

HOUSE FINANCE COMMITTEE  
March 9, 2005  
1:42 P.M.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [1:42:38 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Eric Croft (via teleconferenced)  
Representative Richard Foster  
Representative Mike Hawker  
Representative Jim Holm  
Representative Carl Moses  
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Reggie Joule  
Representative Mike Kelly

ALSO PRESENT

Representative Beth Kerttula; James Armstrong, Staff, Senator Gary Wilken; Eric Swanson, Director, Division of Administrative Services, Department of Administration; Jo Ellen Hanrahan, Acting Director, Division of Administrative Services, Department of Commerce, Community & Economic Development; Marc Antrim, Commissioner, Department of Corrections; Sharleen Griffin, Acting Director, Division of Administrative Services, Department of Corrections; Eddy Jeans, Director, Education Support Services, Department of Education and Early Development; Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities; Kevin Brooks, Deputy Commissioner, Department of Administration; Stan Herrera, Director, Chief Technology Officer, Department of Administration; Sally Saddler, Legislative Liaison, Department of Commerce, Community and Economic Development; Laura Glaiser, Director, Division of Elections, Office of the Lieutenant Governor; Joan Brown, Budget Analyst, Office of Management and Budget (OMB); Clark Gruening, Former Permanent Fund Trustee, Juneau

PRESENT VIA TELECONFERENCE

John Cramer, Director, Administration Services Division, Department of Military and Veterans Affairs, Anchorage; Kate

Giard, Chair, Regulatory Commission of Alaska (RCA),  
Anchorage

SUMMARY

CS SB 98(FIN) An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

CS SB 98(FIN) was HEARD and HELD in Committee for further consideration.

#SB98

CS FOR SENATE BILL NO. 98(FIN)

An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date.

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DEPARTMENT OF ADMINISTRATION

Section 1(a) - Non-Public Building Fund Facilities

Increased costs for heating fuel and other utilities for Non-Public Building Fund buildings.

General Funds \$110.0

ERIC SWANSON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ADMINISTRATION, explained that the request would cover the increased utility costs for the Department. He reminded members that there had been previous discussion on the request.

Section 1(b) - Capital

Feb 28: State of Alaska Network Security Infrastructure Upgrades

Income Svc Fund \$5,003.5

KEVIN BROOKS, DEPUTY COMMISSIONER, DEPARTMENT OF ADMINISTRATION, pointed out that Section 1(b) was a new item to cover security system upgrades and that the request was included in the FY06 Capital Budget request. He noted that

in January, the State network was the object of a site cyber attack causing many problems with the computer system. Mr. Brooks added that the Department has been working with a United States computer readiness team to analyze the network system.

Co-Chair Chenault asked if this would be a "never-ending battle". Mr. Brooks acknowledged that the network is always under attack and that there will never be an end to the attempts, however, there are things, which can be done to "shore-up" the systems.

Co-Chair Chenault inquired about the time frame necessary to implement such upgrades. Mr. Brooks replied that the intent is to create a sequence approach. The network exists throughout 400 locations in the State and that the oldest equipment is anticipated to be addressed by June 30<sup>th</sup>, 2005. Items not scheduled to be handled this fiscal year, were left in the FY06 Capital Budget.

Representative Hawker observed that the request was an accelerating capital request and concurred that the request was a legitimate need for the State.

Co-Chair Chenault commented that more testimony could be taken on proposed changes in the supplemental at a later time.

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Section 1(c) - Capital

|         |   |           |
|---------|---|-----------|
| Feb 28: | Alaska Land Mobile Radio (ALMR)               |           |
|         | Infrastructure Upgrades (\$6,175.0 requested) |           |
|         | General Funds                                 | \$6,000.0 |

Mr. Brooks noted that the Department is in a contract with the federal government to upgrade a network system that stretches from Kodiak to Fairbanks, a series of computer sites along that network. The project is a subset of the network; the Department would be addressing 87 sites. The State is in partnership with the federal government's Department of Defense, to develop the infrastructure. The largest users are the Department of Public Safety, the Department of Health & Social Services, the Department of Transportation & Public Facilities, the Alaska Railroad and local governments. He added that each site is along the road system and that there have been 69 sites identified that need immediate attention.

