

29TH ALASKA STATE LEGISLATURE  
SECOND SESSION  
CONFERENCE COMMITTEE ON HB256 and HB257  
April 15, 2016  
4:17 p.m.

4:17:15 PM

CALL TO ORDER

Chair Kelly called the Conference Committee meeting on HB256 and HB257 to order at 4:17 p.m

MEMBERS PRESENT:

Senate:

Senator Pete Kelly, Chair  
Senator Anna MacKinnon  
Senator Lyman Hoffman

House:

Representative Mark Neuman, Vice-Chair  
Representative Steve Thompson  
Representative Les Gara

MEMBERS ABSENT

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:

ADMINISTRATION  
COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT  
CORRECTIONS  
EDUCATION AND EARLY DEVELOPMENT  
FISH AND GAME  
OFFICE OF THE GOVERNOR  
TRANSPORTATION AND PUBLIC FACILITIES

#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."

4:17:23 PM

AT EASE

4:19:00 PM

RECONVENED

4:19:40 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. Departments with open items would be taken up based on the motion sheets distributed to members earlier in the day and dated April 15, 2016.

ADMINISTRATION

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

Item 1	House for both motions
Item 2	Senate for both motions
Item 3	House
Item 4	Senate
Item 5	House
Item 6	Senate for both motions
Item 7	House
Item 8	House
Item 9	Senate
Item 10	Senate
Item 11	Senate

Representative Gara OBJECTED. He looked at Item 1, and surmised that one deputy commissioner is not eliminated. Chair Kelly agreed.

Representative Gara looked at Item 5, and assumed that the House provided no funding for the Anchorage office lease.

4:21:31 PM

AT EASE

4:21:58 PM

RECONVENED

JAMES ARMSTRONG, STAFF, SENATOR PETE KELLY explained that under Item 5, the Senate provided intent language and the House provided no intent language. He stressed that the committee would not be adopted the intent language under Item 5.

Representative Gara looked at Items 7 through 9, and asked to have time to look over the sheet.

[4:23:01 PM](#)

AT EASE

[4:23:13 PM](#)

RECONVENED

[4:23:16 PM](#)

Representative Gara OBJECTED to Item 9, which was a reduction to public television funding from the Governor's budget request by \$600,000.

Chair Kelly wondered if there was any objection to Items 1 through 11, excluding Item 9.

Representative Gara requested an explanation of Item 9. Mr. Armstrong explained that Items 7 and 8 fully funded the governor's request for public radio, but Item 9 did not fund the television portion of the governor's request.

Representative Gara expressed concern with Item 9, but WITHDREW the OBJECTION.

There being NO further OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Administration's budget.

[4:24:43 PM](#)

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

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

Item 1	House
Item 2	Hold
Item 3	Hold

Item 4 Senate  
Item 5 House for both motions  
Item 6 Hold  
Item 7 Hold  
Item 8 Hold  
Item 9 Hold

Chair Kelly offered an "at ease", so Representative Gara could look over the paperwork. Representative Gara declined the request.

There being NO OBJECTION, it was so ordered. Items 2, 3, 6, 7, 8 and 9 remain open for the Department of Commerce, Community and Economic Development's budget.

[4:25:57 PM](#)

DEPARTMENT OF CORRECTIONS

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

Item 1 Senate  
Item 2 House  
Item 3 House for both motions  
Item 4 House  
Item 5 House  
Item 6 House

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

[4:26:43 PM](#)

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

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

Item 1 House  
Item 2 Senate  
Item 3 House  
Item 4 Senate  
Item 5 House

Item 6 Senate  
Item 7 Senate  
Item 8 Senate  
Item 9 Senate  
Item 10 Senate plus \$240 thousand  
Item 11 Senate plus \$240 thousand

Representative Gara OBJECTED. He queried the explanation for Items 10 and 11. He assumed Items 10 and 11 were not the full Senate cuts. Chair Kelly agreed.

Representative Gara assumed that Items 10 and 11 were one-half of the Senate cuts. Chair Kelly agreed.

Representative Gara looked at Item 8, and requested explanation of the technical adjustment. Mr. Armstrong replied that Item 8 was a recommendation from the Legislative Finance Division (LFD), because the House's request was composed incorrectly. He deferred to Mr. Teal for further information.

Representative Gara wanted to ensure that Item 8 was only a technical change. Mr. Teal indicated in the affirmative.

[4:28:25 PM](#)

AT EASE

[4:29:13 PM](#)

RECONVENED

[4:29:16 PM](#)

Representative Gara stressed that he only had an objection to Item 5. He disagreed with the choice to eliminate \$7 million of pre-K grants, plus the elimination of the Senate restoration of Parents as Teachers and Best Beginnings. He felt that the Pre-K programs were necessary for school preparedness and an educated workforce.

Chair Kelly announced that there would be a vote on Item 5.

[4:30:50 PM](#)

AT EASE

[4:30:58 PM](#)

RECONVENED

[4:31:03 PM](#)

Chair Kelly announced that the vote would be to accept the House numbers for Item 5.

