

28TH ALASKA STATE LEGISLATURE
FIRST SESSION
CONFERENCE COMMITTEE ON HB266 and HB267
April 19, 2014
10:25 p.m.

10:25:16 PM

CALL TO ORDER

Chair Kelly called the Conference Committee meeting on HB266 and HB267 to order at 10:25 p.m.

MEMBERS PRESENT:

Senate:

Senator Pete Kelly, Chair

Senator Kevin Meyer

Senator Lyman Hoffman

House:

Representative Alan Austerman, Vice-Chair

Representative Bill Stoltze

Representative Les Gara

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 266 APPROP: OPERATING BUDGET/LOANS/FUNDS

CCS HB 266 was REPORTED out of committee with a "do pass" recommendation.

HB 267 APPROP: MENTAL HEALTH BUDGET

CCS HB 267 was REPORTED out of committee with a "do pass" recommendation.

#HB266

#HB267

CS FOR HOUSE BILL NO. 266(FIN)

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

SENATE CS FOR CS FOR HOUSE BILL NO. 266(FIN)

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

and

CS FOR HOUSE BILL NO. 267(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. 267(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."

DEPARTMENTS

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DEPARTMENT OF FISH AND GAME
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
UNIVERSITY OF ALASKA
BRAND-WIDE UNALLOCATED REDUCTIONS
ALASKA LEGISLATURE
FUND CAPITALIZATION
LANGAUGE

Chair Kelly communicated that the committee would take up all remaining open items in HB 266 and HB 267, based on the

motion sheets distributed to members earlier in the day (copy on file), dated 04/19/14, for the following departments:

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

[10:26:50 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Commerce, Community and Economic Development's budget:

Item 2: Senate

Item 4: House

[10:27:08 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Commerce, Community and Economic Development.

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

[10:27:18 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Education and Early Development's budget:

Item 2: House minus \$25 million

Item 3: House

Item 5: Senate

Item 7: House

Item 8: Senate minus \$250,000

Item 9: Senate

Item 11: Senate

[10:28:10 PM](#)

AT EASE

[10:29:16 PM](#)

RECONVENED

[10:29:22 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Education and Early Development.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

[10:29:31 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Environmental Conservation's budget:

Item 6: House

[10:29:45 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Environmental Conservation.

[10:30:01 PM](#)

AT EASE

[10:30:33 PM](#)

RECONVENED

DEPARTMENT OF FISH AND GAME

[10:30:38 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Fish and Game's budget:

Item 1: House
Item 7: House
Item 9: Senate

[10:30:57 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Fish and Game.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

[10:31:13 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Health and Social Services' budget:

- Item 1: House
- Item 2: House
- Item 3: House plus \$521,500 GF/MH (1037) and plus \$521,500 in Fed Rcpts (1002)
- Item 4: House plus \$720,000 GF/MH (1037) and plus \$280,000 Fed Rcpts (1002)
- Item 5: House
- Item 6: House
- Item 7: Senate
- Item 8: Senate
- Item 9: Senate
- Item 10: House
- Item 11: Senate minus \$500,000
- Item 12: House plus \$1 million UGF (1004) and \$1 million Fed Rcpts (1002)
- Item 13: Senate
- Item 14: Senate
- Item 15: Senate
- Item 16: Senate but change UGF (1004) to Fed Rcpts (1002)
- Item 17: House
- Item 18: Senate minus \$400,000
- Item 19: House
- Item 20: House
- Item 21: Senate
- Item 22: House
- Item 23: House
- Item 24: House plus \$500,000 UGF (1004) and \$500,000 Fed Rcpts
- Item 25: Senate
- Item 26: House
- Item 27: Senate
- Item 28: House
- Item 29: House

[10:34:53 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Health and Social Services.

[10:35:12 PM](#)

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Labor and Workforce Development's budget:

Item 4: Senate- Change from a transfer to a decrement
Item 6: Senate- Change from a transfer to a decrement one time item (OTI).

[10:35:43 PM](#)

AT EASE

[10:36:08 PM](#)

RECONVENED

[10:36:14 PM](#)

Co-Chair Austerman MOVED to RECIND the committee's action on Item 2 in the Department of Labor and Workforce Development's budget. There being NO OBJECTION, it was so ordered.

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Labor and Workforce Development's budget:

Item 2: Senate numbers of \$1.4 million.

Senator Meyer inquired which item was being adopted. Chair Kelly and Vice-Chair Austerman replied that it was Item 2 under the Department of Labor and Workforce Development.

[10:37:05 PM](#)

There being NO OBJECTION, the Senate number of \$1.4 million was ADOPTED for Item 2. The action closed all conferencable items in the budget for the Department of Labor and Workforce Development.

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

[10:37:15 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Transportation and Public Facilities' budget:

- Item 1: Senate plus \$160,900
- Item 2: House
- Item 3: House
- Item 4: House
- Item 5: Senate but delete bolded/bracketed sentence: "[in order to offset the one-time \$2 million from the Capitalization Subaccount within the Alaska Marine Highway System Fund, beginning in FY 2016]."
- Item 6: Senate
- Item 7: Senate

[10:38:25 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Transportation and Public Facilities.

UNIVERSITY OF ALASKA

[10:38:35 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the University of Alaska's budget:

- Item 8: Senate change to an OTI
- Item 9: Senate

[10:38:58 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the University of Alaska.

