

SENATE FINANCE COMMITTEE  
SECOND SPECIAL SESSION  
May 22, 2015  
2:18 p.m.

[Note: The meeting was held in Anchorage, Alaska at the Anchorage Legislative Information Office]

[2:18:15 PM](#)

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 2:18 p.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair  
Senator Peter Micciche, Vice-Chair  
Senator Click Bishop  
Senator Mike Dunleavy  
Senator Lyman Hoffman (via teleconference)  
Senator Donny Olson

MEMBERS ABSENT

Senator Anna MacKinnon, Co-Chair

ALSO PRESENT

James Armstrong, Staff, Senator Pete Kelly; David Teal, Director, Legislative Finance Division; Pat Pitney, Director, Office of Management and Budget, Office of the Governor.

SUMMARY

SB 2001    APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 2001 was HEARD and HELD in committee for further consideration.

#sb2001

SENATE BILL NO. 2001

"An Act making appropriations for the operating and loan program expenses of state government and for

certain programs and capitalizing funds; repealing appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

[2:18:56 PM](#)

Co-Chair Kelly stated that there would be some invited testimony in the day's meeting. He stated that SB 2001 was the special session version of the vetoed regular session operating budget bill. He stated that the current bill represented the Conference Committee version from the regular session.

Vice-Chair Micciche wondered if the vetoed items from the Governor were in SB 2001. He stated that he understood that the Governor had funded the remaining supplementary 2015 and sections of the FY16 budget. Co-Chair Kelly deferred to Mr. Armstrong.

[2:20:23 PM](#)

JAMES ARMSTRONG, STAFF, SENATOR PETE KELLY, thanked Megan Wallace and David Teal for their work on budget. He stated that there was a one-page document that outlined the current budget (copy on file). The bill restores the vetoes, so SB 2001 duplicated the Conference Committee version. The bill reinstated intent and conditioning language as appropriate, and there were no new additions to the bill. The language section contained eight items: tourism marketing match; capitalized the Disaster Relief Fund; restored the oil and gas tax credits; capitalized the public education fund with Alaska Gasline Development Corporation (AGDC) funds; repealed and restored K-12 funding to the HB 72 level; offset any reduction in AGDC and 7A; capitalized the school construction fund; and provided the State-assisted payment to retirement. The bill also provided for the CBR provisions for super-majority votes in Section 17c of the Alaska Constitution. The section offered and additional opportunity for access to the reserve fund. Section 9 repeated language from HB 72, related to the use of the Higher Education Fund as a "backstop" in FY 15.

Co-Chair Kelly wondered if Mr. Teal had any additional comments.

[2:22:48 PM](#)

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, stated that Mr. Armstrong had explained the separate pieces of the bill. He restated that SB 2001 was the exact same bill as the Conference Committee version of the operating budget.

Mr. Armstrong furthered that there was a two-page spreadsheet (copy on file) that displayed the management plan; the Conference Committee summary; the enacted items; and the special session operating budget.

Vice-Chair Micciche surmised that the enacted budget was \$1.9 billion with a remaining unfunded budget of \$2.135 million. Mr. Armstrong agreed.

Vice-Chair Micciche announced that the Senate had funded the proposed budget with a three-quarter vote.

Senator Dunleavy asked for a restatement of the budget funds. Mr. Armstrong replied that the enacted budget was displayed in the third column of the spreadsheet.

Senator Dunleavy announced that the enacted budget was \$1.923 billion. Mr. Armstrong agreed. He furthered that SB 2001 showed a funding total of \$2.135 billion.

[2:26:12 PM](#)

AT EASE

[2:27:25 PM](#)

RECONVENED

[2:27:29 PM](#)

PAT PITNEY, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, remarked that the bill would bring the conference committee version to consideration. She stated that the bill did not include the additional provisions from the most recent previous special session. She agreed with the statements from Mr. Armstrong.

Senator Olson wondered if there were any changes that would cause problems in the administration. Ms. Pitney replied that there was a submitted \$5 billion spending plan, but only \$2 billion worth of revenue. She stated that the

administration felt that there were some damaging reductions than what was anticipated. She explained that the administration expected that the reductions would be conducted on a multi-year approach. She stressed that the administration's priority was a fully-funded budget, and understood that there would be some compromise.

Co-Chair Kelly discussed housekeeping.

Vice-Chair Micciche stressed that the Senate passed a budget in the regular session.

Co-Chair Kelly explained that the special session did not follow the regular rules of the legislature. He explained that there were some negotiations and agreements that were required before any meetings would be held. He agreed with the statements from Vice-Chair Micciche.

SB 2001 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

2:35:50 PM

The meeting was adjourned at 2:35 p.m.