

SENATE FINANCE COMMITTEE
March 9, 2017
9:04 a.m.

9:04:40 AM

CALL TO ORDER

Co-Chair Hoffman called the Senate Finance Committee meeting to order at 9:04 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Click Bishop, Vice-Chair
Senator Mike Dunleavy
Senator Peter Micciche
Senator Natasha von Imhof

MEMBERS ABSENT

Senator Donny Olson

ALSO PRESENT

James Armstrong, Staff, Senator Lyman Hoffman; David Teal, Director, Legislative Finance Division; Pat Pitney, Director, Office of Management and Budget, Office of the Governor; Laura Cramer, Staff, Senator Anna MacKinnon.

SUMMARY

SB 21 PERMANENT FUND: INCOME; POMV; DIVIDENDS

SB 21 was SCHEDULED but not HEARD.

SB 22 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 22 was HEARD and HELD in committee for further consideration.

SB 24 APPROP: MENTAL HEALTH BUDGET

SB 24 was HEARD and HELD in committee for further consideration.

SB 26 PERM. FUND:DEPOSITS;DIVIDEND;EARNINGS

SB 26 was HEARD and HELD in committee for further consideration.

SB 70 APPROP. LIMIT/BUDGET PROCESS/PERM FUND

SB 70 was SCHEDULED but not HEARD.

#sb22

SENATE BILL NO. 22

"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 reappropriations, and 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."

9:05:09 AM

Co-Chair Hoffman informed that the committee would take up a committee substitute (CS) for SB 22, which would have some technical changes.

Co-Chair MacKinnon MOVED to ADOPT proposed committee substitute for SB 22, Work Draft 30-GS1855\D (Wallace, 3/2/17).

Co-Chair Hoffman OBJECTED for discussion.

Co-Chair Hoffman asked staff to explain the technical changes in the bill. He remarked that the committee was trying to get the operating budget completed as effectively and efficiently as possible so as to devote more time to the piece of legislation associated with restructuring the Permanent Fund Dividend (PFD) program.

9:06:33 AM

JAMES ARMSTRONG, STAFF, SENATOR LYMAN HOFFMAN, explained that the committee had not received the budget bill from the other body, but would be working with the Legislative Finance Division (LFD) and Legal Services to clean up the

bill. He stated that the committee would be using SB 22 and SB 24 as the vehicles to develop the budget; and when the bills from the other body came to the committee, it would make the corresponding changes. He recalled that the committee had done the same thing the previous session. He asserted that the LFD Director and the Director of the Office of Management and Budget (OMB) could speak to the technical conforming changes that had been made and were explicated in the document "Summary of Changes between Governor's Operating Bill and CSSB22 (FIN)" (copy on file).

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE DIVISION, explained that the CS before the committee was for all practical purposes the governor's bill, redrafted in Legal Services Division language rather than language from the Department of Law. He specified that the bill appropriated the same amount of money for the same purposes, and from the same fund sources. He thought it was easily discernable that the changes to the bill were confined to date changes, rearrangements, and small technical changes. He thought that the changes would make the process easier for LFD and Legal Services, as well as for the committee. When the committee developed the next CS, it would be much easier to discern any substantive changes from the rearrangements and other technical adjustments.

[9:08:58 AM](#)

PAT PITNEY, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, stated that the administration concurred with the changes. She stated that the CS before the committee did exactly what had been proposed in the governor's budget.

Co-Chair Hoffman WITHDREW his objection. A roll call vote was taken on the motion.

IN FAVOR: Bishop, Dunleavy, Micciche, von Imhof, Hoffman, MacKinnon
OPPOSED:

Senator Olson was absent from the vote.

The MOTION PASSED (6/0).

There being NO further OBJECTION, Work Draft 30-GS1855\D was ADOPTED.

SB 22 was HEARD and HELD in committee for further consideration.

[9:10:12 AM](#)

AT EASE

[9:11:16 AM](#)

RECONVENED

Co-Chair Hoffman stated that there was a CS to consider for SB 24.

#sb24

SENATE BILL NO. 24

"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."

[9:11:16 AM](#)

Co-Chair MacKinnon MOVED to ADOPT proposed committee substitute for SB 24, Work Draft 30-GS1856\D (Wallace, 3/2/17).

Co-Chair Hoffman OJBECTED for discussion.

Mr. Teal explained that the CS was similar to that of CS SB 22, in that the CS was the same as the original bill but for small technical changes.

Ms. Pitney concurred that the CS was the same as what the administration had submitted but with technical corrections.

Co-Chair Hoffman WITHDREW his OJBECTION. A roll call vote was taken on the motion.

IN FAVOR: Dunleavy, Micciche, von Imhof, Bishop, MacKinnon, Hoffman

OPPOSED:

Senator Olson was absent from the vote.

The MOTION PASSED (6/0).

There being NO further OBJECTION, the CS was ADOPTED.

SB 24 was HEARD and HELD in committee for further consideration.

[9:12:51 AM](#)

AT EASE

[9:14:17 AM](#)

RECONVENED

Co-Chair Hoffman handed the gavel to Co-Chair MacKinnon.

#sb26

SENATE BILL NO. 26

"An Act relating to the Alaska Permanent Fund Corporation, the earnings of the Alaska permanent fund, and the earnings reserve account; relating to the mental health trust fund; relating to deposits into the dividend fund; relating to the calculation of permanent fund dividends; relating to unrestricted state revenue available for appropriation; and providing for an effective date."

[9:14:17 AM](#)

Co-Chair Hoffman MOVED to ADOPT proposed committee substitute for SB 26, Work Draft 30-GS1690\D (Martin, 3/8/17).

Co-Chair MacKinnon OBJECTED for discussion.

LAURA CRAMER, STAFF, SENATOR ANNA MACKINNON, discussed the CS, explaining that language from SB 70 had been inserted in to SB 26. She noted that there had been one change, due to an error in drafting found on page 8, Section 21. The change was to an effective date, which had been changed to July 1, 2020. She explained that the date signified the change in the Percent of Market Value (POMV) from 5.25 percent to 5 percent, and would be effective in FY 21.

[9:15:42 AM](#)

Co-Chair MacKinnon WITHDREW her objection. There being NO further OBJECTION, the CS was ADOPTED.

SB 26 was HEARD and HELD in committee for further consideration.

Co-Chair MacKinnon informed that the committee would discuss amendments to the bill the following day at 9:00 a.m.

ADJOURNMENT
9:16:25 AM

The meeting was adjourned at 9:16 a.m.