

SENATE FINANCE COMMITTEE
April 21, 2022
1:07 p.m.

1:07:08 PM

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:07 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Lyman Hoffman
Senator Donny Olson
Senator Natasha von Imhof
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Pete Ecklund, Staff, Senator Bert Stedman; Neil Steininger, Director, Office of Management and Budget, Office of the Governor.

SUMMARY

SB 162 APPROP: OPERATING BUDGET/LOANS/FUNDS

SB 162 was SCHEDULED but not HEARD.

SB 163 APPROP: MENTAL HEALTH BUDGET

SB 163 was SCHEDULED but not HEARD.

SB 199 PERM FUND; PERMANENT FUND DIVIDEND

CSSB 199(FIN) was REPORTED out of committee with one "do pass" recommendation, two "do not pass" recommendations, three "no recommendation" recommendations, one "amend" recommendation, and

with one forthcoming fiscal impact note from the Office of the Governor.

CSHB 281(FIN)am(brf sup maj fld)(efd fld)
APPROP: OPERATING BUDGET/LOANS/FUNDS

CSHB 281(FIN)am(brf sup maj fld)(efd fld) was HEARD and HELD in committee for further consideration.

CSHB 282(FIN)
APPROP: MENTAL HEALTH BUDGET

CSHB 282(FIN)was HEARD and HELD in committee for further consideration.

#sb199
SENATE BILL NO. 199

"An Act relating to use of income of the Alaska permanent fund; relating to the amount of the permanent fund dividend; relating to the duties of the commissioner of revenue; and providing for an effective date."

[1:07:39 PM](#)

Co-Chair Stedman stated that the committee would consider amendments.

Senator Wilson MOVED to ADOPT Amendment 1, 32-LS1529\I.1 (Nauman, 4/20/22) (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Senator Wilson spoke to the amendment. He cited that the amendment would remove "may" and put in "shall." He thought everyone in the legislative body understood that appropriations could always be changed at the will of the legislature. He felt that the legislature was trying to rebuild trust with the people of the state, and the amendment would show legislative intent to follow the law. He thought the bill would be fully worked out on the floor.

Senator Olson asked what the amendment would do by changing to the word "shall."

Senator Wilson opined that the change would show a better intent that the legislature would follow the [Permanent Fund Dividend] formula and that the legislature was serious and not just putting a placeholder into statute.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Wielechowski, Wilson, Olson
OPPOSED: Hoffman, von Imhof, Stedman, Bishop

The MOTION FAILED (3/4).

1:10:05 PM
AT EASE

1:10:55 PM
RECONVENED

Co-Chair Bishop MOVED to report CSSB 199(FIN) out of Committee with individual recommendations and the accompanying fiscal notes.

Co-Chair Stedman OBJECTED for discussion.

Senator Wilson commented that SB 199 was an important piece of legislation for the full Senate to debate. He thought most of the discussions on the bill would be carried out on the floor. He was not in favor of the current version of the bill.

Senator Wielechowski agreed that the bill would generate much discussion on the Senate floor. He did not support the bill, which dealt with restructure of the Permanent Fund Dividend (PFD) statute, which had been an issue since 2016. He commented that there was a statute on the books that had not been followed for the last six years. He thought the only way to solve the issue was to put the PFD into the constitution. He thought Alaskans deserved a policy that had some consistency and stability. He discussed different dividend scenarios but maintained that the solution was a constitutional amendment. He thought Alaskans would support an amendment.

Senator von Imhof did not think that the legislature should tax people in order to pay a dividend, which she thought was a contingency in the bill. She did not agree with the concept of taking money from one person and distributing it to the person's neighbor. She did not necessarily support the bill, but she supported moving the bill out of committee.

Senator Olson was in favor of the amendment previously offered but would not object to moving the bill out of committee. He acknowledged that the bill was not perfect, but it would not inhibit the distribution of the PFD that many of his constituents supported.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered.

CSSB 199(FIN) was REPORTED out of committee with one "do pass" recommendation, two "do not pass" recommendations, three "no recommendation" recommendations, one "amend" recommendation, and with one forthcoming fiscal impact note from the Office of the Governor.

#hb281

#hb282

CS FOR HOUSE BILL NO. 281(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."

CS FOR HOUSE BILL NO. 282(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."

[1:14:58 PM](#)

Co-Chair Stedman relayed that the committee would consider amendments to the operating and capital budgets. He noted that the amendments would not be the committee's final action on the budgets. There were several other areas in the bill that the committee would continue to work on.

