

29TH ALASKA STATE LEGISLATURE
SECOND SESSION
CONFERENCE COMMITTEE ON HB 256 and HB 257
April 16, 2016
4:20 p.m.

[4:20:47 PM](#)

CALL TO ORDER

Chair Kelly called the Conference Committee meeting on HB 256 and HB 257 to order at 4:20 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

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 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

Health and Social Services
Natural Resources
Revenue
Statewide Retirement Payments

#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."

[4:20:47 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 16, 2016.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

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

Item 1	Senate
Item 2	Senate for both motions
Item 3	House for both motions
Item 4	House
Item 5	House
Item 6	House
Item 7	Senate for both motions
Item 8	Senate
Item 9	Senate plus \$1 million 39 thousand
Item 10	House
Item 11	Senate
Item 12	House

Chair Kelly requested a slower reading of the motions.

Item 13	Senate for both motions
Item 14	Senate
Item 15	Senate
Item 16	Senate
Item 17	Senate for both motions
Item 18	Senate
Item 19	Senate plus \$112.5 thousand
Item 20	Senate
Item 21	Senate
Item 22	House for both motions
Item 23	Senate
Item 24	Senate for both motions
Item 25	House for both motions
Item 26	Senate for both motions
Item 27	Senate
Item 28	House
Item 29	House

4:24:38 PM

Representative Gara OBJECTED to Item 2. He noted that the Item was a \$2.3 million cut to the Office of Children's Services (OCS) in the foster care base rate allocation. He understood that there was an intention that OCS would attempt to leverage that money in federal money, but he supported the House's request. He stressed that there was 450 more youth in the foster care system than the previous year, which was almost a 20 percent increase. He remarked that the youth were already experiencing "institutional neglect", by moving between different homes with an unfamiliar social worker at each move. He stressed that the goal of the foster care system should be to get the youth into a permanent home. He felt that maintaining the \$2 million could help the department to get children out of the system, without hiring new workers. He felt that holding the item, would help further discussion on the issue.

Vice-Chair Neuman recalled that there had been a recent increase in the foster care base rate, and other funding on foster care. He disagreed with holding the item.

Chair Kelly agreed that there should be a vote on the item.

Representative Gara complimented the committee in the previous legislative session.

4:28:44 PM

Representative Gara OBJECTED to Item 9, which was a \$2.1 million cut to child care help for low income people to seek employment. He worried that additional cuts would keep families from getting work.

Representative Gara OBJECTED to Items 18, Item 19, and Item 20. He expressed concern over cuts that help those people with disabilities that may need homes or assistance. He hoped that the committee would work to find a better solution.

Representative Gara WITHDREW his OBJECTIONS to Item 9, Item 18, Item 19, and Item 20.

Representative Gara MAINTAINED his OBJECTION to Item 2.

A roll call vote was taken on the motion.

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

The MOTION PASSED (5/1). There being NO further OBJECTION,
Item 2 was ADOPTED.

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

[4:31:47 PM](#)

AT EASE

[4:32:51 PM](#)

RECONVENED

[4:33:07 PM](#)

AT EASE

[4:33:29 PM](#)

RECONVENED

DEPARTMENT OF NATURAL RESOURCES

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

Item 1	House
Item 2	House
Item 3	Senate
Item 4	Senate
Item 5	Hold
Item 6	Senate
Item 7	Senate
Item 8	Senate
Item 9	Senate
Item 10	Senate
Item 11	Senate
Item 12	Senate for both motions
Item 13	Senate

[4:34:26 PM](#)

Representative Gara OBJECTED to Item 3. He remarked that the House had cut \$273,000 from the Citizens Advisory Commission on Federal Areas, and he supported that reduction. He felt that the commission was a "luxury committee." He remarked that the commission was intended to counter federal regulations, but felt that legislature already challenged the federal regulations and actions.

Representative Gara MAINTAINED his OBJECTION to Item 3.

A roll call vote was taken on the motion.

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

The MOTION PASSED (5/1). There being NO further OBJECTION, Item 3 was ADOPTED.

There being NO OBJECTION, it was so ordered. Item 5 remained open in the Department of Natural Resources budget.

[4:36:04 PM](#)

AT EASE

[4:36:56 PM](#)

RECONVENED

DEPARTMENT OF REVENUE

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

Item 1	Senate
Item 2	Hold
Item 3	Hold
Item 4	Hold
Item 5	Hold
Item 6	Senate
Item 7	Senate plus \$600 thousand
Item 8	Senate
Item 9	Senate plus \$136 thousand
Item 10	Senate plus \$100 thousand
Item 11	Senate
Item 12	Senate

There being NO OBJECTION, it was so ordered. Items 2, 3, 4 and 5 remained open for the Department of Revenue's budget.

[4:38:34 PM](#)

STATE RETIREMENT PAYMENTS

Vice-Chair Neuman MOVED to ADOPT the Chair's recommendation on the following items for the State Retirement Payments:

Item 1 Senate - replace \$64,448,500 of Unrestricted General Funds with Alaska Higher Education Funds

Item 2 Senate for both items- replace \$25,377,000 of Unrestricted General Funds with Alaska Higher Education Funds

Item 3 Senate for both items

[4:39:10 PM](#)

Representative Gara OBJECTED to the motions. He felt that funding the payments would be easier with general funds, rather than Higher Education Funds. He surmised that Item 1 was with \$64 million of Higher Education Funds, and Item 2 was with \$25 million of Higher Education Funds. Chair Kelly replied in the affirmative.

Chair Kelly explained that there was savings in the new numbers of Public Employees' Retirement System (PERS) and the Teacher Retirement System (TRS). He stressed that the savings could not be incorporated into the budget, because it must be paid according to the rules that related to what year the savings show up in the unfunded liability. The legislature could not incorporate the actual savings into the budget. He stressed that the Higher Education Fund would be used, but did not need to be paid from general fund.

Mr. Teal agreed.

Chair Kelly stressed that there was savings in PERS and TRS. The savings were actual year to year reductions, but the legislature must pay the higher amount, under the statutory rules.

Representative Gara wondered if the Higher Education Funds would be considered designated general funds (DGF) Mr. Teal replied in the affirmative.

Representative Gara felt that funding should be through UGF, so there could be a more transparent comparison of spending. He did not feel that there was any "short funding" to the retirement system.

Chair Kelly stressed that using UGF could not claim savings.

Representative Gara expressed concern about using a large amount of a fund that was dedicated to scholarships for higher education.

Representative Gara WITHDREW the OBJECTIONS.

Chair Kelly explained that the grants would not be interrupted by use of the funds.

Representative Gara stated he had no more objections.

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

Chair Kelly relayed that the next meeting would be held on Sunday, April 17 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

4:44:57 PM

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