

29TH ALASKA STATE LEGISLATURE  
FIRST SESSION  
CONFERENCE COMMITTEE ON HB72 and HB73  
April 14, 2015  
4:06 p.m.

4:06:41 PM

CALL TO ORDER

Chair Neuman called the Conference Committee meeting on HB72 and HB73 to order at 4:06 p.m.

MEMBERS PRESENT:

House:

Representative Mark Neuman, Chair  
Representative Steve Thompson  
Representative Les Gara

Senate:

Senator Pete Kelly, Vice-Chair  
Senator Anna MacKinnon  
Senator Donny Olson

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 72        APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 72 was HEARD and HELD in committee for further consideration.

HB 73        APPROP: MENTAL HEALTH BUDGET

HB 73 was HEARD and HELD in committee for further consideration.

#HB72

#HB73

CS FOR HOUSE BILL NO. 72(FIN)

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

SENATE CS FOR CS FOR HOUSE BILL NO. 72(FIN) am S

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

and

CS FOR HOUSE BILL NO. 73(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. 73(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

ADMINISTRATION  
COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
EDUCATION AND EARLY DEVELOPMENT  
FISH AND GAME  
NATURAL RESOURCES  
LEGISLATURE

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Chair Neuman communicated that the conference committee would be meeting on HB 72 and HB 73 open items. He noted that Limited Powers of Free Conference had been granted by

both the Senate and the House. Departments with open items would be taken up based on the motion sheets distributed to members earlier in the day and dated 4/14/15. He relayed that the conference committee would not address open items from the following departments during the current meeting: Department of Administration; Department of Commerce, Community and Economic Development; Department of Education and Early Development; Department of Fish and Game; Department of Natural Resources; the Legislature.

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#### ADMINISTRATION

Vice-Chair Kelly MOVED to ADOPT the Chair's recommendation on the following items for the Department of Administration budget:

- Item 1 Open
- Item 2 Senate
- Item 3 Senate
- Item 4 House
- Item 5 Senate
- Item 6 Open
- Item 7 Open
- Item 8 Open
- Item 9 Open
- Item 10 Open
- Item 11 Senate
- Item 12 On line 1, House plus \$500.0 thousand  
On line 2, House minus \$500.0 thousand
- Item 13 House
- Item 14 House
- Item 15 Senate plus \$200.0 thousand

[4:08:45 PM](#)

Representative Gara OBJECTED for discussion. He objected to Items 3 and 9. He considered Item 3, which adopted Senate language stating the intent to reopen negotiated labor contracts, and disagreed with renegotiating. He thought the committee should honor the original agreement.

Chair Neuman stated that Item 9 was an open item.

Senator Gara spoke to Item 9, relating to a \$400,000 cut to the Office of Public Advocacy (OPA). He thought perhaps a

misunderstanding had taken place, and asserted that the main function and biggest cost-driver of OPA was not criminal trials. He thought there had been an intent to cut criminal attorney staff across the state, but in fact the cuts at OPA would be to children's attorneys, public guardians, and guardians ad litem. He cited that Alaska had the highest public guardian caseload in the country, and a \$400,000 cut would be extremely difficult for the agency to absorb. He asked the committee to consider the information.

Senator Olson echoed the objections and the statements of the previous speaker. He furthered that Item 9 was important to his district, and much of the work of OPA was in aid of children.

[4:11:28 PM](#)

Representative Gara MAINTAINED his OBJECTION.

A roll call vote was taken on the motion to adopt the Chair's recommendation for Item 3.

IN FAVOR: Representative Thompson, Senator MacKinnon,  
Representative Neuman, Senator Kelly  
OPPOSED: Representative Gara, Senator Olson

The MOTION PASSED (House: 2/1, Senate: 2/1).

There being NO further OBJECTION, Items 1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 13, 14, and 15 were ADOPTED. This action left open Items 1, 6, 7, 8, 9, and 10 for the Department of Administration's budget.

[4:12:41 PM](#)

DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

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

Item 1	Senate for both fund sources
Item 2	Senate
Item 3	Senate for both fund sources
Item 4	Senate
Item 5	Open
Item 6	Open

Item 7 Open  
Item 8 House for all fund sources  
Item 9 Senate  
Item 10 Open  
Item 11 Senate

There being NO OBJECTION, it was so ordered. This action left open items 5, 6, 7, and 10 for the Department of Commerce, Community and Economic Development's budget.

[4:13:37 PM](#)

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

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

Item 1 Open  
Item 2 House  
Item 3 House  
Item 4 House for both fund sources  
Item 5 Senate  
Item 6 Senate  
Item 7 Senate  
Item 8 Open  
Item 9 Open  
Item 10 Open  
Item 11 Senate  
Item 12 Open  
Item 13 Open  
Item 14 Open  
Item 15 Open  
Item 16 Open  
Item 17 Open  
Item 18 Open  
Item 19 Open  
Item 20 Open  
Item 21 Senate  
Item 22 Open  
Item 23 Senate  
Item 24 Open

Representative Gara OBJECTED for discussion. He commented on Item 1 and Item 10. He specified that Item 1 was K-12 funding and referred to a legislative research report that had been commissioned. The report indicated that there

would need to be a \$149 increase in the base student allocation (BSA) in order to stay at the same level of funding as the previous year. He hoped to work with other members to avoid school cuts and perhaps waive the Uniform Rule pertaining to the issue.

Representative Gara discussed Item 10, part of which pertained to funds for the Best Beginnings program. He hoped that the committee could consider waiving the Uniform Rules in order to consider the other Pre-K budget items that had been deleted from the budget; such as the Parents as Teachers program.

