

HOUSE FINANCE COMMITTEE
March 17, 2016
1:31 p.m.

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CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 1:31 p.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Tammie Wilson

MEMBERS ABSENT

Representative Bryce Edgmon
Representative Cathy Munoz
Representative Lance Pruitt

ALSO PRESENT

Julie Lucky, Staff, Representative Mike Hawker; David Teal, Director, Legislative Finance Division.

PRESENT VIA TELECONFERENCE

Megan Wallace, Legislative Legal Services, Juneau.

SUMMARY

HB 222 INCREASE OF APPROPRIATION ITEM

HB 222 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the meeting agenda.

#hb222

HOUSE BILL NO. 222

"An Act relating to increases of appropriation items."

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JULIE LUCKY, STAFF, REPRESENTATIVE MIKE HAWKER, introduced the legislation and read from prepared remarks:

House Bill 222 would codify a process to allow the legislature to prevent the governor from using the Revised Program Legislative - which we know as RPLs - procedure from increasing funds for a particular specified budget item. As we all know the legislature has the constitutional power and duty to appropriate. All appropriations must be authorized by law, meaning they must be included in the budget bill that we pass during our legislative session with the whole body voting on it.

For some appropriation items the exact amount may not be known when you all finalize the budget or there may be additional funds that come available during the year while the legislature is not in session. In order to allow the governor to accept these funds, the legislature codified a process in the late 1970s that is what we call our RPL process. Just to be clear, the RPL process can only be used to accept additional funds for existing budget items; it has to be something that was included in the budget and then additional funds become available.

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Co-Chair Thompson noted Representative Kawasaki had joined the meeting.

Ms. Lucky relayed there were two necessary steps to the RPL process. She noted she had provided information about the RPL process and budgetary language in the bill packet for committee members (copy on file). The first step was to include language in the budget that allowed an open-ended appropriation for specific types of receipts (listed in Section 24 of the current and prior year budgets), which allowed additional funds to be accepted as long as the process outlined in AS 37.07.080(h) was followed. Second,

the governor must follow the process outlined in AS 37.07.080(h) to submit the RPL to the Legislative Budget and Audit (LBA) Committee for review. The submission of the RPL started a 45-day clock; at the end of the 45 days, the governor could expend the funds. She noted the LBA committee was not required to hold a hearing on the RPLs, to take any action, and had no authority to reject or reduce the funds. She explained that giving the committee the authority would require a constitutional amendment as it would be an improper delegation of duty. She added Legislative Legal Services was available to answer any constitutional questions.

Ms. Lucky continued to address the RPL process. She reiterated the process included putting language in the budget and following the statutory process. The practice involved the RPL coming in from the executive branch, the Legislative Finance Division conducted a review of the RPL, and LBA typically added the RLP to the next meeting agenda for consideration. The committee could take an action to approve the RPL, meaning it agreed with accepting the additional funds, which would waive the 45-day waiting period and would enable the governor to accept and appropriate the funds immediately. The committee could also make a recommendation to reduce or reject the additional funds; however, the recommendation was not binding. Most of the time the executive branch respected the LBA recommendation and would reduce the amount of funding or may bring the RPL up during a subsequent meeting with some changes made by the recommendations. She detailed the governor could still use the funds after the 45-day waiting period if LBA rejected the RPL; however, statute required the governor to review the request and send LBA a statement with the reasons the governor wanted to expend the funds notwithstanding LBA's recommendation.

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Ms. Lucky stated the spirit of the law related to the RPL process was to allow additional funds for already approved budget items to be accepted in a timely fashion when the legislature was not in session. Without the process, all funds would have to be approved during the regular session budgeting process; any funds coming in from May to December would have to wait until the legislature convened. During the past interim there had been a situation where the RPL process had been used to accept funds that had been

rejected by the legislature during the budget process. She detailed the case had been unique where a budget item had been approved by the full legislature and yet the legislature chose not to accept additional funds for that particular item. She elaborated it had uncovered a basic problem in the process in which the legislature could not fully exercise its power to appropriate. The situation had been viewed by many as an "end-run" to the budget process and a threat to the balance of powers.