1:15:37 PM

AT EASE

1:19:31 PM

RECONVENED

Co-Chair Stedman relayed that there were several amendments for the committee to consider.

1:19:54 PM

AT EASE

1:20:58 PM

RECONVENED

Co-Chair Bishop MOVED to ADOPT Amendment 1 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

1:21:29 PM

PETE ECKLUND, STAFF, SENATOR BERT STEDMAN, explained that Amendment 1 was a technical amendment. He recalled that an earlier version of the operating budget had a \$250 million appropriation for oil and gas tax credits in FY 23, which was changed to not-to-exceed \$349 million in FY 23. The \$250 million appropriation had been inadvertently left in the bill and needed to be removed.

Mr. Ecklund explained that the latter half of the amendment was also technical in nature and changed the allocation of funds from the Public Health Administrative Services allocation to the Chronic Disease and Health Promotion allocation for an appropriation of \$120,000.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 1 was ADOPTED.

1:22:44 PM

Co-Chair Bishop MOVED to ADOPT Amendment 2 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that Amendment 2 would appropriate \$60 million outside of the Base Student Allocation (BSA) formula to have it distributed by adjusted average daily membership (ADM) as if it were running through the BSA formula.

Senator Wilson understood the purpose of the funding outside the BSA. He hoped that the legislature could settle the BSA matter with a task force or committee either through an executive order from or through legislation to enable the legislature to work on the matter.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 2 was ADOPTED.

[1:24:01 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 3 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund spoke to Amendment 3. He recounted that the committee had received a few more amendments from the Office of Management and Budget (OMB) the previous night. The amendment was for an additional approximately \$7.5 million for judgments and claims and the settlement for a dispute in the case Miller Construction v. Department of Transportation and Public Facilities.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered.

[1:24:54 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 4 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that Amendment 4 would allocate or spread \$17.8 million of an appropriation to the University of Alaska amongst the different campuses of the University as opposed to having two generic system-wide allocations per the University's request.

Senator von Imhof asked if the amendment was at the request of the University.

Mr. Ecklund answered affirmatively.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 4 was ADOPTED.

[1:26:08 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 5 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund spoke to Amendment 5. He referenced a committee meeting two weeks previously on the topic of bonuses and incentives in different state agencies. He continued that per advice from Legislative Legal Services, the legislature would have to approve letters of agreement. The amendment would approve the letters of agreement, and also ask for two reports to be delivered to the Legislative Finance Division (LFD) as well as the co-chairs of the House and Senate Finance Committees. The reports would include information on the dollar amounts paid to different classes of employees that accepted bonuses or incentives. Additionally, the signed letters of agreement would be transmitted to LFD within 30 days, so that the legislature could be more informed about the different letters of agreement occurring in the Executive Branch.

[1:27:47 PM](#)

Senator Olson asked if there were any departments that were not eligible for the bonuses and incentives.

Mr. Ecklund did not believe there were departments that were not eligible. He explained that it was up to the Department of Administration (DOA) to negotiate letters of agreement with the different unions for the different classes of employees. He thought the legislature might be exempt.

Senator Olson asked about the Department of Transportation and Public Facilities (DOT) and specifically including the airport personnel. He asked about the Department of Law and whether it was not exempted from the arrangement.

Mr. Ecklund answered affirmatively.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 5 was ADOPTED.

[1:28:42 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 6 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that there had been recent hearings on the Infrastructure Investment and Jobs Act (IIJA) bill that the Executive Branch had put forward. The amendment had different components of operating budget-related IIJA appropriations put forward by the Executive Branch, which for the most part applied to the increased activity for drinking water. He listed the items included in the amendment:

- \$513,000 in CIP receipts (with a corresponding capital budget item of \$6 million) to establish Broadband Office.
- \$660,000 Increase Rural Utility Business Advisor support infrastructure program.
- \$471,000 for Division of Drinking Water and Wastewater Infrastructure for FY 23 through FY 27.
- \$8.1 million in federal receipts for Division E Title I Drinking Water Federal Infrastructure for FY 23 through FY 27.
- \$1 million in federal receipts for Spill Prevention and Response.
- \$1.5 million in CIP receipts for Division J Title VI federal infrastructure Indian Health Services Village Safe Water Support.
- \$4.5 million for Division E Title I Drinking Water - federal Infrastructure Drinking Water Program Implementation.
- \$1.1 million for Division E Title II Clean Water - Federal Infrastructure Clean Water Program Implementation (FY 23 - FY 27).
- \$135,000 UGF to add one person to help implement the larger federal programs due to additional federal funds for drink water programs.
- \$1 million for one-time funding for IIJA implementation and coordination.