Representative Hawker asked why the State was investing in additional land-based technology.

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STAN HERRERA, DIRECTOR, CHIEF TECHNOLOGY OFFICER, ENTERPRISE TECHNOLOGY SERVICES, DEPARTMENT OF ADMINISTRATION, responded that the project would provide inter operability of radios for first responders in the event of disasters. It is specific to the needs.

Representative Hawker pointed out the investment size in the land-based computer stations. He noted that everything else was moving toward satellite connections. Mr. Herrera explained that would be a part of the communications moving forward as it is planned to use a new technology. The use of the State's system is something that the U. S. Department of Defense was looking at doing anyway because they are interested in using the State's infrastructure to avoid the expense of creating a new one.

Representative Hawker asked if only general funds would be used and if it was intended that there would be federal participation. Mr. Brooks replied that the U. S. Department of Defense investment so far has been \$43 million dollars with a projection of an additional \$100 million dollars. He advised that it would not be only a State appropriation as there is a federal contract.

Co-Chair Chenault inquired if it would stay on the site. Mr. Herrera explained that it would be line of the site for the Alaska radio interoperable mobile radio.

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Co-Chair Chenault asked if the State was receiving any payment from the Alaska Railroad for use of the facility. Mr. Brooks responded that not at the present time; however, the State is attempting to get the network solidified creating a chargeback methodology so that all users would be paying for it. Additionally, the U. S. Department of Defense is willing to pay their share of operating costs. He advised that the goal is to have all users paying.

Co-Chair Chenault commented on the costs associated to operate the system. Mr. Brooks pointed out that there is a line item included in the operating budget.

Co-Chair Chenault asked the anticipated usage percentage by the Alaska Railroad. Mr. Brooks did not know the specific numbers yet. He provided a brief history of the network system while discussing the infrastructure.

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#### SALARY AND BENEFIT ADJUSTMENT

Section 13(d) - Executive Branch

Feb 28: FY 05 costs for the IBU collective bargaining agreement.

AMHS Fund \$3,190.0

Mr. Swanson advised that the contract would provide for salary and health insurance increases for the IBU Union.

Representative Weyhrauch noted the recent agreement between the State and the marine engineers and asked if that would be covered in the requested budget. Mr. Swanson explained that another amendment would be added to the budget request. Co-Chair Chenault knew that there would be another request.

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DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

Section 2(f)

Dillingham City Schools grant timing change to April 1, 2004 (Senate addition)

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SALLY SADDLER, LEGISLATIVE LIAISON, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, explained that the request was language added by the Senate in order to guarantee that any expenses incurred by the Dillingham City Schools project after April 1, 2004, would be covered and included.

JOAN BROWN, BUDGET ANALYST, OFFICE OF MANAGEMENT AND BUDGET (OMB), responded to a question by Representative Weyhrauch, explaining that the Senate had added the provision and that the Office of Management and Budget does not have any back up on it. She understood that expenditures had been incurred before the original effective date.

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DEPARTMENT OF CORRECTIONS

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Section 3(b) - Administrative Services

The department is seeking an e-procurement application to lower purchasing prices and improve efficiencies within the buying process for commodities, equipment, food and services. (\$225.0 requested)

General Funds \$190.0

MARC ANTRIM, COMMISSIONER, DEPARTMENT OF CORRECTIONS, commented on the procurement application. Current year spending was adjusted to address the spending reduction.

Co-Chair Meyer noted the reduction and asked the impact. Commissioner Antrim explained that the Department would be moving \$15,000 dollars from the parole section and that they were additionally able to locate \$35,000 dollars in the administrative support section to total the \$50 thousand dollars.

Section 3(f) - Probation Region 1

Reduction due to expected lapse (Senate addition)  
General Funds (\$65.0)

Commissioner Antrim expected a lapsed reduction from Region 1.

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RECONVENED: [2:07:52 PM](#)

Representative Croft referenced the Section 3(b) reduction by \$35 thousand dollars and that the Department had found \$15 thousand and then \$35 thousand dollars. He understood that the entire deficit was \$35 thousand dollars. He asked about the extra \$15 thousand dollars.

