

HOUSE FINANCE COMMITTEE
March 15, 2005
6:17 p.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [6:17:56 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Eric Croft
Representative Richard Foster
Representative Mike Hawker
Representative Mike Kelly
Representative Carl Moses
Representative Bruce Weyhrauch

MEMBERS ABSENT

Representative Jim Holm
Representative Reggie Joule

ALSO PRESENT

Senator Ben Stevens; Representative Ethan Berkowitz; Nancy Slagle, Director, Division of Administrative Services, Department of Transportation and Public Facilities; Sharon Kelly, Staff, Co-Chair Chenault; Cheryl Frasca, Director, Division of Management & Budget, Office of the Governor; Art Chance, Labor Relations Director, Division of Labor Relations, Department of Administration; Pete Ecklund, Staff, Representative Kevin Meyer; Joan Brown, Budget Analyst, Office of Management and Budget (OMB); Chris Christensen, Staff Counsel, Alaska Court System; Janet Clarke, Assistant Commissioner, Division of Finance and Management Services, Department of Health and Social Services; Nico Bus, Acting Director, Division of Administrative Services, Department of Natural Resources; Karen Rehfeld, Deputy Commissioner, Department of Education and Early Development; Kathryn Daughhetee, Director, Administrative Services Division, Department of Law.

PRESENT VIA TELECONFERENCE

There were no teleconference testifiers.

SUMMARY

HB 66 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.

HB 66 was HEARD and HELD in Committee for further consideration.

HB 67 An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and 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.

HB 67 was HEARD and HELD in Committee for further consideration.

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.

HCS CSSB 98 (FIN) was REPORTED out of Committee with a "do pass" recommendation.

[6:18:09 PM](#)

HOUSE BILL NO. 66

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.

Co-Chair Chenault provided members with a committee substitute for HB 66. He noted that the committee substitute would be available on the Legislative Finance Division website along with spreadsheets (copy on file).

Co-Chair Meyer MOVED to ADOPT work draft 24-GH1075\G, Utermohle, 3/15/05, as the version before the Committee. There being NO OBJECTION, it was adopted.

HB 66 was HELD in Committee for further consideration.

[6:20:00 PM](#)

HOUSE BILL NO. 67

An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and 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.

Co-Chair Chenault provided members with a committee substitute for HB 67.

Co-Chair Meyer MOVED to ADOPT work draft 24-GH1073\Y, Utermohle, 3/15/05, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

HB 67 was HELD in Committee for further consideration.

[6:20:35 PM](#)

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.

Section 14(a) Marine Vessel Operations
\$12,000.0 AMHS Fund

NANCY SLAGLE, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES observed that there were no changes to the Department of Transportation and Public Facilities requests as submitted by the Governor. She reviewed Section 14 (a). Section 14 (a) would cover fuel cost increases associated with new vessels Fairweather and Lituya, training for bringing on the new vessel Chenega, overhauls for the LeConte and Fairweather, increased risk management premiums and costs associated with grounding of the LeConte, which cost \$1.2 million.

Section 14 (b) Central Region Highways and Aviation
\$44.5 general funds

Ms. Slagle noted that Section 14 (b) would fund King Salmon air traffic control services.

[6:24:42 PM](#)

Section 14(c) Program Development
\$85.0 general funds

Ms. Slagle explained that Section 14 (c) would cover legal costs for defense of SB 260, which changed the membership make up of the policy board for metropolitan planning organizations.

[6:26:28 PM](#)

Section 15(a) Capital

Airport Improvement Program increase of \$14,550.0 in federal funds

Ms. Slagle observed that the request would cover work at five rural airports. The funds are either discretionary or Federal Aviation Administration (FAA) funds that came late in the year. The projects are ready to go forward within the next two months.

Co-Chair Chenault asked how the projects were chosen. Ms. Slagle observed that the FAA looked at needs and safety issues related to the airports for selection and review.