- \$314,000 for Division J Title VII Low Income Home Energy Assistance Program.

Mr. Ecklund recounted that there had been a \$5 million budget request to set up an infrastructure office in the Governor's Office to help manage the IIJA funds that were coming into the state. The \$1 million in the proposed amendment was a one-time item for the office and operations. The intent would be for the administration to return to the legislature each year for funds to run the office.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO OBJECTION, it was so ordered. Amendment 6 was ADOPTED.

[1:33:21 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 7 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that the amendment included \$1.7 million for cybersecurity and monitoring services. The item was originally requested by the executive branch as a capital project. After further review and discussion with the capital co-chairs office and LFD, it was decided that the item was better suited for an operating budget item. The \$1.7 million was a multi-year operating item for FY 22 through FY 24.

Senator Wielechowski asked if the \$1.7 million was the amount requested by the administration.

Senator Olson asked if the \$1.7 would be an annual request.

Mr. Ecklund stated that the funds had to be spent over three years.

Senator Wielechowski was curious why the item was in the operating budget rather than the capital budget.

Mr. Ecklund stated that after conversations with the co-chairs and LFD, the funds to pay for cyber security services seemed more appropriate as an operating expense.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 7 was ADOPTED.

[1:35:17 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 8 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund recalled that included in the second committee substitute there had been a settlement between the General Government Unit (GGU) and the state, and the agreement had been for a three percent salary increase in FY 23 for GGU members. He continued that Amendment 8 was at the request of the Judiciary and was a three percent salary increase in FY 23 for members of the Judiciary that were not judges, for the amount of \$1.798 million. The amount would match the raise given to GGU members.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered.

[1:36:33 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 9 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that Amendment 9 had five different parts. He noted that committee staff, the Department of Fish and Game (ADFG), the commissioner of ADFG, and LFD had been meeting in the previous two weeks to try and adjust some of the actions taken by the ADFG budget subcommittee. Part 1 of the amendment was a \$1.2 million supplemental request to address a change in the Public Employees' Retirement System (PERS) rate passed in SB 55 the previous year. The adjustment would clean up the fund sources used to pay PERS costs for ADFG.

Mr. Ecklund explained that part 2 of the amendment was also a supplemental request and involved adding \$1.8 million in Unrestricted General Funds (UGF) and decrementing \$1.8 million in commercial crew license receipts. In the FY 22 budget, the state had overspent commercial crew license receipts, and the proposed fund swap would avoid a deficit in commercial crew license receipts in FY 23.

Mr. Ecklund addressed part 3 of the amendment. He explained that the subcommittee had removed \$4.5 million of Commercial Fisheries Entry Commission (CFEC) receipts in the commercial fisheries appropriation. Part 3 of the amendment would make an adjustment to decrement \$3 million of UGF and add back \$3 million of CFEC receipts into the commercial fisheries appropriation. The amendment was a result of working with the department over the preceding two weeks.

Mr. Ecklund explained that part 4 of the amendment was also in consultation with the department and would add a little over \$1 million in federal funds to the new appropriation for the Anchorage and Fairbanks hatcheries.

Mr. Ecklund spoke to part 5 of Amendment 9, which was in Division of Wildlife Conservation. After further consultation with the department, the amendment would reverse what the subcommittee originally proposed and delete \$5 million UGF and would add \$7.5 million in fish and game funds.

Co-Chair Stedman commented that there was more work to be done on the ADFG budget, which would be forthcoming in future meetings.

[1:40:38 PM](#)

Senator Wielechowski appreciated the work that was done on Amendment 9. He noted that he had drafted Amendment 21, which tried to address the issue in a different way. He wondered if the department had an opportunity to analyze the proposed amendment.

Co-Chair Stedman relayed that there would be another opportunity to offer amendments on the ADGF budget.

Senator Olson asked if the proposed \$7.5 million in part 5 of the amendment would be Designated General Funds (DGF) to replace UGF.

Mr. Ecklund answered in the affirmative.

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 9 was ADOPTED.

[1:42:11 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 10 (copy on file).

Co-Chair Stedman OBJECTED for discussion.

Mr. Ecklund explained that Amendment 10. In FY 23, if there were any lapsing balances after all appropriations were fulfilled, the amendment would take the lapsing balances and deposit them in the Statutory Budget Reserve (SBR).

