

ALASKA STATE LEGISLATURE
SENATE STATE AFFAIRS STANDING COMMITTEE

January 25, 2007

8:59 a.m.

MEMBERS PRESENT

Senator Lesil McGuire, Chair
Senator Gary Stevens, Vice Chair
Senator Hollis French
Senator Lyda Green
Senator Con Bunde

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 45

"An Act relating to murder in the first degree."

HEARD AND HELD

SENATE BILL NO. 25

"An Act relating to the state budget and to planning and reports regarding state finances and operations; and providing for an effective date."

MOVED CSSB 25(STA) OUT OF COMMITTEE

SENATE BILL NO. 7

"An Act relating to the voting rights of felons."

BILL HEARING CANCELED

SENATE BILL NO. 36

"An Act relating to sentencing for the commission of certain offenses influenced by alcohol and to the offense of consumption of alcohol in violation of sentence."

SCHEDULED BUT NOT HEARD

PREVIOUS COMMITTEE ACTION

BILL: SB 45

SHORT TITLE: PEACE OFFICER CONVICTED OF MURDER

SPONSOR(S): SENATOR(S) OLSON

01/16/07 (S) PREFILE RELEASED 1/12/07

01/16/07 (S) READ THE FIRST TIME - REFERRALS

01/16/07 (S) STA, JUD
01/25/07 (S) STA AT 9:00 AM BELTZ 211

BILL: SB 25

SHORT TITLE: STATE PLANNING AND BUDGET

SPONSOR(S): SENATOR(S) DYSON

01/16/07 (S) PREFILE RELEASED 1/5/07
01/16/07 (S) READ THE FIRST TIME - REFERRALS
01/16/07 (S) STA, FIN
01/25/07 (S) STA AT 9:00 AM BELTZ 211

WITNESS REGISTER

DAVID GRAY, staff
to SENATOR DONNY OLSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 45 on behalf of Senator Olson.

WALT MONEGAN, Commissioner
Department of Public Safety
Juneau, AK 99811-1200

POSITION STATEMENT: Expressed some concern regarding SB 45.

LORETTA BULLARD, President
Kawerak, Inc.
Nome, Alaska

POSITION STATEMENT: Spoke in favor of SB 45.

GAIL SHUBERT, Executive Vice President
and General Council
Bering Straits Native Corporation
Nome, Alaska

POSITION STATEMENT: Spoke in favor of SB 45.

SENATOR FRED DYSON
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 25 as sponsor.

LUCKY SHULTZ, Staff
to Senator Fred Dyson
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented SB 25.

JACK KREINHEDER, Chief Analyst
Office of Management and Budget
Juneau, Alaska
POSITION STATEMENT: Opposed aspects of SB 25.

ACTION NARRATIVE

CHAIR LESIL MCGUIRE called the Senate State Affairs Standing Committee meeting to order at [8:59:54 AM](#). Senators Green, Bunde, Stevens, French, and McGuire were present.

SB 45-PEACE OFFICER CONVICTED OF MURDER

CHAIR MCGUIRE announced the consideration of SB 45.

DAVID GRAY, staff to Senator Donny Olson, said SB 45 is "near and dear" to Senator Olson's district. It mandates the maximum sentence for a peace officer who is convicted of first degree murder and stems from a case in Nome where a young woman [Sonya Ivanoff] was murdered [by a peace officer]. She was well-liked, he said, and it tore up the region. The trial was moved to Kotzebue, and the peace officer was convicted. During sentencing, the state's prosecutor noted that the maximum mandatory sentence is given to anyone who murders a peace officer. SB 45 is the compliment to that law and states that a peace officer should be held to a higher standard for "extreme misconduct of this nature."

[9:02:16 AM](#)

MR. GRAY said the residents in the region have almost unanimously come forward to request this legislation.

SENATOR BUNDE said the man was sentenced to 99 years, and this is what the bill asks for--without judicial discretion--so it would not have changed the outcome of the trial.

MR. GRAY said the bill will have no effect on what occurred in Nome, but many residents requested that any peace officer convicted of first degree murder face the maximum sentencing.

[9:03:39 AM](#)

WALT MONEGAN, Commissioner, Department of Public Safety, said the law may create unintended consequences. He said he is not concerned about the punishment for a peace officer who violates the law, "but rather the way it's currently worded." He spoke of the complicated case of an officer shooting a suspect, and expressed concern about a defense or a civil action. He said the

wording should be worked on. A police officer, trained in the use of deadly force, does not have the intent to shoot to kill. Officers are trained to shoot the center mass, or the biggest portion of the person, which will most likely "stop the fight" or hit the target. He noted that a trooper or officer is often confronted with imperfect information and has to make a split-second decision. It is analyzed later in the safety of full daylight, he stated.

