

SENATE FINANCE COMMITTEE
March 19, 2008
9:11 a.m.

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at [9:11:18 AM](#).

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Kim Elton
Senator Donny Olson
Senator Joe Thomas
Senator Fred Dyson

MEMBERS ABSENT

Senator Charlie Huggins, Vice-Chair

ALSO PRESENT

Trevor Fulton, Staff, Senator Lesil McGuire; Peggy Brown, Executive Director, Alaska Network on Domestic Violence and Sexual Assault; Tim Lamkin, Staff, Senator Gary Stevens; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Carl Rose, Alaska Association of Alaska School Boards; Norman Eck, Superintendent, Northwest Arctic Borough School District; Tim Grussendorf, Staff, Co-Chair Hoffman; David Teal, Director, Legislative Finance Division; Senator Thomas Wagoner; Karen Rehfeld, Director, Office of Management and Budget

PRESENT VIA TELECONFERENCE

None

SUMMARY

SB 265 "An Act relating to drivers' licenses and identification cards issued to sex offenders and child kidnappers."

SB 265 was HEARD and HELD in Committee for further consideration.

SB 285 "An Act relating to the power and duties of the Department of Education and Early Development for improving instructional practices in school districts; and providing for an effective date."

CSSB 285(FIN) was REPORTED out of Committee with a "do pass" recommendation, a Senate Finance Letter of Intent, and a fiscal note by the Department of Education & Early Development.

CSHB 310(FIN)am

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

SCS CSHB 310(FIN) was REPORTED out of Committee with a "do pass" recommendation.

CSHB 312 (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."

SCS CSHB 312(FIN) was REPORTED out of Committee with a "do pass" recommendation.

[9:11:56 AM](#)

SENATE BILL NO. 265

"An Act relating to drivers' licenses and identification cards issued to sex offenders and child kidnappers."

Co-Chair Hoffman MOVED to ADOPT a committee substitute for SB 265, work draft 25-LS1449\K.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:13:32 AM](#)

TREVOR FULTON, STAFF, SENATOR LESIL MCGUIRE, presented an overview of the bill. He explained that the bill combines the resources of the Sex Offenders Registry with the database of the Alaska Permanent Fund Division in order to get out-of-compliance sex offenders to register. Mr. Fulton observed that there is a ten to eleven percent non-compliance rate within the Sex Offender Registry. The aim of the bill is to withhold the Permanent Fund Dividend for those non-compliant sex offenders. He asserted that the Committee Substitute adds Sections 2-8, which allow the private sector process servers, licensed by the Commissioner of Public Safety, to submit their writs to the Permanent Fund Dividend Division electronically. Mr. Fulton explained that the writs are court orders to pay Permanent Fund Dividend checks to the applicant's debtors. He pointed out that the division processes over 35,000 of these writs annually, each one submitted in person and processed manually, adding a significant workload to Permanent Fund personnel. Mr. Fulton proposed that the added section would alleviate some of the workload and expedite the entire process, allowing private sector process servers to use the electronic option to decrease the workload for division personnel.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, work draft 25-LS1499/K was adopted.

Senator Elton requested further clarification of the fiscal notes.

[9:18:41 AM](#)

PEGGY BROWN, EXECUTIVE DIRECTOR, ALASKA NETWORK ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT, testified on behalf of the bill and asserted that the network, which represents nineteen-member programs throughout the state, approved this bill. Ms. Brown elaborated that sex offender laws have toughened in Alaska and SB 265 tries to firm compliance issues regarding sex offenders. She reported that SB 265 would be beneficial to the state in more efficiently trading information in the Sex Offender Registry, the Department of Public Safety and the Permanent Fund Dividend Division.

Co-Chair Stedman mentioned the Department of Public Safety fiscal note for \$38,000.

SB 265 was HEARD and HELD in Committee for further consideration.

[9:21:53 AM](#)

SENATE BILL NO. 285

"An Act relating to the power and duties of the Department of Education and Early Development for improving instructional practices in school districts; and providing for an effective date."

Co-Chair Stedman addressed the intent to adopt the Committee Substitute, hear additional testimony, and move the bill out of Committee.

Co-Chair Hoffman MOVED to ADOPT a committee substitute for SB 285, work draft 25-LS1522\K.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:23:13 AM](#)

Tim Lamkin, Staff, Senator Gary Stevens, presented an overview of the Committee Substitute. He remarked that the

changes establish criteria under which the department may intervene as necessary in a school district to improve instructional practices. The regulations must include (page 3, lines 15-25):

(A) a notice provision that alerts the district of the deficiencies and the instructional practice changes proposed by the department;

(B) an end date for departmental intervention after the district demonstrates three consecutive years of improvement consisting of not less than two percent increases in student proficiency on standards-based assessments in math, reading, and writing as provided in AS 14.03.123(f)(2)(A); and

(C) a process for districts to petition the department for continuing or discontinuing the department's intervention.

Mr. Lamkin mentioned an additional change on page 5, lines 1-3, that specifies the department to direct decisions to those with supervisory authority, not teachers. Page 5, line 6, in regard to withholding funds, has been changed to "redirect."

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, the work draft 25-LS1522\K was adopted.

[9:26:04 AM](#)

Mr. Lamkin attributed this bill to the Moore vs. the State of Alaska case. The judge in that case determined that where schools were failing in math, reading, and writing the Legislature was failing its constitutional mandate to provide a meaningful opportunity to receive that education. The bill attempts to give the department further delegated authority to step in on behalf of the Legislature and provide guidance to those districts to meet their educational goals.

Senator Elton thanked the bill sponsor who went out of his way to answer the previous concerns of the Committee. He asked Mr. Jeans if anything in this bill would allow the department to change a teacher's contract.

[9:27:50 AM](#)

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, replied that there is nothing in the bill that would allow the department to change a teacher's contract. The previously mentioned portion, page 5 lines 1-3, mentioned that this will only deal with supervisory personnel.

Senator Olson questioned if there was adequate funding for the personnel who will intervene in the school districts.

Mr. Jeans remarked that the intent is to redirect the instructional practices in reading, writing, and math to involve collaborative meetings with the teachers, using the state's online informative assessments, as well as leadership training in the school or district. The attached fiscal note provides for district coaches, not counselors.

