

33RD ALASKA STATE LEGISLATURE
SECOND SESSION
CONFERENCE COMMITTEE ON HB 268 and HB 270
May 14, 2024
8:52 a.m.

8:52:26 AM

CALL TO ORDER

Chair Stedman called the Conference Committee meeting on HB 268 and HB 270 to order at 8:52 a.m.

MEMBERS PRESENT:

Senate:

Senator Bert Stedman, Chair
Senator Lyman Hoffman
Senator Donny Olson

House:

Representative DeLena Johnson, Vice-Chair
Representative Bryce Edgmon
Representative Dan Ortiz

MEMBERS ABSENT

None

ALSO PRESENT:

Alexei Painter, Director, Legislative Finance Division.

SUMMARY

HB 268 APPROP: OPERATING BUDGET; CAP; SUPP; AM

CCS HB 268 was REPORTED out of committee with a
"do pass" recommendation.

HB 270 APPROP: MENTAL HEALTH BUDGET

CCS HB 270 was REPORTED out of committee with a
"do pass" recommendation.

DEPARTMENTS:

DEPARTMENT OF NATURAL RESOURCES
STATE RETIREMENT PAYMENTS
PERMANENT FUND
FUND CAPITALIZATION
FUND TRANSFERS
LANGUAGE AND OTHER APPROPRIATIONS
FY24 OPERATING SUPPLEMENTAL ITEMS
MONETARY TERMS OF COLLECTIVE BARGAINING AGREEMENTS
FISCAL NOTES

#HB288

#HB270

SENATE CS FOR CS FOR HOUSE BILL NO. 268(FIN)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; repealing appropriations; amending appropriations; making supplemental appropriations and reappropriations; and providing for an effective date."

CS FOR HOUSE BILL NO. 268(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 reappropriations; and providing for an effective date."

and

SENATE CS FOR CS FOR HOUSE BILL NO. 270(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."

CS FOR HOUSE BILL NO. 270(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."

^DEPARTMENT OF NATURAL RESOURCES

[8:53:45 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in the Department of Natural Resources' budget:

Item 5	Senate
Item 6	Senate, all items

There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED that the Committee REOPEN Item 7 in the Department of Natural Resources' budget.

There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED for the intent language in Item 7 to be applied to the Fire Suppression Preparedness allocation.

There being NO OBJECTION, it was so ordered. This action closed the conference-able items in the Department of Natural Resources' budget.

Vice-Chair Johnson MOVED to REOPEN the Department of Revenue's budget. There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED to ADOPT the following department-level language:

It is the intent of the legislature that the Department of Revenue clearly delineate the separate dollar amounts attributable to the FY 25 Permanent Fund Dividend, and the FY 25 Energy Relief Payments when making these payments.

There being NO OBJECTION, it was so ordered.

This action closed the conference-able items in the Department of Revenue's budget.

^STATE RETIREMENT PAYMENTS

[8:55:35 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in State Retirement Payments:

Item 1 House

There being NO OBJECTION, it was so ordered. This action closed the conference-able items in State Retirement Payments.

^FUND CAPITALIZATION

[8:55:50 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in Fund Capitalization:

Item 1 Senate minus \$15 million UGF
Item 2 Senate
Item 3 Senate
Item 4 House, both items. Modify as follows:
 Line 1, House minus \$159.5 thousand Public
 School Trust Fund
 Line 2, House plus \$159.5 thousand UGF

There being NO OBJECTION, it was so ordered. This action closed the conference-able items in Fund Capitalization.

^PERMANENT FUND

[8:56:33 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in Permanent Fund:

Item 1 Senate
Item 2 Senate
Item 3 Senate
 Modify amount to "not to exceed \$1
 billion"
Item 4 Senate
 Modify amount to "not to exceed \$1
 billion"

There being NO OBJECTION, it was so ordered. This action closed the conference-able items in the Permanent Fund.

^FUND TRANSFERS

8:57:09 AM

Vice-Chair Johnson MOVED to ADOPT the following in Fund Transfers:

Item 1 Senate
Modify by adopting amendment T.37

Chair Stedman explained that the effect of this amendment was to raise the threshold before the FY25 'waterfall' starts. This effectively leaves the first \$135 million of revenue above the spring forecast available for appropriations. This is estimated to be at prices between \$78 and \$81 per barrel.

There being NO OBJECTION, it was so ordered.

This action closed the conference-able items in Fund Transfers.

Representative Ortiz asked for clarification about leaving an amount of money for appropriations. He asked whether the word "appropriations" signified any kind of appropriations.

