

31ST ALASKA STATE LEGISLATURE
FIRST SESSION
CONFERENCE COMMITTEE ON HB 39 and HB 40
May 10, 2019
3:30 p.m.

3:30:57 PM

CALL TO ORDER

Chair Foster called the Conference Committee meeting on HB 39 and HB 40 to order at 3:30 p.m.

MEMBERS PRESENT:

House:

Representative Neal Foster, Chair
Representative Tammie Wilson
Representative Cathy Tilton

Senate:

Senator Bert Stedman, Vice-Chair
Senator Natasha Von Imhof
Senator Donny Olson

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 39 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 39 was HEARD and HELD in committee for further consideration.

HB 40 APPROP: MENTAL HEALTH BUDGET

HB 40 was HEARD and HELD in committee for further consideration.

Co-Chair Foster reviewed the agenda for the meeting.

#HB39

#HB40

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 39(FIN) am(brf
sup maj fld)

"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; and providing for an effective date."

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 39(FIN) am S

"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 and reappropriations; and providing for an effective date."

and

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 40(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."

SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 40(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."

[3:31:19 PM](#)

Co-Chair Foster reported that limited powers of Free Conference had been granted by both the House and the Senate. He invited David Teal, Director of the Legislative Finance Division, to come to the testifier table.

He explained how objections would be handled. If there was an objection, he would make note of that Item and hold it aside. The committee would continue to go through the other Items in the department, adopt them, and then would come back to any Item that had an objection.

In the present meeting the committee would be addressing open items in HB 39 and HB 40 based on the motion sheets distributed to members earlier and dated May 9th for the following departments:

DEPARTMENT OF ADMINISTRATION
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT
OFFICE OF THE GOVERNOR
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
DEPARTMENT OF REVENUE
DEBT SERVICE ITEMS
FY 19 SUPPLEMENTALS IN HB 39 AND HB 40

^ADMINISTRATION

[3:32:49 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Administration budget:

Item 1	Senate
Item 2	House
Item 3	House
Item 4	House
Item 5	Open
Item 6	Senate
Item 7	Open
Item 8	Open

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 1, 2, 3, 4, and 6, and left OPEN Items 7 and 8 in the Department of Administration budget.

^COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

[3:33:38 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Commerce, Community and Economic Development budget:

- Item 1 House and change fund code 1235 Alaska Liquefied Natural Gas Project Fund to fund code 1004 Unrestricted General Fund
- Item 2 Senate All Lines
- Item 3 Open
- Item 4 Open
- Item 5 House
- Item 6 House
- Item 7 Senate

Representative Tilton OBJECTED to Item 2.

Representative Tilton spoke to her objection to Item 2. She appreciated the roll Serve Alaska had played and the good things the volunteers had done for the state. However, she felt the program could be administered better in the non-profit sector. While the state's model was commonly used in other states, some were moving towards a model where dollars were being placed with non-profits to be administered. She explained that the amount of funding authorized for Serve Alaska to administer versus the amount of dollars it actually directed equated to an efficiency level of only 60 percent. She thought the private sector could do a better job of administering the grant funding.

[3:36:05 PM](#)

Co-Chair Wilson commented that she had investigated the option of privatizing Serve Alaska, which she found out was possible but not in the current year. An administrative order would need to be changed by the governor, someone would have to be in place to accept the grant funding, and a non-profit would need to be identified to administer the grants. She planned to use the interim to get things in place to make a change. However, if the item was not accepted in the current day, the program would go away, and the federal dollars would not be available to use. She stressed that communities used the funding. She understood Representative Tilton's point but had not been able to address the issue on short notice.

[3:37:01 PM](#)

Senator Olson asked about the amount of federal dollars available or in question.

Co-Chair Wilson replied that there was \$1.8 million in federal receipts made available with a committee in place. Although there was a committee in place, a new executive order by the Governor would have to be executed specifying a non-profit as the administrator. She explained that there had not been enough time to address the issue. She noted that not all of the related grants came due simultaneously. She did not want to see any grant monies slip away.