[6:28:31 PM](#)

Sections 15 (1)-(11)

Ms. Slagle explained that these Sections relate to federal highway fund projects and would cover capital requests specific to safety. They address emergency and safety issues. Two projects are needed due to timing: Coffman Cove Terminal and South Mitkof Island Terminal.

[6:30:16 PM](#)

Co-Chair Meyer MOVED to ADOPT work draft #24-GS1133\L, Utermohle, 3/15/05, as the version of the bill before the Committee. There being NO OBJECTION, it was adopted.

[6:32:02 PM](#)

SHARON KELLY, STAFF, CO-CHAIR CHENAULT provided members with spreadsheet demonstrating the changes made in the committee substitute (copy on file). She observed that the funding year is not indicated.

Section 1

Ms. Kelly observed that intent language relating to charge-backs to agencies for information services capital costs was added.

[6:33:01 PM](#)

Section 2

Ms. Kelly noted that the funding for the Small Energy Assistance Program remained the same, but the population cutoff was changed to 2,499, which adds two new communities. The amount was prorated among the communities.

[6:33:23 PM](#)

Section 2 (b)

Ms. Kelly observed that Section 2 (b) contained a technical change to statutory designated program receipts.

[6:33:30 PM](#)

Section 3 (a)

Ms. Kelly observed that \$50 thousand for the Department of Corrections, recruitment effort was removed.

[6:33:41 PM](#)

Section (3)(e)

Ms. Kelly noted that the lapse amount of \$65 thousand was changed to a lapse amount of \$450 thousand. The Department of Corrections confirmed that the lapse amount could be as high as \$698 thousand. Some money was left for a transfer to the Department of Law, Therapeutic Courts.

[6:34:00 PM](#)

Section 4 (a) - (g)

Ms. Kelly explained that Section 4 (a) addresses funding for education. There are three Sections. In Section 4 (f), \$400 million from the FY05 windfall was used. Section 4 (d) uses \$440,429,365 from FY06. Section 4 (e) contains \$14,145.6 million from FY05. Section 4 (g) was added to take any surplus FY05 funds into the Public Education Fund.

[6:34:50 PM](#)

Section 6 (c)

Ms. Kelly noted that the funding source was changed from the master lease line of credit to the General Fund. The state cannot charge interest on a line of credit.

[6:35:10 PM](#)

Section 9

Ms. Kelly observed that Section 9 (b) was moved from the fast track to the regular supplemental. Medicaid services

spend about \$10 million a month. The money is needed for June.

[6:35:25 PM](#)

Section 12

Ms. Kelly noted that Section 12 was added to allow the Fairbanks detoxification unit expansion to be reappropriated.

[6:35:49 PM](#)

Co-Chair Chenault MOVED to ADOPT Amendment #1, #24-GS1133\L.1, Utermohle, 3/15/05.

Page 8, line 11:
Delete "\$400,00"
Insert "\$600,00"

Page 9, following line 16:
Insert a new subSection to read:

(h) The unexpended and unobligated balance of the appropriation made by sec. 52(a), ch. 159, SLA 2004 (Office of the Governor - operating costs), not to exceed \$200,000, is reappropriated to the Department of Education and Early Development, Mt. Edgecumbe boarding school, for increased residential operating costs for the fiscal year ending June 30, 2005.

Co-Chair Meyer OBJECTED for the purpose of discussion.

Co-Chair Chenault explained that Mt. Edgecumbe has incurred a debt of \$800 thousand. The other body added in \$400 thousand. He observed that \$200 thousand would be general funds and there was an understanding that the other \$200 thousand would come from the Office of the Governor.

CHERYL FRASCA, DIRECTOR, DIVISION OF MANAGEMENT & BUDGET, OFFICE OF THE GOVERNOR, acknowledged that \$200 thousand would come out of the Contingency fund in the Office of the Governor.

Co-Chair Chenault noted that this would fully fund the increase in students at Mt. Edgecumbe.

There being NO OBJECTION, it was so ordered.

