

ALASKA STATE LEGISLATURE  
**SENATE STATE AFFAIRS COMMITTEE**

February 26, 2002  
3:37 p.m.

**MEMBERS PRESENT**

Senator Gene Therriault, Chair  
Senator Randy Phillips, Vice Chair  
Senator Ben Stevens

**MEMBERS ABSENT**

Senator Rick Halford  
Senator Bettye Davis

**COMMITTEE CALENDAR**

SENATE JOINT RESOLUTION NO. 37  
Proposing an amendment to the Constitution of the State of Alaska relating to officers and employees of the executive branch.

MOVED SJR 37 OUT OF COMMITTEE

SENATE JOINT RESOLUTION NO. 38  
Proposing amendments to the Constitution of the State of Alaska relating to information regarding proposed expenditures.

MOVED SJR 38 OUT OF COMMITTEE

SENATE BILL NO. 313

"An Act repealing a provision relating to legislative approval of construction projects of the Alaska Aerospace Development Corporation."

MOVED SB 313 OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

SJR 37 - No previous action to report  
SJR 38 - No previous action to report  
SB 313 - No previous action to report

**WITNESS REGISTER**

Senator Pete Kelly  
Alaska State Capitol 518  
Juneau, AK 99801-1182

**POSITION STATEMENT:** Sponsor of SJR 37 and SJR 38

Annalee McConnell  
Director of the Office of Management & Budget  
P.O. Box 110020  
Juneau, AK 99811-0020

**POSITION STATEMENT:** Testified on SJR 37

Steve Conn  
AkPIRG Representative  
P.O. Box 101093  
Anchorage 99510

**POSITION STATEMENT:** Testified against SB 313

Steven Cleary  
CODE Representative  
P.O. Box 1093  
Anchorage, AK 99510

**POSITION STATEMENT:** Testified against SB 313

Stacey Fritz  
P.O. Box 84997  
Fairbanks, AK 99708

**POSITION STATEMENT:** Testified against SB 313

Sean McGuire  
351 Cloudberry Lane  
Fairbanks, AK 99709

**POSITION STATEMENT:** Testified against SB 313

Ed Davis  
P.O. Box 71616  
Fairbanks, AK 99707

**POSITION STATEMENT:** Testified against SB 313

Mike Milligan  
12056 Gara Drive  
Kodiak, AK 99615

**POSITION STATEMENT:** Testified against SB 313

Pat Ladner  
Alaska Aerospace Development Corporation  
4300 B Street  
Juneau, AK 99510

**POSITION STATEMENT:** Testified on SB 313

**ACTION NARRATIVE**

**TAPE 02-11, SIDE A**

**CHAIRMAN GENE THERRIAULT** called the Senate State Affairs Committee meeting to order at 3:37 p.m. Present were Senators

Stevens, Phillips and Chairman Therriault. Senator Davis was on an important telephone call and expected to arrive soon.

The first order of business was SJR 37.

#SJR37

**SJR 37-CONST AM: HIRING FREEZE**

SENATOR PETE KELLY introduced the resolution as a way to reduce state spending. He said, "It's very difficult for us to force the executive branch to engage in what is considered by most people to be a fairly simple and common sense response to budget problems. This constitutional amendment is designed to do just that. It gives the Legislature the authority to require the executive branch, through resolution, to initiate a hiring freeze."

The Legislature would pass a resolution, which would enact a statute and the governor would then be directed toward that statute to begin a hiring freeze. The framework for that resolution would be worked out by the next Legislature after this constitutional amendment is passed.

CHAIRMAN THERRIAULT referred to the exception for temporary emergency positions needed for health and safety and asked who makes that determination and what constitutes health and safety.

SENATOR KELLY replied the Constitutional Amendment does not directly speak to those issues. We have a resolution that one might consider a sample resolution that we heard up in finance today that talks about health and safety. The Constitutional Amendment doesn't do that and, I think the sponsor statement is probably in error to bring up that specific thing regarding this constitutional amendment."

SENATOR THERRIAULT said it would then apply to all general funded positions.

SENATOR KELLY said it could. The Legislature would make those determinations as needed.

CHAIRMAN THERRIAULT asked for verification that a concurrent resolution requires a simple majority in both house.

SENATOR KELLY agreed.

CHAIRMAN THERRIAULT asked the administration's representative to testify.

