

SENATE FINANCE COMMITTEE  
SECOND SPECIAL SESSION  
May 30, 2015  
1:14 p.m.

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

[1:14:12 PM](#)

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 1:14 p.m.

MEMBERS PRESENT

Senator Anna MacKinnon, Co-Chair  
Senator Pete Kelly, Co-Chair  
Senator Peter Micciche, Vice-Chair  
Senator Click Bishop  
Senator Mike Dunleavy  
Senator Lyman Hoffman  
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

James Armstrong, Staff, Senator Pete Kelly; David Teal, Director, Legislative Finance Division.

SUMMARY

SB 2001    APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 2001 was SCHEDULED but not HEARD.

CSHB 2001(FIN)am

APPROP: OPERATING BUDGET/LOANS/FUNDS

CSHB 2001(FIN)am was HEARD and HELD in committee for further consideration.

#hb2001

CS FOR HOUSE BILL NO. 2001(FIN) am

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; making appropriations for the operating expenses of the state's integrated comprehensive mental health program; capitalizing funds and 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."

1:14:47 PM

JAMES ARMSTRONG, STAFF, SENATOR PETE KELLY, stated the bill would fully-fund the K-12 foundation formula, at roughly \$16.5 million for than HB 72. The bargaining units were restored and funded. He stated that page 64 approved the language, and Sections 4 through 6 listed the funding sources. The draft had a provision for pay increases for non-covered employees contingent on the governor's veto of HB 176, which was \$11.8 million. There was an unallocated reduction on page 25, lines 24 through 25 of \$29.8 million that corresponded with the covered and non-covered increases. If a supermajority vote was not obtained then K-12 foundation funds would be prorated at the same level in HB 72; all of the bargaining units would be rejected, and the cost of living pay increases would not be funded; and there would be an unallocated reduction of \$9.8 million. He explained that there was an amendment that added \$15 million in CBR funds for the following items: \$700,000 for Parents as Teachers; \$2 million Pre-K grants; \$2.5 million for Office of Children's Services (OCS) front-line social workers; \$2.8 million for the senior benefits program; \$1.750 million for the Alaska Marine Highway System; \$5 million for the University of Alaska; and \$250,000 for public broadcasting. The amendment also added \$681,700 in federal funds, and limited the FY 15 CBR access to a maximum of \$500 million.

Co-Chair Kelly remarked that the governor did not have a fully-funded budget, which was the reason for the current special session. He wondered if the current bill was a fully-funded budget.

1:18:17 PM

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, replied that the current version did not fully fund the budget. The FY 16 supermajority vote gave access to \$15 million, and was the maximum that could be withdrawn from the CBR.

Co-Chair Kelly wondered what was needed from the savings account to fully fund the budget. Mr. Teal replied that approximately \$3 billion was required to fully fund the budget.

Co-Chair Kelly stated that the budget was \$3 billion, and only \$15 million would be available.

1:19:05 PM

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ADJOURNMENT

4:49:22 PM

The meeting was adjourned at 4:49 p.m.