[6:39:53 PM](#)

Co-Chair Meyer MOVED to ADOPT Amendment #2(a):

Sec. 6. FUND TRANSFERS. (a) The sum of \$11,522,000 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060(a)).

Ms. Kelly explained that the amendment represents an increase of \$1,517,800 for cost of the recently negotiated collective bargaining unit agreements for International Organization of Master, Mates and Pilots and the Marine Engineers Beneficial Association. She noted that the negotiations were concluded after the Sensate version was received.

ART CHANCE, LABOR RELATIONS DIRECTOR, DIVISION OF LABOR RELATIONS, DEPARTMENT OF ADMINISTRATION, observed that the contracts were concluded March 8, 2005.

[6:41:01 PM](#)

PETE ECKLUND, STAFF, REPRESENTATIVE KEVIN MEYER, suggested that Amendments 2(a), (b) and (c) be considered together. He noted that Amendment 2(a) appropriates money into the General Fund for Alaska Marine Highway System costs. Amendment 2(b) and (c) appropriate the money out of the Fund to pay the cost. Amendment 2 (d) is a technical correction of \$900.

Co-Chair Meyer WITHDREW his OBJECTION.

Representative Chenault MOVED to ADOPT Amendments 2(a), (b) and (c)

Amendment 2(b):

(f) Contingent upon the ratification of the collective bargaining agreement described in this subsection, the sum of \$889,300 is appropriated from the Alaska marine highway system fund (AS 19.65.060(a)) to the Department of Transportation and Public Facilities, marine vessel operations, in order to implement the monetary terms of the collective bargaining agreement for the Marine Engineers Beneficial Association, representing licensed engineers employed by the Alaska marine highway system, for the fiscal year ending June 30, 2005.

Amendment 2 (c)

(e) Contingent upon the ratification of the collective bargaining agreement described in this subsection, the sum of \$628,500 is appropriated from the Alaska marine highway system fund (AS 19.65.060(a)) to the Department of Transportation and Public Facilities, marine vessel operations, in order to implement the monetary terms of the collective bargaining agreement for the International Organization of Masters, Mates, and

Pilots, for the masters, mates, and pilots unit, for the fiscal year ending June 30, 2005.

There being NO OBJECTION, it was so ordered.

[6:42:29 PM](#)

Co-Chair Meyer MOVED to ADOPT Amendment #2(d):

(d) Contingent upon the ratification of the collective bargaining agreement described in this subsection, the sum of \$3,190,900 is appropriated from the Alaska marine highway system fund (AS 19.65.060(a)) to the Department of Transportation and Public Facilities, marine vessel operations, in order to implement the monetary terms of the collective bargaining agreement for the Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit, for the fiscal year ending June 30, 2005.

Mr. Ecklund explained that Amendment 2 (d) is a technical correction of \$900.

There being NO OBJECTION, it was so ordered.

[6:43:04 PM](#)

Co-Chair Chenault MOVED to ADOPT Amendment #3:

The amendment would remove "the Legislative Budget and Audit Committee for contracts with."

Representative Hawker OBJECTED for the purpose of discussion.

Ms. Frasca explained that the amendment requests that appropriations for the natural gas pipeline go to the departments that have the responsibility and accountability to do the work. She stressed that the Stranded Gas Act gives the executive branch tremendous responsibility for negotiating contracts. She maintained that the Legislature is involved and is kept informed through the Legislative Budget and Audit Committee: Senator Therriault, Chair and Representative Samuels, Vice-Chair. She asserted that the dollars ought to go to the departments with the responsibility and accountability so that the Administration can follow the appropriation.

Representative Croft noted that the request is \$28 million. He felt that the backup was insufficient and questioned what problems would occur by having a check through the Legislative Budget and Audit Committee.

Ms. Frasca observed that the Committee has had the opportunity to ask questions about the appropriations. The Legislative Budget and Audit Committee Chair has participated in the negotiations and has been briefed weekly. She emphasized the separation of powers: the legislature has the power to appropriate and the executive branch has the responsibility to manage. She did not feel that an intermediary was necessary. She acknowledged concerns, but pointed out that the negotiations are confidential.

