

29TH ALASKA STATE LEGISLATURE
SECOND SESSION
CONFERENCE COMMITTEE ON HB 256 and HB 257
May 12, 2016
3:39 p.m.

3:39:22 PM

CALL TO ORDER

Chair Kelly called the Conference Committee meeting on HB 256 and HB 257 to order at 3:39 p.m.

MEMBERS PRESENT:

Senate:

Senator Pete Kelly, Chair

Senator Anna MacKinnon

House:

Representative Mark Neuman, Vice-Chair

Representative Steve Thompson

Representative Les Gara

MEMBERS ABSENT

Senator Lyman Hoffman

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 256 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 APPROP: MENTAL HEALTH BUDGET

HB 257 was HEARD and HELD in committee for further consideration.

DEPARTMENTS:
LEGISLATURE
LANGUAGE

#HB256

#HB257

CS FOR HOUSE BILL NO. 256(FIN)

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

SENATE CS FOR CS FOR HOUSE BILL NO. 256(FIN)

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

and

CS FOR HOUSE BILL NO. 257(FIN)

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

SENATE CS FOR CS FOR HOUSE BILL NO. 257(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."

[3:40:08 PM](#)

Chair Kelly communicated that the conference committee would be meeting on HB 256 and HB 257 open items. He noted that Limited Powers of Free Conference had been granted by

both the Senate and the House. He stated that there would be two departments with open items to be taken up based on the motion sheets distributed to members earlier in the day and dated May 12, 2016.

LEGISLATURE

Vice-Chair Neuman MOVED to ADOPT the Chair's recommendation on the following items for the Legislature budget:

- Item 1 House
- Item 2 Senate
- Item 3 Senate
- Item 4 Senate minus \$3,155 million and transfer \$1.499 million from the Legislature State Facilities Rent allocation to new "Legislature State Facilities Rent - Other than Anchorage 716 W. 4th Ave allocation" and transfer \$844.9 from Legislature State Facilities Rent allocation to a new appropriation and allocation titled "Legislature State Facilities Rent - Anchorage 716 W. 4th Ave." Due to the budget deficit the Legislature will be exercising termination of the lease via the non appropriation clause for the 716 W. 4th Avenue lease. \$4,032,000 was requested in the January 19, 2016 Legislative Council FY 17 Proposed Budget in the Legislature State Facilities Rent component. We are making it very clear by this separate appropriation distinguishing between lease expenses at 716 W. 4th Avenue and a separate allocation within another appropriation for all other statewide legislative lease expenses. The \$844,900 under the State Facilities Rent Anchorage 716 W. 4th is for 3 months' rent for the 90 day notice to terminate due to non appropriation.
- Item 5 House
- Item 6 Senate
- Item 7 Senate
- Item 8 Senate

Representative Gara agreed to the legislative budget reductions and moving out of the Anchorage office building.

Representative Gara OBJECTED to Item 4. He queried an explanation of Item 4. He surmised that the legislature was terminating its lease on the office in Anchorage, so therefore not paying the annual rent. The Senate appropriation was reduced by \$3.15 million. He surmised

that the action would "roll over" approximately \$1.5 million for an account that would be used to pay for a new office space.

[3:43:42 PM](#)

JAMES ARMSTRONG, STAFF, SENATOR PETE KELLY explained that the \$1.5 million would be added to the existing fund that was used for all of the legislative offices throughout the state, and would cover the final nine months of the facility decided by Legislative Council.

Representative Gara encouraged Legislative Council to approve a modest office space in east downtown Anchorage or Fairview, rather than the Wells Fargo building. He WITHDREW the OBJECTION.

Senator MacKinnon explained that the proposed lease space was approximately 50 cents per square foot, which was a significant cost savings to the legislature and the state.

Mr. Armstrong clarified that the language was examined carefully by Legislative Legal and the Legislative Finance Division (LFD) director [David Teal], and that they recommended the adoption of Item 4.

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

[3:45:42 PM](#)

AT EASE

[3:45:59 PM](#)

RECONVENED

[3:46:01 PM](#)

LANGUAGE

Vice-Chair Neuman MOVED to ADOPT the Chair's recommendation on the following items for the Language motion sheet:

Item 4 Senate

Representative Gara OBJECTED. He requested that the committee hold the item. He announced that, by statute, it

was decided to allocate a certain amount of cruise ship fund proceeds up to the first seven ports of call. He felt that, without the intent language passed by the House, the funding could not be statutorily met. He did not support the decision to withdraw the funds from the first seven ports of call. He felt that without the intent language, the first seven ports of call could not receive the funds they had traditionally received in prior years.

Senator MacKinnon remarked that there had been concern about the collection and distribution of the head tax. She shared that there was a current bill that could address some of the concerns. She stressed that the system was broken, so the legislature could not continue to distribute funds under a broken system.

Representative Gara MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Kelly, Neuman, MacKinnon, Thompson
OPPOSED: Gara

The MOTION PASSED (4/1).

There being NO further OBJECTION, it was so ordered. The action closed all conferencable items for the Language motion sheet.

Chair Kelly relayed that the next meeting would be held on Friday, May 13th at 3:00 p.m.

Representative Gara queried the amount of money that would not go to the first seven ports of call. Mr. Armstrong replied that it was approximately \$15 million.

HB 256 was HEARD and HELD in committee for further consideration.

HB 257 was HEARD and HELD in committee for further consideration.

ADJOURNMENT
3:49:39 PM

The meeting was adjourned at 3:49 p.m.