ANNALEE M<sup>c</sup>CONNELL, Director of the Office of Management & Budget, said it is her understanding that the reasoning behind the proposal is that some in the Legislature feel that it is unconstitutional to require a hiring freeze because of the separation of powers. Therefore, it would be necessary to go to the voters to allow the Legislature to be the body that determines whether there will be a hiring freeze or not.

One of the issues this raises is whether this kind of function makes sense in the Constitution because it is not very specific on purpose about how particular programs should be administered. The Legislature has the power to make appropriations but recognizes that the execution or management of programs requires some flexibility within an administration.

Although the resolution is being presented as a response to the fiscal gap, the administration does not believe this is the best response to that issue. There is already difficulty in filling positions in many areas of state government because of competition with the federal government and the private sector and every position is not filled today. Looking to the Legislature to decide what a hiring freeze should look like would place them in the administration's current difficult position of having to decide which positions are critical for maintaining public safety functions.

The Legislature does have the option to suggest changes to statutes that are on the books as a means of cutting the budget. This type of budget cutting would generate healthy discussions about taking the state out of the business of providing particular programs and services and provide the public the opportunity to express their views on the importance of particular services. Putting something of this sort in the constitution as a way of forcing the administration to do a hiring freeze is an awkward maneuver.

The specifics of a hiring freeze are a more appropriate topic for the Finance Committee, but she wondered whether this is necessary to put into the Constitution because there are other ways to make budget cuts more directly if that in fact is the goal. Governors have done hiring freezes on their own initiative in both 1999 and 1986 when there were precipitous drops in revenues and without a constitutional amendment.

CHAIRMAN THERRIAULT agreed that the Legislature controls the budget, but once it is passed they have little control. If there is a drastic reduction in revenue part way through that fiscal

year, they want the administration to carry some of that money forward to the next fiscal year, they have no power to direct that action. They can eliminate programs and make statutory changes as well as passing an amendment to the budget but all these are subject to a governor's veto. It is because of this lack of direct control over the budget once it is passed that makes this attractive.

MS. M<sup>C</sup>CONNELL thought the provisions that currently exist do allow the Legislature to cut the budget mid year. It is true that the veto could be overridden, but that is a function of the basic system that says if the Legislature passes a measure and the governor vetoes it, then that veto may be overridden by a three quarters vote of the entire Legislature. This is a much more direct approach and puts the responsibility for the decisions about which areas should be funded on the Legislature, which is the arm that has the appropriation power. A hiring freeze doesn't necessarily affect the fiscal gap. Cutting a federally funded project does not help with the fiscal gap and neither does cutting a position at the Fairbanks or Anchorage International Airports.

The Legislature can change specific parts of the budget and evaluate whether it is a wise action in terms of the services that are needed because the administration would be able to tell the Legislature what the impact would be for any cut proposal. This is a good reciprocal process for determining whether a cut should be made and if so, where. A hiring freeze is an across the board cut that doesn't distinguish between life safety or not.

In prior years when the administration has proposed certain areas for budget cuts they have not been acceptable. Closing DOT/PF maintenance stations or letting roads melt open rather than plowing are examples. Such changes are better addressed individually so the impact on services can be evaluated.

CHAIRMAN THERRIault replied that the current system allows for the Legislature to make changes but it is a system where a simple majority increases spending but there must be a super majority to make any kind of reduction.

He asked whether she thought the proposed language for the resolution and the amendment has enough flexibility for the Legislature to tailor the hiring freeze to the immediate circumstance.

MS. M<sup>C</sup>CONNELL replied that if she were reading the amendment as a citizen she would assume that it meant all vacancies. There could be statutes that say differently, but it seems that even a statute that addresses an across the board hiring freeze is still

not getting at the specific issues of whether it helps the fiscal gap or whether it goes to the places that the Legislature feels that money should not be spent. In the Department of Labor there are some general funded positions in the research section that do the work that is necessary to get the federal funds. There are about \$550 million in funds in the budget that come from the federal government and are dependent on population and formulas. If a position is frozen and accurate data cannot be produced, the state's share of federal formula programs is put in jeopardy. Another example is worker compensation hearings. The Legislature agreed that it was taking too long to get a worker compensation hearing so another position was added in last year's budget. That person was hired but another hearing officer is now leaving. If that vacancy is not filled, the changes made last year were for naught.

If the Legislature believes there are ways that the administration should be holding back on spending, a more strategic way of doing that is by taking specific actions in the budget. Although it would take a super majority to override a governor's veto, the Legislature has that same obligation now when the budget is formulated. It should not be easier to cut the budget than to establish it in the first place. The same goes for budget amendments; there is not a different threshold for budget amendments or supplemental budgets than for the original budget.