Chair Stedman thought the Legislative Finance Director could address Representative Ortiz's question.

8:58:26 AM

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, explained that the language directed additional revenue received to be split between the Statutory Budget Reserve and energy relief checks. He noted that the configuration was similar to the waterfall provision in the current year and would go into effect at \$135 million above the spring revenue forecast. The condition would leave \$135 million available for appropriation.

Representative Ortiz asked if the \$135 million could be used for anything.

Mr. Painter answered in the affirmative, including supplemental items.

Representative asked if the amount signified "headroom."

Mr. Painter answered affirmatively.

Chair Stedman explained that when the members referred to "headroom" it indicated having space in the budget that was unappropriated revenue for items such as forest fires, agency expenditures, or natural disasters.

^LANGUAGE AND OTHER APPROPRIATIONS

[9:00:16 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in Language and Other Appropriations:

Item 1	Senate
	Modify by the previous adoption of amendment T.37
Item 2	Senate

There being NO OBJECTION, it was so ordered. This action closed the conference-able items in Language and Other Appropriations.

^FY24 OPERATING SUPPLEMENTAL ITEMS

[9:00:47 AM](#)

Vice-Chair Johnson MOVED to ADOPT the following in FY24 Supplemental Operating Items:

Item 15	House
	Modify by adopting amendment T.41

The effect of adopting amendment T.41 is to increase the funds available for an energy relief payment in the current year. This will raise the estimated payment from \$222 per person, which was based on the Spring Revenue Forecast, to \$295 per person.

Item 16	Senate
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^MONETARY TERMS OF COLLECTIVE BARGAINING AGREEMENTS

[9:01:44 AM](#)

Vice-Chair Johnson MOVED to ADOPT Packet 1, titled "Monetary Terms of Collective Bargaining Agreements." She explained that the packet funded the negotiated contracts for:

- Labor, Trades and Crafts Unit
- Alaska Public Employees Association/Supervisory Unit
- Alaska Graduate Workers Association

There being NO OBJECTION, it was so ordered. This action closed the items in Monetary Terms of Collective Bargaining Agreements.

^FISCAL NOTES

[9:02:22 AM](#)

Vice-Chair Johnson MOVED to ADOPT Packet 2 titled "Fiscal Notes." She explained that the document added a new Section 2 to both the Operating Budget, HB 268, and the Mental Health budget, HB 270:

1. Section 2 makes appropriations associated with the bills listed.
2. If a bill listed either fails to pass, its substance fails to be incorporated in some other measure, or is vetoed by the Governor, the appropriations associated with that bill are reduced.
3. The attached reports prepared by the Legislative Finance Division list the fund sources and agencies associated with the bill.

Chair Stedman asked Mr. Painter if he had any comments that he would like to make regarding the mental health fiscal notes.

Mr. Painter indicated that the only fiscal notes in the mental health bill were a portion of SB 259, which paid for exempt employees and a portion of which was mental health. The rest of the fiscal notes were in HB 268, the operating budget.

There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED to give Legislative Finance and Legislative Legal Services the ability to make technical and conforming adjustments to the Conference Committee Substitute for House Bill 268. There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED to report the Conference Committee Substitute for House Bill 268 out of Committee with individual recommendations. There being NO OBJECTION, it was so ordered.

Vice-Chair Johnson MOVED to report the Conference Committee Substitute for House Bill 270 out of Committee with individual recommendations. There being NO OBJECTION, it was so ordered.

9:05:06 AM

AT EASE

9:07:29 AM

RECONVINED

Chair Stedman relayed that the meeting closed out all conference-able items in the Operating and Mental Health appropriation bills, HB 268 and HB 270. This concluded the work of the conference committee.

Chair Stedman thanked Vice-Chair Johnson and her staff. He extended his thanks to Senator Hoffman, Senator Olson, Representative Edgmon and Representative Ortiz and to all their staff.

Chair Stedman thanked Alexei Painter, Morgan Foss, and the exceptional crew at the Legislative Finance Division.

Chair Stedman thanked Marie Marx, the budget bill drafter at Legislative Legal Services, along with the rest of the staff at Legislative Legal Services.

Chair Stedman thanked Lacey Sanders and her staff at the Office of Management and Budget.

Chair Stedman extended thanks to the Senate Finance Committee assistants and secretaries and especially to Pete Ecklund of his staff.

Vice-Chair Johnson expressed appreciation for the Senate. She appreciated the members' experience and engaging in a fair process.

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

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ADJOURNMENT

9:10:07 AM

The meeting was adjourned at 9:10 a.m.