Ms. Lucky continued that as chair of LBA, Representative Mike Hawker thought the topic was important enough to bring to everyone's attention. She relayed Representative Hawker had spoken with Legislative Legal Services about coming up with some possible solutions, which had led to HB 222. The bill would allow the legislature to establish language expressly prohibiting use of the RPL process for a specific appropriation item. The legislature would have to know in advance it did not want to accept additional funds on a specific item and would have to put language about the specific item into the budget during the budget process. The bill would prohibit using the RPL process going through LBA for the particular item. Additionally, the bill would ensure the executive branch could not use the RPL process to fund items that were considered but denied by the legislature during its regular budget deliberations. The bill also included a technical change. She explained that Representative Hawker's office had been unclear about whether or not any action by LBA would hasten the 45-day timeline. Legislative Legal Services' position was that the only way to shorten the timeline was with an approval vote by LBA. Therefore, the bill sponsor had requested to include a technical change clarifying that should LBA chose to recommend rejecting the funds, it would not shorten the timeline and the governor would have to wait the initial 45-day period. The bill did not make any changes to the 45-day period; it only clarified that unless LBA approved and took an affirmative vote on the RPL, the initial 45-day waiting period would have to be honored.

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Ms. Lucky shared that others were available online for questions.

Co-Chair Neuman recalled that when he had served on the LBA many of the funds coming through had been excess federal

highway funds. He referred to the 45-day time period. He believed some of the funds would impact projects under construction. He elaborated the money had already been approved by the legislature through the Statewide Transportation Improvement Program (STIP) appropriation process, but there were other funds coming in that may be needed during the construction season. He wondered if the timeframe was shortened or extended past 45 days if it could impact projects.

Ms. Lucky believed it was the reason the 45-day waiting period could be shortened by a positive approval vote by LBA. For example, if the money came in and LBA had a meeting where the Department of Transportation and Public Facilities (DOT) testified there would be a problem with a project if the funds were not received in 15 days, LBA could approve the RPL and the funds would be available immediately.

Co-Chair Neuman believed the option was a wonderful opportunity.

Co-Chair Thompson added that the option could also help avoid missing an entire construction season.

Vice-Chair Saddler remarked that the problem may have arisen during consideration of a program in the previous year. He asked for verification that the bill had nothing to do with Medicaid and it was not the sponsor's intent to affect the Medicaid expansion lawsuit in any way.

Ms. Lucky answered in the affirmative. She shared that the bill had come about because it exposed a loophole in the process, by which if the legislature had the power to appropriate it should be within its power to limit additional monies. The bill did not have a retroactive date and she believed if a retroactive effective date was included it would have no impact on previous RPLs because the specific language had not been included in the budget that would be required by the process. However, it was an example of a time that the legislature had in full session found an appropriation it did not want to add money to, but there was no process by which it could prohibit using the process. The bill would also have no effect on the governor's ability to call the legislature back into session to have the full body review additional funds or any RPL. The bill would only allow the legislature to limit

the process the legislature (had put in place to streamline the accepting of additional money) for items it approved of.

Vice-Chair Saddler surmised the bill was not about Medicaid, but was about the legislature making sure it could use its appropriation authority properly and setting limits on when the executive branch could or could not seek to use the legislature's appropriation authority.

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Representative Kawasaki asked if the governor would not have been able to do Medicaid expansion if the bill had been law during that time.

Ms. Lucky deferred the question to Legislative Legal Services. She remarked that the example of the Medicaid expansion was so complex related to mandatory versus non-mandatory and how a supreme court case impacted the issue. She was uncertain how the bill would have impacted Medicaid expansion because she did not know if it would be possible to parse out the appropriation item.

Representative Kawasaki looked at page 2, line 3 of the legislation related to the 45-day period provision. He asked for verification the 45-day period language referred to the original timeframe and did not include an additional 45 days. Ms. Lucky answered in the affirmative. She elaborated the sponsor had asked for a clarification on what Legislative Legal Services believed was the current practice. The language "until the 45-day period has elapsed" referred to the initial timeline.

Representative Gattis discussed that there was a 90-day session, in which the legislature could appropriate money. Outside of the session, the option allowed LBA to conduct business. She wondered how other states with biennial legislative sessions conducted business outside of session.

Ms. Lucky answered that she had not researched other states. She would get back to the committee.

Representative Gara did not want Ms. Lucky to research 49 other states. He referred to Ms. Lucky's earlier testimony that the bill did not address something because it was unconstitutional. He asked for detail.

