

27th ALASKA STATE LEGISLATURE  
1st SESSION  
CONFERENCE COMMITTEE ON HB 108 and HB 109  
April 22, 2011

CALL TO ORDER

Representative Hoffman called the Conference Committee meeting on HB 108 and HB 109 to order at

[4:10:48 PM](#)

MEMBERS PRESENT:

Senate:

Senator Lyman Hoffman, Vice Chair  
Senator Bert Stedman, Member  
Senator Joe Thomas, Member

House:

Representative Bill Thomas, Chair  
Representative Bill Stoltze, Member  
Representative Les Gara, Member

ALSO PRESENT

David Teal, Director, Legislative Finance Division; fiscal analysts with the Office of Management and Budget and Legislative Finance Division; and aides to committee members and other members of the Legislature.

SUMMARY

HB 108      APPROP: OPERATING BUDGET/LOANS/FUNDS

CCSHB 108(FIN) was HEARD and HELD in Committee for further consideration.

HB 109      APPROP: MENTAL HEALTH BUDGET

CCSHB 109(FIN) was HEARD and HELD in Committee for further consideration.

#hb108

#hb109

CS FOR HOUSE BILL NO. 108(FIN)

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

SENATE CS FOR CS FOR HOUSE BILL NO. 108(FIN) am S

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

and

CS FOR HOUSE BILL NO. 109(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. 109(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."

[4:11:00 PM](#)

Chairman Thomas welcomed the committee.

[4:11:42 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Department of Education and Early Development:

Item 12 - House plus \$1,250,000; Item 13 - Senate minus \$300 thousand, with \$700 thousand as OTI; Item 14 - House; Item 15 - Senate minus \$180 thousand; Items 16, 17 and 18 - Senate; Item 19 - Senate minus \$3,721,900; Item 20 - Vice-Chair Hoffman MOVED to accept the Senate's structure creating a separate

appropriation for the Performance Scholarship awards and to adopt a funding level of \$4.5 million.

There being NO OBJECTION, it was so ordered.

[4:12:59 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Department of Labor and Workforce Development:

Item 2 - Senate minus \$625 thousand.

There being NO OBJECTION, it was so ordered.

[4:13:24 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Department of Natural Resources:

Item 7 - Senate.

There being NO OBJECTION, it was so ordered.

[4:13:45 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Department of Public Safety:

Item 4 - Senate; Item 6 - Senate minus \$100 thousand.

There being NO OBJECTION, it was so ordered.

[4:14:03 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the University of Alaska.

Items 1, 2 and 3 - Senate; Items 4 and 5 - House; Item 6 - Senate; Item 7- Senate minus \$192,600 and two Permanent Full Time Positions; Item 8 - House deleting the words "Individual Technology Based Math;" Item 9 - Line 1 - Senate; Line 2 - House minus \$25 thousand with the words "Research Academy Engineering" deleted;

Item 10 - Senate; Item 11 - Senate; Item 12 - House;  
Items 13 and 14 - Senate.

There being NO OBJECTION, it was so ordered.

[4:15:24 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Fund Transfers:

Items 1, 2, 3, 4, 5 and 6 - Senate; Item 7 - House.

There being NO OBJECTION, it was so ordered.

[4:15:52 PM](#)

House and Senate Versions of HB 108  
LANGUAGE SUBJECT TO CONFERENCE

<b>Item 1—No selection required—See Revenue item 4</b>
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**House**

**Sec. 9.** (e) The amount necessary to pay the custody, investment management, and third-party fiduciary fees of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), not to exceed \$95,300,000, is appropriated for that purpose from the receipts of the Alaska Permanent Fund Corporation to the Alaska Permanent Fund Corporation for the fiscal year ending June 30, 2012.

**Senate**

None

<b>Item 2</b>
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**House**

None

**Senate**

**Sec. 12.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (n) The amount of \$20,000,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for community revenue sharing payments for the fiscal year ending

June 30, 2012, to be distributed proportionally to the amounts received by communities under AS 29.60.855 and 29.60.860.