[9:29:58 AM](#)

Senator Olson asked for the department's plans for adding personnel when it is necessary for the intervention.

Mr. Jeans replied that the department has not arrived at that level of intervention, but believed the department would work with the superintendent and the school board before making those decisions.

Senator Thomas appreciated the additional information from the department.

Co-Chair Stedman commented that this bill has been worked on by the department since the last committee meeting.

[9:31:14 AM](#)

Senator Dyson MOVED to ADOPT Amendment 1:

Page 4, after line 18, add new subparagraphs:

(14) assure that all school board members
(A) have adequate training defining the boards' Responsibilities, authority, and assistance resources:
and

(B) have ready access to legal, business, and accounting Consulting and guidance assistance.

(15) assure that all school personnel and parents have access to

Information about available education choices including, but not limited to

- (A) cyber schools;
- (B) home schools;
- (C) boarding schools;
- (D) charter schools; and
- (E) tutoring.

(16) assure school personnel and parents know how to access the Choices set forth in (15) above.

Co-Chair Stedman OBJECTED for discussion purposes.

Senator Dyson stressed the need for school boards to be empowered throughout the state. He remarked that school boards can often feel at the mercy of the school administration and may not understand their authority and responsibility. This amendment assures that school board members have the training to understand their responsibilities and authority. Senator Dyson believed in the importance of school boards having access to legal and accounting information. He specified that parents should know their choices and how to access them under No Child Left Behind.

[9:35:32 AM](#)

Mr. Lamkin considered the amendment suggestions already on the books. He remarked that including these changes would

broaden the intent of the bill. The intent is for the department to concentrate on the instructional practices in school districts.

Mr. Jeans agreed that this bill was drafted very narrowly to address the issues raised in the Moore trial case.

[9:37:12 AM](#)

Senator Olson asked Mr. Jeans if the department was in favor of this amendment.

Mr. Jeans replied that the department was not in favor of this amendment.

Senator Huggins inquired about the training the school board receives.

[9:38:00 AM](#)

CARL ROSE, ALASKA ASSOCIATION OF ALASKA SCHOOL BOARDS, appreciated the concern of the amendment. He believed that the general population does not understand the function of the school or school boards. He stressed that school boards are elected but often work on a volunteer basis. Mr. Rose believed that Alaska school boards were well trained in their role to advocate for children in providing a quality education with the focus on student achievement through effective local governance.

[9:40:25 AM](#)

Co-Chair Stedman asked Mr. Rose his opinion on the amendment.

Mr. Rose believed that good training was already provided to the school boards.

Senator Huggins proposed that training school boards were a larger issue than covered by this bill. The bill was only meant to deal with failing schools. Mr. Rose replied that school boards are trained but when school districts have

been identified with problems, the association leadership and governance components would be happy to cooperate.

Senator Elton considered the amendment a problem as it could be read that the legislature was trying to supplant the training role of the Association of School Boards and shifting the training to the Department of Education. He wondered if Mr. Rose might have the same concern.

[9:42:43 AM](#)

Mr. Rose agreed it concerned him. He believed a large part of the association's responsibility is to fulfill the mission of training school boards. He thought the amendment could pass this role to the Department of Education.

Senator Dyson agreed that most school board members are doing a good job, but questioned if they really understood their authority and training to confront a school administration who may not be doing a good job. He stressed that he wanted parents to have the training, information and tools to be in control of local education. Senator Dyson believed that some school boards are not doing their job and are often actively seduced by the school administration.

[9:45:49 AM](#)

Senator Thomas referred to page 1, line 13, of the bill referring to "advisory and consultative services to all public school governing bodies and personnel." He believed this might answer some of the questions set forth in the amendment.

Senator Huggins agreed with Senator Dyson about the suggestions reflected in the amendment, but believed all school boards should be involved, not just those in failing schools.

[9:47:24 AM](#)

Senator Dyson believed it was clear in the amendment that it refers to all school boards.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion to ADOPT Amendment 1.

IN FAVOR: Dyson

OPPOSED: Stedman, Hoffman, Olson, Huggins, Elkins, Thomas

The MOTION FAILED (1-6).

Senator Dyson MOVED to ADOPT Amendment 2:

Page 3, after line 11 add new subparagraph:
(16) audit schools for compliance with AS
14.33.120, and provide a
Report on the results to all parents of students in
the respective schools.

Co-Chair Stedman OBJECTED for discussion purposes.

[9:49:15 AM](#)

Senator Dyson reported that earlier legislation required every school to go through a process with parents giving them an opportunity to decide and direct the handling of school disciplinary and safety issues. The collaborative decisions would then become part of the school disciplinary and safety standard. Senator Dyson maintained that most schools ignore these decisions and very few are following the law. He wanted to make sure that parents know about this process.

Senator Elton referenced a part of the bill - page 3, line 9 - that required the reporting of information regarding school disciplinary and safety programs. He commented that there was no need for this amendment.

[9:51:43 AM](#)

Mr. Jeans answered that Senator Elton was correct that there is already a requirement for reporting the information to the department. The school boards are required to adopt a written school disciplinary and safety program and report any disciplinary action they took under their program to the Department of Education.

Mr. Lamkin reiterated that this bill has been tightly drafted to address a particular situation and he does not think this amendment is relevant to the intent for the bill.

[9:53:40 AM](#)

Senator Dyson requested an analysis from the department showing that parents have participated in the school's process for learning, disciplinary actions, or safety.

Co-Chair Stedman requested the Department of Education look into Senator Dyson's questions and send the information to the Committee.

Mr. Lamkin agreed to provide that information.

Senator Dyson stressed that this amendment just calls for an audit and to make sure that parent's rights are protected under the law.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion to ADOPT Amendment 2.

IN FAVOR: Dyson

OPPOSED: Olsen, Thomas, Elton, Huggins, Stedman, Hoffman

The MOTION FAILED (1-6).

[9:55:58 AM](#)

Mr. Jeans referred to the fiscal note for \$538,000 for the intervention between school districts and \$25,000 for travel and supplies.

AT EASE: [9:56:35 AM](#)

RECONVENED: [9:57:37 AM](#)

Co-Chair Stedman requested that Mr. Jeans explained the fiscal note to the operating budget.

Mr. Jeans reported that in the department's operating budget there is a request in the House budget for \$235,000 for school interventions, but it is not in the Senate operating budget.

