

28TH ALASKA STATE LEGISLATURE  
FIRST SESSION  
CONFERENCE COMMITTEE ON HB 65 and HB 66  
April 13, 2013  
10:06 a.m.

[10:06:13 AM](#)

CALL TO ORDER

Chair Austerman called the Conference Committee meeting on HB 65 and HB 66 to order at 10:06 am.

MEMBERS PRESENT:

House:

Representative Alan Austerman, Chair  
Representative Bill Stoltze  
Representative Les Gara

Senate:

Senator Pete Kelly, Vice-Chair  
Senator Kevin Meyer  
Senator Lyman Hoffman

MEMBERS ABSENT:

None

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 65        APPROP: OPERATING BUDGET/LOANS/FUNDS

CCS HB 65 was REPORTED out of committee with a "do pass" recommendation.

HB 66        APPROP: MENTAL HEALTH BUDGET

CCS HB 66 was REPORTED out of committee with a  
"do pass" recommendation.

#HB65

#HB66

CS FOR HOUSE BILL NO. 65(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. 65(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. 66(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program and making a reappropriation; and providing for an effective date."

SENATE CS FOR CS FOR HOUSE BILL NO. 66(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program and making a reappropriation; and providing for an effective date."

Departments:

Department of Commerce, Community and Economic Development

Department of Fish and Game

Department of Health and Social Services

Department of Natural Resources

Department of Public Safety

University of Alaska

Chair Austerman related that the committee would take up all remaining open items in HB 65 and HB 66, based on the motion sheets distributed to members earlier in the day (copy on file), dated April 12, for the following departments: the Department of Commerce, Community and Economic Development, the Department of Fish and Game, the Department of Health and Social Services, the Department of Natural Resources, Department of Public Safety, and the University of Alaska.

Chair Austerman invited David Teal, Director of the Legislative Finance Division to join the committee at the table.

Department of Commerce, Community and Economic Development:

[10:07:18 AM](#)

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

Item 5	House
Item 10	Senate
Item 12	House
Item 18	House
Item 24	Senate

[10:08:00 AM](#)

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.

[10:08:10 AM](#)

Vice-Chair Kelly MOVED to ADOPT the Chair's recommendation on the following items for the Department of Fish and Game.

Item 2      Senate minus \$110.0

[10:08:28 AM](#)

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

10:08:32 AM

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

Item 9	Senate
Item 20	Senate
Item 22	Senate
Item 25	House plus \$1,000.0
Item 28	Senate minus \$200.0
Item 33	Senate

10:09:09 AM

Vice-Chair Kelly stated that the following intent language was also being added:

The first is added at the department-level and reads:

It is the intent of the legislature that the Department of Health and Social Services submit a report to the Finance Committees by January 21, 2014, that identifies by grant program the percent of administrative costs charged if over fifteen percent and the statutory or regulatory authority for that rate. The second is added to the Energy Assistance Program allocation and reads: It is the intent of the legislature that the Department of Health and Social Services develop and implement regulatory changes by September 1, 2014, to match the cost of the energy assistance program to the appropriation provided.

The second is added to the Energy Assistance Program allocation and reads:

It is the intent of the legislature that the Department of Health and Social Services develop and implement regulatory changes by September 1, 2014, to match the cost of the energy assistance program to the appropriation provided.

10:09:59 AM

Representative Gara OBJECTED for the purpose of discussion. He spoke to Item 28 and related that the legislature had adopted most of the increment for one of the Medicare

clinics in Anchorage. He shared that there were two major Medicare clinics in Anchorage, but that the increment only went to the privately run, non-profit clinic. He offered that the Medicare clinic at Providence Hospital was a better run organization and wished that the money had been split between the two clinics.

Representative Gara WITHDREW his OBJECTION.

[10:10:54 AM](#)

AT EASE

[10:14:17 AM](#)

RECONVENED

[10:14:25 AM](#)

Vice-Chair Kelly related that he needed to revise the intent language for the Energy Assistance Program. He relayed that the date had been changed in the intent language and pointed out that it should read:

It is the intent of the legislature that the Department of Health and Social Services develop and implement regulatory changes by September 1, 2013, to match the cost of the energy assistance program to the appropriation provided.

[10:15:05 AM](#)

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.

[10:15:15 AM](#)

Vice-Chair Kelly MOVED to ADOPT the Chair's recommendation on the following items for the Department of Natural Resources.

Item 6      Senate  
Item 7      Senate minus \$45.0

[10:15:34 AM](#)

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

[10:15:40 AM](#)

Vice-Chair Kelly MOVED to ADOPT the Chair's recommendation on the following items for the Department of Public Safety.

Item 6 Senate

[10:15:54 AM](#)

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

[10:15:59 AM](#)

Vice-Chair Kelly MOVED to ADOPT the Chair's recommendation on the following items for the University.

- Item 1 Senate
- Item 2 Senate
- Item 3 Senate
- Item 4 line 1 - Senate and line 2 - House
- Item 5 Senate
- Item 6 Senate
- Item 7 House
- Item 8 Senate
- Item 9 House
- Item 10 Senate
- Item 11 Senate
- Item 12 House
- Item 13 Senate
- Item 14 Senate
- Item 15 House
- Item 16 House
- Item 17 House
- Item 18 House
- Item 19 House
- Item 20 Senate
- Item 21 House
- Item 22 Senate
- Item 23 Senate
- Item 24 House

Item 25 House  
Item 26 House

[10:17:56 AM](#)

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

[10:18:06 AM](#)

AT EASE

[10:19:14 AM](#)

RECNVENED

[10:19:19 AM](#)

Vice-Chair Kelly MOVED to ADOPT the document with the footer "FY14 Fiscal Note Section to HB65" as section 2 of HB 65.

