

32ND ALASKA STATE LEGISLATURE
FIRST SESSION
SPECIAL SESSION
CONFERENCE COMMITTEE ON HB 69 and HB 71
May 27, 2021
11:08 a.m.

11:08:03 AM

CALL TO ORDER

Chair Foster called the Conference Committee meeting on HB 69 and HB 71 to order at 11:08 a.m.

MEMBERS PRESENT:

House:

Representative Neal Foster, Chair
Representative Kelly Merrick
Representative Bart LeBon

Senate:

Senator Bert Stedman, Vice-Chair
Senator Click Bishop
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT:

Alexei Painter, Director, Legislative Finance Division.

SUMMARY

HB 69 APPROP: OPERATING BUDGET/LOANS/FUNDS

HB 69 was HEARD and HELD in committee for further consideration.

HB 71 APPROP: MENTAL HEALTH BUDGET

HB 71 was HEARD and HELD in committee for further consideration.

Chair Foster reviewed the agenda for the meeting.

#hb69

#hb71

CS FOR HOUSE BILL NO. 69(FIN) am(brf sup maj fld)(efd fld)

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

SCS CSHB 69(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 capital appropriations, supplemental appropriations, and reappropriations; and providing for an effective date."

and

CS FOR HOUSE BILL NO. 71(FIN) am

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making supplemental appropriations; and providing for an effective date."

SENATE CS FOR CS FOR HOUSE BILL NO. 71(FIN)

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; making capital appropriations and supplemental appropriations; and providing for an effective date."

11:08:25 AM

Chair Foster invited Alexei Painter, Director of the Legislative Finance Division to join the committee at the table.

Chair Foster noted that the committee would be addressing open items in HB 69 and HB 71 based on the motion sheets

distributed to members and dated May 27th (copy on file) on the departments of:

FY 22 OPERATING

EDUCATION AND EARLY DEVELOPMENT
GOVERNOR
LABOR AND WORKFORCE DEVELOPMENT
NATURAL RESOURCES
PUBLIC SAFETY
REVENUE
TRANSPORTATION AND PUBLIC FACILITIES
JUDICIARY
LEGISLATURE
DEBT SERVICE ITEMS
FUND CAPITALIZATION

^DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT:

11:09:28 AM

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

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

Senator Olson OBJECTED for discussion. He asked for an explanation of item 6 related to the Mt. Edgecumbe Boarding School. He asked how the \$638,300 in interagency receipts had been decided upon. He observed that the House number had been chosen over the Senate number. He asked for detail.

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION responded that typically in statute the carryforward amount for school districts was limited to 10 percent of their total budget, which was the number reflected in the Senate

item. He explained that HB 76, the disaster declaration extension, waived the limitation. He elaborated that the House language aligned with HB 76 that allowed school districts to carryforward any amount of revenue for the current year only.

Senator Olson asked for verification that the explanation provided by Mr. Painter was how the \$638,300 had been determined.

Mr. Painter replied that \$638,300 represented 10 percent of Mt. Edgecumbe's operating budget.

Senator Olson referenced language in the motion sheets [generated by the Legislative Finance Division (copy on file)] regarding an unexpended appropriation. He asked if the unexpended amount was included in the \$638,300 or was separate.

Mr. Painter answered that the \$638,300 reflected 10 percent of Mt. Edgecumbe's budget. He explained that the unexpended amount the department would be allowed to carryforward was currently uncertain.

Senator Olson WITHDREW his OBJECTION.

Vice-Chair Stedman stated his understanding the decision had been made to not cap the number because there was a likelihood there may be substantially more than \$638,300.

Mr. Painter agreed. He elaborated that with the passage of HB 76, not capping the increment was in line with statute for the current year.

Vice-Chair Stedman WITHDREW his OBJECTION.

Senator Olson asked what the upper limit of the unexpended funds may be.

Mr. Painter believed there was another item in the supplemental capital that appropriated federal funds to Mt. Edgecumbe that he estimated to be around \$5 million. He explained that if none of the federal funds were expended, that would be the upper limit. He suspected a portion of the federal funding would be spent, meaning the amount would somewhere less than that.

Senator Olson asked if the increment related to FY 20 or FY 21.