[9:58:40 AM](#)

NORMAN ECK, SUPERINTENDENT, NORTHWEST ARCTIC BOROUGH SCHOOL DISTRICT, testified in support of SB 285. He thanked the Committee for listening to the concerns voiced in his letter (March 7, 2008, copy on file). He recommended three additions to this bill for consideration:

Page 3, Section 1, 16(C) "a process for districts to petition the department prior to the initiation, continuation, or discontinuation of a department intervention." The rationale will allow a district to appeal to the state board on the front end of intervention.

Page 5, Section 2, 15(C) "School improvement grants shall be made available to the district or school under intervention when the district or school improvement plan requires additional service to support student achievement. Additional funds may be used for curricular materials and/or educational specialist (such as school psychologists, speech pathologist, community school liaisons, etc. as written in the district or school improvement plan)." The rationale is depending upon the size of district and/or schools in intervention, and number of students

affected, this could be a grant ranging from \$250,000 to \$1,500,000 per district. For example, with 5 districts in intervention, these supplemental grants would total \$5 to \$6 million dollars, statewide total.

Page 5, Section 2 15(D), "In districts where less than half the schools are the target of the intervention, the intervention should be focused on those schools, not the entire district." The rationale is, for example, if a large district such as Anchorage has several schools under intervention, the intervention activities should not disrupt the entire district or other well-performing schools in Anchorage.

Mr. Eck thanked the Committee for their hard work and requested the above suggestions be adopted into the bill.

[10:04:21 AM](#)

Co-Chair Hoffman MOVED to REPORT CSSB 285(FIN) from Committee with individual recommendations, a Senate Finance Letter of Intent and an accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSB 285(FIN) was REPORTED out of Committee with a "do pass" recommendation, a Senate Finance Letter of Intent, and an accompanying fiscal note by the Department of Education & Early Development.

AT EASE: [10:05:46 AM](#)

RECONVENED: [1:09:52 PM](#)

CS for HOUSE BILL NO. 310 (FIN) am

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; and making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

CS for HOUSE BILL NO. 312 (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."

Co-Chair Hoffman took over as Chair in the meeting.

Co-Chair Stedman MOVED to ADOPT Amendment Statewide #1:

Department Executive Branch-wide

10,759,300 General Fund
2,341,300 Federal Funds
3,894,200 Other Funds
16,994,800 Total Funds

EXPLANATION: This amendment adds the FY09 costs for the newly ratified Supervisory Unit agreement. The attached report shows the amounts by department. Individual component change records have been transmitted to the Legislative Finance Division, so the amounts can be added to section 1 of the operating and mental health bills.

In addition, the following changes should be made to language:

SCS CSHB 310(F1N)

Amend section 25(a) by adding: (6) Alaska Public Employees Association, for the supervisory unit.

SCS CSHB 312(F1N)

Amend section 9(a) by adding: (6) Alaska Public Employees Association, for the supervisory unit.

Co-Chair Hoffman OBJECTED.

TIM GRUSSENDORF, STAFF, CO-CHAIR HOFFMAN, explained that Amendment Statewide #1 applies to the newly ratified Supervisory Unit agreement. There are language changes in addition to added funds. Co-Chair Hoffman noted that the amendment was brought forth by the Administration.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Statewide Amendment #1 was adopted.

[1:12:06 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment Statewide #2:

DEPARTMENT:	Statewide	
ADD:	13,862,200	General Funds
	577,100	Federal Funds
	3,861,400	Other Funds
	18,300,700	Total Funds

EXPLANATION: This amendment adds the FY09 costs associated with HB 417 and SB 297, Nonunion Public Employee Salary and Benefit. The attached report shows the amounts by department. Individual component change records have been transmitted to the Legislative Finance Division, so the amounts can be added to section 1 of the operating and mental health bills.

Language amendments:

SCS CSHB 310(FIN)

Add a new subsection to Sec. 25 to read:

(d) The appropriations made in sec. 1 of this Act relating to nonunion employee salaries and benefits are contingent upon passage and enactment into law in 2008 of a version of HB 417 or SB 297.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds costs associated with Nonunion Public Employee Salary and Benefits and changes language in two sections.

Co-Chair Hoffman added that the amendment was at the request of the Administration. He WITHDREW his OBJECTION.

There being NO OBJECTION, Statewide Amendment #2 was adopted.

[1:13:05 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment Statewide #3:

Department: Labor and Workforce Development
Appropriation: Business Partnerships
Allocation: Alaska Vocational Technical Center

ADD: 90,900 General Funds 1004
7,300 Interagency Receipts 1007
98,200 Total

Explanation: This amendment adds the FY09 costs for the new AVTECTA agreement. The component's change record has been transmitted to the Legislative Finance Division, so the amounts can be added to section 1 of the operating and mental health bills.

In addition, the following changes should be made to language:

SCS CSHB 310(FIN)
Amend section 25(a) by adding: (7) Alaska Vocational Technical Center Teachers' Association, representing employees of the Alaska Vocational Technical Center.

SCS CSHB 312(FIN)
Amend Section 9(a) by adding: (7) Alaska Vocational Technical Center Teachers' Association, representing employees of the Alaska Vocational Technical Center.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment funds the costs of the new Alaska Vocational Technical Center Teachers' Association agreement. It also has language changes in two sections.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Statewide Amendment #3 was adopted.

[1:13:51 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment Statewide #4:

Page 59, lines 19-20:

Delete "partial payment of the participating teachers' retirement system employers"

Insert "an additional state"

Page 59, line 21:

Delete "AS 14.25.070(a)"

Insert "AS 14.25.085"

Page 59, lines 22-24:

Delete all material.

Reletter the following subsections accordingly.

Page 59, lines 27 - 28:

Delete "partial payment of the participating public employees' retirement system employers"

Insert "an additional state"

Page 59, line 28:

Delete "AS 39.35.270"

Insert "AS 39.35.280"

Page 59 line 29, through page 60, line 1:

Delete all material.

Reletter the following subsection accordingly.

Page 76, following line 1:

Insert a new subsection to read:

"(c) The appropriations made in sec. 13 of
this Act are contingent on the enactment
into law of FCCS SB 125, passed by the Twenty-
Fifth Alaska State Legislature."