[6:47:01 PM](#)

Representative Croft recognized the importance of the gas-line, but questioned if all \$28 million would go to the gas-line associated work. Ms. Frasca noted that some other work would be done regarding TAPS and other issues.

Representative Croft spoke in opposition to the amendment and in support of a legislative check. He maintained that an appropriation of this size, with little documentation and importance should have a legislative check.

[6:48:26 PM.](#)

Representative Hawker stressed that the Administration has stated its desire to be guided by the Legislature. He questioned if failure of the amendment would compromise the Administration's ability to do the work and move the pipeline forward. Ms. Frasca recalled that requests from the Legislature have been in terms of policy guidance and have centered around statutes on eligibility for formula driven programs. The Administration has asked for clarification on how the statutes would be amended or the practice in place changed, when the Legislature has indicated its desire that the Administration discontinue the delivery of these services. She stated that the current Administration has not been held to this type of surveillance by the Legislature. She pointed out that the Administration administers about \$7 billion dollars in the budget and questioned if the Legislature wanted to assert itself over \$28 million on "probably the most important project we are going to see in our lifetime."

Representative Hawker again questioned whether the exercise of the legislative prerogative would interfere with the Administration's ability to go forward and conduct the necessary work needed to move gas pipeline forward.

Ms. Frasca responded that there is a potential [that the Administration would not have the ability to move the project forward]. She observed that the Administration does not know what documentation would be required, what the process would be for LBA approval, what the repeal process

would be [for rejected requests], the level of confidentiality in the billings, and to what degree appropriations would be subject to the Legislative Budget and Audit Committee or other legislators.

Ms. Frasca stated that she had talked to Senator Therriault and had been told that the confidentiality under the Stranded Gas Act would apply to the Legislative Budget and Audit Committee's review. She reiterated concerns.

[6:51:24 PM](#)

Representative Weyhrauch wondered if there was a certain amount of economy in providing LBA as a conduit for the funds and instilling the trust through the process, so that the [the Legislature] is not suspect about the end product. There would be full involvement and participation by at least some committee of the Legislature that can help ease any issues, such as mistrust or bad communication. He pointed out that the Legislature wants the gas pipeline as much or more than the Administration, and wants to make sure that it is done as fast as is reasonably possible and in a prudent manner. He did not anticipate a "bunch" of loggerheads. He maintained that there would be a rational basis of appropriations for the type of works contained in the bill. He did not think the Legislative Budget and Audit Committee would be an impediment.

Ms. Frasca stated that the dilemma is that it has been suggestion that the Committee would be involved in the process. She noted that Senator Therriault, Chair, Legislative Budget and Audit Committee indicated that it would just be him and/or Representative Samuels. She expressed concern that, if it is going to go before the full committee, that there would be issues of confidentiality of the documentation. There is concern that the Committee would have to meet and pointed out that the Committee doesn't meet frequently, or at least it hasn't to date. She reiterated that there are four legislators involved in the briefings: Senator Therriault, Representative Samuels, Senator Stevens and Speaker Harris. She expressed concern that the Administration doesn't know how well the process would work and that they are concerned that participation [of the Legislative Budget and Audit Committee] might bog things down. The negotiations are intense and important.

[6:54:02 PM](#)

Representative Croft recalled testimony before the Senate Finance Committee that [the Administration] did not have a particular problem with the provisions [for LBA approval].

Ms. Frasca didn't recall if she testified on this section of the bill. She stated that the Administration did not know

what the section would mean at that time. She noted that as "we've asked questions, we haven't gotten any more answers." They are therefore concerned with uncertainty surrounding the process. She stressed that it is a tremendous responsibility and serious undertaking. She noted that it is "not like an invoice you get for staples at the end of the month." She reiterated that the Administration would answer the questions of the four legislators involved at any time about anything the Administration does and would encourage other legislators to speak with them. She emphasized that the Administration doesn't want to jeopardize the ability to act as quickly as necessary.

