

HOUSE FINANCE COMMITTEE  
March 20, 2008  
8:42 a.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [8:42:23 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair  
Representative Kevin Meyer, Co-Chair  
Representative Bill Stoltze, Vice-Chair  
Representative Les Gara  
Representative Mike Hawker  
Representative Mike Kelly  
Representative Bill Thomas, Jr.  
Representative John Harris  
Representative Reggie Joule  
Representative Harry Crawford

MEMBERS ABSENT

Representative Mary Nelson

ALSO PRESENT

Bryan Butcher, Legislative Liaison, Alaska Housing Finance Corporation; Les Campbell, Budget Director, Alaska Housing Finance Corporation; Representative Mark Neuman

PRESENT VIA TELECONFERENCE

None

SUMMARY

HB 311 "An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

HB 311 was heard and HELD in Committee for further consideration.

HB 54 "An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government."

CSHB 54(FIN) was REPORTED out of Committee with a "do not pass" recommendation and with zero fiscal note #1 by the Department of Administration,

indeterminate fiscal note #2 by the Office of the Governor, and fiscal note #3 by Legislative Affairs Agency.

[8:44:52 AM](#)

HOUSE BILL NO. 311

"An Act making appropriations, including capital appropriations, supplemental appropriations, and appropriations to capitalize funds; and providing for an effective date."

**DEPARTMENT OF REVENUE/ALASKA HOUSING FINANCE CORPORATION**

BRYAN BUTCHER, LEGISLATIVE LIAISON, ALASKA HOUSING FINANCE CORPORATION (AHFC), introduced AHFC's Budget Summary.

LES CAMPBELL, BUDGET DIRECTOR, ALASKA HOUSING FINANCE CORPORATION, addressed individual AHFC budget requests.

Project #45379  
Public Software Replacement  
\$1,250,000 Corporate Receipts

Mr. Campbell explained that the purpose of the program is to purchase, implement, support, and provide training for a software system that will help manage the Corporation's public housing programs. The current software is outdated and a new system is critical to support AHFC's rental housing programs. A new system would make compliance with HUD regulations much easier.

Project #45382  
Phone System Replacement  
\$450,000 Corporate Receipts

Mr. Campbell related the reason for the request: to replace AHFC's phone system with a Voice-Over-IP (VOIP) infrastructure.

[8:46:51 AM](#)

Project #45383  
HR/Payroll Implementation  
\$387,900 Corporate Receipts

Mr. Campbell said the request is to complete the process of a new HR payroll function for AHFC. The current system is over 15 years old and does not have the capabilities to provide needed reports and information, or capture the employee information required. The new system will fully integrate human resources, benefits administration, and payroll functions.

Project #37918  
Housing Loan Program - Teacher/Health/Public Safety Housing  
\$8,000,000 Corporate Receipts

Mr. Campbell explained that this is an on-going request and provides gap funding to increase homeownership and rental units throughout the state. The program is designed to help retain desirable professionals in high-cost areas. The projected outcomes would include an addition of 62 new units, increased affordability for housing purchases by low income families, lower interest rate on mortgage programs, and a statewide housing conference.

[8:48:50 AM](#)

Project #6323  
Supplemental Housing Development Program  
\$8,000,000 Corporate Receipts

Mr. Campbell noted that the request would supplement federal HUD funds and would be used to cover costs related to water, sewer, and electrical systems, as well as for road construction to project sites and site development. The funds are limited to 20 percent of HUD's total development cost per unit and cannot be used for administrative purposes.

Project #6632  
Low-Income Weatherization Program  
\$2,000,000 Federal Receipts  
\$6,000,000 Corporate Receipts

Mr. Campbell explained the purpose of the program to provide cost-effective energy improvements to homes of low-income families. Weatherization provides for fire safety through furnace and electrical repairs, education, chimney and woodstove repairs, and egress windows. It is the same program that was funded in the supplemental budget.