[1:14:24 PM](#)

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, explained that the amendment was brought forth by the Commissioner of Administration. Because SB 125 was adopted, conforming changes had to be made. It removes the contingency language and references to partial payment.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Statewide Amendment #4 was adopted.

[1:15:42 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment Administrative #1:

DEPARTMENT: Department of Administration
APPROPRIATION: Legal & Advocacy Services
ADD NEW ALLOCATION: Therapeutic Courts Support
Services

ADD: \$65,000 General Fund (1004)

EXPLANATION: Funding will be paid as a grant to Partners for Progress. Partners for Progress is a non-profit entity supporting Therapeutic Courts. Partners for Progress has been a key to training state personnel who work in therapeutic courts and providing assistance to defendants participating in therapeutic courts and continues to be a necessary element of the program. Funding is for basic on-going costs.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds \$65,000 in General Funds as a grant to Partners for Progress. He noted a great deal of public support for this item.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Administration #1 was adopted.

[1:16:35 PM](#)

Senator Dyson WITHDREW Amendment Administration #2.

Senator Dyson requested Amendment Administration #3 be put at the end of the list. Co-Chair Hoffman agreed with the request.

Co-Chair Stedman MOVED to ADOPT Amendment DCCED #1:

Page 66, line 1, through page 66, line 31:

Delete all material and insert:

"(c) The federal funds received by the state under 42 U.S.C. 6506a(1) or former 42 U.S.C. 6508 not appropriated for grants under AS 37.05.530(d) are appropriated as follows:

(1) to the principal of the Alaska permanent fund and the public school trust fund (AS 37.14.110), according to AS 37.05.530(g)(1) and 37.05.530(g)(2); and

(2) to the principal of the Alaska permanent fund, the public school trust fund (AS 37.14.110), and the power cost equalization and rural electric capitalization fund (AS 42.45.100), according to AS 37.05.530(g)(3)."

Reletter the following subsections accordingly.

Page 75, line 27:

Delete "sec. 22(u)"

Insert "sec. 22(s)"

Co-Chair Hoffman OBJECTED.

Mr. Teal explained that the amendment affects the distribution of funds received from the federal government for NPRA purposes. This amendment deals with the money that does not go out as grants. The language follows current statutes which say that 25 percent of the total amount received goes to the permanent fund.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment DCCED #1 was adopted.

[1:19:23 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DEED #1:

DEPARTMENT: Department of Education & Early
Development
APPROPRIATION: Head Start Grants
ALLOCATION: Early Learning Coordination Funding
Position

ADD:

<u>Funding Source</u>	<u>Amount</u>
General Funds	\$ 407.1

Explanation: Adds one position

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds one position to the Department of Education & Early Development related to Head Start Grants.

Co-Chair Hoffman commented that there were a number of individuals that supported this item.

Co-Chair Hoffman WITHDREW his objection.

There being NO OBJECTION, Amendment DEED #1 was adopted.

[1:20:43 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DEC #1:

Department: Department of Environmental
Conservation
Appropriation: Administration
Allocation: Information and Administrative Services

FUND CHANGE: (\$38,200) Vessel Compliance (1166)
\$38,200 Ocean Ranger (1205)

DEPARTMENT: Department of Environmental
Conservation
APPROPRIATION: Water
ALLOCATION: Water Quality

FUND CHANGE: (\$4,000,000) Vessel Compliance (1166)
\$4,000,000 Ocean Ranger (1205)

EXPLANATION: Create and use a fund source code to enable tracking of Ocean Ranger revenues and expenditures. The source of these revenues is a \$4 per berth fee imposed on all large commercial passenger vessels (except state operated vessels) that operate in Alaska (AS 46,03.480(d)). Both Vessel Compliance and Ocean Ranger codes are in the "Other" fund group.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment results in a net zero request which would create and use a fund source code to track Ocean Ranger revenues and expenditures.

Co-Chair Hoffman WITHDREW his objection.

There being NO OBJECTION, Amendment DEC #1 was adopted.

[1:21:23 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment F & G #1:

Page 59, following line 16:

Insert a new bill section to read:

"* **Sec. 13.** DEPARTMENT OF FISH AND GAME. The sum of \$500,000 is appropriated from the Alaska sport fishing enterprise account within the fish and game fund (AS 16.05.100) to the Department of Fish and Game for hatchery operation."

Renumber the following bill sections accordingly.

Page 75, line 21:

Delete "22, 27(h), and 27(i)"

Insert "23, 28(h), and 28(i)"

Page 75, line 27:

Delete "sec. 22(u)"

Insert "sec. 23(u)"

Page 76, following line 1:

Insert a new subsection to read:

"(c) The appropriation made in sec. 13 of this Act is contingent on passage by the Twenty-Fifth Alaska State Legislature and enactment into law of a measure reappropriating:

(1) the unexpended and unobligated balance, not to exceed \$25,000,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 55, lines 21 - 22 (Department of Fish and Game, sport fish hatcheries - \$62,140,000) to the Department of Fish and Game for design and

construction of the Ruth Burnett Sport Fish Hatchery in Fairbanks; and

(2) the unexpended and unobligated balance, after the appropriation referred to in (1) of this subsection, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 55, lines 21 - 22 (Department of Fish and Game, sport fish hatcheries - \$62,140,000) to the Department of Fish and Game for facilities upgrades, improvements, and construction for the sport fish hatcheries in Anchorage."

Page 76, line 2:

Delete "30"

Insert "31"

Page 76, line 3:

Delete "sec. 32"

Insert "sec. 33"

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf related that the amendment is a follow-up on the subcommittee's removal of \$500,000 from the Alaska sport fishing enterprise account.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO further OBJECTION, Amendment F & G #1 was adopted.

[1:22:08 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment F & G #2:

Department: Department of Fish and Game

DELETE: The following intent language from page 13, line 24:

It is the intent of the legislature to fund all of the increments and fund changes replacing the \$7.2 million of lost federal funding on a one-time basis. The Department is requested to prioritize these amendments for consideration in the FY2010 budget.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment deletes intent language.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment F & G #2 was adopted.