CHAIRMAN THERRIault noted that the fiscal note was the standard note for anything that goes onto the ballot.

There was no additional testimony. There was no committee substitute and no amendments.  
He asked for the will of the committee.

SENATOR PHILLIPS made a motion to move SJR 37 and attached fiscal note from committee with individual recommendations.

There being no objection, SJR 37 moved from committee.

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#SJR 38

#### **SJR 38-CONST AM: PRIORITY OF EXPENDITURES**

SENATOR KELLY explained the resolution would require the administration to submit subsequent budgets with each department's activities ranked in order of value. Though it is the Legislature's responsibility to appropriate funds, the

departments are better equipped to evaluate and prioritize their own activities and production.

The passage of SJR 38 would put this resolution to a vote of the people and, if approved, would amend the Constitution of the State of Alaska.

This is similar to the statute that Representative Dyson is passing through both bodies. He said he is of the opinion that the statute alone isn't sufficient because of the separation of powers and the discussion that was held for SJR 37.

CHAIRMAN THERRIAULT stated that, by law, the governor must submit the budget to the Legislature by a certain date. He asked whether the concern is that with Representative Dyson's legislation the governor would choose to ignore the requirement.

SENATOR KELLY replied that is his concern.

CHAIRMAN THERRIAULT noted that Section 1 places the existing language into subsection (a) and subsection (b) is added. He confirmed that Senator Kelly was anticipating that a statute would flesh out the particulars if this were enacted. He asked for an explanation of a prioritized fashion.

SENATOR KELLY replied that the prioritized fashion would be established by law. The Legislature would decide on some form of prioritization, then pass that statute and require the governor to submit it in that form. "Like in the last one, [SJR 37] governors may veto these statutes, they have that right, but at some point a governor is not going to veto this and then that statute is going to sit there almost dormant and then, like in a resolution form, you could require them to do that on the other one. On this one, you've got the constitutional authority. ... At some point it is going to require the governor to participate in this process. Some governor is going to have to pass this statute and not veto it. It will have the luxury, so to speak, of a gubernatorial veto whereas the last one we were talking about didn't because it's enacted by resolution."

CHAIRMAN THERRIAULT asked if he envisioned the mechanism would have to be "turned on" each year or once the Legislature does it by resolution the governor shall submit the budget with this detail year after year.

SENATOR KELLY said the form would be determined by the different Legislatures. He assumes it would be passed just once, but different Legislatures in different years may choose different

forms and they would have to pass the change by law.

CHAIRMAN THERRIAULT asked what action would be taken if a Legislature no longer wanted the information at all.

SENATOR KELLY said it would be repealed.

CHAIRMAN THERRIAULT said this Legislature might want this information, but there will be an election this fall and the governor is building the budget during the election process. He asked whether he puts the prioritized document together for the next Legislature.

SENATOR KELLY replied he envisions it the same way that the budget is created every year. There would just be a rider added requiring prioritization.

CHAIRMAN THERRIAULT asked if this would be the budget document itself or a separate document.

SENATOR KELLY said the budget document would have the rider.

There was no further testimony.

CHAIRMAN THERRIAULT stated there was no proposed committee substitute and no proposed amendments. The attached fiscal note for \$1,500 is standard for anything that will be placed on the ballot.

He asked for the will of the committee.

SENATOR PHILLIPS made a motion to move SJR 38 and attached fiscal note from committee with individual recommendations.

There being no objection, SJR 38 moved from committee.

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#SB 313

#### **SB 313-NO LEGIS APPROVAL OF AEROSPACE PROJECT**

CHAIRMAN THERRIAULT announced he proposed this legislation to repeal the section of the statutes that relates to legislative approval of construction projects of the Alaska Aerospace Development Corporation (AADC).

Section 14.40.886 that is proposed for repeal reads as follows:  
Notwithstanding any other provision of AS

14.40.821-14.40.990, a proposed construction project of \$1,000,000 or more shall be submitted by the corporation to the legislature for approval at a regular session of the legislature.

Repeal of this section would not and is not intended to give AADC the same standing as the railroad. If this legislation were to pass, there would still need to be an appropriation by the full Legislature for AADC to accept and expend federal funds or corporate receipts coming into the corporation. By removing this section of the statute it would be clear that Legislative Budget and Audit would be able to make modifications to that budget without having to wait for the next time the full Legislature is sitting in session. Thus AADC would be able to be more responsive to meet the needs of its clientele.