[8:50:45 AM](#)

Project #6634  
Senior Citizen's Housing Development Fund (SCHDF)  
\$6,000,000 Corporate Receipts

Mr. Campbell reported that the funds are used for grants for municipalities and public or private non-profit corporations, in conjunction with other agencies, for the development of senior citizen housing. Funds can be used for the purchase of building sites, site preparation, materials, construction, and rehabilitation of existing housing. Organizations qualified to apply include municipalities and public or private nonprofit corporations.

Additional components include smaller grants for nonprofit senior organizations to pay for preparation of plans and project feasibility studies, appraisals, site preparation and other pre-development activities. This program has funded 931 units to date.

Project #6347  
HUD Federal HOME Grant Program  
\$750,000 Corporate Receipts  
\$3,450,000 Federal Receipts

Mr. Campbell reported that the purpose of the request is to expand the supply of affordable, low- and moderate-income housing and to strengthen the ability of the state to design and implement strategies to achieve an adequate supply of safe, energy-efficient, and affordable housing. This program has funded 44 rental projects containing 818 units and rehabilitated 373 low-income homes. It has assisted another 315 low-income households to purchase homes.

Co-Chair Chenault requested clarification about the number of units funded by item Project #6634. Mr. Campbell said 931.

Project #6342  
HUD Capital Fund Program  
\$3,200,000 Federal Receipts

Mr. Campbell summarized that the purpose of the program is to renovate and modernize the public housing rental units statewide.

Project #6348  
Federal and Other Competitive Grants  
\$1,500,000 Corporate Receipts  
\$3,000,000 Federal Receipts

Mr. Campbell related that the request is to allow AHFC to apply for HUD, other federal agency, and private foundation grants that target the housing needs and supportive services of low-income and special needs groups such as: senior citizens, the mentally, physically, or developmentally disabled, or the homeless. AHFC will also apply for energy-related grants as they relate to housing. When required, AHFC will provide the needed matching funds. Some of the funds received will be passed through to local non-profit sub-grantee organizations that deliver housing and/or services.

[8:54:18 AM](#)

Project #6350  
Competitive Grants for Public Housing  
\$250,000 Corporate Receipts

\$750,000 Federal Receipts

Mr. Campbell explained that this request is similar to the last request, but is directly related to public housing. The purpose of the program is to allow AHFC to apply for HUD and other grants that target housing needs for low-income or special needs groups.

Vice-Chair Stoltze noted a project in Palmer that works with faith-based groups for low-income weatherization. He wondered if those were the types of projects eligible under this category. Mr. Campbell replied that the Drug Elimination Program would qualify under this category. The last project was broader and could include Vice-Chair Stoltze's example. Vice-Chair Stoltze asked if faith-based missions were an issue. Mr. Butcher thought not.

[8:56:55 AM](#)

Project #6351  
Energy Efficiency Monitoring Research  
\$1,000,000 Corporate Receipts

Mr. Campbell said that the project would use AHFC funds for a designated grant to Cold Climate Housing Research Center to conduct housing construction research, analysis, and information dissemination among the housing industry and the public. Data gathering and analysis is being continually related to energy efficiency technology for homes constructed in northern building and market conditions.

Project #32526  
State Energy Program (SEP) Special Projects  
\$30,000 Corporate Receipts  
\$150,000 Federal Receipts

Mr. Campbell related that the program utilizes Federal Department of Energy and Corporate match funds for State Energy Program special projects such as building technologies, Codes and Standards, Wind and Power technologies, renewable energy for remote areas, or transportation technologies.

Representative Gara asked about the previous item Project #6351. He inquired about the research behind the construction industry and whether the industry has embraced it. Mr. Butcher replied that the industry worked several years ago to get this funded. The industry is working closely with the energy community to find appropriate energy improvement solutions in various parts of Alaska. Representative Gara asked if they were federal receipts. Mr. Butcher responded that they were corporate receipts. Representative Gara asked what Mr. Butcher's comfort level

was. Mr. Butcher replied that he was very comfortable. He gave an example of energy efficiency testing in Fairbanks.