AT-EASE: [1:22:51 PM](#)

RECONVENED: [1:23:24 PM](#)

Senator Dyson MOVED to ADOPT Amendment F & G #3:

DEPARTMENT: Department of Fish and Game
APPROPRIATION: Wildlife Conservation
ALLOCATION: Hunter Education Public Shooting Ranges
ADD: \$676.5 Fish and Game Funds (1024)

EXPLANATION:

In a state where firearm ownership and interest in hunting and recreational shooting is so widespread, it is extremely important that the state have ranges that are safe and supervised for purposes of gun safety training, hunter education training and for recreation. Safety is paramount in this arena and the public expects certain protocols in regard to firearm usage. It is too important that the state not leave supervision of these ranges to municipal discretion, of which we have no control.

This amendment would restore funding for 3 state shooting ranges and 2 PFTs; 6 PPTs; and 1 Temp.

Co-Chair Hoffman OBJECTED.

Senator Dyson explained that the amendment relates to the withdrawal of funds for the administration of three state shooting ranges. He pointed out that \$5 million in federal funds would have to be returned if the ranges no longer operate.

Co-Chair Hoffman MAINTAINED his OBJECTION. He thought the request was not a necessity and it would come up again.

Senator Dyson opined that the legislature should make the appropriation to reimburse the federal government if the ranges are no longer in operation.

Co-Chair Hoffman reported that twelve individuals testified in support of continuing the shooting ranges.

Senator Olson asked where the three shooting ranges were located. Senator Dyson related that they are in Fairbanks, Anchorage, and Juneau.

Co-Chair Stedman commented on equity and support for the shooting ranges in other areas of the state outside of the three major population centers. He thought a compromise could be found.

[1:27:36 PM](#)

Senator Thomas noted the importance of the shooting ranges to hunter education.

Senator Dyson voiced appreciation for the idea of distributing the benefits to more areas. He spoke of safety issues as they apply to rural areas. He did not want to take anything away from the current three ranges.

A roll call vote was taken on the motion.

IN FAVOR: Dyson

OPPOSED: Olson, Thomas, Elton, Stedman, Hoffman

The MOTION FAILED (1-5).

[1:29:51 PM](#)

Senator Dyson MOVED to ADOPT Amendment F & G #4:

Page 13, line 31, through page 14, line 4:
Delete all material.

Page 14, lines 25 - 29:
Delete all material.

Co-Chair Hoffman OBJECTED.

SENATOR THOMAS WAGONER, sponsor of the amendment, explained that it removes vague intent language related to Fish and Game offices in his district.

Senator Dyson said he was glad he did not know much about the amendment. He commented on the unhappy decisions related to the Cook Inlet region.

[1:32:41 PM](#)

Senator Wagoner added that the decision should be made by the Board of Fish.

Co-Chair Hoffman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Dyson

OPPOSED: Thomas, Elton, Olson, Hoffman, Stedman

The MOTION FAILED (1-5).

[1:34:20 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment GOV #1.

DEPARTMENT: Office of the Governor
APPROPRIATION: Executive Operations
ALLOCATION: Executive Office

ADD: \$200,000

FUNDING SOURCE: \$200.0 General Fund (1004)

EXPLANATION:

This funding will add a position to serve the statewide energy policy coordinator as directed by the Governor. This position will work with the Alaska Energy Authority Board of Directors and the Governor to establish long-range energy goals, strategies, plans and policies.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf related that the amendment adds \$200,000 to the Governor's office for the new statewide energy policy coordinator. Co-Chair Hoffman noted that the Governor requested that the position work with the Alaska Energy Authority.

There being NO OBJECTION, Amendment GOV #1 was adopted.

[1:34:45 PM](#)

Co-Chair Olson MOVED to ADOPT Amendment HESS #1a:

DEPARTMENT: Health and Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Services for Severely Emotionally Disturbed Youth

ADD: \$500.0, OTI

FUNDING SOURCE: General Fund (1004)

EXPLANATION: Boys & Girls Home of Alaska

This funding will provide Boys & Girls Home of Alaska (BGHA) with a one-time start-up operational grant to address initial funding shortages due to lagging enrollment during the first year of operation.

Construction of the BGHA facility will be completed in August 2008. Private funds generated through the non-profit company were used to build the 68,000 sq. ft. facility for children ages 6 to 18. The campus includes 4 cottage residential units at 10,000 sq. ft. each and a central facility of 28,000 sq. ft. to provide school and therapeutic services.

BGHA expects to begin admitting children no later than in September 2008 and gradually increase its enrollments to 80-90 in the first year. The majority of these children will arrive after the October Department of Education and Early Development's student count period and will not qualify for educational funding in the first year.

The BGH of Alaska must commit to hiring educational and therapeutic specialists by June --July 2008 in order to provide services throughout the first full year of operation. It is anticipated that the facility will not be at capacity for the first year and yet, BGHA must be adequately staffed at the onset.

This grant, matched by BGHA's private funds of \$500,000, will provide the necessary funding to assure that professional starting levels are adequate for the first full year upon opening.

Over the past seven years the children's behavioral health system in Alaska has become increasingly reliant on institutional care -inpatient hospital and Residential Psychiatric Treatment Center (RPTC) care -especially out-of-state RPTC care, for treatment of severely emotionally disturbed youth. In the past six years, acute care admissions increased by one-third and total days of inpatient care increased by 90%. Out-of-state placements in RPTC care grew by nearly 700% and in-state RPTC care grew by 145% from FY98-FY03.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds \$500,000 to the Boys & Girls Home of Alaska for services for emotionally disturbed youth. It is part of the Bring the Children Home initiative.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment HESS #1a was adopted.

[1:35:25 PM](#)

Senator Olson MOVED to ADOPT Amendment HESS #1b:

DEPARTMENT: Health and Social Services
APPROPRIATION: Public Health
ALLOCATION: Epidemiology

ADD: \$500.0

FUNDING SOURCE: General Fund (1004)

EXPLANATION: Completed Alaska's Stockpiling of
Antiviral Drugs

In the FY07 budget, the DHSS requested \$1,000,000 GF increment for Infectious Disease Control and Emergency Preparedness. These funds would be used to treat SARS and the H5N1 strain of avian influenza. The legislature approved \$500,000 of the request. Also in the FY07 budget, the DHSS requested a \$563,600 increment for Pandemic Influenza Preparedness AK Stockpile of Antiviral Drugs. These funds would be used to purchase H5N1 avian influenza vaccines. On November 2, 2005, the US Department of Health and Human Services released the national Pandemic Influenza Plan. The plan calls for national stockpiles of antiviral medications for use in the event of a pandemic. The legislature approved the \$563,600 request.