BRAND-WIDE UNALLOCATED REDUCTIONS

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Branch-Wide Unallocated Reductions' budget:

- Item 1: Senate

[10:39:27 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for Branch-Wide Unallocated Reductions.

ALASKA LEGISLATURE

[10:39:35 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items for the Alaska Legislature's budget.

- Item 1: Senate
- Item 2: Senate
- Item 3: House
- Item 4: Senate plus \$220,000
- Item 5: Senate minus \$220,000

[10:40:13 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Alaska Legislature.

FUND CAPITALIZATION

[10:40:22 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items within the Fund Capitalization budget:

- Item 1: Senate minus \$500,000
- Item 2: Senate minus \$1 million

[10:40:42 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all conferencable items in the budget for Fund Capitalization.

LANGAUGE

[10:40:57 PM](#)

Vice-Chair Austerman MOVED to ADOPT the Chair's recommendation on the following items within the Language section portion of the budget:

- Item 1: House
- Item 2: House
- Item 6: Senate
- Item 9: Senate with amended language to (e)(2)
"to the university of Alaska, 15 percent of the total plus or minus [five] three percent;"

No action is required on Items 3,5,7,8,10,11,12, and 13.

[10:42:07 PM](#)

There being NO OBJECTION, it was so ordered. The action closed all of the open items in the Language section of the budget.

[10:42:11 PM](#)

AT EASE

[10:47:00 PM](#)

RECONVENED

[10:47:15 PM](#)

Vice-Chair Austerman MOVED to ADOPT the document with the footer "FY15 Fiscal Note Section to HB 266, Section 2" as Section 2 of HB 266 (copy on file).

Chair Kelly OBJECTED for the purpose discussion.

Vice-Chair Austerman explained that Section 2 made appropriations associated with the bills listed. If a listed bill either failed to pass, its substance failed to be incorporated in some other measure, or is vetoed by the governor, the appropriations associated with that bill are reduced. The attached report prepared by the Legislative Finance Division list the fund sources and agencies associated with the bill.

[10:48:32 PM](#)

Chair Kelly WITHDREW his OBJECTION.

There being NO further OBJECTION, the document with the footer "FY15 Fiscal Note Section to HB 266, Section 2" was ADOPTED as Section 2 of HB 266.

Representative Stoltze noted for those listening that there was no guarantee that the bills would pass.

[10:48:46 PM](#)

Chair Kelly stated that fiscal notes associated with HB 278 would be attached to SB 119.

[10:48:55 PM](#)

AT EASE

[10:49:12 PM](#)

RECONVENED

[10:49:22 PM](#)

Chair Kelly requested that Mr. Teal explain which other bills might be attached to SB 119. Mr. Teal replied that the committee had adopted all of the fiscal notes that were the same in the House and the Senate. He pointed out that some of the notes could not be included in Section 2 of HB 266 because of different circumstances. He explained that in the case of HB 278, there was no agreement between the House and the Senate and that what those fiscal notes would look like was unknown currently; there was also money for HB 278 outside of the fiscal note that would be potentially incorporated in SB 119. He reported that HB 316 contained a supplemental appropriation for workmen's compensation to the Department of Labor and Workforce Development. He stated that HB 385 was in the capital budget because it also required language for the super majority vote due to the use of the Constitutional Budget Reserve. He added that HB 138 contained 3 different supplemental appropriations and that SB 195 had a capital appropriation to post-secondary education for \$460,000.

[10:51:17 PM](#)

Vice-Chair Austerman MOVED that the authorization be given to the Legislative Finance Division and Legislative Legal Services to make any necessary technical and/or conforming changes to CCS HB 266 and CCS HB 267.

[10:51:30 PM](#)

Vice-Chair Austerman MOVED to REPORT CCS HB 266 out of committee with individual recommendations. There being NO OBJECTION, it was so ordered.

CCS HB 266 was REPORTED out of committee with a "do pass" recommendation.

[10:51:42 PM](#)

Vice-Chair Austerman MOVED to REPORT CCS HB 267 out of committee with individual recommendations. There being NO OBJECTION, it was so ordered.

CCS HB 267 was REPORTED out of committee with a "do pass" recommendation.

[10:51:59 PM](#)

Chair Kelly thanked members, staff, the Legislative Finance Division, Legislative Legal Services, and the Office of Management and Budget for their work on the budget.

[10:52:40 PM](#)

Vice-Chair Austerman MOVED to ADJOURN the committee.

Representative Gara thanked the Co-Chairs for keeping their doors open and listening to his perspective. He appreciated the open dialogue.

Co-Chair Kelly noted that it was good working with Representative Gara.

Senator Hoffman thanked the committee and in particular the chairman for his leadership in getting the operating budget done smoothly.

Co-Chair Kelly responded that the comments were high praise coming from Senator Hoffman.

Senator Meyer stated that it had been a pleasure working with Chair Kelly and Vice-Chair Austerman. He observed that he and Representative Stoltze had been focused on their respective capital budgets, but thought that Chair Kelly

and Vice-Chair Austerman had done an excellent job on the operating budget and keeping expenditures down.

#

ADJOURNMENT

10:54:23 PM

The meeting was adjourned at 10:54 p.m.