

HOUSE FINANCE COMMITTEE
May 12, 2018
7:46 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 7:46 p.m.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Paul Labolle, Staff, Representative Neal Foster; Speaker Bryce Edgmon; Representative Dave Talerico; Representative Dan Saddler; Representative Gary Knopp; Representative Mark Neuman.

SUMMARY

CSSB 142 (FIN) AM
APPROP: CAPITAL BUDGET

HCS CSSB 142(FIN) was REPORTED out of committee with a "do pass" recommendation.

Co-Chair Foster reviewed the meeting agenda. He indicated the capital budget was being heard. He relayed that the

committee would be stopping the amendment process that had been started the previous evening. The committee would be introducing a committee substitute and he intended to move the bill out of committee.

#sb142

CSSB 142(FIN) AM

"An Act making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; and providing for an effective date."

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Co-Chair Seaton MOVED to ADOPT proposed committee substitute for CSSB 142(FIN) am, Work Draft 30-GS2565\M (Martin, 5/12/18).

Representative Wilson OBJECTED for discussion.

Co-Chair Foster recognized Representative Bryce Edgmon, Representative Dan Saddler, and Representative Gary Knopp in the audience. He invited his staff to the table to review the changes from version N of the bill to the committee substitute, version M.

PAUL LABOLLE, STAFF, REPRESENTATIVE NEAL FOSTER, clarified that he was presenting a comparison of the previously adopted version N, which meant that any action taken during the amendment process was wiped clean with the new committee substitute. He began with Section 1. He indicated that two projects were removed from version N: the Metlakatla community Ketchikan intertie project and the Prince William Sound acquisition for construction of facilities for the Prince William Sound Science and Technology Institute. He continued to page 4, line 3. The Port of Anchorage was added for \$20 million. He noted that if the numbers were non undesignated general funds (UGF), he would mention it. He continued to Page 4, line 7. The Port of Nome was added for \$1.6 million. On page 5, line 7 the increment for village safe water adjusted down from \$18 million to \$16 million. He noted that on page 10, line 14 Public and Community Transportation was reduced from \$1 million to \$500,000. On page 10, line 20 the municipal harbor facility grant projects were reduced by \$5 million.

He moved to page 11, line 26. The University of Alaska deferred maintenance was reduced to \$2 million. On page 18, line 20 the Sultana New Ventures Healthcare Transformation Project was reduced from \$500,000 to \$250,000. On page 19, line 7, the substance use disorder service expansion was reduced to \$12 million. The appropriation consisted of \$3 million in general funds and \$9 million in Alaska Comprehensive Health Insurance (ACHI) funds and was a supplemental appropriation.

Representative Wilson asked about page 19, line 7. She asked if the project was for 2018. Mr. Labolle responded affirmatively. He reported that all of the items in Section 4 and Section 7 were supplementals.

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Mr. Labolle pointed to page 23, line 25. There was an addition of \$28 million for Medicaid health care under Medicaid services. He relayed that the addition was a reduction from the amendments adopted the previous day. He specified that there was a drafting error in Section 12 for the \$18 million that he had just mentioned that had been added twice and was removed. It was no longer in the bill but was previously in Section 12 under the Department of Health and Social Services (DHSS). The double appropriation had been removed.

Mr. Labolle moved to page 28, line 24. There was a fund transfer of \$20 million to the Alaska Marine Highway System (AMHS), a supplemental appropriation. On page 30, line 26 there was an appropriation of \$6 million to the Department of Education and Early Development (DEED) for pre-kindergarten grants. On page 30, line 29 the sum of \$20 million was appropriated to DEED for the distribution of grants to schools according to the average daily membership for each district. On page 31, line 2 there was an appropriation of \$403,400 to DEED for education support and administrative services, state system of support, and direct crisis response and supporting costs for the fiscal year ending June 30, 2019. He noted a handout had been distributed - an amendment that provided clarity to the issue.

Representative Wilson relayed that the document indicated the funding was not for positions. Rather, it was for existing employees to travel to communities in crisis to

take care of certain things. Mr. Labolle responded that she was correct. There were no positions associated with the appropriation.

Co-Chair Foster recognized Representative Neuman in the room.

Mr. Labolle moved to the next item on page 39, line 20. There was a reduction from \$4.5 million to \$2.5 million for the Knik Arm Crossing Project.

Co-Chair Foster noted the \$2 million reduction. He indicated that there might be an amendment on the floor to move the money to the KGB road in the area.

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Mr. Labolle advanced to page 39, line 27. There was a reduction to the \$8 million for community assistance down to \$4 million. He advanced to page 40, line 9 for House District 1 and House District 2. A sum of \$15,000 was appropriated to Department of Commerce, Community and Economic Development (DCCED) for grants for volunteering of policing for purchase of gas, gas cards, decals, radios, and safety equipment. There were also conforming amendments in the numbers section and in the effective dates.

Representative Wilson WITHDREW her OBJECTION.

There being NO OBJECTION, the proposed committee substitute for CSSB 142 (FIN) am was ADOPTED.

Co-Chair Seaton MOVED to report HCSCSSB 142 (FIN) out of Committee with individual recommendations.

Representative Wilson OBJECTED. She thanked the chairman and his staff for reviewing the projects carefully and making adjustments. She was closer to supporting the bill than previously, but she still had concerns about the budget increasing by \$31 million in UGF. She relayed that there was a significant amount of operating costs in the capital budget. However, there were certain issues being taken care of in the budget including Medicaid, as it was the only mechanism left to do so. Also, she believed there were things included that the state could not afford. She was aware the legislature was used to making budgets that could be utilized up to 5 years. She suggested that in the

future, when the budget was slimmer, the legislature might look at projects for 2 years at a time. It would allow for the legislature to confirm that the money was going where it was supposed to go. She would be voting in opposition of the bill.

Co-Chair Foster thanked the committee for the work that went into the capital budget. While members might not be in complete agreement, the committee had made compromises by adopting some of the amendments in the committee substitute from the previous day. They had been incorporated into the current committee substitute. He believed that ultimately the members all wanted to do what was best for the State of Alaska. He thought the capital budget would help to maintain Alaska's infrastructure while putting Alaskans to work and supporting a healthy Alaskan economy. He also thanked his staff, Mr. Paul Labolle, who worked on the capital budget, and Brodie Anderson, his support staff. He paid special tribute to Jane Pierson and indicated that it would likely be her last finance committee meeting. He thanked her for all of her work through many years at the legislature.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Grenn, Guttenberg, Kawasaki, Ortiz,
Thompson, Foster, Seaton
OPPOSED: Wilson, Pruitt, Tilton

The MOTION PASSED (8/3).

HCS CSSB 142 (FIN) was REPORTED out of committee with a "do pass" recommendation.

Co-Chair Seaton MOVED that the committee give Legislative Finance and Legislative Legal Services the ability to make technical and conforming changes to SB 142.

There being NO OBJECTION, it was so ordered.

Co-Chair Foster recessed the meeting to a call of the chair [note: the meeting never reconvened].

ADJOURNMENT

8:02:03 PM

The meeting was adjourned at 8:02 p.m.