

HOUSE FINANCE COMMITTEE
April 21, 2014
12:00 a.m.

12:00:04 AM

[Note: Continuation of 4/20/14 9:30 a.m. meeting]

MEMBERS PRESENT

Representative Alan Austerman, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Mark Neuman, Vice-Chair
Representative Mia Costello
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Lindsey Holmes
Representative Cathy Munoz
Representative Steve Thompson
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Anne Carpeneti, Assistant Attorney General, Legal Services Section-Juneau, Criminal Division, Department of Law; Joe Michel, Staff, Representative Bill Stoltze; Jason Hooley, Legislative Liaison, Department of Health and Social Services; Karen Rehfeld, Director, Office of Management and Budget, Office of the Governor; Christopher Poag, Assistant Attorney General, Department of Law; Representative Mike Chennault.

SUMMARY

CSSB 119(FIN)am

BUDGET: CAPITAL

HCS CSSB 119(FIN) was REPORTED out of committee with "no recommendation."

#sb119

CS FOR SENATE BILL NO. 119(FIN) am

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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Representative Gara continued to discuss his opposition to the reinsertion of \$10,000 to the governor's office for the governor to use on ballot propositions (page 103, line 12). He noted that the prior CS had included language related to influencing the outcome of an election, but it had been changed and "sanitized" in the current version. However, AS 15.13.145(b) had been inserted in the bill, which included language about influencing the outcome of an election concerning a ballot proposition or question. He stated that the updated language had the same effect as the language in the prior CS. He did not like the language and did not believe the state should spend money to campaign. He noted that the governor and legislators could all talk about ballot propositions, but money spent by the state was different.

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Ms. Rehfeld replied that the lieutenant governor would hold hearings and state agencies would be asked to provide information. She relayed that the law required that a specific appropriation be made for the purpose of providing the information.

Representative Gara stated that the law related to public hearings was a different law. The law under discussion included language pertaining to money being used by the state to influence the outcome of an election. He noted that spending money on travel to hearings was a different matter.

Co-Chair Stoltze had difficulty believing that \$10,000 could be used in an effective way to influence an election. He pointed to Eastside Anchorage Assembly races that cost \$300,000. He believed Mr. Poag's line of reasoning that the law provided state officials with protection from APOC fines for doing their duties as prescribed by law. Additionally, he believed in protecting state employees

from potential related APOC fines. He surmised that Mr. Poag's explanation of the law seemed logical and intuitive. He reiterated his belief that \$10,000 was not sufficient to effectively influence a statewide election.

Mr. Poag pointed to AS 15.13.145(c)(2) that specified funds could be used to provide the public with nonpartisan information about a ballot proposition. He detailed that the question and challenge for APOC was related to what constituted nonpartisan information. For example, a state agency could talk about whether or not smoking marijuana could have a negative influence on youth in Alaska. The question was whether the information was considered nonpartisan; APOC did not want to be in the business of deciding what was or was not nonpartisan information. Therefore, the agency took a bright-line approach on the issue and because of the approach the appropriation request would go towards providing information about a ballot measure that may not under APOC's terms be considered nonpartisan. He agreed that the increment did not represent a significant amount of funding. He relayed that DOL had been pushing for the item due to the lack of clarity between DOL and APOC on what was considered to be nonpartisan information.

Representative Guttenberg surmised that many would agree with Mr. Poag's statements. He asked who filed the APOC paperwork. Mr. Poag replied that the agency utilizing the funds was required to file the APOC report. He noted that the [filing] timeline was set out in statute.

Representative Guttenberg agreed that \$10,000 was a de minimis amount of funds. He wanted the department to understand that someone would not know they needed to file an APOC report. He asked the department to follow through with the appropriation to ensure that agencies accessing the funds file the appropriate APOC paperwork.

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Representative Gara stated that Mr. Poag was reading from a statute that was not cited in the legislation. He detailed that the bill referenced AS 15.13.145(b) which included language that the money may be used to influence the outcome of an election. He did not want state agencies to have the ability to disseminate partisan information at hearings. He clarified that Mr. Poag was referencing AS

15.13.145(c)(2) that addressed nonpartisan information. He stressed that subsection (c)(2) was not cited in the legislation.

Mr. Poag pointed to the lead-in language to subsection (c) and relayed that public money may always be used to provide public nonpartisan information. He clarified that the requested appropriation was necessary to address situations in which money was used for the dissemination of information that was beyond nonpartisan in nature. He stated that the appropriation essentially "screams from the rooftop" that public funds were being used to discuss a ballot measure. Therefore, the appropriation and regulations specified the specific purpose. He noted that the appropriation had been made in the past including for discussion on the 2011 Coastal Zone Management Program ballot proposition.

Representative Gara MOVED to delete the wording on page 103 lines 12 through 17 of the legislation:

(b) The sum of \$10,000 is appropriated from the general fund to the Office of the Governor for the purpose of providing information about the potential effects of a ballot proposition, if approved by the voters, that will appear on a statewide election ballot in 2014 for the fiscal years ending June 30, 2014, and June 30, 2015.

(c) The statement of purpose for the appropriation made in (b) of this section is intended to satisfy the requirements in AS 15.13.145(b) and 2 AAC 50.356(a).

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Representative Wilson asked if the deletion would take money away from the ballot initiatives.

Co-Chair Stoltze noted that the issue was separate. He apologized to state employees who may be subject to APOC fines for reporting the effects of marijuana on youth.

Representative Munoz OBJECTED to the amendment.

A roll call vote was taken on the motion.

IN FAVOR: Costello, Gara, Guttenberg, Austerman, Stoltze

OPPOSED: Holmes, Munoz, Neuman, Thompson, Wilson, Edgmon

The MOTION FAILED (5/6).

Representative Guttenberg asked about a reappropriation to DOL for remedial action dealing with the Flint Hills situation (page 100, Section 14(c)). He asked for clarification on the item.

Ms. Rehfeld answered that the attorney general had been working with Flint Hills and Williams Companies on an agreement to work jointly on the evaluation of remediation plans. The funds were not specifically for cleanup as of yet. She detailed that DOL had originally asked the governor's office to request an appropriation for the specific purpose; the department had subsequently reviewed its current year appropriation for the Oil, Gas, and Mining Section for outside council and had determined that it had sufficient funds available in the appropriation. The request in the capital budget was to expand the scope of the appropriation for use toward the agreement that should be signed in the current year.

Co-Chair Stoltze asked if there was objection to moving the bill.

Representative Gara OBJECTED to the removal of \$5.6 million in funding for the Akeela House and Partners for Progress. He discussed that \$4 million had been added for a program that was not defined in the letter from DHSS. He WITHDREW his OBJECTION and would wait to see an updated letter from the department.

Vice-Chair Neuman MOVED to REPORT HCS CSSB 119(FIN) out of committee with individual recommendations.

There being NO OBJECTION, HCS CSSB 119(FIN) was REPORTED out of committee with "no recommendation."

[12:13:26 AM](#)

Representative Edgmon presented the co-chairs with signed photos as parting gifts from the committee.

Co-Chair Stoltze was honored to serve on the committee for 6 years. He noted that Co-Chair Austerman was one of the finest gentlemen he had worked with.

Co-Chair Austerman appreciated the comments and thanked the committee.

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ADJOURNMENT

[12:15:46 AM](#)

The meeting was adjourned at 12:15 a.m.