[9:01:10 AM](#)

Project #40068  
Statewide Project Improvements  
\$2,500,000 Corporate Receipts

Mr. Campbell reported that the purpose of the project is to provide funding to address known and unknown conditions in AHFC's housing stock, the rental units. It utilizes AHFC funds to provide repairs, deferred maintenance, and improvements to AHFC-owned properties throughout the state. This project will allow AHFC to keep pace with the deterioration of existing components of rental properties such as roofs, sidewalks, and common areas. It will enhance operations, and allow quick response to ordinance and code changes. The primary function of this fund is to address those major or extraordinary work items identified annually through the Physical Needs Assessments by the public housing maintenance staff and Asset Supervisors.

Project #41531  
Denali Commission Projects  
\$7,000,000 Federal Receipts

Mr. Campbell noted this item is funded by federal receipts.

Project #43076  
Loussac Manor Renovation - Phase II  
\$2,336,000 Corporate Receipts

Mr. Campbell explained the request for funds for a project which would begin the second phase of renovation to replace all structures in the Loussac Manor. The funds would be used to replace the housing, following approval last year to replace the underground utilities and infrastructure for the entire complex. Following the completion of a professional site assessment that included cost estimates to renovate or replace the existing structures, it has been determined that it is not economically feasible to renovate the structures. This funding request would replace all structures under a phased plan that would use existing foundations.

[9:03:08 AM](#)

Project #43079  
Prison Housing  
\$1,000,000 SDPR

Mr. Campbell reported that these Statutory Designated funds are for a statewide correction facility/prisoner housing project. Following identification of a building site and

evaluation of the costs to provide the necessary infrastructure and utilities to the proposed Mat-SU Prison site, it was determined that the construction budget allowed under SB 65 was not sufficient to absorb the additional costs. The Department of Corrections has revised their approach and identified a strategy to expand existing facilities at various locations around the state and reduce the size of the proposed facility. AHFC is currently assisting Corrections with the initial planning for the new strategy through a limited RSA and anticipates the need for additional spending authority in the next fiscal year to continue to provide planning and construction management services to the Department of Corrections.

Project #45385  
Chugach View Siding and Window Replacement  
\$2,500,000 Federal Receipts

Mr. Campbell stated that this request is funded by federal receipts.

[9:04:42 AM](#)

Project #45386  
Etolin Heights Roofing Replacement  
\$500,000 Corporate Receipts

Mr. Campbell explained that the project would replace the existing metal roof on the Market Housing side of Etolin Heights family housing complex in Wrangell, Alaska. The roofing was originally installed in 1981 and continues to leak. Complete replacement is necessary.

Vice-Chair Stoltze noted the need for a roofing task force due to the numerous requests for roof repairs around the state. Mr. Butcher commented that AHFC could look into that. He recalled a previous legislative task force that looked into deferred maintenance. Vice-Chair Stoltze added that several current projects could use additional advice.

[9:09:05 AM](#)

Project #45387  
Etolin Heights Mechanical Replacement  
\$450,000 Corporate Receipts

Mr. Campbell said that the request would use funds to upgrade heating systems at the Wrangell family housing properties. This project would facilitate the conversion of the existing oil-fired boiler systems at both the Corporate-owned Market family housing and Low Rent family housing to a cost effective heating system powered by the local hydroelectric grid, which is less expensive to operate and maintain than the current fuel oil heating systems.

Project #45388  
Statewide Energy Improvements  
\$500,000 Corporate Receipts

Mr. Campbell reported that the funds would address specific recommendations suggested in the required energy audits performed throughout the state. The audits identify specific improvements that can be made to the housing to reduce energy consumption.

Representative Kelly asked if heat pumps will be used in the Etolin Heights mechanical replacement, due to the limited nature of hydroelectricity. Mr. Campbell explained that the plan is to use the existing hot water base board system, but replace the boilers with electric boilers, and not use heat pumps. Representative Kelly asked if cold climate research has looked into that. He requested further information. Mr. Butcher offered to provide that information.

