

HOUSE FINANCE COMMITTEE
May 6, 2022
9:33 a.m.

9:33:28 AM

CALL TO ORDER

Co-Chair Merrick called the House Finance Committee meeting to order at 9:33 a.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair (via teleconference)
Representative Ben Carpenter (via teleconference)
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Sara Rasmussen (via teleconference)
Representative Steve Thompson (via teleconference)
Representative Adam Wool

MEMBERS ABSENT

Representative Adam Wool

ALSO PRESENT

Nancy Meade, General Counsel, Alaska Court System; Elise Sorum-Birk, Staff to Representative Andy Josephson.

PRESENT VIA TELECONFERENCE

Shelly Willhoite, Chief Budget Analyst, Office of Management and Budget, Office of the Governor

SUMMARY

HB 226 PAY INCREASES FOR STATE ATTORNEYS

CSHB 226(FIN) was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one new

fiscal impact note from the Office of the Governor/Various.

HB 283 APPROP: CAP; REAPPROP; SUPP

HB 283 was SCHEDULED but not HEARD.

HB 358 RENEWABLE ENERGY GRANT FUND

HB 358 was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (CED).

Co-Chair Merrick reviewed the meeting agenda.

#hb358

HOUSE BILL NO. 358

"An Act relating to the renewable energy grant fund and recommendation program; and providing for an effective date."

[9:33:56 AM](#)

Co-Chair Merrick relayed that the bill had been previously heard and no amendments had been received.

[9:34:34 AM](#)

AT EASE

[9:35:26 AM](#)

RECONVENED

Co-Chair Foster MOVED to REPORT HB 358 out of committee with individual recommendations and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

HB 358 was REPORTED out of committee with four "do pass" recommendations and two "no recommendation" recommendations and with one previously published fiscal impact note: FN1 (CED).

[9:35:53 AM](#)

AT EASE

[9:38:50 AM](#)

RECONVENED

#hb226

HOUSE BILL NO. 226

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; increasing the salaries of certain attorneys employed by the state; and providing for an effective date."

[9:38:54 AM](#)

Co-Chair Merrick noted amendments had been considered at the bill's last hearing that resulted in significant changes to the fiscal impact. She relayed that the committee had received an updated fiscal note. She asked if the bill sponsor had any opening remarks.

Representative Josephson informed the committee that he had a substantive motion to make at the appropriate time.

[9:39:22 AM](#)

AT EASE

[9:40:02 AM](#)

RECONVENED

Co-Chair Merrick relayed that after the previous bill hearing Nancy Meade with the Court System asked to make some clarifying comments on the record.

NANCY MEADE, GENERAL COUNSEL, ALASKA COURT SYSTEM, appreciated the opportunity to correct a misstatement from the previous hearing on the bill. She detailed that Vice-Chair Ortiz had offered Amendment 3 that provided a salary increase for members of the judicial branch other than justices and judges. She elaborated that in response to a question she had indicated that justices and judges needed to be included under other statutes. She explained that it was true sometimes, but it was not necessarily the case when uncodified law provided a salary increase to the judicial branch. She stated it was unclear to her whether justices and judges could be included in the pay raise

provided by the amendment. She hoped the committee would retain the clause "other than justices and judges" in Amendment 3. The action would provide a pay raise to judicial branch employees with the exception of judges and justices. She clarified she was speaking about the uncodified provision. She explained it was still the case that if all noncovered employees in the state received a salary increase, the judges and justices would also receive the increase. She stated with respect to Amendment 3 it would be more appropriate to exclude judges and justices from the salary increase.

9:42:08 AM

Representative Josephson MOVED to RESCIND action on the prior adoption of Amendment 3 as amended [note: see separate minutes dated 5/3/22 2:20 p.m. for detail].

There being NO OBJECTION, it was so ordered.

Representative Josephson MOVED to ADOPT Amendment 3 version 2, which would return to the original Amendment 3 with no modifications.

