

SENATE FINANCE COMMITTEE  
April 25, 2024  
9:20 a.m.

[9:20:22 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:20 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Donny Olson, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Jesse Kiehl  
Senator Kelly Merrick  
Senator David Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Alexei Painter, Director, Legislative Finance Division.

SUMMARY

CSHB 268(FIN)am

APPROP: OPERATING BUDGET; CAP; SUPP; AM

SCS CSHB 268(FIN) was REPORTED OUT of committee with six "do pass" recommendations and one "no recommendation."

CSHB 270(FIN)

APPROP: MENTAL HEALTH BUDGET

SCS CSHB 270(FIN) was REPORTED OUT of committee with seven "do pass" recommendations.

^FISCAL UPDATE: ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION

[9:21:47 AM](#)

ALEXEI PAINTER, DIRECTOR, LEGISLATIVE FINANCE DIVISION, discussed the presentation, "Fiscal Update" (copy on file). He pointed to slide 2, "FY24 Budget-Senate Finance." He detailed the numbers of the slide.

Co-Chair Stedman asked for an explanation of the energy relief.

Mr. Painter replied that it would "lock in" the amount based on the Spring Forecast.

Co-Chair Stedman queried the estimated energy relief check per citizen within the Senate draft.

Mr. Painter responded that the \$143.3 million would be approximately \$222 per person based on the projected number of dividend recipients.

[9:25:37 AM](#)

Senator Kiehl queried the oil price for the proposed \$1000 per person in energy relief.

Mr. Painter replied that the value would be about \$400 million, so there would need to be a price of over \$100 per barrel of oil.

Co-Chair Stedman wondered whether reducing expenditures would result in an increased energy relief check.

Mr. Painter responded that it might, but noted that the supplemental budget had a surplus in FY 24.

Mr. Painter addressed slide 3, "FY25 Budget-Senate Finance." He stated that the committee substitute was outlined within the slide.

Mr. Painter looked at slide 4, "Outstanding Items":

- Fiscal notes (added in Conference Committee)
  - HB 193 (Broadband) signed by Governor with \$39.4 million fiscal note
  - SB 170 (Senior Benefits) has \$23.5 million fiscal note

- Other bills passing one body have combined \$14.5 million UGF fiscal notes as of 4-19-24
- Salary adjustments: four unions currently negotiating
  - Supervisory Unit, Correctional Officers, Labor, Trades and Crafts, and new University of Alaska Graduate Student Union
  - If the three non-UA unions agreed to a 5% increase, LFD estimates the UGF cost would be at least \$26.0 million
- House additions to capital budget

[9:33:17 AM](#)

Mr. Painter highlighted slide 5, "FY25 Senate Budget with Added Items." He detailed the numbers within the slide.

Co-Chair Stedman wondered whether the number would return to net zero in conference committee.

Mr. Painter agreed.

[9:35:09 AM](#)

Co-Chair Stedman asked about the supplemental budget adjustments.

Mr. Painter replied that there was an addition of \$320.9 million of UGF to the supplemental budget.

Co-Chair Stedman asked about the supplemental budget related to operating agencies.

Mr. Painter replied the majority of the supplemental budget was directed to fire suppression, and the remainder went to the Department of Corrections (DOC).

Co-Chair Stedman relayed that there were additional billing to the committee of approximately \$130 million. He stressed that the committee needed to be prepared for high supplemental requests, requiring some "cushion" for the upcoming bills.

Mr. Painter addressed slide 6, "FY24 and FY25 Senate Finance Fiscal Summary."

Mr. Painter discussed slide 7, "House Fiscal Summary plus Capital Budget."

Co-Chair Stedman wondered whether there was an assertion that required cutting \$268 million in order to have a dividend of \$1.1 billion.

Mr. Painter replied in the affirmative.

Co-Chair Hoffman noted that the CBR could also be used, but noted that it would be improbable to get a CBR vote.

[9:40:06 AM](#)

Co-Chair Stedman requested the approximate balance of the CBR, and its recommended target.

Mr. Painter replied that at the beginning of FY 24, the balance of the CBR was \$2.5 billion, which was \$200 million than what was estimated. He remarked that without a withdrawal, there would be some interest earnings by about \$200 million. He stated that cash flow required about \$500 million.

Co-Chair Stedman surmised that the CBR should continue to increase by at least \$1 billion to prepare for fluctuating oil prices.

#hb268

#hb270

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."

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."

[9:43:48 AM](#)

Senator Merrick MOVED to ADOPT the committee substitute for CSHB 268(FIN)am, Work Draft 33-GH2492\T (Marx, 2/24/24).

Co-Chair Stedman OBJECTED for discussion.

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

Senator Kiehl MOVED to REPORT SCS CSHB 268(FIN) from committee with individual recommendations, and MOVED that the Divisions of Legislative Legal and Legislative Finance make technical and conforming changes to the bill as necessary. There being NO OBJECTION, it was so ordered.

[9:45:28 AM](#)

AT EASE

[9:46:09 AM](#)

RECONVENED

Senator Wilson MOVED to REPORT SCS CSHB 270(FIN) from committee with individual recommendations, and MOVED that the Divisions of Legislative Legal and Legislative Finance make technical and conforming changes to the bill as necessary. There being NO OBJECTION, it was so ordered.

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ADJOURNMENT

[9:47:38 AM](#)

The meeting was adjourned at 9:47 a.m.