

HOUSE FINANCE COMMITTEE
May 12, 2011
4:37 p.m.

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CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 4:37 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

James Armstrong, Staff, Representative Bill Stoltze; Karen Rehfeld, Office of Management and Budget, Office of the Governor; Representative Alan Austerman; Representative Mike Chenault; Representative Kurt Olson; Representative Steve Thompson.

SUMMARY

CSSB 46(FIN)

BUDGET: CAPITAL

CSSB 46(FIN) was HEARD and HELD in committee for further consideration.

#sb46

CS FOR SENATE BILL NO. 46(FIN)

"An Act making and amending appropriations, including capital appropriations, savings deposits in the form of appropriations to the statutory budget reserve fund, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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Vice-chair Fairclough MOVED to ADOPT HCS for CSSB 46(FIN) (27-GS1740\Y, Kurtz, 5/12/11).

Co-Chair Stoltze OBJECTED for discussion.

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RECESSED

[4:40:46 PM](#)

RECONVENED

[4:41:00 PM](#)

JAMES ARMSTRONG, STAFF, REPRESENTATIVE BILL STOLTZE, highlighted the changes in the HCS. The new version included title changes, project scope changes, and technical changes including effective dates in Section 1. The HCS maintained the Senate structure in Section 4 related to energy projects (pages 126 through 138) and removed \$50 million of Alaska capital income funding for an increase to the Alaska Housing Finance Corporation weatherization program.

Co-Chair Stoltze communicated that an amendment had been drafted to replace the \$50 million with general funds.

Mr. Armstrong relayed that the HCS fully funded the Alaska Gas Pipeline Development Corporation at \$21 million for FY 12, which had not been included in the Senate version. Section 7 amended cruise ship funding for one project. There were no changes to education related projects in Section 10. He directed attention to pages 153 through 155, which related to the supplemental capital budget. Funding in the amount of \$44 million was included from FY 11 funds for the Tanana River Bridge.

Mr. Armstrong addressed funding for the Department of Corrections (DOC) in Section 25, page 161, lines 24 through 26.

Co-Chair Stoltze detailed that DOC operating budget funding had been included to allow the prison [Goose Creek Correctional Center] to move forward.

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Representative Doogan wondered how the money allocated for DOC would be utilized. He asked whether the funding would allow the prison to begin operating.

Co-Chair Stoltze replied that the funding would allow work on the prison to continue forward.

KAREN REHFELD, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, explained that the change would restore DOC FY 12 funding to the original amount. The administration planned to bring in a small group of minimum security prisoners and staff during the last three months of the fiscal year in order to conduct testing throughout the facility; funds allocated in the conference committee process had not sufficiently met the required needs. The funds would help ensure that the facility could open in FY 13.

Co-Chair Stoltze added that the budget reflected the amount that had been supported by the committee and the House in the operating budget.

Representative Neuman recognized the importance of the project and the 350 jobs that would be created by the prison. The funding helped to complete the project and ensured that DOC would not have to request supplemental money the following year. He believed that it was important for the prison to move forward on its soft opening to make certain that warrantees were up and running and covered for the following year.

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Mr. Armstrong directed attention page 163, lines 4 through 18. The bill retained Senate language that allocated \$8 million for the Low Income Home Energy Assistance Program.

Co-Chair Stoltze remarked that the \$8 million had been added to the bill version adopted by the Senate.

Mr. Armstrong highlighted that language in Section 31, page 164, lines 15 through 18 restored the governor's request of \$4 million for the Alaska Aerospace Corporation's FY 12 operations. Page 166, lines 21 through 29, reflected a request by the governor's office that allowed it to carry forward previous appropriations for FY 12 operations. He expounded that prior to FY 09 it had been common practice for the governor's office to carry forward prior appropriations.

Co-Chair Stoltze commented that the legislature conducted a similar process on an annual basis.

Mr. Armstrong addressed a new legislative reappropriation on page 179, lines 8 through 15. The language reappropriated \$500,000 of previous legislative funds to the Municipality of Anchorage for the Point Mackenzie shoal study project, which was a top priority of Anchorage Mayor Dan Sullivan.

Co-Chair Stoltze shared that the funds had been requested by the mayor. There was \$500,000 for the Mat-Su Borough that would be matched by \$1 million from the Army Corps of Engineers; the issue was important for navigation at the largest port and the emerging industrial port.

Mr. Armstrong looked at page 179, lines 16 through 19. The section appropriated \$50 million in FY 11 funds and \$50 million in FY 12 funds to the Statutory Budget Reserve. He discussed that Section 13 related to FY 11 supplement funding, had a new effective date of May 17, 2011; the date had been changed from June 30, 2011 to allow projects to begin at an earlier time.

Mr. Armstrong communicated that members should have a House district summary, which provided the total funding for each of the sections within the HCS.

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RECESSED

CSSB 46(FIN) was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 5:22 PM.