Committee members had no questions but there were a number of people that wanted to testify via teleconference.

STEVE CONN with the Alaska Public Interest Research Group (AkPIRG) went on record in opposition to SB 313. He said this is a public corporation and they believe passage of this legislation would rob residents and their representatives of the kind of open debate and questioning that allows them to know the benefits as well as the downside costs and risks of the various projects undertaken by AADC. With benefits come costs and risks that are more than a budgetary matter to be dealt with by a budgetary agency because they deal with things that impact quality of life. Such matters should be discussed in an open forum as originally intended.

STEVEN CLEARY with the group Citizens Opposed to Defense Experimentation (CODE) testified in opposition to SB 313. He said he echoed Mr. Conn's testimony.

SENATOR PHILLIPS asked whether CODE's concern is more environmental than expenditure of dollars.

MR. CLEARY said his group is currently seeking to do three things. Two of those are to get an environmental impact statement (EIS) out on the Kodiak Launch Complex and to get public input into the process and they see passage of SB 313 as a matter of taking the public out of the process.

STACEY FRITZ said she was representing No Nukes North, which is an organization that promotes educated opposition to missile defense activities in Alaska. There are about 300 group members that would like in depth information on this issue.

"It should be deeply disturbing to all of us that Secretary of

Defense Donald Rumsfeld has recently exempted the new Missile Defense Agency from normal Pentagon oversight procedures. According to Rumsfeld's orders, the Missile Defense Agency can now conduct tests without involving the Pentagon Office of Tests and Evaluations. Missile Defense Agency commanders no longer have to specify new weapons requirements. The agency no longer has to report back to the Pentagon on the project's timelines or costs and Secretary Rumsfeld has clarified that he retains the right to approve contingency or emergency deployment of any experimental defense test assets. So not only has the public been removed from information about where billions of their tax dollars are going, they can not even be assured that their federal government knows anything about it."

She said passage of this legislation would remove the state's oversight of major construction projects at the Kodiak Launch Complex. Rather than making the AADC more responsive to its clientele, which is largely the Department of Defense, the people of Alaska would rather see the Legislature and the AADC be more responsive to the public.

She wanted to go on record as opposing the bill and urged the Legislature to retain all oversight of missile defense activity anywhere in the state and particularly at the Kodiak Launch Complex.

CHAIRMAN THERRIAULT asked her if she would still be against the legislation knowing that the full Legislature would still control the appropriation process. He informed her that any unanticipated project that is funded by the federal government or through corporate receipts would still have to be appropriated by the Legislative Budget and Audit Committee under the powers that are given to it by the full Legislature.

MS. FRITZ said it is her understanding that the bill is attempting to remove state oversight of major projects on Kodiak and she doesn't feel there has been enough scrutiny of the major projects there. She hopes that money coming in from anywhere for Kodiak Launch Complex projects would be subject to scrutiny by the Legislature.

CHAIRMAN THERRIAULT informed her that it already is subject to scrutiny and the passage of this legislation wouldn't change that scrutiny. No money can be received and spent by the corporation without the underlying appropriation that is made by the full Legislature. This bill simply clarifies that the Legislative Budget and Audit Committee, which is made up of Senate and House members, can make budgetary adjustments during the eight months of the year that the full Legislature is not in Juneau. It is a misconception that is largely borne out of the budget system that has led people to believe that the bill removes state oversight

of AADC.

MS. FRITZ said she would like to believe that is true and although she doesn't fully understand the budget system she would still like to voice her concern as a relatively informed member of the public on this issue.

SENATOR PHILLIPS asked if No Nukes North is philosophically against the Missile Defense Initiative.

MS. FRITZ replied they are opposed both environmentally and politically. They try to provide in-depth information on missile defense activities in Alaska to promote educated opposition to the project.

SENATOR PHILLIPS told her he represents Fort Richardson and maybe Elmendorf so he has a constituency that views the issue differently than she does. He was interested in determining whether her opposition is philosophical or fiscal because he has fiscal concerns.

MS. FRITZ said she is fiscally opposed as well but it is difficult for her to separate the environmental from the political because she believes missile defense will create a new arms race in space and on earth. This is globally destabilizing and environmentally unsound.

SEAN M<sup>C</sup>GUIRE testified in opposition to SB 313. It is disturbing to him to have political leaders try to remove information from the public on any level and he believes this makes the public wary.

SIDE B  
4:25 p.m.

