

**MINUTES**  
**CONFERENCE COMMITTEE**  
**SB 98 - FY 05 SUPPLEMENTAL APPROP**  
**March 22, 2005**  
**8:34 a.m.**

**CALL TO ORDER**

Chair Wilken convened the meeting at approximately [8:34:20 AM](#).

**PRESENT**

Senator Gary Wilken, Chair  
Representative Mike Chenault, Vice-Chair  
Senator Lyda Green  
Representative Kevin Meyer  
Senator Lyman Hoffman  
Representative Eric Croft

**Also Attending:** DAVID TEAL, Director, Division of Legislative Finance

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

**SUMMARY INFORMATION**

#SB98

CS FOR SENATE BILL NO. 98(FIN) am  
"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

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The Conference Committee utilized a spreadsheet titled, "Conference Committee Worksheet for SB 98" which outlines each section of the House of Representatives and Senate versions of the legislation [copy on file].

Chair Wilken noted a letter requesting the Conference Committee be granted limited powers from the president of the Senate and the speaker of the House of Representatives. He requested members sign this letter for transmittal to the appropriate bodies.

Representative Chenault moved for adoption of the House of Representatives version of all sections of the bill with the exception of Items 2, 3 and 6.

Chair Wilken objected for discussion purposes.

Senator Hoffman requested an explanation why the specific items were excluded.

Chair Wilken replied that Section 2 (a) of the bills relate to rural energy fuel grants. He informed that the Conference Committee would propose adoption of the House of Representative language with an amendment providing that the grants could not be expended for utilities or insurance. The Conference Committee would then retain the House of Representatives language of Item 3, which also relates to Section 2(a) of the bills.

Senator Hoffman asked for an explanation of Item 6.

Chair Wilken explained that the House of Representatives reduced the appropriation to the Probation and Parole Results Delivery Unit (BRU), Director's Office Probation Region I component by \$450,000 general fund. It was determined that the Senate proposed reduction of \$65,000 was appropriate.

Senator Green clarified that the proposed action on Item 6 would not require limited powers of the Conference Committee.

Chair Wilken affirmed.

Senator Hoffman, referencing Item 2, asked the reason to prohibit the use of these funds for utilities and insurance expenses. He understood the majority of the funding would be utilized for fuel and the portion for utilities and insurance would be minimal.

Chair Wilken relayed the "predominant opinion" that the inclusion of utility and insurance as an authorized use of these funds would change the appropriation from a grant for fuel costs to a municipal

revenue sharing program. Payment for fuel expenses has support, but additional authorized expenditures is not supported.

Senator Hoffman asked the reason the House of Representatives passed language that provided authorization for utility and insurance expenses.

Representative Chenault replied that the matter was "argued both ways", although he supported limiting the authorization to fuel costs. This was the intent of the appropriation.

Representative Croft countered that the Representatives concluded that the increased fuel costs affected a variety of expenses. Funds were diverted from other obligations to purchase the needed fuel. He gave an analogy of a parent paying unexpected tuition increases to allow their child to attend school, and addressing the resulting shortfall to the family grocery budget afterwards. If funds later became available but were restricted to tuition payment, the problem of providing food would not be addressed. He requested additional discussion on the matter of the Conference Committee's request for limited free powers, suggesting another solution could be agreed upon.

Chair Wilken understood the appropriation could be used to reimburse payments already remitted. Therefore fuel purchases made between July 1, 2004 and through the remainder of the fiscal year are eligible.

Representative Croft suggested the simpler method would be to appropriate the funding without the limitations.

Co-Chair Wilken removed his objection and the House of Representatives version of Items 1, 4 through 5, and 7 through 20 were ADOPTED.

Representative Chenault moved to adopt the Senate version of Item 6.

Chair Wilken objected to point out that an explanation for this action had been given earlier in the meeting. He removed his objection.

Without further objection the Senate version of Item 6 was ADOPTED.

Representative Chenault offered a motion that the Conference Committee request free powers to address Section 2(a) of the bill, listed as Items 2 and 3 on the spreadsheet.

