category were CLOSED.

All conference items were CLOSED.

#

ADJOURNMENT

Co-Chair Lyda Green adjourned the meeting at 12:08 AM