CHAIRMAN THERRIault said he understands that the budget process is complicated but this legislation would not change the fact that AADC is a state corporation that cannot receive or expend any money without the approval of the full Legislature. This would make it clear that while the Legislature is not in full session, the Legislative Budget and Audit Committee would be able to make modifications to the budget that was passed by the Legislature. The meetings would be publicly noticed and would take into account public testimony. This committee is comprised of members of the House and members of the Senate with the chairmanship alternating between the bodies every two years. The Legislature is still well informed of monies received and projects that are approved. Current wording is a redundancy that was incorporated when AADC statutes were first put into place because the Legislature was unsure how the corporation would develop. Part of the concern was that the corporation had the

power to issue bonds for projects. The Legislature was somewhat concerned that they would issue bonds in amounts that exceeded \$1,000,000 and expend those receipts without Legislative oversight. With the passage of this bill, oversight and accountability are maintained with the added benefit of increased flexibility.

SEAN M<sup>c</sup>GUIRE replied that does make him somewhat more comfortable but it still makes him uncomfortable when four or five members of some committee are making these decisions because this is taking away from a whole range of ideas and views.

SENATOR PHILLIPS corrected Mr. M<sup>c</sup>Guire on the composition of the committee and said opportunities arise that might be lost if it's necessary to wait until the next legislative session.

ED DAVIS from Fairbanks said he wanted to give his historical viewpoint regarding military launches taking place on state subsidized facilities. Between the mid 1980s and into the early 1990s he was a leader in starting a group called Sane Alaska, which encouraged a sane nuclear policy.

As AADC was beginning, his group was losing membership because the Cold War was coming to an end and the threat of an arms race was reduced. However, one of the last issues they became involved in was the Star Wars research that was planned at the University of Alaska Poker Flat Research Range. With the exposure of what that really meant they were told there was no intention of delving into things that might destabilize global security by triggering an arms race.

With respect to SB 313, he doesn't want to lose any public disclosure or Legislative oversight that would prevent doing something that might not be in the best interest of the state, the country or the world.

CHAIRMAN THERRIAULT said it is in the operating budget where the Legislature authorizes the University of Alaska Legislature to receive and expend funds that come from different sources. Because of the university size, the authorization number is large. They have a bit of leeway in their appropriation and when some of the research money that was previously referred to came available, they had authorization on the books to receive and expend that money. With respect to AADC, they are proposing that rather than making an empty appropriation of \$10 or 20 million in anticipation of projects that may come in, they would like Legislative Budget and Audit to be able to look at those projects as they come in and reserve judgment until they come in. Viewed this way, the bill provides the opportunity for more oversight because there wouldn't be any blanket authorization.

MIKE MILLIGAN from Kodiak testified in opposition to SB 313. He has always been a strong supporter of the rocket launch facility in Kodiak and is excited about its future. He wants to go on record as reminding the people with CODE that a fantastic job is being done in preserving the democratic exchange of information.

He said that if we are to automatically get away from missile defense it doesn't mean that India and Pakistan will stop building missiles. However, he is generally opposed to legislative bodies giving up authority. This democratic society operates with oversight and this appears to be an attempt to make it easier for some of the federal interests that are involved in a rocket launch facility to come in whenever they want to. The Kodiak facility is in the development stage and the development and proposals need to be planned and held up for review.

Kodiak recently had a very exciting Athena rocket launch with four satellites. The launch facility offers an opportunity for Alaska and humankind. The future of the facility is bright but it is a future that needs dedicated legislative oversight. Personally he wants to see the military continue to use the launch facility because they are best prepared to contribute the resources that will make it a viable facility. They can do that with the understanding that the Legislature meets in the spring and that is when they need to present their proposals. This will ensure both legislative and public oversight.

SENATOR STEVENS addressed his comments to everyone who had testified via teleconference. He questioned whether any of them had read the statutes that deal with the AADC because all the concerns voiced regarding relinquishing oversight are stated in the statutes. He found it disturbing that they would say Legislators are not doing their job when they obviously haven't even read the statutes. He suggested they should read the statutes before testifying.

MR. CONN said, "You're absolutely incorrect. We believe that the current situation requires more oversight not less oversight during the summer, in a period in time when the citizenry is not focused on what you are doing in Juneau."

SENATOR STEVENS said, "You ought to read the statute and then read the Executive Budget Act in 37.07. It says everything that every one of you has spoken about is already in statute and this act that Senator Therriault has introduced doesn't repeal any of that. You're not reading what's already in statute."