Chair Wilken objected to explain that the proposed changes to the language of Section 2(a) is different than that included in either the House of Representatives or Senate versions of the bill and would thus require the authorization of free powers. He noted the letter making this request has been signed by all members and would be transmitted to the president of the Senate and the speaker of the House of Representatives.

There was no objection and the motion to request free powers was ADOPTED.

Representative Meyer clarified that Item 3 would be addressed once the Conference Committee receives free powers.

AT EASE [8:45:29 AM](#)/[12:13:25 PM](#)

The request for limited free powers was submitted to the president of the Senate and the speaker of the House of Representatives and these powers were granted during sessions of each body. These sessions were held during the recess of this meeting.

Co-Chair Wilken explained a proposed amendment to the House of Representatives language of Section 2(a) of the bills. This amendment would delete "utilities or insurance" as allowable expenditures of the grants to the small municipality energy assistance program and limit expenditure to fuel purchases. The amended language on page 2 lines 5 through 17 of the House of Representatives version, 24-GS1133\S.A, would read as follows.

Sec. 2. DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT. (a) The sum of \$6,450,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, division of community advocacy, for grants from the small municipality energy assistance program, for the fiscal year ending June 30, 2005, to the following cities and boroughs in the amounts stated. The grant awarded to each city or borough must be first used to repay any indebtedness of the city or borough to the bulk fuel revolving loan fund (AS 42.45.250). The amount of a grant remaining after repayment of any indebtedness of the city or borough to the bulk fuel revolving loan fund may be used by the city or borough only for the purchase of fuel. The amount of the grant awarded to a city or borough is based upon 2003 population, with cities and boroughs with up to 99 residents receiving \$22,395.83, cities and boroughs with 100 - 600 residents receiving \$44,791.67, and cities and boroughs with 601 - 2,499 residents receiving approximately \$67,187.

Representative Chenault offered a motion to insert "only" and

delete "utilities and insurance" from the sentence beginning "The amount of a grant remaining..." on lines 11 through 14.

Senator Hoffman objected.

AT EASE [12:14:48 PM](#) / [12:16:39 PM](#)

Co-Chair Wilken clarified that the motion is to amend the House of Representatives language of Section 2(a) and adopt this language.

Representative Croft questioned the need for limited free powers authority for the conference committee. He stated that the language of the amendment is identical to that of the Senate version of the bill.

DAVID TEAL, Director, Division of Legislative Finance, provided an explanation. [Note: witness spoke out of range of audio recording equipment and testimony was not received.]

Representative Meyer asked if the changes made to Item 2 would result in opposition to the House of Representative language for Item 3.

Co-Chair Wilken expressed intent to address Item 2.

Representative Meyer informed that the provisions of Item 3 are more important to the House of Representatives than the provisions of Item 2.

Co-Chair Wilken did not anticipate that either item would fail to be adopted.

A roll call was taken on the motion.

IN FAVOR: Representative Meyer, Senator Green, Representative Chenault, Chair Wilken

OPPOSED: Representative Croft, Senator Hoffman

The motion PASSED (4-2)

The House of Representatives language for Item 2 was amended and ADOPTED.

Representative Chenault offered a motion to adopt the House of Representatives language for Item 3. This language of Section 2(a) of the bills, relates to the distribution of funds for the appropriation to communities for increased fuel costs.

Co-Chair Wilken noted the House of Representatives language provides for the same appropriation amount as adopted by the Senate, but with a different allocation of the funding.

Without objection the House of Representatives language for Item 3 was ADOPTED.

Co-Chair Wilken stated for the record that the grants provided in Items 2 and 3 could be utilized for past and future fuel purchases made during FY 05.

Co-Chair Wilken clarified action taken by the Conference Committee in adopting the House of Representatives version of Items 18 through 22: "These lapse and effective date clauses conform to the House versions of other sections adopted by the committee, including funding for labor agreements and education."

Representative Chenault offered a motion to report CC SB 98, 24-GS1133\X, from Committee.

Representative Croft clarified that the committee substitute, Version "X" reflects only those changes made in the Conference Committee.

Chair Wilken affirmed.

There was no objection and CC SB 98 MOVED from the Conference Committee.

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**ADJOURNMENT**

Chair Wilken adjourned the meeting at 12:24 PM