[10:19:44 AM](#)

Chair Austerman OBJECTED for the purpose of discussion.

Vice-Chair Kelly related that:

1. Section 2 makes appropriations associated with the bills listed.
2. If a bill listed either fails to pass, its substance fails to be incorporated in some other measure, or is vetoed by the governor, the appropriations associated with that bill are reduced.
3. SB 95 is presented in a non-traditional way.
  - a. Listing all allocations affected by SB 95 would add over 20 pages to the bill.
  - b. So each allocation and fund source is not listed in section 2.
  - c. As an alternative, there is language reading:

SB 95 State Employee Compensation and Benefits

Salary adjustments, increments, and geographic pay differentials for non-covered employees, as described in SB 95 and accompanying fiscal notes,

are included in sec. 1 of this Act. The fiscal note totals for SB 95 are: \$7,041,500 of unrestricted general funds, \$480,400 of designated general funds, \$2,165,400 of other state funds, and \$754,200 of federal receipts.

4. The attached reports prepared by the Legislative Finance Division list the fund sources and agencies associated with the bill.

[10:21:36 AM](#)

Representative Gara OBJECTED for the purpose of discussion. He understood that the fiscal notes, with one exception, all related to bills that were going to pass or employee negotiations; however, there was a change to the fiscal note for HB 4. He explained that in the House, the HB 4 fiscal note had been funded at \$3.6 million out of the \$7.6 million that was requested; the intention with the appropriation was to allow a report and a review by the legislature to see if the bill was in the best public interest for Alaskans. He expressed concern that funding the full \$7.6 million would allow an open season without legislative approval or review in the meantime; he opined that this was not good policy and offered that the policy that the co-chair in the House had adopted was the better. He did not believe that he had the "votes here" and relayed that he would withdraw his objection.

Representative Gara WITHDREW his OBJECTION.

[10:22:54 AM](#)

Senator Hoffman stated that if the legislation was passed, the fiscal note "on that" would be determined in the other body and relayed that the notes were for each body to decide.

[10:23:22 AM](#)

Chair Austerman WITHDREW his OBJECTION.

[10:23:32 AM](#)

There being NO further OBJECTION, it was so ordered.

[10:23:38 AM](#)

Vice-Chair Kelly MOVED to ADOPT the document with the footer "FY14 Fiscal Note Section to HB66" as section 2 of HB 66. There being NO OBJECTION, it was so ordered.

[10:24:01 AM](#)

Vice-Chair Kelly MOVED to give the Legislation Finance Division and Legislative Legal Services the ability to make technical and conforming adjustments to the Conference Committee Substitutes for HB 65 and HB 66. There being NO OBJECTION, it was so ordered.

[10:24:18 AM](#)

Vice-Chair Kelly MOVED to REPORT CCSHB 65 as amended out of committee with individual recommendations and that the authorization be given to the Legislative Finance Division and Legislative Legal Services to make any necessary technical and/or conforming changes. There being NO OBJECTION, it was so ordered.

[10:24:34 AM](#)

CCSHB 65 was REPORTED out of committee with a "do pass" recommendation.

[10:24:36 AM](#)

Vice-Chair Kelly MOVED to REPORT CCSHB 66 as amended out of committee with individual recommendations and that the authorization be given to the Legislative Finance Division and Legislative Legal Services to make any necessary technical and/or conforming changes.

[10:24:51 AM](#)

Senator Hoffman OBJECTED to make a comment. He thanked the Senate co-chairmen for working with him throughout the process on the operating budget. He thought that given the fiscal condition the state was in, the budget was one that would serve the state in the coming fiscal year.

[10:25:18 AM](#)

Senator Hoffman WITHDREW his OBJECTION.

10:25:19 AM

Representative Gara OBJECTED for the purpose of discussion. He related that while the budget was not one that "each one of us" would have written, he appreciated the chance for dialogue on the issues with the operating budget chair and other members of the committee. He opined that the operating budget was a better document than it had started out as.

Representative Gara WITHDREW his OBJECTION.

10:25:50 AM

There being NO further OBJECTION, CCS HB 66 was REPORTED out of committee with a "do pass" recommendation.

10:25:52 AM

Chair Austerman related that this would be the last meeting of Conference Committee and that all of its items were closed. He thanked members of his staff, the Senate co-chairs and their staff, members of the Conference Committee and their staff, David Teal, Amanda Ryder, the Legislative Finance Division, Legislative Legal Services, the Office of Management and Budget, and Karen Rehfeld.

10:26:48 AM

Vice-Chair Kelly echoed the thanks of Chair Austerman and thanked James Armstrong in particular. He shared that he had been gone from the legislature for ten years and that his "legislative Kung Fu was a little rusty." He furthered that without James, the Senate would not have been prepared.

10:27:17 AM

AT EASE

10:27:45 AM

RECONVENED

Vice-Chair Kelly MOVED to ADJOURN. There being NO OBJECTION, it was so ordered.

CCS HB 65 was REPORTED out of committee with a "do pass" recommendation.

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#  
ADJOURNMENT

10:28:03 AM

The meeting was adjourned at 10:28 a.m.