In December 2007, it brought to the department's attention that the agreed upon level of vaccines had not yet been purchased. The department did not complete the purchase of those vaccines during the discount period. On February 14, 2008, a letter from the Governor stated that the department has now procured the remaining 38,000 vaccines. The \$563,600 funding is still in the base funding level for the division, therefore \$563,600 for FY07, \$563,600 for FY08 and continued \$563,600 for FY09 is "earmarked" for avian influenza vaccines.

The funds have been available and it appears that they have not been used entirely for their intended purpose. \$500,000 GF may be better used for a different purpose within the department.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment deletes \$500,00 from Public Health epidemiology and shifts to fund the item in Amendment HESS #1a.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment HESS #1b was adopted.

[1:35:56 PM](#)

Senator Olson MOVED to ADOPT Amendment HESS #2:

DEPARTMENT: Health and Social Services
APPROPRIATION: Children's Services
ALLOCATION: Children's Services Management

ADD: \$200.0, OTI

FUNDING SOURCES: General Funds Match \$151.7 (1003)
Federal Receipts \$48.3 (1002)

EXPLANATION: Federally Mandated Child and Family
Services Review

Move federally mandated child and family services review
(CSFR) project from Capital Budget to Operating Budget.

This amendment provides one-time funding for the
development and implementation of a Program Improvement
Plan which will be the result of a CSFR.

The purpose of a CSFR is to help states improve safety,
permanency, and well-being outcomes for children and
families receiving services through the child welfare
system and to monitor compliance with the requirements of
Title IV-B of the Social Security Act. CFSRs offer states
a new way to manage their child welfare systems- with a
focus on continuous improvement. Therefore, compliance
standards are set for each measure at 95% to 100%. Each
CFSR includes a statewide assessment and an onsite review
of child and family services outcomes and program systems.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds \$200,000 for
a federally mandated program into the operating budget.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment HESS #2 was adopted.

[1:36:45 PM](#)

Senator Olson MOVED to ADOPT Amendment HESS #3:

DEPARTMENT: Health and Social Services
APPROPRIATION: Public Health
ALLOCATION: Community Health Grants

ADD: \$1000.0

FUNDING SOURCE: General Fund (1004)

EXPLANATION: Funding for Community Health Centers
This request will provide funding to
Community Health Centers.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds \$1 million in general funds for Community Health Centers.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment HESS #3 was adopted.

Senator Dyson MOVED to ADOPT Amendment HESS #4:

AGENCY:	Department of Health and Social Services
APPROPRIATION:	Departmental Support Services
ALLOCATION:	Office of Faith Based & Community Initiatives
ADD:	Reinstate four component positions
	1002 Fed. Rcpts: 3.0
	1003 General Fund Match 212.1
	<u>1004 Gen Fund 44.2</u>
	Total 259.3

JUSTIFICATION:

This amendment restores the Office of Faith Based & Community Initiatives which was eliminated by withholding funds in the current CS. The \$500,000 community grant funds were moved to a new component without adequate personnel to administer the funds. This amendment continues to fund the four positions of the Office of Faith Based & Community Initiatives and returns the \$500,000 grant funds to the office for administration. This amendment then deletes the proposed new component of Community Initiative Matching Grants (non-statutory grants) as being superfluous.

Co-Chair Hoffman OBJECTED.

Senator Dyson explained that the amendment restores funding for the Office of Faith Based & Community Initiatives. He shared successes of the Office.

Co-Chair Hoffman asked if federal funds were available that had not been disseminated. Mr. Grussendorf replied that \$500,000 in federal grant money had not been distributed.

Co-Chair Hoffman MAINTAINED his OBJECTION.

Senator Dyson commented that those monies were not for the people administering the grants, but directed for recipients in need.

A roll call vote was taken on the motion.

IN FAVOR: Elton, Olson
OPPOSED: Dyson, Thomas, Hoffman, Stedman

The MOTION to adopt Amendment HESS #4 FAILED (2-4).

AT-EASE: [1:40:42 PM](#)

RECONVENED: [1:42:28 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DNR #1:

Page 61, line 2:
Delete ", resource development allocation,"

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that it is a technical amendment.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:43:09 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DNR #2:

DEPARTMENT: Department of Natural Resources
APPROPRIATION: Parks and Recreation Management
ALLOCATION: Parks Management

ADD: \$2,020.2 Vehicle Rental Tax (1200)

DELETE: \$2,020.2 General Fund (1004)

EXPLANATION: This amendment simplifies tracking of

Vehicle Rental Tax (VRT) receipts by eliminating amounts used in DNR. Use of VRT receipts in DNR Parks Management brings total FY09 appropriations of VRT Receipts to \$8,018,600- the available balance of Vehicle Rental Taxes for FY09.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment is a fund source change from general funds to the vehicle rental tax.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:43:56 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DNR #3:

DEPARTMENT: Department of Natural Resources
APPROPRIATION: Resource Development
ALLOCATION: Oil and Gas Development

DELETE: \$1,318,100.

FUNDING SOURCE: General Funds (1004)

EXPLANATION: These funds are included in the
Office of the Governor's Branch-wide Oil and Gas
Development component so do not need to be duplicated
Within DNR.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment deletes duplicated general funds.

Co-Chair Hoffman WITHDREW his OBJECTION.

Senator Dyson asked for comments by OMB.

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, clarified that it was a duplication of funds.

There being NO OBJECTION, it was so ordered.

[1:45:10 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment DPS #1:

DEPARTMENT: Department of Public Safety
APPROPRIATION: Council on Domestic Violence and Sexual Assault

ALLOCATION: Council on Domestic Violence and Sexual Assault

ADD: \$100,000 General Fund (1004)

EXPLANATION: This request adds back the \$100,000
General Fund reduction in the Senate
Subcommittee and restores CDVSA back
To its FY08 base budget amount.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment adds back funds to the Council on Domestic Violence and Sexual Assault.

Co-Chair Hoffman noted that this appropriation was the most popular topic during public testimony. He WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:46:08 PM](#)

Senator Dyson MOVED to combine and adopt the remaining DPS amendments together.