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered.

[1:43:09 PM](#)

Co-Chair Bishop MOVED to ADOPT Amendment 11.

Co-Chair Stedman OBJECTED for discussion.

[1:43:24 PM](#)

AT EASE

[1:46:30 PM](#)

RECONVENED

Co-Chair Bishop MOVED to WITHDRAW his motion to ADOPT Amendment 11. There being NO OBJECTION, it was so ordered.

Senator Wielechowski MOVED to ADOPT Amendment 11.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski spoke to Amendment 11, which was in some ways a conforming amendment. He explained that the amendment would decrement the governor's office allocation by an amount that was previously budget for a communications director and press secretary positions. He noted that the amendment was not directed towards any individuals. He referenced an organizational chart from the governor's office (copy on file) that showed from FY 22 organizational chart the two positions were not shown on the FY 23 budget. The positions had been vacant since October of 2019, although they had been funded in the FY 21 and FY 22 funding. The amendment simply removed the funding

for the positions, which did not show up on the organizational chart.

Senator Wilson wondered why the two positions had not shown up on the chart, and whether it was an omission by OMB or truly just a reclassification of the positions.

Co-Chair Stedman asked the OMB director to address Amendment 11.

[1:48:37 PM](#)

NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, relayed that the communications director position was reclassified as a deputy chief of staff position, which was currently filled. The press secretary position was reclassified to a policy coordinator position, which he understood was currently vacant. The two positions were included in the budget and had been included in the organizational charts in the FY 23 budget, but had different titles.

Co-Chair Stedman understood that the governor's office needed the funding for the positions to make payroll.

Mr. Steininger answered in the affirmative. He commented that the PCNs had been repurposed from the purpose that was included in the FY 22 budget.

[1:49:54 PM](#)

Senator Olson thought that Mr. Steininger was asserted that the positions should be funded even though one was not filled.

Mr. Steininger affirmed that one of the positions was filled, and the other position was necessary and therefore included in the budget. He explained that often agencies would reclassify positions for different purposes over the course of the year as the nature of operations changed.

[1:50:34 PM](#)

Senator Wielechowski asked how many vacant positions there were on the governor's FY 23 organizational chart.

Mr. Steininger offered to get back to the committee with the information as he did not have the number available.

Senator Wielechowski asked if Mr. Steininger was indicating that the communications director position became a policy position.

Mr. Steininger affirmed that the new position title was policy coordinator.

Senator Wielechowski asked if the press secretary position became a deputy chief of staff.

Mr. Steininger answered in the affirmative.

Senator Wielechowski asked if there was no longer a press secretary nor a communications director.

Mr. Steininger thought there was a deputy press secretary and deputy communications director. He offered to get back to the committee with an organizational chart for the FY 23 budget.

Senator Wielechowski was happy to set aside the amendment in order to sit down with the department for clarification.

Co-Chair Stedman agreed to set the amendment aside. He reiterated that the meeting was not the final action on the bill, and there would be forthcoming amendments as the committee worked on the budget in more detail over the proceeding days.

[1:52:14 PM](#)

Co-Chair Bishop asked if Mr. Steininger was actively recruiting for the vacant position.

Mr. Steininger relayed that he would need to consult with others in the office to get an update on recruitment efforts.

Co-Chair Stedman asked Mr. Steininger to get back to the committee with the additional information.

Senator Wilson stated he would follow up with Senator Wielechowski and the department regarding vacant positions

on the organizational chart and whether it would be better to do a decrement without specifying positions.

Co-Chair Stedman set aside Amendment 11.

[1:53:09 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 12.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski explained that the amendment included intent language stipulating that no funds should be expended for any activity related to the United States Supreme Court case Torres v. Texas Department of Public Safety. He had recently had a town hall meeting in his district the previous week and had heard of concerns from some members of the United States National Guard. He recounted that the case involved an individual [Mr. Torres] was a member of the National Guard who sustained lung damage while being deployed in Iraq. After Mr. Torres returned, he was unable to return to his job as a public employee in the State of Texas. He then attempted to file a lawsuit under a federal law, the Uniformed Services Employment and Reemployment Rights Act (USERA), which was intended to protect armed services members.

Senator Wielechowski continued to describe the case. Texas was claiming sovereign immunity and asserted that USERA did not apply. He noted that the National Guard members that he had spoken to were extremely concerned about the case, which could undermine the rights of guard and reserve members that sought to return to their jobs after serving the country. He recounted that the state had joined an amicus brief joining the State of Texas' position.

