

HOUSE FINANCE COMMITTEE
February 28, 2018
2:04 p.m.

[2:04:59 PM](#)

CALL TO ORDER

Co-Chair Seaton called the House Finance Committee meeting to order at 2:04 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Steve Thompson
Representative Cathy Tilton
Representative Tammie Wilson

MEMBERS ABSENT

Representative David Guttenberg

ALSO PRESENT

Lacey Sanders, Analyst, Legislative Finance Division

SUMMARY

HB 285 APPROP: MENTAL HEALTH BUDGET

HB 285 was HEARD and HELD in committee for further consideration.

HB 286 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 286 was HEARD and HELD in committee for further consideration.

Co-Chair Seaton reviewed the meeting agenda. He detailed the committee had completed the first round of budget

amendments the previous day. The committee would address two new committee substitutes based on the adopted amendments.

#hb285

#hb286

HOUSE BILL NO. 285

"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."

HOUSE BILL NO. 286

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

[2:06:11 PM](#)

Co-Chair Seaton read from a prepared statement:

Legislative Finance and Legislative Legal Services have developed two committee substitutes, HB 285 and HB 286, based on the amendments that were adopted. The Legislative Finance reports are in members' packets and will be posted once the new committee substitutes are adopted. In addition to these reports Legislative Finance will post their usual department reports.

The total GF report shows an increase of \$71.7 million over the FY 19 governor's amended budget for agency and statewide operations. The UGF only report on unrestricted general funds shows an increase of \$39.7 million over the FY 19 governor's amended budget for agency and statewide operations. The total funds report shows an increase of \$51 million over the FY 19 governor's amended budget for agency and statewide operations.

The larger unrestricted general fund changes include the addition of \$19 million for the University of Alaska; the temporary addition of \$18 million for K-12 to replace \$18 million of the Public School Trust funds until the legislation is adopted; the temporary deletion of \$20 million from the Senior Benefits Program until the reauthorization legislation is adopted and we also adopted intent to fully fund the program; and the addition of \$49 million to capitalize the oil and gas tax credit fund and the deletion of \$27 million from the governor's oil and gas tax credit financing legislation.

HB 286 includes a 4.75 percent of market value draw from the Permanent Fund Earnings Reserve Account; 67 percent of the draw or \$1 [indecipherable] billion would be deposited in the General Fund and 33 percent of the draw, which is \$813 million would be deposited into the dividend fund resulting in an estimated Permanent Fund Dividend of \$1,258. The Constitutional Budget Reserve Fund would contribute \$1.1 billion to filling the budget deficit and provide \$100 million for future FY 19 supplementals.

Those are some of the larger amendments that were adopted. As all are aware these budget bills are not the final bills. The committee will take public testimony on these versions of the budget bills tomorrow, Friday, and Saturday. After the close of public testimony amendments on both HB 285 and HB 286 are due to the Legislative Finance Division via the amendment system by 5:00 p.m., Saturday, March 3. Members are strongly encouraged to submit amendments to Legislative Finance before that deadline, so we don't get a backlog at the end. Next week the committee will take up the new amendments. The result of that process will be the operating budget that is moved to the House floor.

[2:08:57 PM](#)

Co-Chair Foster MOVED to ADOPT the proposed committee substitute for HB 286, Work Draft 30-GH2564\0 (Wallace, 2/28/18). There being NO OBJECTION, it was so ordered.

Co-Chair Foster MOVED to ADOPT the proposed committee substitute for HB 285, Work Draft 30-GH2566\0 (Wallace, 2/27/18). There being NO OBJECTION, it was so ordered.

Representative Wilson pointed to page 62, lines 9 through 11 of HB 286. She asked if the increment included all three Eielson Air Force Base schools.

2:11:08 PM

AT EASE

2:12:13 PM

RECONVENED

Co-Chair Seaton relayed that the information [requested by Representative Wilson] would be provided by the department at a later time.

Representative Wilson referenced the Legislative Finance Division report titled "Multi-year Agency Summary - Operating Budget - FY 2019 House Structure" for total GF dated February 28, 2018 (copy on file). She pointed to the Department of Health and Social Services (DHSS) line, showing a decrease of \$18,086,100. She understood that some of the reduction was to account for a separate senior benefits bill. She thought there had been an increase of 41 positions for public assistance, but the numbers did not appear to reflect that.

2:13:28 PM

AT EASE

2:14:41 PM

RECONVENED

LACEY SANDERS, ANALYST, LEGISLATIVE FINANCE DIVISION, replied that the change in the DHSS GF budget was a combination of a \$20 million reduction for the Senior Benefits Program and an increase of \$1.9 million from the Alaska Comprehensive Health Insurance Fund (also considered a designated general fund). Additionally, there was a \$2.2 million increase to address the backlog in public assistance field services.

HB 285 was HEARD and HELD in committee for further consideration.

HB 286 was HEARD and HELD in committee for further consideration.

Co-Chair Seaton reviewed the agenda for the following day.

#

ADJOURNMENT

[2:17:29 PM](#)

The meeting was adjourned at 2:17 p.m.