Representative Gara WITHDREW his OBJECTION.

There being NO further OBJECTION, Items 2, 3, 4, 5, 6, 7, 11, 21, and 23 were ADOPTED. This action left open items 1, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, and 24 for the Department of Education and Early Development's budget.

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DEPARTMENT OF FISH AND GAME

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

Item 1	Senate
Item 2	Senate
Item 3	Senate
Item 4	Senate
Item 5	Senate
Item 6	House
Item 7	House
Item 8	House
Item 9	Senate
Item 10	Senate plus \$200.0 thousand
Item 11	House
Item 12	Senate
Item 13	House
Item 14	Senate
Item 15	Senate
Item 16	Senate for both fund sources
Item 17	Senate
Item 18	Senate

Items 19, 20, 21, and 22 Senate for all fund sources  
Item 23 House  
Item 24 House  
Item 25 Senate

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

[4:18:06 PM](#)

DEPARTMENT OF NATURAL RESOURCES

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

Item 1 Open  
Item 2 Open  
Item 3 Open  
Item 4 Senate  
Item 5 Senate  
Item 6 Senate and remove designation as "one-time item"  
Item 7 Senate  
Item 8 Senate  
Item 9 Senate  
Item 10 Senate  
Item 11 Senate  
Item 12 Senate for both fund sources  
Item 13 Open  
Item 14 Senate  
Item 15 Senate  
Item 16 Senate and remove designation as "one-time item"  
Item 17 Senate

Senator Olson OBJECTED to Item 6, relating to the Citizens' Advisory Commission on Federal Areas (CACFA). He explained that CACFA provided a duplicate service that was no longer necessary for the state to perform. He highlighted the importance of ensuring that federal lands under the Alaska National Interest Lands Conservation Act (ANILCA) were managed in the best interest of the state. He thought that there were other areas in state government that provided oversight in the same area, and considered that the House decision to zero out funding for the commission was prudent. He urged the committee to support the House recommendation.

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Chair Neuman clarified that Senator Olson preferred the House recommendation to eliminate funding for CACFA.

A roll call vote was taken on the motion to accept the Chair's recommendation on Item 6.

IN FAVOR: Representative Thompson, Senator MacKinnon,  
Senator Kelly, Representative Neuman  
OPPOSED: Senator Olson, Representative Gara

The MOTION PASSED (House 2/1, Senate 2/1).

Representative Gara objected to Item 1 and Item 2. He explained that the House proposal had left the governor's request for commercializing North Slope natural gas through the large pipeline project intact, where the Senate proposal reflected a \$4 million cut. He expressed a desire to reach an accommodation with the governor regarding funding a team to move forward with the project, and looked forward to participating in further discussion.

Representative Gara WITHDREW his OBJECTION to Item 1 and Item 2.

There being NO further OBJECTION, Items 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, and 17 were ADOPTED. This action left open items 1, 2, 3, and 13 for the Department of Natural Resources' budget.

[4:22:21 PM](#)

LEGISLATURE

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

Item 1	Senate
Item 2	Senate
Item 3	Senate
Item 4	Senate
Item 5	Senate
Item 6	Senate

- Item 7 Senate plus \$82.2 thousand, General Fund, fund code 1004 and minus \$5.0 thousand, Inter-agency Receipts, fund code 1007
- Item 8 Senate
- Item 9 Senate
- Item 10 Open
- Item 11 Senate
- Item 12 Senate
- Item 13 House
- Item 14 House
- Item 15 House
- Item 16 House
- Item 17 House
- Item 18 House
- Item 19 Senate minus \$82.2 thousand, General Fund, fund code 1004 and plus \$5.0 thousand, Inter-agency Receipts, fund code 1007
- Item 20 Senate
- Item 21 Senate
- Item 22 Senate

Representative Gara objected to Items 13 through 18, pertaining to the proposal on the Legislative Information Office (LIO) in Anchorage. He thought the Senate had formulated a good cost savings proposal, and he elucidated that the LIO had gone from a cost of \$685,000 per year two years previously to a current cost of \$4.5 million per year. He remarked that there had been an offer of space at the State Office Building in Anchorage, with enough space to house legislators at the cost of \$500,000 per year. He supported the Senate proposal on Items 13 through 18.

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Chair Neuman relayed that Legislative Council had voted on the items and there was compromise language being formulated that would fund the LIO for approximately one year and then bring the contracts forward to the legislature for further discussion.

Representative Gara MAINTAINED his OBJECTION.

A roll call vote was taken on the motion to adopt the Chair's recommendation for Items 13 through 18.

IN FAVOR: Representative Thompson, Senator MacKinnon, Representative Neuman, Senator Kelly

OPPOSED: Representative Gara, Senator Olson

The MOTION PASSED (House 2/1, Senate 2/1).

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Co-Chair Thompson OBJECTED to item 9. He expressed concern about possible federal cutbacks resulting in decreased army troops and aircraft at Fort Richardson and Fort Wainwright. He recounted that the Department of Military and Veterans Affairs once had \$300,000 in funding to oppose base closure and reductions, and was concerned that there would no longer be a group working to mitigate cutbacks to the state's military bases.

Co-Chair Thompson WITHDREW his OBJECTION to item 9.

There being NO further OBJECTION, it was so ordered. The Chair's recommendation for items for the Legislature was ADOPTED. This action left open item 10 for the Legislature's budget.

Chair Neuman relayed that the next meeting would be held on Wednesday, April 15 at 4:00pm.

HB 72 was HEARD and HELD in committee for further consideration.

HB 73 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[4:28:51 PM](#)

The meeting was adjourned at 4:28 p.m.