[6:55:27 PM](#)

Representative Croft stated that he would not insist on the language if it were a requisition for staples. He stressed that the difference in size is the very reason the amendment should be there.

A roll call vote was taken on the motion to adopt Amendment 3.

IN FAVOR: Kelly, Chenault, Meyer

OPPOSED: Hawker, Moses, Stoltze, Weyrauch, Croft, Foster

Representatives Holm and Joule were absent from the vote.

The MOTION FAILED (3-6).

[6:56:45 PM](#)

Representative Croft MOVED to ADOPT New Amendment #4. Co-Chair Chenault OBJECTED.

Representative Croft explained that the amendment would remove all permanent fund revenues as a funding source and another \$4 million in general funds to reduce the \$28 million proposed appropriation [for the natural gas pipeline] in the fast track supplemental by \$11 million. He acknowledged that the state would have to write "a big check", but argued against a "blank check". He pointed out that there would be appropriate times for the rest of the money to be brought up. There would still be a \$17 million appropriation. The amendment deletes the \$1.2 million for the AOGCC, which they chose not to do as a charge out. The intent would be for the work to be done as a charge out to the appropriate individual companies. The Department of Law has asked for \$9 million dollars. He maintained that the "fast track" should not contain appropriations for FY06. The Department of Law needs at least \$5 million for FY05. The rest can be discussed later.

Representative Croft noted that the amendment also removes the right away permitting for Bullen Point Road. This is a connection to Point Thompson. He felt that it may eventually be important, but the primary source of gas would be Prudhoe Bay at the beginning. He stated that he had not been shown enough to know if the Bullen Point Road right-away is appropriate in the "fast track" and whether the amount is justified.

Representative Croft noted that there were partial reductions to the allocation to the Department of Revenue to equal \$11 million.

Representative Croft noted that Amendment #4 appropriates the same amount to the Alaska Natural Gas Pipeline Development Authority (ANGDA). Under the amendment the money would go directly to ANGDA. He stressed the independence of the Alaska Natural Gas Pipeline Development Authority. The current proposal would spend a total of \$28 million: \$21 million GF and \$7 million in permanent fund receipts. Amendment #4 would save \$11 million. There would be a \$17 million in General Fund and no Permanent Fund Corporation appropriations. He felt the reductions would allow the departments to finish FY05 without funding FY06 or FY07 appropriations or items without sufficient documentation.

[7:01:10 PM](#)

Representative Hawker noted that the legislature maintains significant control with the rejection of Amendment 3. He questioned if the concerns remain. Representative Croft noted that it was appropriate to maintain oversight by the Legislative Budget and Audit Committee. He noted that the amendment would reduce the oversight to \$17 million. He questioned whether the appropriation should stay in the fast track. He noted that oversight does not justify items that are unnecessary or don't have sufficient documentation. He noted that some items have five-year capital lapse dates, which would be more appropriate in a capital or operating budget. He did not think it was appropriate to spend money five years in the future in fast track legislation.

[7:03:40 PM](#)

Representative Hawker spoke against the amendment. He felt that the additional oversight is an appropriate arbitration of the question on amounts and the need for the legislature to be concerned with how the money is spent. He felt that the best balance had been reached.

Vice-Chair Stoltze questioned if the amendment could be divided.

[7:04:40 PM](#)

Representative Croft concluded that it would be difficult to divide the amendment.

A roll call vote was taken on the motion to adopt New Amendment #4.

IN FAVOR: Croft,
OPPOSED: Kelly, Hawker, Moses, Stoltze, Weyrauch, Foster,
Meyer, Chenault

[7:05:55 PM](#)

Representative Croft MOVED to ADOPT Amendment #5. Co-Chair Chenault OBJECTED.

Delete lines 26 - 28 on page 22.

Representative Croft explained that the amendment would delete the \$85 thousand in legal fees for the Department of Transportation and Public Facilities. The Municipality of Anchorage is handling the issue without an increase and Representative Croft felt that the state could as well. He maintained that it is not an emergency.