SHARLEEN GRIFFIN, ACTING DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF CORRECTIONS, explained the \$65 thousand dollar reduction to probation and parole services. The Senate used \$15 thousand dollars of that in the \$190 thousand dollars appropriated; the other \$35 thousand dollars was the "scrubbing" number across all components in administrative and support services.

Representative Holm was confused. He asked where the \$50,000 would come from. Ms. Griffin pointed out Line 16, Section 3(f) was the \$65 thousand dollar reduction. She clarified that the reduction would allow appropriation to the Office of the Commissioner for procurement efforts.

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Representative Hawker noted the \$50 thousand dollar increased general fund appropriation for recruitment efforts. He understood that there existed a discretionary contracting account in the Office of the Commissioner, which was restored by the Senate last year. He commented that would be an appropriate place to take that money for

recruiting efforts. Ms. Griffin noted that she would need to go back to see exactly what occurred in last year's budget. She could not recall the contractual transfers but offered to provide that information to the Committee.

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DEPARTMENT OF EDUCATION & EARLY DEVELOPMENT

Section 4(b) - Mt. Edgecumbe Boarding School

Residential operating costs related to expanded student population. (\$800.0 requested)  
General Funds \$400.0

EDDY JEANS, DIRECTOR, EDUCATION SUPPORT SERVICES, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT, noted that the Department had received a \$400 thousand dollar reduction by the Senate. The Department maintains that the additional \$100 thousand dollars is needed to make it thorough this fiscal year for the Mt. Edgecumbe boarding school.

Co-Chair Meyer requested additional information regarding the request. Mr. Jeans explained that last year, the Department of Education & Early Development requested an increment for an expansion program at the Mt. Edgecumbe boarding school. That request was approved in the House and denied in the Senate. Based on direction from the Governor's Office, the Department moved forward, bringing 30 additional students into Mt. Edgecumbe. They were housed at the Sitka Pioneer's Home and additional costs were incurred for supervising, housing and feeding those students.

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Co-Chair Meyer noted that the students were housed temporarily at the Pioneer Home and asked if the Pioneer Home was paid for the usage of that space. Mr. Jeans explained that there was empty space but that the Department had to do some modifications to it. The largest costs resulted from the residential staffing component.

Co-Chair Meyer pointed out that the Senate was supporting only half of the request. Mr. Jeans emphasized that the Department cannot live with any reduction; he hoped that the numbers would be restored in the House.

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Representative Hawker requested that a representative from the Senate testify regarding the reduction.

JAMES ARMSTRONG, STAFF, SENATOR GARY WILKEN, explained that the Senate discussion revolved around action taken last year

at which time there was an objection to the project. At that time, an amendment was offered to restore half the funding.

Representative Hawker questioned if the intent was to not phase the project in quite so fast. Mr. Armstrong replied that could be a good characterization.

Representative Hawker asked if the phase-in was not accomplished, would the project keep moving forward. Mr. Jeans stressed this is a timing issue. The Department of Education & Early Development had requested the funds from the Legislative Budget and Audit Committee (LBA) to expand the program at Mt. Edgecumbe. At that time, the Governor requested that the Department move forward and bring 30 students into the school in FY05 and bring an additional 30 students in FY06, for the full expansion. The Department came back to the Legislature requesting the additional \$30 thousand dollars to move forward with the expansion of the first 30 students because space was found at the Pioneer Home. The House approved that request and the Senate denied it and recommended that the Department wait until the full expansion was done. After that process, the Governor directed the Department to move forward with the project with the first 30 students. Mr. Jeans emphasized that the expense has been incurred and that currently, the Department is running the payroll into the 'red'.

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Representative Hawker commented that the Legislature needs to give policy and direction to the Administration regarding appropriating powers. He stressed that the Governor chose not to comply. Representative Hawker noted his concern.

Section 4(a) - School Finance and Facilities

Legal and expert services due to the Moore v. State funding lawsuit; extended lapse date to June 30, 2006.  
General Funds \$230.0

Vice-Chair Stoltze referenced the section, asking the total cost. Mr. Jeans stated that the total cost was \$800 thousand dollars. The \$230 thousand dollar request will help the Department prepare for the case. The additional funds are in the FY06 operating request.