[9:12:33 AM](#)

Project #45389  
Statewide ADA Improvements  
\$500,000 Corporate Receipts

Mr. Campbell explained that the funding is to address specific recommendations suggested in the required energy audits performed throughout the state. Projected outcomes are to begin to address recommendations suggested in the audit, maintain federal funding by complying with HUD, increase comfort of tenants, and increase unit rentability.

Project #45384  
Bethel Community Room and Shop  
\$2,000,000 Corporate Receipts

Mr. Campbell related that the funds would be used for a new community room in Bethel. The project combines the need to replace the existing office/shop and provide a community space for the 117 units of family housing at Bethel Heights in Bethel. An existing design that has been previously constructed for AHFC properties in Kodiak, Sitka, and Juneau will be used that includes a shop area, community room, and supporting offices.

[9:13:44 AM](#)

Mr. Campbell reported that the next group of projects are requests found in the Mental Health bill.

Project #6359  
Homeless Assistance Program

\$1,000,000 Corporate Receipts  
\$500,000 MHTAAR  
\$500,000 General Funds/Mental Health

Mr. Campbell explained that the funds are for grants to local communities/agencies to help develop programs to prevent homelessness by providing assistance to families in imminent danger of becoming homeless or those who are currently homeless. Corporate funds will be matched by Mental Health Trust Authority funds and be administered by AHFC.

Vice-Chair Stoltze requested more information about the definition of homelessness. Mr. Butcher replied that AHFC uses the same definition as HUD and the U.S. Department of Education.

Project #6360  
Beneficiary and Special Needs Housing  
\$1,750,000 Corporate Receipts

Mr. Campbell related that the program would provide funds for Alaskan nonprofit service providers and housing developers to increase housing opportunities to Alaska Mental Health Trust beneficiaries and other special needs populations throughout Alaska. The program has developed 118 units since FY 2000. In FY 2008, 18 units were funded for persons with severe mental illness and development disabilities.

Mr. Campbell shared the projected outcomes: add 16 congregate housing units for people with mental illness or developmental disabilities, reduce recidivism amongst clients in institutions, provide supportive housing for people who qualify, and provide transitional housing for newly recovering alcoholics and addicts.

Project #43318  
Emergency Assistance Grants for Mental Health Trust Beneficiaries  
\$200,000 MHTARR

Mr. Campbell said that these are funds for grants to support beneficiaries of the Alaska Mental Health Trust Authority to prevent loss of housing that might occur due to unforeseen events such as institutionalization.

[9:17:11 AM](#)

Project #45390  
Housing Trust  
\$2,500,000 MHTAAR  
\$2,500,000 General Fund/MH  
\$2,500,000 SD

## \$2,500,000 Corporate Receipts

Mr. Campbell reported that the request is to create a trust that would address two main issues in Alaska: preventing homelessness and creating affordable housing for low-moderate income renters and homeowners. Funds would be used to assist projects that provide housing for the homeless, to prevent homelessness, and to create long-term affordable housing. Eligible projects would include new construction, rehabilitation, rental assistance and homeless services.

Mr. Campbell reported that the outcomes would be a reduction in the number of homeless persons that interact with the social service system, a reduction in the public cost of emergency and institutional services that treat the homeless, an expansion of the community based mental health system, and a strong evaluation component.

Co-Chair Chenault asked for the total number of single family housing units under Alaska Housing Finance Corporation's control. Mr. Butcher thought there were 1,400 public housing units. Mr. Campbell clarified that there were 1,330 in the low rent program, a little less than 400 in other programs, and 4,200 in the voucher program. Co-Chair Chenault summarized that there were about 6,000 units total.

Representative Kelly requested a projection of the numbers into the future. Mr. Campbell thought public housing would remain consistent and the voucher program would increase. AHFC is eligible to apply for 35 more veteran units. Representative Kelly voiced concern about being able to sustain growth in the program. He also mentioned the pattern of Mental Health withdrawing support after initiating programs.