Ms. Lucky deferred to Legislative Legal Services for detail. She explained there had been some questions about why the state could not allow LBA to reject an RPL, which was the process she had been referring to. She explained it was seen as an unconstitutional delegation of powers. Currently, the executive branch was notified of the additional money and was allowed to use the money 45 days after notifying LBA. People had asked why LBA only had a recommendation option. She believed that allowing LBA to reject the funding would be an unconstitutional delegation of powers.

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Representative Gara asked if it was because the action would be seen as doing something the legislature as a whole should do. Ms. Lucky answered in the affirmative.

Representative Guttenberg asked how many times the governor had requested an RPL in the LBA process. He stated it would be for capital projects and other. He remarked that LBA met a limited number of times per year. He wondered how many times the committee met on a policy substantive issue versus a capital project or other.

Ms. Lucky deferred to David Teal (director of the Legislative Finance Division). She detailed there had been 16 RPLs (one RPL had been submitted twice) in the past two fiscal years. She believed there had been hundreds of RPLs during the American Recovery and Reinvestment Act (ARRA) funding years. As money had come in it had been for university projects and many various things. She elaborated that the process was used widely for many different things. Generally the RPLs were just accepted because they related to items that had already been approved by the legislature - it merely meant opting to accept additional funds. Her review had shown a few capital projects that had been deferred to the next capital budget, which LBA had determined would be better considered by the full legislature. Since the process had been in place in the 1970s there had been seven times the governor had elected to spend the funds after the 45-day period had expired (where LBA had not agreed with using the funds). She believed the governor's decision to go forward with Medicaid expansion was the first time where a policy call was made via an RPL.

Representative Guttenberg asked when the seven times had occurred [when the governor had elected to spend the funds after the 45-day period had expired where LBA had disagreed with the use of the funds].

Ms. Lucky answered that the seven instances had occurred since 1979. The specific items occurred in the early 1990s and the last was in 1998.

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Representative Kawasaki asked about the legality of the rejection of an RPL. He asked if the legislature currently had the authority to reject an RPL outright.

MEGAN WALLACE, LEGISLATIVE LEGAL SERVICES, JUNEAU (via teleconference), replied in the negative. She detailed that LBA could advise the governor it did not approve the RPL, but it did not have authority to explicitly reject or prevent the expenditure after the 45-day period elapsed.

Representative Kawasaki pointed to the language "Unless expressly prohibited by the language of the appropriation" on line 3 [page 1]. He asked if the language would allow LBA to reject an RPL.

Ms. Wallace answered in the negative. She explained the language would allow the legislature in an appropriation bill (e.g. the operating budget) to insert language underneath an appropriation or allocation stating the RPL process was not to be used to increase the amount of the specific appropriation.

Representative Kawasaki asked if the governor would have been prevented from accepting the Medicaid expansion RPL if law had been enacted before the preceding year.

Ms. Wallace answered that the question was complex. She elaborated even if the legislature were able to state that an appropriation item could not be increased through the RPL process, the general prohibition against changing substantive law in an appropriation bill would still be intact. If the bill had been law at the time and the budget included language specifying the appropriation item could not be increased through the RPL process or under AS 37.07.080(h), it would have merely prevented the governor

from accepting additional Medicaid funds through the particular process. However, it would not have impacted the substantive legality of whether expansion was permitted or prohibited. The state's Medicaid statutes included provisions about what happened if Medicaid was not fully funded. She believed if the situation had occurred and the legislature had not accepted the additional federal funds necessary to implement Medicaid expansion, services would have needed to be prorated under the substantive Medicaid provisions or the governor hypothetically could have submitted a supplemental budget or called a special session asking for the legislature to approve the funds. The bill would just prohibit taking the additional federal receipts as they came available.

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Representative Guttenberg asked if there was another way the governor could add money to a program if the bill allowed the legislature to include language in the budget preventing the governor from using the RPL process to add money to a program.

Ms. Wallace replied that the bill would not prohibit the governor from using the process; it would only prohibit use of the RPL process under specific appropriations as requested or noted by the legislature. The governor would still have the ability to introduce a supplemental appropriation or separate appropriation bill asking the legislature to approve the increase.

Representative Guttenberg surmised that it meant during the interim there would be no way for the governor to increase the funds appropriated to a program until the next legislature came in and a supplemental budget could be submitted. He asked if the request could be submitted through Legislative Council or another avenue through LBA.