**Sec. 13.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. (b) The amount of \$20,000,000 is appropriated from the general fund to the Department of Education and Early Development for the fiscal year ending June 30, 2012, to be distributed as state aid to districts according to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D).

**Sec. 39.** CONDITIONAL EFFECT. The appropriations made in secs. 12(n) and 13(b) of this Act are contingent on the enactment into law in 2011 of a version of Senate Bill No. 97.

*The effective date of sections 12(n), 13(b) and 39 is June 30, 2011.*

**Item 3—No selection required—See Governor items 2 and 3**

**House**

None

**Senate**

**Sec. 20.** (f) The sum of \$2,600,000 is appropriated from the general fund to the Office of the Governor for the purpose of implementing a domestic violence initiative for the fiscal year ending June 30, 2012.

(g) The sum of \$300,000 is appropriated from the general fund to the Office of the Governor for the purpose of providing appropriate trauma-informed behavioral health intervention and treatment services to victims of domestic violence or sexual assault for the fiscal year ending June 30, 2012.

**Item 4—No selection required—See Fund Transfers items 6 and 7**

**Senate**

**Sec. 24.** (m) The amount of punitive damages deposited into the general fund under AS 09.17.020(j) for the fiscal years ending June 30, 2007, through June 30, 2012,

estimated to be \$120,000, is appropriated from the general fund to the civil legal services fund (AS 37.05.590).

(n) The unexpended and unobligated balance on June 30, 2011, of the accounts of the Alaska Housing Capital Corporation, a subsidiary of the Alaska Housing Finance Corporation created under AS 18.56.086, estimated to be \$387,178,400, is appropriated to the budget reserve fund (AS 37.05.540(a)).

<b>Item 5—No selection required—See Fund Transfers items 1-5</b>
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**Senate**

\* **Sec. 25.** ADDITIONAL FUND TRANSFERS. (a) The unexpended and unobligated balance on October 31, 2010, of the former regional cruise ship impact fund (AS 43.52.230(c)), repealed by sec. 12, ch. 101, SLA 2010, estimated to be \$3,259,900, is appropriated to the commercial vessel passenger tax account (AS 43.52.230(a)).

(b) The sum of \$22,659,900 is appropriated from the general fund to the large passenger vessel gaming and gambling tax account (AS 43.35.220) established as a subaccount within the commercial vessel passenger tax account (AS 43.52.230(a)).

(c) The sum of \$400,000,000 is appropriated from the general fund to the power cost equalization endowment fund (AS 42.45.070(a)).

(d) The sum of \$60,000,000 is appropriated from the general fund to the Alaska marine highway system vessel replacement fund (AS 37.05.550).

(e) The sum of \$1,000,000,000 is appropriated from the general fund to the budget reserve fund (AS 37.05.540(a)).

*The effective date of section 25 is June 30, 2011.*

**was heard and HELD in Committee for further consideration.**

**Item 6—No selection required—Language will be added if Senate is selected for Labor item 8**

**House**

None

**Senate**

**Sec. 29.** SALARY AND BENEFIT ADJUSTMENTS. (4) Alaska Vocational Technical Center Teachers' Association, National

Education Association, representing the employees of the Alaska Vocational Technical Center;

**House and Senate Versions of HB 109  
LANGUAGE SUBJECT TO CONFERENCE**

<b>Item 8—Salary and Benefit Adjustments</b>
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**House (Sec. 8) and Senate (Sec. 9):** Although there are no language section differences between the House and Senate versions of HB 109, the Conference Committee may want to revise the following language to incorporate salary and benefit adjustments if new agreements between the State and additional collective bargaining units are reached.

\* SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and 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 terms for the fiscal year ending June 30, 2012, of the following collective bargaining agreements:

- (1) Alaska Public Employees Association, for the confidential unit;
- (2) Alaska Public Employees Association, for the supervisory unit;
- (3) Alaska State Employees Association, for the general government unit;
- (4) Public Employees Local 71, for the labor, trades and crafts unit;
- (5) Alaska Correctional Officers Association, representing correctional officers; and
- (6) Teachers' Education Association of Mt. Edgecumbe.

(b) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) of this section.

[4:16:45 PM](#)

**MOTION NEEDED TO INCORPORATE RECENT BARGAINING UNIT AGREEMENTS AND ASSOCIATED FUNDING** requested by OMB on April 6, and April 13.

**Amendment for Committee should include:**

- Revised Lang CC Sheet
- Agency Summary w/Funding - Conf Committee Structure

Vice-Chair Hoffman moved to adopt item # 6, as revised on April 15 "Language Subject to Conference" motion sheet.

Chairman Thomas objected for clarification.

Vice-Chair Hoffman stated that Item # 6 incorporates additional subsections for recent bargaining unit agreements: This motion includes \$7,751.8 of funding to implement the terms of those agreements in the departments of Public Safety, Transportation, and the University of Alaska. For more information, see the "Agency Summary with Funding" LFD report attached to this motion sheet.

There being NO OBJECTION, it was so ordered.

<b>Item 7</b>
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**House**

None

**Senate**

**Sec. 37.** LAPSE EXTENSION. The appropriation made in sec. 2, ch. 41, SLA 2010, page 51, lines 18 - 20, to the legislature for the Alaska Northern Waters Task Force lapses June 30, 2012.

*The effective date of section 37 is June 30, 2011.*

[4:17:50 PM](#)

**House and Senate Versions of HB 109  
LANGUAGE SUBJECT TO CONFERENCE**

**Item 8—Salary and Benefit Adjustments**

**House (Sec. 8) and Senate (Sec. 9):** Although there are no language section differences between the House and Senate versions of HB 109, the Conference Committee may want to revise the following language to mirror the language in item 6.

\* SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and 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 terms for the fiscal year ending June 30, 2012, of the following collective bargaining agreements:

(1) Alaska Public Employees Association, for the confidential unit;

(2) Alaska Public Employees Association, for the supervisory unit;

(3) Alaska State Employees Association, for the general government unit;

(4) Public Employees Local 71, for the labor, trades and crafts unit;

(5) Alaska Correctional Officers Association, representing correctional officers; and

(6) Teachers' Education Association of Mt. Edgecumbe.

(b) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) of this section.

There being NO OBJECTION, it was so ordered.

[4:18:07 PM](#)

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the Mental Health budget:

Items 1, 2 and 3 - Senate; Item 4 - House; Items 5, 6 and 7 - Senate.

There being NO OBJECTION, it was so ordered.

[4:18:29 PM](#)

Chairman Thomas addressed the fiscal notes attached to HB 108.

Vice-Chair Hoffman MOVED to ADOPT the chairman's recommendation on the following Items for the FY12 Fiscal Notes Adopted by the conference committee Section 2 dated April 22, 2011.

There being NO OBJECTION, it was so ordered.

Chairman Thomas stated that the committee instructs the secretary to forward the notes to the Senate Secretary and Chief Clerk for posting on BASIS upon adoption of the conference committee report by the House and Senate. He stated that one outstanding fiscal note must be addressed by the conference committee (HB 106).

[4:19:22 PM](#)

Vice-Chair Hoffman MOVED that the \$500 thousand appropriation made in Section 2, associated with SB 84 for teaching and learning support student and school achievement allocations be given a lapse date of June 30, 2014.

There being NO OBJECTION, it was so ordered.

[4:19:46 PM](#)

Vice-Chair Hoffman thanked Chairman Thomas's staff and cooperation with the Conference Committee.

CCSHB 108(FIN) was HEARD and HELD in Committee for further consideration.

CCSHB 109(FIN) was HEARD and HELD in Committee for further consideration.

#  
ADJOURNMENT

4:20:38 PM

The meeting was adjourned at 4:20 PM.