Section 4(c) - Museum Operations

Funding shortfall due to unanticipated decline in program receipts and increased internal chargeback's.  
General Funds \$100.0

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Representative Hawker voiced support for the request.

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DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Section 5(a) - Capital

Due to safety issues relating to emerging bio-terrorist threats and animal diseases, changes in design were necessary to meet original intent and provide a safe and secure laboratory facility. This amendment provides additional funding to cover those design changes and complete construction of the new Environmental Health Laboratory.

Federal Funds -0-

Section 5(b) - Capital

Agriculture economic disaster match of \$500.0 of federal unrestricted receipts in DNR for non-existent federal funds is reappropriated from sec. 24(n), ch. 159, SLA 2004, page 81, to DEC for the Seafood and Food Safety Lab Replacement project.

Federal Funds (\$500.0)

Mr. Armstrong stated that the Department requested a reappropriation for federal unrestricted receipts for the Environmental Health Lab. He pointed out that Senator Wilken intended to use those funds for the debt service. He pointed out that there is language included the regular supplemental to achieve the same purpose.

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Representative Croft understood that the original request would be general funds to pay for what had been done last year in the environmental health lab. In effect, the change would free up the \$500 thousand dollars in the operating budget to use in the supplemental. He asked Mr. Armstrong why that would be a good idea. Mr. Armstrong replied that they would be paying for the fast track with those funds. There is a provision in the regular supplemental that states any unexpended federal funds will revert back to debt service. It is the intent of the Senate to use those funds for debt service.

Co-Chair Chenault pointed out that the \$500 thousand dollars would appear in Section 5. Mr. Armstrong replied that reappropriation of the federal unrestricted was no longer included in the legislation.

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Co-Chair Chenault noted that there are concerns with design errors for the lab request.

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DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES  
FUND CAPITALIZATION - ALASKA MARINE HIWAY STABILIZAITON

Section 6(a) - Marine Hwy Stabilization

Fuel cost increases of \$6,813.3. Feb 28: Increased capitalization needed of \$3,190.9 due to IBU collective bargaining agreement.

General Funds \$10,004.2

NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, testified in support of the request. The amount reflects the monetary terms of the agreement for fuel cost increases expected by the marine highway and an agreement with the IBU. It would also cover insurance and salary cost increases for that bargaining unit.

Representative Holm questioned if ticket prices had been increased. Ms. Slagle observed that there had been some increases over the last year but not specific to the IBU agreement.

In response to a question by Representative Holm about fuel increases, Ms. Slagle advised that about a 10% surcharge had been added to address increased fuel costs. She acknowledged that the surcharge could not come close to covering the increased cost of fuel. She emphasized the need to balance fee increases with the loss of revenues that could happen through a reduction in rider-ship.

Representative Holm noted concern using general funds to cover the increased fuel costs.

Representative Hawker asked for additional information regarding those increased costs. He noted that the Legislature wants to trust the Department's assessment. Ms. Slagle provided members with a chart demonstrating cost increases. (Copy on File.) She pointed out that the Department is looking at ways to reduce costs including layoffs and a hiring freeze.

Representative Hawker inquired if ferries would be "laid up" and if the requested amount would be adequate. Ms. Slagle agreed that could be an alternative if the requests were not approved, but she emphasized that would occur during peak season.

In response to a question by Co-Chair Meyer, Ms. Slagle noted that the Department had an analysis performed by the McDowell Group, which anticipates a drop off in rider-ship with the increased costs; she pointed out various options for travel modes.

Co-Chair Meyer acknowledged it "would not be a bad thing" if the private sector captured a greater percentage of that traffic.

Vice-Chair Stoltze observed that the highway systems are subsidized heavily by federal dollars. He asked if studies had been done to identify the amount of travel into Interior Alaska. Ms. Slagle responded that there has been an extensive review regarding where independent travelers go once they reach Alaska.