Ms. Wallace agreed that if the legislature expressly prohibited the use of the AS 37.07.080(h) process there would be no other avenue for the governor to accept appropriations until the legislature went back into session and approved a supplemental or some other substantive legislative action was taken.

Representative Guttenberg asked if the action would have to be affirmative. He returned to the topic of Medicaid

expansion. He asked for verification that Governor Bill Walker could not have expanded Medicaid until an appropriation was approved by the next legislature (supplemental or otherwise) if he had not had the ability to use the RPL to expand Medicaid. He wondered if it would have resulted in a new Medicaid formula.

Ms. Wallace believed that if Medicaid had been expanded, but there was a prohibition of receiving additional federal receipts as they became available under the RPL process and the legislature did not approve the receipt of the additional funds, the proration statutes would take effect. She explained the Medicaid statutes did not differentiate between the expansion population and the required categories; therefore, all Medicaid recipients would have seen their services prorated per that statute.

Representative Guttenberg referred to the seven times [the governor had elected to spend the funds after the 45-day period had expired where LBA had disagreed with the use of the funds] and asked how many times the issue had been a significant policy change.

Ms. Wallace answered that she had not looked into the issue recently, but in her research over the summer she had determined that the governor had only moved forward in a couple of instances after LBA rejected the funding. She did not know whether the instances involved a substantial policy change.

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Representative Gara believed the Medicaid funds coming into the state were not differentiated between expansion and non-expansion funding. He provided a hypothetical scenario in which the state's population spiked and the state qualified for additional federal Medicaid funds. He asked for verification that if the bill passed and the budget included language specifying the legislature could not accept additional Medicaid receipts, the state would be prevented from accepting funds during the interim and individual's services would be prorated down.

Ms. Wallace replied that he was generally correct. She referenced AS 47.07.020(a), which required Medicaid coverage for individuals under federal law. She explained that because the particular provision did not differentiate

between the expansion population and traditional Medicaid recipients, if the legislature prevented acceptance of additional federal receipts through the RPL process and there was insufficient funding to provide services for required recipients, the proration statutes went into effect for all of the recipients. For example, the state would not stop paying for the Medicaid expansion population. All Medicaid recipients would be impacted by the proration.

Representative Gara relayed the legislature had always operated under the assumption that legislative intent language was constitutionally unenforceable. He asked if the bill language specifying the legislature could prohibit the acceptance of funds would be constitutional.

Ms. Wallace replied that generally intent language was unenforceable. For example, if language had the effect of amending or changing existing law; however, language was appropriate in the budget if it explained an item of appropriation or how an appropriation was to be spent. In the particular case, if the language stated something like "this appropriation item may not be increased under 37.07.080(h)" it likely would not be deemed unconstitutional because it was merely describing the appropriation. She detailed the substantive change in the bill would go hand-in-hand with the budgetary language. She explained the legislature would have the statutory authority to include the language in the budget; therefore, the language would not have the effect of amending existing law. Transversely, it may not work if the legislature tried to insert the language in the budget without the bill because it may have the effect of amending existing law.

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Ms. Lucky clarified that the RPL process involved two steps, which was outlined in statute. She explained the governor did not have the outright authority to accept the RPLs, the authority was granted annually by the legislature in the budget. She noted the authority had been granted in Section 24 of the prior year's budget (included in member's bill packets). Another option could be for the legislature could to remove the language from the budget, thereby choosing not to grant the executive branch the power to use the RPL process to accept additional funds. She relayed

that limiting the power (granted annually in the budget) would meet a constitutional challenge.

Co-Chair Neuman asked if the legislature would have to specify it did not want to accept specific funds or whether it would be sufficient to remove the language giving the ability to accept RPL funds from an appropriation bill.

Ms. Lucky answered that the RPL process could only be used for appropriations existing in the budget. She explained the one particular statutory process was limited to additional funds for items already residing in the budget.

Co-Chair Neuman explained he had wanted to clarify that the legislature did not have to specifically state it did not want to accept funds and that it was already determined the legislature chose not to accept funds by not including them in an appropriations bill.