MR. MILLIGAN was somewhat opposed to the comments made by Senator Stevens. Alaska has a political season and [balance indecipherable because he and Senator Stevens were talking at the same time.]

SENATOR STEVENS interjected, "You're not reading, you're not listening to what I said. If you read 37.07 it says in section 6: 'Public participation and development of an annual budget including opportunity for public to review and comment on the plans and programs of the office of the governor and all state agencies.' It already says that in law. You're not reading--you're telling us to do what's already in statute. And you're using it to try to further your mechanism to prevent the development down there and saying we're not doing what's already there. It's already in law."

CHAIRMAN THERRIAULT said that gets back to one of the issue that was brought up concerning the university proposal that caused concern in Fairbanks. That kind of blanket appropriation is the other way of dealing with this situation and provides little to no oversight. In that type of instance, a blanket authorization would be given so that any proposal coming in would be pre-authorized. In contrast, this request requires that the Legislative Budget and Audit Committee look at and evaluate each proposal as they come in, which offers more oversight than the system under which the university currently operates.

The existing statute says you can only act during the four month window of opportunity when the Legislature is sitting in session. That has turned out to be unworkable. For example the Legislature is frequently unable to tell whether a client will want a range safety upgrade in any one of the eight interim months or whether there will be federal or corporate money for that upgrade. Without this legislation, the only other way for the Legislature to deal with that potential scenario is to give a blanket authorization even though none of the specifics of a project would be known.

MR. MILLIGAN wanted to comment on a conversation he had with some British aerospace technicians that were in Kodiak for the launch that took place the previous summer. He said that ultimately, it will be necessary to have range safety equipment permanently in place at the Kodiak launch facility.

He then asked Chairman Therriault why changes couldn't wait until the regular legislative session. While the facility is still in the development stage, he thought it important to put the appropriations on a calendar year format.

CHAIRMAN THERRIAULT countered that if they anticipated that equipment would be needed at the range but they weren't sure when it would be authorized in the federal budget, they could pass a capital appropriation that would stay on the books for five years. Such an appropriation would be pre-authorized and could be used at any time. There would be no further legislative

interaction at that time, which is exactly the concern voiced today. With the passage of this bill, any proposal would have to go to the administration and they would have to propose that the Legislative Budget and Audit Committee take it under consideration. If it were close to the regular legislative session, it would probably be put off, but if it was just after a regular session, the administration would have to take it to Legislative Budget and Audit and they would have to have a meeting and then take action. The authorization for Legislative Budget and Audit to take action is only granted to the committee on a year-by-year basis.

Passage of this bill would keep the Legislature from having to consider a blanket authorization, which contributed to the controversy at Poker Flat. He didn't think that any of the testifiers would want to see that sort of situation repeated.

PAT LADNER, President and CEO of the Alaska Aerospace Development Corporation, wanted to clarify that the portion in statute that refers to leasing Poker Flat has to do with the origination of AADC because the launch complex was initially meant to be at Poker Flat. The language is in statute so that AADC could, as a corporation, be allowed to use Poker Flat.

Regarding public scrutiny of the Kodiak Launch Facility, there have been four environmental assessments done by three separate federal government agencies. The public did have an opportunity to participate in the process and they all resulted in a finding of no significant impact. The Ballistic Missile Defense Office has made it clear that they anticipate conducting environmental documentation that complies with the law at the Kodiak facility.

UNIDENTIFIED SPEAKER wanted to respond to Senator Stevens's comments and said the language that would be repealed refers to appropriations over \$1 million. He said he used to work for the Army Corp of Engineers and is familiar with how federal and private appropriations work. There is a significant planning cycle required for appropriations of that size and he can't imagine that there would be any difficulty tying the planning cycle into the regular legislative session. With that in mind, he didn't think there was a big problem that needs to be addressed by the passage of this bill.

There was no further testimony.

CHAIRMAN THERRIault said the bill is straightforward, but there is misunderstanding on how it impacts the budgeting system. Once again he clarified that the bill would still require Legislative oversight and interaction before any client could go to AADC and propose that a capital project be undertaken.

There was no committee substitute and no amendments were offered.  
He noted the zero fiscal note from the aerospace corporation.

He asked for the will of the committee.

SENATOR STEVENS made a motion to move SB 313 and attached fiscal note from committee with individual recommendations.

There being no objection, SB 313 moved from committee.  
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CHAIRMAN THERRIAULT adjourned the meeting at 4:50 p.m.