Mr. Bucher agreed. The Mental Health trust is now looking at making 5-year commitments. He provided a brief history of public housing. The voucher program was in response to the negatives of public housing. The number of vouchers has increased and traditional public housing has decreased. Congress has been very supportive. The voucher program is completely federally funded.

[9:25:10 AM](#)

Representative Gara asked about the Housing Trust funding source. Mr. Butcher explained that the Rasmussen Foundation has committed \$1 million. There is \$2.5 million in receipt authority. There is still a need for \$1.5 million. Representative Gara asked if there would be HUD funding in the future. Mr. Butcher replied that he did not know.

Representative Kelly asked about the "bricks and mortar" aspect of the program - the participation by the foundations. Mr. Butcher said that was correct, as well as funding support services to help the homeless stay off the street.

[9:26:56 AM](#)

Representative Harris commented that the housing units are for people with limited incomes. He wondered if there was anything to address what happens when they are no longer eligible for the program. Mr. Butcher explained the federal regulations for qualification. Representative Harris recalled incidents of people who live in government subsidized housing and who were making a decent wage. He wondered what the incentives were to encourage people to get out of the program.

Mr. Butcher explained that the voucher program allows people to transfer anywhere in the U.S. He noted that the public housing authority checks to see if eligibility is maintained. Mr. Campbell added that a portion of income goes into an escrow account. He noted that in the low income program, the case that Representative Harris mentioned could happen. He clarified that the program is based on 30 percent of a client's income. Representative Harris commented that high incomes should not be allowed in the program.

[9:31:55 AM](#)

Representative Hawker clarified that there is only \$2.5 million in general funds. He noted future expenses to the program.

Vice-Chair Stoltze disclosed his membership as a HUD board member.

Representative Gara said the point is not to just give people housing, but to get them into transitional housing and into work. Representative Harris maintained that there are abuses of the system. Representative Gara emphasized that these are homeless people. Representative Harris understood that some may have limited mental or physical capabilities.

[9:34:34 AM](#)

HOUSE BILL NO. 54

"An Act relating to construction of a legislative hall; and repealing provisions relating to relocating the capital, the legislature, or any of the present functions of state government."

Vice-Chair Stoltze MOVED to ADOPT the work draft to HB 54, labeled 25-LS0284\L, Cook, 3/19/08.

Representative Gara OBJECTED. He requested to know the changes made in the new CS. Co-Chair Meyer said he would provide that information.

Representative Gara WITHDREW his OBJECTION.

There being NO further OBJECTION, the work draft to HB 54 was adopted.

REPRESENTATIVE MARK NEUMAN, sponsor, stated that the changes in the new CS were in response to discussions from committee members.

Representative Gara pointed out that the FRANK Initiative has been deleted in the bill and there is no provision that would let voters approve the construction of a legislative hall. He wondered if there was any provision in the bill for a voter response. Representative Neuman thought that Representative Gara's job should be to represent his area regarding this legislation. Representative Gara pointed out that he represents people throughout the state.

Co-Chair Meyer clarified that the bill proposes to build a new legislative hall, not move the capital. Representative Neuman agreed.

Co-Chair Meyer announced that Amendments 1 and 2 were withdrawn.

[9:38:32 AM](#)

Co-Chair Meyer MOVED to ADOPT Amendment 3:

Page 4, line 1

After "consider"

Insert "the cost to state residents of transportation to and from the proposed site based on calculation involving transportation costs from at least five cities, including one city in each judicial district. The legislative council shall also consider"

Representative Hawker OBJECTED.