Ms. Slagle spoke to Amendment 5. She explained that the Department of Law, Civil Section receives all of their funding from the agencies that receive services. The request is for Division's program development, which is a federally funded portion of the agency, with no general funds.

Representative Croft clarified that the agency is being charged for the amount and there are no general funds to cover it.

Representative Croft WITHDREW Amendment 5.

[7:08:53 PM](#)

Representative Croft MOVED to ADOPT Amendment #6. He noted that Amendment 6 would appropriate \$500 thousand in general funds for breast and cervical cancer prevention. He stressed the importance of the appropriation and maintained that it would save money in the long run. The fund source change would allow services to 1,600 enrolled women that otherwise would not be served due to federal funding reductions. Funds would be required by late March or early April to continue the program.

[7:10:16 PM](#)

Co-Chair Chenault expressed support for the services, but questioned where the line should be drawn. He stressed fiscal accountability.

A roll call vote was taken on the motion.

IN FAVOR: Moses, Weyrauch, Croft

OPPOSED: Stoltze, Foster, Hawker, Kelly, Chenault, Meyer

Representatives Holm and Joule were absent from the vote.

The MOTION FAILED (3-6).

[7:12:26 PM](#)

Representative Croft MOVED to ADOPT Amendment #7. The amendment would add \$108,377 for the Yukon Flats School District. He requested that the leadership address the amendment before the floor decision.

Representative Croft WITHDREW Amendment #7.

AT EASE: [7:18:07 PM](#)

RECONVENE: [7:22:41 PM](#)

Representative Chenault noted that the committee substitute as amended was before the Committee.

Representative Kelly spoke against the use of permanent fund expenditures in items 7 a - f. He indicated that he was uncomfortable with the use of permanent fund. He maintained that the use of permanent fund receipts for capital projects should have a "higher test than it has in this document". He spoke against the \$6 million appropriation for energy grants to small communities. He noted that he would not hold the bill.

[7:25:31 PM](#)

Co-Chair Meyer spoke in support of the committee substitute. He explained that the committee substitute would appropriate \$400 million of the \$500 million estimated windfall to the Education Fund. He noted that \$854 million, which is a \$70 million increase, would go to education. The rest of the funding needed to fund education would consist of: \$440 million FY06 general funds and \$14 million in lapsed funds. The amount could change. He observed that the windfall would go the number one priority of education. If the surplus were greater, the additional amount would be swept to the Education Fund.

[7:27:25 PM](#)

Representative Croft spoke on the use of permanent fund earnings. He noted that the Permanent Fund receives 15 percent of the oil lease funding. He expressed concern with the use of permanent fund earnings without a vote of the

people. He referred to the 1989 vote [to use permanent fund earnings].

Representative Croft spoke to education funding, which would park some of the FY05 money in the Education Fund. He stated that he supports getting the money to the classrooms and noted that it needs to move from the sub account to the schools. He questioned if the bill provides adequate funding for education.

[7:30:44 PM](#)

Co-Chair Chenault acknowledged that education is one of the biggest issues before the Legislature. The intent is to early fund and to attempt to fully fund education. He observed that the legislation is the first step toward those goals.

[7:31:41 PM](#)

Co-Chair Meyer noted that permanent fund earnings have been used since 1989. The justification has been that they have only been used for natural resource projects, which is where the money comes from. He stressed that there is no better natural resource project than the natural gas pipeline. He observed that the precedent has been set and that he is comfortable with the appropriation.

[7:32:39 PM](#)

Representative Hawker endorsed the sentiments of Co-Chair Meyer. He pointed out that the Permanent Fund was created for a time when oil and gas revenues have declined. He questioned if there was a more appropriate use than to reinvest in the development of the resource, which would continue to perpetuate the fund.

[7:33:45 PM](#)

Representative Foster MOVED to report HCS CSSB 98 (FIN) out of Committee. There being NO OBJECTION, it was so ordered.

ADJOURNMENT

The meeting was adjourned at 7:34 PM