Department of Public Safety Amendment #2:

DEPARTMENT: Department of Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Detachments

ADD: \$518,900.

FUNDING SOURCE: General Fund (1004)

EXPLANATION: This amendment restores funding to cover the known cost increases for the existing vehicle fleet of the Alaska State Troopers and Alaska Wildlife Troopers. The Senate Finance Subcommittee included funding for only 50% of the budget increments for these costs.

This amendment covers the reductions made to three components:

Detachments	\$439,800
Alaska Wildlife Troopers	72,700
Alaska Bureau of Alcohol & Drug Enforcement	6,400

If this funding is not restored, the department will have two choices: 1) Continue to operate all vehicles as needed in order to provide the originally budgeted level of law enforcement services but seek a supplemental appropriation next year, or 2) take action that will to reduce enforcement / protection efforts such as turning in vehicles or holding positions vacant to cover these costs.

Department of Public Safety Amendment #3:

DEPARTMENT: Department of Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska Bureau of Judicial Services

ADD: \$156,300.

Funding Source: General Fund (1004)

EXPLANATION: This amendment restores funding to fully cover the cost of implementing the prisoner transportation settlement with the Municipality of Anchorage.

The Governor's budget included \$656,300 to fund this program, which is being implemented during the current fiscal year. Four of the six new court services officers have already been hired and the two other positions are expected to be filled by July 1.

The Senate Finance Subcommittee reduced funding by \$156,300 and directed the department to contract out this function. However, this proposal by the subcommittee is simply unworkable for the upcoming fiscal year. Prior to contracting out this services, the department would need to develop a plan for delivery of services in this manner while ensuring public safety and maintaining the effectiveness and efficiency of these services. Additionally, the bargaining unit agreement with the Public Safety Employees Association (PSEA) sets out in Article 32 a specific process for evaluating the feasibility of, and conditions for, contracting out work that would normally be performed by PSEA members.

If this funding is not restored, the department will have three choices: 1) Continue to fill all positions in order to provide the services needed to comply with this legal settlement, but seek a supplemental appropriation next year; or 2) take action that will risk failure to adhere to the settlement which would likely lead to further litigation; or 3) reallocate other resources to this function, which will reduce other court security, prisoner transport, and law enforcement services.

Department of Public Safety #4:

DEPARTMENT: Department of Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska Bureau of Judicial Services

ADD: \$227,500.

FUNDING SOURCE: General Fund (1004)

EXPLANATION:

This amendment provides funding to fully cover the increasing cost of "routine" prisoner transportation, including extraditions and other transport by commercial or

department aircraft. These costs have been increasing for years, and the department has been covering the cost primarily from savings from vacant positions.

The Senate Finance Subcommittee reduced by 50% an increment to fully fund these costs; this amendment restores that reduction. If this funding is not restored, the department will have two choices: 1) Continue to provide all necessary prisoner transportation services but seek a supplemental appropriation next year; or 2) reallocate other resources to this function, which will certainly require holding positions vacant to make funding available for prisoner transportation costs.

Department of Public Safety Amendment #5

DEPARTMENT: Department of Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Detachments

ADD: \$966,800.

FUNDING SOURCE: General Fund (1004)

EXPLANATION: This amendment restores funding to cover the full cost of dispatch services contracts (\$420,300) and trooper moves (\$425,000) when transferring between duty posts. Costs for these services have continued to rise. For the past several years, these cost increases have been covered from funds available due to vacant positions. However, the department currently expects that improved recruiting efforts will enable filling all vacant trooper positions during the course of FY2009, so vacancy saving will not be sufficient to cover these other costs.

This amendment also restores \$121,500 of funding for projected personal services costs of existing positions. The Governor's budget proposed transferring this amount from the Alaska Bureau of Judicial Services to the Detachments component (primarily patrol services) to help cover expected personnel costs. This transfer between allocations within the Alaska State Troopers appropriation was deleted only in the receiving component, thus reducing total personal services funding.

If this funding is not restored, the department will have two choices: 1) Continue to plan on filling all positions in order to provide the originally budget level of law enforcement services but seek a supplemental appropriation next year, or 2) take action that will to reduce enforcement / protection efforts such as holding positions vacant.

Department of Public Safety Amendment #6

DEPARTMENT: Department of Public Safety
APPROPRIATION: Alaska State Troopers
ALLOCATION: Alaska Wildlife Troopers

ADD: \$130,000.

FUNDING SOURCE: General Fund (1004)

EXPLANATION: This amendment restores full year funding for five Alaska Wildlife Troopers (AWT) added in the FY 2008 budget but funded by the legislature for less than 12 months.

If this funding is not restored, the department will have two choices: 1) Continue to plan on filling all positions in order to provide the originally budgeted level of wildlife protection services but seek a supplemental appropriation next year, or 2) take action that will reduce enforcement/protection efforts such as holding positions vacant.

AT-EASE [1:46:33 PM](#)

RECONVENED: [1:47:00 PM](#)

Co-Chair Hoffman agreed to allow Senator Dyson's motion to group DPS Amendments 2-6 together. He OBJECTED for discussion purposes.

Senator Dyson emphasized the importance of the Alaska State Troopers and the dangers they face. He related that he was happy to see that all of the vacancies planned to be filled. The amendments restore funding for the Troopers.

Co-Chair Hoffman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Dyson

OPPOSED: Elton, Olson, Thomas, Stedman, Hoffman

The MOTION to adopt Amendments 2-6 DPS FAILED (1-5).

[1:49:53 PM](#)

Senator Olson MOVED to ADOPT Amendment DOT #1:

DEPARTMENT: Transportation and Public Facilities
APPROPRIATION: Marine Highway Systems
ALLOCATION: Marine Vessel Operations

DELETE: \$2,297.6 general funds (1004); \$1950.0

Alaska Marine Highway Funds (1076)

EXPLANATION: This amendment deletes \$4,247.6, Thereby eliminating 12.6 weeks of Service for the Kennicott during the Tustemena CIP lay-up.

Co-Chair Hoffman OBJECTED.

Mr. Grussendorf explained that the amendment deletes funds for the Kennicott during lay-up.

Co-Chair Stedman stated support for the amendment; however, he emphasized his continued support for the Alaska Marine Highway.