Senator Wielechowski mentioned that the National Veterans Legal Services Program and others had opposed Texas' position. One brief cited that the issue was of importance because hundreds of thousands of veterans and service members were employed by and faced discrimination from state and local agencies. He did not think the State of Alaska, with the largest population of veterans in the country (and a huge reserve and active-duty population), should be supporting a lawsuit that would take away the rights of National Guard members.

Senator Wielechowski summarized that he did not think the state had spent very much money on the case thus far, but cautioned that the case could be remanded back to a lower court, after which the state could potentially spend more money. He concluded that he did not think the state should be spending money on the lawsuit.

[1:56:48 PM](#)

Senator von Imhof asked if it made sense to have the Department of Law discuss the issue. She wondered if the committee had enough information to evaluate the amendment.

[1:57:00 PM](#)

AT EASE

[1:57:21 PM](#)

RECONVENED

Co-Chair Stedman WITHDREW his OBJECTION. There being NO further OBJECTION, it was so ordered. Amendment 12 was ADOPTED.

[1:57:37 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 13.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski explained that the amendment would pay a Permanent Fund Dividend according to the currently existing statutory formula.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Olson, Wielechowski, Wilson
OPPOSED: Hoffman, von Imhof, Bishop, Stedman

The MOTION FAILED (3/4).

Senator Wielechowski MOVED to ADOPT Amendment 14.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski spoke to the amendment. He noted that there were attached backup documents (copy on file). He continued that the amendment would delete FY 22 oil and gas tax credit funding. He noted that there had been discussion on the matter for many years. He noted that there was a statute that discussed how refundable tax credits were suggested to be paid. The tax credits were from a purely discretionary fund, subject to legislative appropriation and subject to issuance of tax certificates by the Director of the Tax Division. He posited that in FY 22 the state overpaid and cited a Legislative Finance Division analysis. The amendment would remove the funding for FY 22.

2:00:20 PM

AT EASE

2:02:20 PM

RECONVENED

Co-Chair Stedman reminded that the committee was considering Amendment 14, which would delete FY 22 oil and gas tax credit funding.

Senator Wielechowski reminded that there was additional backup included with the amendment (copy on file), including a document from an economist at LFD, which cited that the FY 22 budget appropriated greater than the statutory appropriation. He pointed out that the current budget proposed to appropriate another \$60 million. The amendment would remove the \$60 million proposed in the budget.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Olson, Wielechowski

OPPOSED: von Imhof, Wilson, Hoffman, Stedman, Bishop

The MOTION FAILED (2/5).

2:04:16 PM

Senator Wielechowski MOVED to ADOPT Amendment 15.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski spoke to the amendment. He detailed that the amendment dealt with the FY 23 oil and gas tax credits. He referenced the email from LFD, which indicated that addressed the amount of tax credits the state would allow at an oil price of \$80/bbl. He did not think the state should be paying more for tax credits than the statute suggested.

[2:05:41 PM](#)

AT EASE

[2:06:39 PM](#)

RECONVENED

Co-Chair Stedman MAINTAINED his objection.

A roll call vote was taken on the motion.

IN FAVOR: Wielechowski, Olson

OPPOSED: von Imhof, Wilson, Hoffman, Bishop, Stedman

The MOTION FAILED (2/5).

[2:07:14 PM](#)

Senator Wielechowski MOVED to WITHDRAW Amendment 16. There being NO OBJECTION, it was so ordered.

[2:07:41 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 17.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski spoke to the amendment, which dealt with the appropriation for the settlement in the Bellville v. Dunleavy case, which had been discussed extensively by the public and in committee. He recounted that the judge in the lawsuit found that the governor and his chief of staff had acted in a way that was a clear and knowing violation of the constitution, which he thought was very rare.

[2:08:53 PM](#)

AT EASE

[2:10:24 PM](#)

RECONVENED

Senator Wielechowski continued to address Amendment 17. He explained that there was a lawsuit filed over the firing of Mr. Bellville. When the lawsuit was heard it was found the governor and his chief of staff had violated Mr. Bellville's constitutional rights, and the judge found that qualified immunity did not apply, and the governor and his chief of staff were personally responsible. The state had settled the case, which he thought should not have happened. He considered that because there was personal liability found, the state should not be responsible for payment. He was concerned about the state honoring its settlements. He wanted to continue having a discussion with the Department of Law regarding an appropriate way to resolve the situation. He knew the settlement was not funded in the House budget.