Representative Gara MAINTAINED his OBJECTION to Item 5.

A roll call vote was taken on the motion.

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

The MOTION PASSED (5/1), There being No further OBJECTION, Item 5 was ADOPTED.

There being NO further OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Department of Education and Early Development.

[4:32:19 PM](#)

DEPARTMENT OF FISH AND GAME

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

Item 1	Senate
Item 2	Senate
Item 3	Senate
Item 4	Senate
Item 5	Senate
Item 6	Senate
Item 7	Senate
Item 8	Senate plus \$200 thousand
Item 9	Senate
Item 10	House for both motions
Item 11	Senate for both motions
Item 12	Senate
Item 13	Senate
Item 14	House for both motions
Item 15	House
Item 16	House
Item 17	House
Item 18	Senate

[4:33:19 PM](#)

Representative Gara OBJECTED to Item 8. He remarked that there was a \$200,000 greater cut from the House request. He stressed that it was a general cut to Commercial Fisheries. He announced that a \$400,000 cut would have a negative impact on the Commercial Fisheries section. He appreciated that \$200,000 was a greater cut, but he objected to the greater decreased funding.

[4:34:05 PM](#)

AT EASE

[4:34:21 PM](#)

RECONVENED

[4:34:27 PM](#)

Chair Kelly wondered if there were other objections. Representative Gara responded that he did not object to any other items.

Representative Gara MAINTAINED his OBJECTION to Item 8. He stated that he would examine the difference between a \$200,000 and \$400,000 cut to the Department of Fish and Game (DFG).

A roll call vote was taken on the motion.

IN FAVOR: Kelly, Neuman, MacKinnon, Thompson, Hoffman

OPPOSED: Gara

The MOTION PASSED (5/1). There being NO further OBJECTION Item 8 was ADOPTED.

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

[4:35:48 PM](#)

OFFICE OF THE GOVERNOR

Vice-Chair Neuman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Office of the Governor budget:

Item 1 Senate

Representative Gara OBJECTED for DISCUSSION. Mr. Armstrong explained that there was an amendment in the Senate version, which deleted eight positions throughout every agency. The intent language was added to the Office of the Governor to consolidate the duties and services.

Representative Gara surmised that there were no additional cuts in either version. Chair Kelly agreed.

Representative Gara WITHDREW the OBJECTION. There being NO further OBJECTION, it was so ordered. The action closed all conferencable items in the budget for the Office of the Governor.

[4:37:00 PM](#)

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Vice-Chair Neuman MOVED to ADOPT the Chair's recommendation on the following items for the Department of Transportation and Public Facilities budget:

Item 1	House
Item 2	House
Item 3	Senate for both motions
Item 4	House
Item 5	House
Item 6	Senate for both motions
Item 7	Senate
Item 8	Senate
Item 9	Senate
Item 10	Senate
Item 11	Senate
Item 12	Senate
Item 13	Senate
Item 14	Hold
Item 15	Hold
Item 16	Hold
Item 17	House
Item 18	Senate
Item 19	Senate for both motions
Item 20	Senate
Item 21	House
Item 22	Senate

[4:38:17 PM](#)

Representative Gara OBJECTED for DISCUSSION. He requested that Item 18 remain open, and he also held objection to Items 19 and 20.

[4:38:47 PM](#)

AT EASE

[4:39:50 PM](#)

RECONVENED

[4:39:54 PM](#)

Chair Kelly announced that Item 18 would be held, and objections Items 19 and 20 would be maintained.

Representative Gara maintained his objection to items 19 and 20. He stated that the House had used \$2 million, and the Senate proposed use of \$6 million in order to fund the Alaska Marine Highway System. He felt that the used of the Marine Highway Fund would deplete the fund balance too greatly. He urged the committee to use \$2 million, in order to keep the integrity of the system for those who depend on the Marine Highway.

[4:40:54 PM](#)

AT EASE

[4:41:35 PM](#)

RECONVENED

[4:41:38 PM](#)

Vice-Chair Neuman stated that Item 18 would be held.

Co-Chair MacKinnon explained that there was currently \$12 million in the Marine Highway Fund. The request would reduce the fund to \$6 million, which she felt was a healthy sum of money.

Representative Gara felt that cutting the fund by half was too great of a cut.

Representative Gara MAINTAINED his OBJECTION to Item 19.

A roll call vote was taken on the motion.

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

The MOTION PASSED, There being NO further OBJECTION, Item 19 was adopted.

Representative Gara MAINTAINED his OBJECTION to Item 20.

A roll call vote was taken on the motion.

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

The MOTION PASSED. There being NO OBJECTION, Item 19 was ADOPTED.

There being NO OBJECTION, it was so ordered. Items 14, 15, 16, and 18 will remain open for the Department of Transportation and Public Facilities' budget.

Chair Kelly relayed that the next meeting would be held on Saturday, April 16th at 4:00 p.m.

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

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

#  
ADJOURNMENT  
4:44:22 PM

The meeting was adjourned at 4:44 p.m.