Co-Chair Hoffman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Olson, Thomas, Dyson, Elton, Stedman, Hoffman
OPPOSED: None

The MOTION PASSED (6-0).

[1:53:00 PM](#)

Co-Chair Stedman MOVED to ADOPT Amendment UNIV #1:

DEPARTMENT: University of Alaska
APPROPRIATION: Budget Reductions/Additions
ALLOCATION: System Reductions/Additions

TRANSFER OUT: \$8,609,000 (\$3,372,200 OF (1004);
\$3,267,900 Fed Rcpts (1002); \$860,400 State Interagency
Rcpts; \$401,000 CIP Rcpts; and \$707,500 University
Interagency Rcpts)

DEPARTMENT: University of Alaska
APPROPRIATION: Various Appropriations
ALLOCATION: Various Allocations

TRANSFER IN: \$8,609,000 (\$3,372,200 GF (1004); \$3,267,900 Fed Rcpts
(1002); \$860,400 State Interagency Rcpts; \$401,000 CIP Rcpts; and \$707,500 University
Interagency Rcpts)

EXPLANATION: This amendment reflects a redistribution of previously unallocated funds from the Budget Reductions/Additions appropriation into the appropriation structure as proposed by the Senate Finance Subcommittee for the University. This action involves the following group transactions:

(a) Spread decrement for a portion of the GF request for Library, Information Technology and Other Operations (-\$128.9 GF);

(b) Spread OF portion for non-represented salary increases using the University's new Grid System (\$3,201.1 OF);

(c) Transfer out funding for Distance Education Support to a new allocation Systemwide Education & Outreach (\$300.0 GF);

(d) Spread non-GF originally recorded in Systemwide Reductions/Additions to various appropriations (\$5,236.8 non-GF)

The two Legislative Finance reports present this amendment in detail: (1) Allocation Summary, and (2) Transaction 1-Way Comparison.

Co-Chair Hoffman OBJECTED.

Co-Chair Stedman explained that the amendment reflects a redistribution of previously unallocated funds from the Budget Reductions/Additions appropriation into the appropriation structure as proposed by the Senate Finance Subcommittee for the University.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:53:49 PM](#)

Co-Chair Stedman MOVED to ADOPT UNIV #2:

Department: University of Alaska

ADD INTENT: It is the intent of the legislature that the University of Alaska submit a report by the last day of each calendar quarter to the Legislative Budget & Audit Committee which describes in detail the movement of funds and positions between allocations as well as reimbursable services agreements between University appropriations.

EXPLANATION: With the separation of University funding into several appropriations, the Legislature understands that some programs span throughout the system. The Legislature would like to track the interaction of these programs and have an understanding of any problems that may be encountered due to the divided structure.

Co-Chair Hoffman OBJECTED.

Co-Chair Stedman explained that the amendment adds a Letter of Intent. With separation of University funding into several appropriations, the legislature understands that some programs span throughout the system. The legislature would like to track the interaction of these programs and have an understanding of potential problems. It gives Legislative Budget and Audit the chance to interface with the University.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:55:28 PM](#)

Senator Elton MOVED to ADOPT COURTS #1:

DEPARTMENT: Alaska Courts System
APPROPRIATION: Alaska Court System
ALLOCATION: Appellate Courts

ADD: \$25,000.

FUNDING SOURCE: General Funds

EXPLANATION: This amendment adds \$25.0 to the subcommittee transaction \$75.0 for "Additional Costs Related to the Supreme Court Justice Appointment in Fairbanks." The amended amount will be \$100.0, which is \$19.9 and one PFT below the Court System's request.

Co-Chair Hoffman OBJECTED.

Senator Elton explained that the amendment adds \$25,000 in general funds to the Alaska Court System and allows some latitude that it needs with the addition of the new Supreme Court Justice.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

[1:56:03 PM](#)

Senator Olson MOVED to ADOPT HESS #5:

DEPARTMENT: Department of Health and Social Services
APPROPRIATION: Senior and Disabilities Services
ALLOCATION: Senior/Disabilities Medicaid

ADD: 278,500 General Funds
290,200 Federal Funds

EXPALANATION: Increase the assisted living home reimbursement rate to 6% rather than the 4% originally recommended by the department. Other similar assisted living home reimbursements have been increased 6% annually (e.g. private hospitals, state managed assisted living beds).

Co-Chair Hoffman OBJECTED for discussion purposes.

Senator Olson explained that the amendment increases the assisted living reimbursement rate to 6 percent, up from 5 percent. There has not been a rate increase since 2002.

Co-Chair Hoffman WITHDREW his OBJECTION.

There being NO OBJECTION, it was so ordered.

AT-EASE: [1:57:12 PM](#)

RECONVENED: [1:57:44 PM](#)

Co-Chair Hoffman turned again to HESS #3.

Mr. Grussendorf explained that the appropriation should read "Public Health" and the allocation should read "Community Health Grants".

There being NO OBJECTION, it was so ordered.

Senator Dyson WITHDREW Amendment ADMIN #3.

Co-Chair Hoffman MOVED to give Legislative Legal Services and Legislative Finance the authority to make technical and conforming changes as they are preparing the bill for Floor action.

There being NO OBJECTION, it was so ordered.

Senator Dyson commented on the integrity of the budgetary process. Co-Chair Hoffman added that there was open debate on all amendments.

[2:00:55 PM](#)

Co-Chair Stedman MOVED to REPORT CSHB 310(FIN)am out of Committee, as amended, with individual recommendations. There being NO OBJECTION, it was so ordered.

SCS CSHB 310(FIN) was REPORTED out of Committee with a "do pass" recommendation.

AT-EASE: [2:01:15 PM](#)

RECONVENED: [2:01:44 PM](#)

Mr. Grussendorf reported that in HB 312, the first project was removed by the House. The Senate pulled everything out of the bill except for that first item. The whole bill is now in conference committee.

2:02:25 PM

Co-Chair Stedman MOVED to REPORT CSHB 312(FIN) out of Committee, as amended, with individual recommendations. There being NO OBJECTION, it was so ordered.

SCS CSHB 312(FIN) was REPORTED out of Committee with a "do pass" recommendation.

Co-Chair Hoffman thanked the Committee and their staff for all their hard work on the budgets.

ADJOURNMENT

The meeting was adjourned at 2:03 PM.