Senator Wielechowski MOVED to WITHDRAW Amendment 17. There being NO OBJECTION, it was so ordered.

[2:12:43 PM](#)

Senator Wielechowski MOVED to ADOPT Amendment 18.

Co-Chair Stedman OBJECTED for discussion.

Senator Wielechowski explained that the amendment had to do with the Revised Program Legislative (RPL) process. He relayed that his staff had worked extensively on the issue and he had a piece of legislation on the topic that had just been moved into the committee. He wanted to figure out a way that the legislature did not lose its authority or right to have a say how funding was appropriated. He mentioned Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, which was not appropriated by the legislature but rather proposed in an RPL by the governor. He asserted that the amendment would put more sideboards on the process. He stated he was open to suggestions. He acknowledged that it was not the final meeting in the committee process.

Co-Chair Stedman added that the committee had been working on the RPL language, and was working with the Legislative Budget and Audit Committee and other legislators.

Senator Wielechowski wanted to continue to work with Co-Chair Stedman's office and committee members to ensure that

the legislature was the appropriating body rather than delegating it to the executive branch.

Senator Wielechowski MOVED to WITHDRAW Amendment 18. There being NO OBJECTION, it was so ordered.

Co-Chair Stedman relayed that the committee would continue to work on the subject matter of Amendment 18.

[2:15:25 PM](#)

Senator Wilson MOVED to ADOPT Amendment 19.

Co-Chair Stedman OBJECTED for discussion.

Senator Wilson explained that the amendment would pay a 50-50 dividend with the contingency that if the Senate passed a version of SB 199, both dividends would not be paid. He thought it was late in the session for the legislation to reach the other body. He wanted to include a PFD at the higher amount in the budget. He understood that the other body had put in a similar amount as proposed in the amendment, but for the difference of an energy rebate. The rebate was not subject to the "hold harmless" provision as was the dividend.

Co-Chair Stedman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Wilson, Olson, Wielechowski
OPPOSED: Hoffman, von Imhof, Bishop, Stedman

The MOTION FAILED (3/4).

[2:17:08 PM](#)

Senator Wilson MOVED to ADOPT Amendment 20.

Co-Chair Stedman OBJECTED for discussion.

Senator Wilson spoke to the amendment. He referenced a failed vote on the reverse sweep and negative effects on the proposed budget. He mentioned millions in General Fund revenues being requested to backfill accounts and funds. He continued that the amendment provided the legislature an

opportunity to do the reverse sweep and correct negative impacts to departments and other negative ramifications.

[2:18:16 PM](#)

Senator von Imhof cited that it took a three-quarters vote to pass a reverse sweep. She asked if the amendment proposed to reverse the reverse sweep and re-supply various different funds with money. She asked if it was constitutional to undo the reverse sweep.

Senator Wilson answered "yes."

Co-Chair Stedman pointed out that when the legislature moved through the budget process, it had a three-quarter vote requirement to access the CBR and do a reverse sweep. He expressed that the mechanism did not need to be put into place until the final budget was in conference committee, and the vote to adopt the conference committee report would be timed with the critical vote for the reverse sweep and accessing the CBR. He thought the amendment proposed a redundant opportunity and was not warranted in the budget.

Senator Wilson was aware of the budget timing, but wanted to put the amendment before the committee in order to fix what he considered was a mistake by a previous legislature. He mentioned legal implications and federal funds that were impacted by the reverse sweep. He hoped that the conference committee would include the language.

Senator Wilson MOVED to WITHDRAW Amendment 20. There being NO OBJECTION, it was so ordered.

[2:20:41 PM](#)

Senator Wielechowski MOVED to WITHDRAW Amendment 21. There being NO OBJECTION, it was so ordered.

[2:21:13 PM](#)

AT EASE

[2:22:18 PM](#)

RECONVENED

Co-Chair Stedman referenced the amendment offered by Senator Wilson that concerned the CBR and the reverse

sweep. He informed that the committee would have a hearing on the following Monday afternoon on the topic of the reverse sweep status with various departments. He thanked the committee for working through the amendments. He noted that the co-chairs would work with individual offices on taking care of loose ends.

CSHB 281(FIN)am(brf sup maj fld)(efd fld) was HEARD and HELD in committee for further consideration.

CSHB 282(FIN)was HEARD and HELD in committee for further consideration.

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ADJOURNMENT

2:23:33 PM

The meeting was adjourned at 2:23 p.m.