There being NO OBJECTION, the original Amendment 3 was ADOPTED.

Ms. Mead noted that the conceptual amendment to Amendment 3 had been discussed during Amendments 4 and 5. She detailed that Amendments 4 and 5 adjusted the provision that was referred to in Amendment 3 (the salary increase for attorneys). She elaborated that Amendments 4 and 5 had been taken up together in some ways and provided the attorneys with a 15 percent pay increase in the statutory portion of the bill [note: Amendment 4 was not adopted. Amendment 5 providing a 15 percent pay increase for attorneys was adopted. See separate minutes dated 5/3/22 2:20 p.m. for detail]. She explained that the conceptual amendment to Amendment 3 was not applicable to the judiciary. She clarified that the judiciaries would receive a 10 percent pay increase as written under the original bill. She advised that the wording of Amendment 3 and the committee substitute should retain the language "other than justices and judges" as Representative Josephson had indicated. She clarified some additional rewording would be necessary to not refer to the section with the 15 percent increase to

ensure the judiciary would receive the 10 percent salary increase.

[9:44:21 AM](#)

Representative Josephson believed Ms. Mead was indicating conforming changes needed to be made with respect to other amendments.

Ms. Mead clarified that when Amendment 4 had failed to pass a conceptual Amendment 5 had been adopted that implemented a 15 percent pay raise for attorneys. Simultaneously, there was a conceptual amendment to Amendment 3 specifying it [the 15 percent] would not apply to the raise provided in Amendment 3. She believed Amendment 3 could no longer be drafted to refer to the provision amended to read "15 percent." She thought Legislative Legal Services had likely followed the conceptual amendments and could make the necessary conforming changes.

Representative Josephson asked for verification that Amendment 5 would conform to the changes just made by the adoption of the original Amendment 3.

Ms. Mead replied that she did not understand the question.

Co-Chair Merrick asked to hear from Representative Josephson's staff.

[9:45:55 AM](#)

ELISE SORUM-BIRK, STAFF, REPRESENTATIVE ANDY JOSEPHSON, believed Ms. Mead was referencing the need to make a motion to give Legislative Legal Services the ability to make conforming changes to the bill to reflect changes in previously adopted amendments.

Ms. Mead agreed. She wanted to ensure Amendment 3 no longer referred to an amendment with a different percentage than the one the committee intended for judicial employees to receive.

Co-Chair Merrick stated that the motion [to report the bill from committee] would authorize Legislative Legal Services to make conforming changes.

Ms. Meade thanked the committee for the opportunity to make clarifying remarks.

[9:47:13 AM](#)

Co-Chair Merrick asked for a review of the fiscal note.

SHELLY WILLHOITE, CHIEF BUDGET ANALYST, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR (via teleconference), reviewed the changes in the fiscal note from the prior version. She explained that the new fiscal note included \$17,248,500 for FY 23. The outyear costs were \$18.9 million for FY 24 through FY 28.

[9:48:36 AM](#)

Representative Josephson highlighted that the partially exempt and exempt state employees had not received an increase since 2015 to 2016. Consequently, there was evidence employees were leaving employment faster. He referenced inflation and noted the need to show employees appreciation and respect. He stated that the bill helped do so.

Co-Chair Foster MOVED to REPORT CSHB 226(FIN) out of committee with individual recommendations with the ability for Legislative Legal Services to make conforming changes and the accompanying fiscal note.

There being NO OBJECTION, it was so ordered.

CSHB 226(FIN) was REPORTED out of committee with three "do pass" recommendations and three "no recommendation" recommendations and with one new fiscal impact note from the Office of the Governor/Various.

[9:50:02 AM](#)

RECESSED

[10:07:40 AM](#)

RECONVENED

#

ADJOURNMENT

[10:07:49 AM](#)

The meeting was adjourned at 10:07 a.m.