Mr. Painter replied that the item pertained to FY 21 carrying forward into future years.

Senator Olson asked if the federal capital funding was for FY 22.

Mr. Painter answered that the funds referred to by Senator Olson were an FY 21 through FY 24 multiyear in the supplemental motion sheet.

There being NO further OBJECTION, items 1 through 11 for the Department of Education and Early Development were ADOPTED.

^OFFICE OF THE GOVERNOR

[11:13:57 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following within the Office of the Governor budget:

Item 1	Open
Item 2	House
Item 3	Senate
Item 4	Senate
Item 5	Senate

There being NO OBJECTION, items 1 through 5 for the Office of the Governor were ADOPTED.

^DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

[11:14:30 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following items within the Department of Labor and Workforce Development budget:

Item 1	Senate
Item 2	Senate
Item 3	Senate
Item 4	Open
Item 5	Open

There being NO OBJECTION, items 1 through 5 for the Department of Labor and Workforce Development were ADOPTED.

^DEPARTMENT OF NATURAL RESOURCES

11:15:14 AM

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Natural Resource budget:

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

Representative LeBon OBJECTED to item 1.

Chair Foster noted that item 1 would be set aside.

There being NO OBJECTION, items 2 through 7 for the Department of Natural Resources were ADOPTED.

Chair Foster returned to item 1.

Representative LeBon stated that the item had been introduced during the debate phase on the operating budget by a House minority member and it had received bipartisan support and a favorable vote. He recommended keeping the language intact.

Chair Foster read the intent language included on the House side pertaining to the Department of Natural Resources:

It is the intent of the legislature that the Department of Natural Resources sell gravel or fill extracted from state land at cost to any federal, state, or local agency or public corporation working on a public project not competing with private industry.

Senator Olson clarified that the language read "at cost" and not "at no cost" [Chair Foster inadvertently stated "at no cost" when reading the intent language].

Vice-Chair Stedman asked for an explanation.

Chair Foster asked Mr. Painter if he had anything to add.

Mr. Painter replied that he did not have anything additional on the topic.

Senator Bishop asked if the language would be set aside for the day. He thought the House language may present a constitutional problem.

Vice-Chair Stedman believed the item was redundant as he thought it was already imbedded in the system.

Representative LeBon stated it was not his intent or the intent of the maker of the amendment to go sideways with any legal language. He recommended leaving the item open.

There being NO OBJECTION, item 1 for the Department of Natural Resources was set aside.

^DEPARTMENT OF PUBLIC SAFETY

[11:18:57 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Public Safety budget:

Item 1	House	
Item 2	Senate	Both Items
Item 3	House	
Item 4	Open	
Item 5	Open	
Item 6	Senate	
Item 7	Open	
Item 8	Senate	
Item 9	Open	

There being NO OBJECTION, items 1 through 9 for the Department of Public Safety were ADOPTED.

^DEPARTMENT OF REVENUE

[11:19:54 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following in the Department of Revenue budget:

Item 1	Open
Item 2	House
Item 3	Senate

There being NO OBJECTION, items 1 through 3 for the Department of Revenue were ADOPTED.

^DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

11:20:20 AM

Chair Foster informed the committee that with the collaboration of the Department of Transportation and Public Facilities (DOT) and the Office of Management and Budget, a deal had been agreed upon that used the available funds of Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding along with undesignated general funds (UGF) to ensure funding for highways, aviation, and an 18-month funding plan for the Alaska Marine Highway System (AMHS). He stated that the work had been a long process that began in the House subcommittee and was finalized when the Senate closed out its budget. He relayed that many of the DOT items reflected Senate conforming changes that better matched the use of funds. He thanked the Senate for working on the issue with the House.

Vice-Chair Stedman MOVED to ADOPT the following within the Department of Transportation and Public Facilities budget:

Item 1	Senate	Both Items
Item 2	Senate	Both Items
Item 3	Senate	Both Items
Item 4	Senate	
Item 5	Senate	Both Items
Item 6	Senate	Both Items
Item 7	Senate	Both Items
Item 8	Senate	Both Items
Item 9	House	
Item 10	Senate	Both Items

Senator Olson OBJECTED to item 10 both items.