Representative Gara surmised that if the bill passed it could somehow prohibit a category of federal money the legislature did not intend to prohibit. He reasoned it would mean waiting until session or addressing the item in a special session. For example, he believed the governor would have to call a special session to consider accepting funding if \$50 million in federal funds coming in during the interim fell within the definition of something the legislature chose to block in an appropriations budget.

Ms. Lucky replied in the affirmative.

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Representative Guttenberg referred to an excerpt from HB 72 in members' packets [Section 24, page 80, lines 19 through 27] related to federal receipts; designated program receipts; and specific programs including the University, Exxon Valdez oil spill trust receipts, and the Alaska Housing Finance Corporation (copy on file). He wondered how much more detail would be needed if to prevent something specific from going through the RPL process. He wondered if it would require listing all of the programs in the budget or just specific programs the legislature chose to prohibit receiving additional federal funds.

Ms. Wallace responded that Section 24 was a general allowance of federal receipts or other program receipts

received during the interim. The specific section served as the appropriation by the legislature for conditioned on compliance with the RPL process with no restriction. She elaborated that if it was the legislature's intent to prohibit the RPL process to be used from increasing an appropriation item, language would either need to be inserted under the specific appropriation (whether in the numbers or language sections) expressly saying the appropriation may not be increased through the process under AS 37.07.080(h). Alternatively, an explicit reference to an exclusion could be included in Section 24, which would likely be sufficient to prohibit the increase. Some kind of express prohibition would be necessary, otherwise the item would serve as authority to go ahead and increase an existing appropriation based on the receipt of additional federal or other program receipts.

Representative Guttenberg observed that Section 24 looked like a denial of the state's ability to expand Medicaid. He wondered how it was different.

Ms. Wallace answered that Section 24, subsection (b) from the FY 16 operating budget was not standard language; it was one-time-only language. The specific language had the effect of amending existing law under a complicated legal analysis as to whether Medicaid expansion recipients fell under the required category under substantive law. She elaborated the subsection changed the way the state's substantive Medicaid provisions were interpreted.

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Representative Gara provided a scenario where the bill passed and the legislature inserted language [in an appropriation bill] prohibiting the state from accepting any RPL funds during the interim for Medicaid expansion. However, he understood that Medicaid expansion and [original] Medicaid funds were not divisible and were treated as general Medicaid funds. He wondered if the scenario meant the legislature would be prohibiting all additional Medicaid funds from coming in during the interim.

Ms. Wallace replied that if there was some prohibition against receiving additional Medicaid receipts as they became available and the funds were needed to fully fund Medicaid, the governor would either have to submit a

supplemental appropriation request or another appropriation bill asking the legislature to approve the receipt of funds. If that did not occur the proration would kick in and the services for recipients would be impacted.

Representative Gara clarified that if the legislature tried to ban the acceptance of Medicaid expansion funds during the interim, the action would also ban the acceptance of additional Medicaid funds even for the non-expansion Medicaid recipients.

Ms. Wallace answered in the affirmative. She specified there was currently no differentiation between Medicaid funds for the expansion population or traditional Medicaid recipients.

Representative Gattis clarified that she could research the other states. She did not intend Ms. Lucky to do the work.

Vice-Chair Saddler asked for verification that the bill was not intended to address Medicaid expansion and pertained to any other revised program language.

Ms. Lucky agreed. She detailed the legislation basically "shoring up" a rules based system where the legislature had the power to appropriate and to appropriate additional unknown funds via Section 24. The bill was a way to limit the appropriation made in the budget bill with a vote of the full legislature. The bill did not specifically deal with Medicaid funds. She furthered that based on the nature of the Medicaid appropriation it was unclear whether the process would have affected that ability other than affecting the ability to receive funds above and beyond what the legislature had put into the budget. She believed the legislature could choose to account for the amount of federal money it was comfortable with spending in the budget process; therefore, additional receipt authority would not be needed regardless of the timeframe of the incoming funds. She deferred to Mr. Teal for further detail.

Vice-Chair Saddler referred to hypothetical statements made during the meeting. He asked about the entire universe of other federal programs the bill may apply to. He wondered if there were any limitations.

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Ms. Lucky deferred the question to Mr. Teal.