Co-Chair Meyer thought the wrong approach was being taken when considering costs in this legislation and in the FRANK Initiative. He opined that the cost of the people's access to government should be considered, not the cost to the state. He thought the people's government should be closer to the people. The average person cannot afford to see their legislators in action. This amendment requires

legislative council, when considering the proposal to build a legislative hall, to consider the cost to the average Alaskan. He maintained it would cost less to access Fairbanks, Anchorage, or the MatSu Valley than it would to access Juneau. He noted that it costs over \$1,000 to travel from Kotzebue to Juneau.

[9:40:27 AM](#)

Representative Gara countered that if costs to citizens are the most important factor, then the move of the legislative hall should be to Anchorage.

Co-Chair Meyer said cost is one of many factors considered in the bill. Representative Gara argued that since nothing can cost more than \$1, it would end up in Anchorage.

Representative Neuman said nothing in Amendment 3 addresses \$1. He agreed with Co-Chair Meyer that the costs expressed in the amendment should be considered.

[9:42:29 AM](#)

Representative Hawker WITHDREW his OBJECTION.

Representative Kelly OBJECTED. He clarified that the bill removes the FRANK Initiative so the total cost is not identified, yet the cost of travel for Alaskans is required in the bill.

Co-Chair Meyer noted the amendment deals with costs of travel only.

Co-Chair Chenault said costs of transportation, as well as for utility service and airport access, should be considered.

Representative Gara pointed to the five factors listed on page 4: adequate utility services, adequate airport access, adequate access by road, air, or marine ferry, and adequate health, education, and social services facilities and adequate housing. He maintained that the lowest costs of all five are in the biggest community - Anchorage.

Co-Chair Meyer did not agree.

Co-Chair Chenault argued that Juneau has the cheapest electric costs in the state. Each description of service or access carries different ramifications for different areas of the state.

[9:45:06 AM](#)

Representative Gara noted that Juneau cannot keep the capital under this bill unless they tear down the old one and build a new one.

Representative Hawker corrected that the bill says for construction or renovation.

Representative Kelly WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment 3 was adopted.

[9:46:44 AM](#)

Representative Hawker MOVED to ADOPT Amendment 4:

Page 2, lines 18-19  
Delete all material

Vice-Chair Stoltze OBJECTED.

Representative Hawker explained that Amendment 4 removes two lines in the bill that address the request for proposal: "one courtroom and adequate offices for judicial officers of the supreme court and staff;". He thought that was beyond the scope of a legislative hall.

Vice-Chair Stoltze agreed.

Vice-Chair Stoltze WITHDREW his OBJECTION.

Co-Chair Chenault requested a response from Representative Neuman. Representative Neuman had no objection to the amendment.

There being NO OBJECTION, it was so ordered.

[9:48:04 AM](#)

Representative Hawker MOVED to ADOPT Amendment 5:

Page 4, lines 30-31  
Delete all material

Vice-Chair Stoltze OBJECTED.

Representative Hawker explained that the amendment removes the controversial language that would have repealed the FRANK Initiative. He said he wanted the costs associated with the capital move to remain before the public. He shared the beliefs in his district that a majority of the people would like to see the legislative hall relocated, but a minority want to see the capital moved.

Co-Chair Meyer thought Amendment 3 took care of the cost concerns of Alaskans.

[9:49:59 AM](#)

Representative Neuman reported that the Administration planned to make all costs known to the people. He agreed that Amendment 3 does require a cost to the people be included. He termed this a policy call.

Vice-Chair Stoltze commented that he had conflicting feelings about the issue

[9:53:13 AM](#)

Representative Hawker spoke to Amendment 3, "the legislative council shall consider the costs" to the people. He voiced concern about legislative council's propensity to overstate the costs. He said he is comfortable with the FRANK Initiative's information regarding costs.

Vice-Chair Stoltze clarified he was talking about LAA in Juneau.

[9:56:04 AM](#)

Representative Gara thought that Amendment 3 did not involve the public enough. He asked if one of the costs of moving the legislative hall was for relocating current employees. Representative Neuman noted the costs listed in the packet to move those who are currently working in Juneau. Representative Gara said his intention is to minimize the damage to people if the bill passes. The people have the right to know the costs and Amendment 3 does not provide that information. He noted that the public has never yet approved of the cost of moving the capital. Representative Neuman took issue with the wording "minimize the damage".