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DEPARTMENT OF MILITARY & VETERANS AFFAIRS  
FUND CAPITALIZATION - DISASTER RELIEF FUND

Section 6(b) - Disaster Relief Fund

|                               |            |                         |
|-------------------------------|------------|-------------------------|
| Base capitalization of fund   | \$500.0    | (\$1million requested); |
| 2004 Bering Strait Sea Storm  | \$4,054.4; |                         |
| Interior Earthquake shortfall | \$259.3;   |                         |
| Kaktovik Winter Storm         | \$2,363.5. | (\$7,677.2 requested)   |
| General Funds                 |            | \$7,177.2               |

JOHN CRAMER, (TESTIFIED VIA TELECONFERENCE), DIRECTOR, ADMINISTRATION SERVICES DIVISION, DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, noted that the Senate had reduced the requested amount by \$500 thousand dollars.

Co-Chair Chenault questioned the impact on dropping the Department's base. Mr. Cramer observed that the Department will have to come back and request additional funding if any major event occurs. Usually, in the spring of the year, there are disaster issues resulting from flooding.

Representative Holm questioned if 2005 had been an unusual year. Mr. Cramer pointed out that there had been a greater snow pack in most of the Interior areas where flooding is now occurring. He indicated that the issue in Kaktovik was not unusual.

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Section 11 - National Guard Military Headquarters

National Guard Audit Disallowance - Federal auditors have disallowed state expenditures in FY05 for a total

of \$937,234. This request will cover October 2004 to June 2005. An amendment will be offered in the FY06 budget to cover these expenditures for the remainder of FY05 and FY06. The department estimates they will run out of a general funds by the end of March. (\$446.0 request, difference of \$148.7 expected in the regular supplemental bill).

General Funds \$297.3

Mr. Cramer explained the requested change. He noted that the Department would be able to meet their federal obligations as long as the funding was included in the regular supplemental.

Representative Croft referenced Section 6(b). He asked if there had been a standard base funding of \$1 million dollars for sometime. Mr. Cramer responded that the base capitalization for the emergency response fund, the Department has about 5 to 8 disasters at any given time. Many of those are declared federal disasters, which must be over \$1 million dollars damage in need in order to be eligible for the federal reimbursement.

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DEPARTMENT OF ADMINISTRATION

Section 2 c - Regulatory Commission of Alaska

Legal services costs of \$190.0 provided by the Department of Law were inadvertently omitted from the Regulatory Commission of Alaska's FY 05 budget. \$75.0 for outside counsel costs and \$258.0 to implement the Regulatory Commission of Alaska's improvement initiative to meet its mission more efficiently and effectively are also included.

RCA Receipts \$523.0

KATE GIARD, (TESTIFIED VIA TELECONFERENCE), CHAIR, REGULATORY COMMISSION OF ALASKA (RCA), ANCHORAGE, had nothing to add to the request description.

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Representative Weyhrauch asked RCA's intended improvement list. Ms. Giard replied that it was a real initiative began in FY04 to look at the internal operations and external relationships with utilities, the Legislature and the relationship with the ratepayers.

Representative Weyhrauch questioned if the request as provided by the Department of Law would be reimbursable. Ms. Giard clarified that when the budget was bifurcated between the Attorney General and the RCA, the budget was

then prepared without inclusion of payment to the Department of Law for services for the RCA.

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Representative Hawker noted that in Section 3(b), the appropriation was for both fiscal years, FY05 and FY06. He asked why the FY06 expenditures had been included in the FY05 fast track supplemental request.

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DEPARTMENT OF ADMINISTRATION

7(a) - Capital

AOGCC costs for gas pipeline reservoir studies and depletion plan evaluations. House used all general funds.

General Funds / PF Corp Rcpts \$1,200.0

DEPARTMENT OF LAW

Section 7(b) - Civil Division, Oil, Gas and Mining

Legal costs for work related to the state gas pipeline and to bringing North Slope natural gas to market, and other oil and gas projects for FY05 and FY06. House used all general funds.

General Funds / PF Corp Rcpts \$9,000.0

DEPARTMENT OF NATURAL RESOURCES

Section 7(c)(1) - Capital

Gas pipeline risk analysis and royalty issues.  
House request 2,500.0 GF.