Chair Foster noted that item 10 would be set aside.

Vice-Chair Stedman continued with the motion to adopt items within the Department of Transportation and Public Facilities budget:

Item 11	Open	
Item 12	Open	
Item 13	Open	
Item 14	Senate	All Items
Item 15	Senate	All Items
Item 16	Open	
Item 17	Senate	Both Items
Item 18	Senate	All Items
Item 19	Senate	Both Items
Item 20	Senate	Both Items
Item 21	Senate	Both Items

Senator Olson observed that AMHS was in every one of the line items. He asked for the total funding provided to AMHS. He noted that some of the items related to highways and aviation.

Chair Foster stated that he would consider the objection to be to all items. He asked Mr. Painter if he had the number requested by Senator Olson.

Mr. Painter replied that he did not have the number. He stated there was a tracking sheet available that could be distributed to members showing where the federal funding was in both bodies for DOT with the various COVID-related sources [document titled "Federal COVID-19 Funding in DOT&PF: House" (copy on file)].

[11:24:03 AM](#)

AT EASE

[11:36:37 AM](#)

RECONVENED

Chair Foster noted there had been an objection to all of the Department of Transportation and Public Facilities items.

Senator Olson WITHDREW his OBJECTION.

There being NO further OBJECTION, items 1 through 21 for the Department of Transportation and Public Facilities were ADOPTED.

Senator Olson asked if item 1 related to gravel had been held over.

Chair Foster clarified that the item related to gravel was within the Department of Natural Resources and had been set aside for a future meeting.

Vice-Chair Stedman asked for verification that an item had been left open.

[11:37:53 AM](#)

AT EASE

[11:38:19 AM](#)

RECONVENED

Chair Foster clarified that the motion for DOT was to adopt all items. He explained that the motion as stated had passed, which left a number of items open.

^JUDICIARY

[11:38:56 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following within the Judiciary budget:

Item 1	Senate
Item 2	House

There being NO OBJECTION, items 1 and 2 for the Judiciary budget were ADOPTED.

^LEGISLATURE

[11:39:20 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following within the Legislature budget:

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

There being NO OBJECTION, items 1 through 6 for the Legislature budget were ADOPTED.

^DEBT SERVICE

[11:39:49 AM](#)

Chair Foster stated that the House had passed its budget prior to the issuance of the federal American Rescue Plan Act (ARPA) guidelines. He explained that the Senate had made certain the budget was following the guidelines according to Treasury. He elaborated that many of the following debt service appropriations reflected an acceptance of Senate changes to conform to the federal guidelines.

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

Item 1	Open	
Item 2	Senate	Both Items
Item 3	Senate	Both Items
Item 4	Senate	Both Items
Item 5	Senate	Both Items
Item 6	Senate	Both Items
Item 7	Senate	Both Items
Item 8	Senate	Both Items
Item 9	Senate	Both Items
Item 10	Senate	Both Items
Item 11	Senate	Both Items
Item 12	Senate	Both Items
Item 13	Senate	Both Items
Item 14	Senate	Both Items
Item 15	Senate	Both Items
Item 16	Open	
Item 17	Open	
Item 18	Senate	Both Items

There being NO OBJECTION, items 1 through 18 in Debt Service appropriations were ADOPTED.

^FUND CAPITALIZATIONS

[11:41:08 AM](#)

Vice-Chair Stedman MOVED to ADOPT the following in Fund Capitalizations:

Item 1	Open	
Item 2	Senate	Both Items
Item 3	Senate	Both Items
Item 4	Senate	
Item 5	Senate	
Item 6	Open	
Item 7	Open	
Item 8	Open	
Item 9	Open	
Item 10	Open	

There being NO OBJECTION, items 1 through 10 in Fund Capitalizations were ADOPTED.

Chair Foster relayed that when the next meeting date and time had been determined, the details would be noticed on BASIS on akleg.gov. He anticipated there may be a meeting the following Tuesday.

Representative LeBon asked if there was a projected meeting time for the Tuesday meeting.

Chair Foster replied that they were looking at late afternoon.

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

#

ADJOURNMENT

11:43:08 AM

The meeting was adjourned at 11:43 a.m.