Representative Tilton MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: von Imhof, Wilson, Olson, Stedman, Foster
OPPOSED: Tilton

The MOTION PASSED (5/1) [Note: House (2/1); Senate (3/0)].
Item 2 was ADOPTED.

There being NO further OBJECTION, it was so ordered. The action CLOSED conferencable Items 1, 2, 5, 6 and 7 and left OPEN Items 3 and 4 in the Department of Commerce, Community and Economic Development budget.

^EDUCATION

[3:39:39 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Education and Early Development budget:

Item 1	Senate
Item 2	House
Item 3	House
Item 4	Open
Item 5	House
Item 6	House
Item 7	House
Item 8	Open
Item 9	House
Item 10	Open
Item 11	House
Item 12	Open

Item 13 Senate
Item 14 Open
Item 15 Open

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 1, 2, 3, 5, 6, 7, 9, 11, 13, and left OPEN Items 4, 8, 10, 12, 14, and 15 in the Department of Education and Early Development budget.

^GOVERNOR

[3:40:45 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Office of the Governor's budget:

Item 1 Senate
Item 2 Open
Item 3 Open

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Item 1 and left OPEN Items 2 and 3 in the Office of the Governor budget.

^LABOR AND WORKFORCE DEVELOPMENT

[3:41:17 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Labor and Workforce Development budget:

Item 1 Senate

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Item 1 in the Department of Labor and Workforce Development budget.

^MILITARY AND VETERANS AFFAIRS

[3:41:38 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Military and Veterans Affairs budget:

Item 1 Open
Item 2 Senate All Lines
Item 3 Senate

Item 4 House
Item 5 Senate All Lines
Item 6 Open

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Item 2, 3, 4, and 5 and left OPEN Items 1 and 6 in the Department of Military and Veterans Affairs budget.

^REVENUE

[3:42:23 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in the Department of Revenue's budget:

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

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 1 through 5 in the Department of Revenue budget.

^DEBT SERVICE APPROPRIATIONS

[3:42:56 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in Debt Service Appropriations:

Item 1 Open
Item 2 Senate All Lines
Item 3 Senate All Lines

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 2 and 3 and left OPEN Item 1 in Debt Service Appropriation.

^FY 19 SUPPLEMENTALS

[3:43:30 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 15 Items 1 through 9 Senate

[3:43:43 PM](#)

AT EASE

[3:45:31 PM](#)

RECONVENED

[3:45:39 PM](#)

Co-Chair Stedman restated his motion. He MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 15 Items 1 through 9 Senate

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 1 through 9 in FY 19 Supplementals.

[3:46:03 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 16 Items 10 through 20 Senate

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 10 through 20 in FY 19 Supplementals.

[3:46:18 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 17 Items 21 through 31 Senate

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 21 through 31 in FY 19 Supplementals.

[3:46:34 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 18 Items 32 through 35, 37 and 38 Senate
Page 18 Item 36 Open

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 32 through 35, 37, and 38 and left OPEN Item 36 in FY 19 Supplementals.

[3:46:57 PM](#)

Co-Chair Stedman MOVED to ADOPT the following in FY 19 Supplementals in HB 39 and HB 40:

Page 19 Items 39 through 41 Senate

There being NO OBJECTION, it was so ordered. The action CLOSED conferencable Items 39 through 41 in FY 19 Supplementals.

[3:47:30 PM](#)

Co-Chair Foster concluded the business for the committee hearing. Once the next meeting date and time was determined, the meeting would be noticed on BASIS.

Co-Chair Stedman MOVED to ADJOURN. There being NO OBJECTION, it was so ordered.

HB 39 was HEARD and HELD in committee for further consideration.

HB 40 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

[3:48:16 PM](#)

The meeting was adjourned at 3:48 p.m.