General Funds / PF Corp Rcpts \$2,500.0

Section 7(c)(2) - Capital

Gas pipeline corridor geologic hazards and resource evaluation. House request 2,000.0 GF.

General Funds / PF Corp Rcpts \$2,000.0

Section 7(d)(1) - Capital

Gas pipeline Bullen Point Road right-of-way permitting.  
House request 3,200.0 GF.

General Funds / PF Corp Rcpts \$3,200.0

Section 7(d)(2) - Capital

Division of Oil and Gas increased workload for gas pipeline. House request 2,700.0 GF.

General Funds / PF Corp Rcpts \$2,700.0

Section 7(d)(3) - Capital

Commissioner's Office increased workload for gas pipeline. House request 200.0 GF.

General Funds / PF Corp Rcpts \$200.0

DEPARTMENT OF REVENUE

Section 7(e) - Capital

Commissioner's Office - Work related to the state gas pipeline and to bringing North Slope natural gas to market. House request all GF.

General Funds / PF Corp Rcpts \$5,300.0

Section 7(f) - Capital

Alaska Natural Gas Development Authority increased workload for gas pipeline. House all GF.

General Funds / PF Corp Rcpts \$2,170.0

OFFICE OF THE GOVERNOR

Section 8(a) - Arctic National Wildlife Refuge

Funds for support of national efforts to open ANWR for oil and gas exploration and development. House all GF.

General Funds / PF Corp Rcpts \$500.0

Mr. Armstrong explained that Section 7(a) through Section 8(a) reflect changes made for gas pipeline efforts in FY05 ranging through FY10. There was a fund source shift of 25% of roughly \$28.7 million dollars funded from the Permanent Fund Corporation receipts. Additionally, language was added that all except (d)(1)(2) and (3) (Department of Natural Resources) would not go through the LBA Committee.

Mr. Armstrong pointed out that Senator Wilken had engaged in discussions with the Legislative Budget and Audit Committee. Vice-Chair Stoltze asked if the Permanent Fund Corporation had participated in those discussions. Mr. Armstrong responded that there had been no testimony at the table with the corporation.

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Representative Croft voiced concern with using earnings from the Permanent Fund for the project. He asked specifically why the Permanent Fund corporate receipts would be used and asked the difference of those and the Permanent Fund earnings.

CLARK GRUENING, FORMER PERMANENT FUND TRUSTEE, JUNEAU, explained that it would be the same realized earnings of the Fund's source. Representative Croft understood that the proposed technique would drain the "cup" of earnings. Mr.

Armstrong reported that it would be more of a Legislative Finance funding source code.

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Representative Hawker opined that it is an issue of nomenclature, referring to the same fact.

Representative Croft thought that the royalties should only pay a quarter of the bill. He asked if the Permanent Fund receives a quarter of the oil and gas revenue or a quarter of the oil and gas royalties.

Co-Chair Chenault noted that there would be someone present from the Permanent Fund board at the next meeting to discuss those issues.

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Representative Hawker quoted the constitutional language regarding the percentages:

"25% of lease rentals, royalty sale proceeds, federal mineral sale proceeds and bonuses received by the State".

Representative Croft responded to that thought.

Co-Chair Chenault interjected that the issues would be addressed at the next meeting.

OFFICE OF THE GOVERNOR

Section 8(b) - Elections

Feb 28: Additional increased operating costs for Accu-Vote maintenance; lease cost increases; list maintenance costs; additional postage and shipping, printing, training, archiving and destruction costs.  
General Funds \$160.0

LAURA GLAISER, DIRECTOR, DIVISION OF ELECTIONS, OFFICE OF THE LIEUTENANT GOVERNOR, explained the request. She identified the costs associated with:

- Moving the Region 2 office in Anchorage;
- Additional lease costs;
- Costs related to the Accu-vote maintenance agreement; and
- Additional postage.

Co-Chair Chenault questioned why the costs had not been included in the earlier appropriations bill. Ms. Glaiser

explained that it had been advised that they be included in the fast track supplemental.

SB 98 was HELD for further consideration.  
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ADJOURNMENT

The meeting was adjourned at 3:09 P.M.