Co-Chair Meyer noted that the fiscal notes would contain the costs of the bill.

Representative Gara disagreed with Representative Neuman's explanation of allowing the public to come up with a plan for more access. The people in his district would not agree with this legislation.

[9:58:32 AM](#)

Representative Thomas commented on the damage done to the value of homes in Juneau by this move. He thought legislators and staff with homes in Juneau should be held harmless on property values.

Vice-Chair Stoltze MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Joule, Kelly, Thomas, Crawford, Harris, Gara, Hawker, Chenault

OPPOSED: Stoltze, Meyer

Amendment 5 was ADOPTED (8-2).

Representative Crawford WITHDREW Amendment 6.

[10:01:02 AM](#)

Representative Gara MOVED to ADOPT Amendment 7:

Page 3, line 20

Insert new subsection

"(d) The qualifying bid that makes the Hall most accessible to the largest number of citizens, and proximate in location to the largest number of citizens, shall be accepted, to the extent any bid is accepted and a decision is made to proceed with a legislative hall move. If a bid is approved under this subsection, and provides for a cost that is approved by the voters, construction of the Hall may proceed even if the cost to the state exceeds \$1 per year."

Representative Hawker OBJECTED.

Representative Gara explained that he has concerns about the bill, but if it is going to go ahead, an argument in favor of moving the legislative hall is to make it accessible to the largest number of people. He thought the public should be able to approve the project and vote on the cost.

Co-Chair Meyer argued that even if the legislative hall were to be in Wasilla it would be more accessible than it currently is.

Representative Hawker commented on the consequence of the amendment, which would provide single criteria to evaluate a proposal - access to the largest number of citizens.

Representative Hawker MAINTAINED his OBJECTION.

[10:04:30 AM](#)

Representative Neuman said he does not support Amendment 7.

Representative Gara said he thought the purpose of the bill was to make the capital more accessible. He questioned the real intention of the bill.

A roll call vote was taken on the motion.

IN FAVOR: Gara

OPPOSED: Kelly, Stoltze, Thomas, Crawford, Harris, Hawker, Joule, Meyer, Chenault

The MOTION FAILED (1-9).

Co-Chair Chenault commented on page 2, line 6, where it addresses the size of the offices.

Representative Kelly said it was hard to price out the non-economic reasons for moving the capital. He pointed out that the bill does not address reasons for not locating a capital in the largest population area of a state. He questioned the definition of a capital if the legislative hall is moved to another area. He agreed with the idea of listing constituency travel costs. He noted that there is no competition left in the process for a community to attain a legislative hall.

Vice-Chair Stoltze said this is all about reality and people vote with their feet.

[10:10:47 AM](#)

Representative Gara asked Representative Neuman if he has researched the impact of this proposal on the economy in Juneau. He questioned the idea of the \$1 proposal and wondered if there was a response from any other districts.

Representative Neuman said the FRANK Initiative addresses the impact on Juneau's economy. He said he went to his own community to find out if this proposal was feasible.

[10:12:41 AM](#)

Co-Chair Meyer commented on the fiscal notes.

Vice-Chair Stoltze MOVED to REPORT CSHB 54 (FIN) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Thomas OBJECTED.

A roll call vote was taken on the motion.

IN FAVOR: Stoltz, Harris, Hawker, Kelly, Chenault, Meyer

OPPOSED: Thomas, Crawford, Gara, Joule

The MOTION to REPORT CSHB 54(FIN) out of Committee PASSED (6-4).

CSHB 54(FIN) was REPORTED out of Committee with a "do not pass" recommendation and with zero fiscal note #1 by the Department of Administration, indeterminate fiscal note #2 by the Office of the Governor, and fiscal note #3 by Legislative Affairs Agency.

ADJOURNMENT

The meeting was adjourned at 10:15 AM.