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, answered that any allocation and program using federal receipts would be eligible for the review. He referenced Section 24 and relayed the provision was not limited to federal receipts; it included Exxon Valdez [oil spill trust receipts], University receipts, the Alaska Marine Highway System fund, and other. He stated that out of the seven times the 45-day rule had been used [when the governor had elected to spend the funds after the 45-day period had expired where LBA had disagreed with the use of the funds], about half were Exxon Valdez related RPLs. He noted that issues came and went, and he believed the Exxon Valdez issue was one of the past. He clarified the bill applied to any program that used any of the receipt types listed in Section 24 [of the FY 16 budget bill] or similar language appearing in other budget years.

Vice-Chair Saddler asked for verification that the bill was not intended to impact Medicaid.

Mr. Teal did not believe it could be because Medicaid had already been expanded. He specified the program could not be differentiated between the expanded population and pre-expansion population. He did not disagree with any statements made by Ms. Lucky and Ms. Wallace. He observed there was perhaps still confusion about exactly what the bill meant. He believed the intent was clear that the RPL process would not be available if an appropriation bill passed by the full legislature specified that the legislature could not use the RPL process through LBA. He explained the legislature could not "do that as is done in [Section] 24(b) because that's trying to use an appropriation bill to change substantive law." Once substantive law was changed the appropriation bill could take that action.

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Representative Gara pointed to the Section 24 excerpt from HB 72 in members' packets [page 80, lines 19 through 27]. He provided a scenario where excess federal funds came in for an item in the budget. He thought Section 24 limited permissible funds to certain areas (i.e. money related to Exxon Valdez, AHFC, AMHS, and other), but under current law

he thought any additional funds related to an appropriation were allowable and accepted through the RPL statutes. He asked about the purpose of listing the examples in Section 24.

Mr. Teal answered that the purpose was to limit the fund sources that could be approved via RPL. For example, until about 2000, General Fund (GF) program receipts had been listed in the budget bill section as an allowable fund source. He detailed the specific fund source had been removed because during the five-year plan of the late 1990s when there had been an effort to reduce GF spending, the legislature had discovered that executive branch agencies would cut their GF receipts and count it as a GF budget reduction to meet their target and the funds were subsequently restored in LBA. He furthered that agencies could no longer bring a request for additional GF program receipt authority to LBA for approval.

Mr. Teal relayed the fund sources listed were important; any fund sources not listed were not a valid RPL. He referred to a question from Co-Chair Neuman about whether leaving an item out of the budget indicated an RPL was not allowed. He believed the answer in relation to the operating budget was no. He elaborated the operating budget was broad and an RPL did not have to be something that was addressed in the operating budget already. The new program/money merely had to fall under the legislature's general responsibilities in order to qualify for the RPL process. However, in the capital budget, a capital project approved by the legislature could be increased, but if there was no existing capital project the RPL process could not be used because the project had not been approved by the full legislature. He summarized that capital and operating RPLs differed, which was the reason for the RPL language in both the capital and operating budgets.

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Representative Kawasaki noted he had been on LBA one time. He thought Mr. Teal had communicated that absent of an appropriation within the budget, the RPL process was still the way for LBA to accept an appropriation.

Mr. Teal responded in the affirmative. He stated it was not possible to come in with a brand new capital project. He provided an example of money coming in from a foundation

wanting to give the Department of Education and Early Development (DEED) funding for a school program. He expounded the money was not currently in the budget, but fell under the general responsibilities of DEED; therefore, the money could be accepted even though there was no existing program. He reiterated that the RPL process for capital versus operating budgets differed; related to the operating budget it was possible to come in with an RPL without an existing program in the operating budget.

Representative Kawasaki remarked that HB 222 specifically addressed an increase of an appropriation and did not mention a new appropriation. He wondered if it appeared somewhere else.

Mr. Teal answered that an increase of an appropriation merely meant an increase could be from zero to \$10,000; it did not necessarily mean existing funds were necessary.

Representative Kawasaki referred to statements by President Barak Obama related to early education and pre-K. He noted the programs were not a current part of Alaska's budget. He provided a scenario where federal funds were allocated to states and Alaska received the funds. He wondered if the state would accept the funds through the RPL process.

Mr. Teal replied that it was a perfect example of the ability to accept an operating RPL for federal receipts.

HB 222 was HEARD and HELD in committee for further consideration.

Co-Chair Thompson discussed the schedule for the following day.

ADJOURNMENT

[2:29:19 PM](#)

The meeting was adjourned at 2:29 p.m.