[9:07:13 AM](#)

COMMISSIONER MONEGAN said investigators try to understand what the officer knew at the time to determine if policy was violated. In cases where other defendants are brought to trial, "I could see it being complicated by some defense attorneys...citing that 11.41.100, murder in the first degree. A person commits the crime of murder if [there is] the intent to cause death of another person." If someone pulls a weapon on an officer who is trained to respond by hitting "center mass", there is a high likelihood to cause death, he said. Officers and troopers are trained to deploy two rounds into the chest area of an armed suspect, and if that person is still standing, they are trained to shoot either for the head or hips, and that could certainly be viewed as the intent to cause death. He said he understands the spirit of the legislation, and anyone should face the consequences of criminal acts, but he would hate to see the bill cause hesitation for officers who are "confronted."

[9:09:39 AM](#)

COMMISSIONER MONEGAN gave the example of a man planning to shoot his girlfriend in Anchorage. He saw a man of similar description and asked for identification. Commissioner Monegan had been told that the person was a mental patient, a convicted armed robber, and had a warrant out for sexual assault. The man reached for a handgun, and Commissioner Monegan went through a quick decision-making process on whether to shoot the suspect or not. He said SB 45 may create another decision to be made in a similar situation, and when someone hesitates, someone gets hurts, he opined. He asked the committee to consider an aggravator in the bill, so if the individual who commits the crime is a peace officer, "that would be added as an aggravator versus clearly lining it out as it is now."

[9:14:11 AM](#)

CHAIR MCGUIRE said that is a good point. State law requires that a trial for an aggravator be a separate trial, "but it may be warranted."

MR. GRAY said Senator Olson does not want to interfere or inhibit the police office. This is a different situation, he added, a predator situation.

[9:15:03 AM](#)

SENATOR FRENCH said the bill is interesting and touchy. Currently a police officer who commits a murder faces 20 to 99 years in jail, so the bill "does not introduce a new calculus, it just increases the severity of it." He said he didn't think aggravators properly apply to unclassified felonies. The sentence for murder in the first degree is 20 to 99 years with or without any aggravators, so that is not a "viable out" for the committee. He asked if there is a difference between a peace officer being "on duty" or "being engaged in the performance of official duties."

MR. GRAY said he doubts that a difference was considered in the drafting of the bill, and it is open for consideration.

[9:17:29 AM](#)

LORETTA BULLARD, President, Kawerak, Inc, Nome, said Kawerak is a regional non-profit corporation and supports SB 45. She said the entire community was horrified and devastated when Sonya Ivanoff--a beautiful, vibrant and promising young woman--was murdered. When a police officer came under suspicion, she was thankful that the Alaska State Troopers were called in. During sentencing there were family and friends of the defendant who were advocating for the minimum sentence. She said there was much concern that the offender could get a short jail sentence with time off for good behavior and early parole. People turn to peace officers in times of need, and the offender "failed in his capacity as a sworn police officer and as a human being," she said. The bill would ensure that peace officers convicted of first degree murder while on duty would receive a mandatory sentence of 99 years. She said AS 33.19.90 removes the possibility of being eligible for discretionary parole for crimes listed in AS 12.55.125; however, there is no prohibition against early release for good behavior which could result in a reduction of time served by one third, and she recommended the language be amended to not allow early release. She said she provided the committee with resolutions from Kawerak and the Norton Sound Health Corporation board in support of SB 45.

[9:20:41 AM](#)

SENATOR BUNDE asked if an off-duty officer witnesses a crime, does his or her oath require the officer to take some official action or act as an officer.

COMMISSIONER MONEGAN said yes, and it is called "under the color of authority". Taking some action is expected, he stated.

SENATOR BUNDE said that basically an officer is never off duty.

COMMISSIONER MONEGAN said he believes in the intent of the bill because police officers are symbols of high standards. There should be screening in hiring, but things can go awry. He stated that those who decide to violate the law must be held accountable, especially those in positions of trust, like police officers. There are two different issues, and one issue is "using your job to be a predator, and that is totally criminal." The other issue is if the law could cause hesitation or confusion by officers responding to a situation. He said there is no criminal intent when an officer responds with deadly force to defend themselves or somebody else. The wording of SB 45 could easily be interpreted "to be that way." It would be better to word the bill "in an aggravator sense."

[9:24:37 AM](#)

SENATOR BUNDE asked about cases where other officers have been charged with murder in the line of duty.

COMMISSIONER MONEGAN said he cannot think of any in Anchorage. He said, "What I'm anticipating would be, more so, the civil actions afterwards," like the case of O.J. Simpson who was not convicted but the power of law was used in the civil case. The Anchorage police department has been sued for taking someone's life, he noted. The bill could be used "to confuse the issue on other defendants that were taken into custody if one of them had been killed." It opens up more on the civil side, but that is his intuitive feeling, he said. He stated that his biggest concern is the hesitation that might occur to an officer who has to choose to use deadly force. This bill may be in the back of their minds, he said.

[9:27:15 AM](#)

CHAIR MCGUIRE asked about any police officer being charged with murder in such circumstances, and she said it wouldn't be first degree murder but second degree murder or manslaughter. Officers are taught to stop the suspect from moving forward, and that does not constitute first degree murder.

[9:28:21 AM](#)

RICK SVOBODNY, Chief Assistant Attorney General, Criminal Division, Department of Law, said he prosecuted the offender in

the Nome case, and the man is the only police officer in Alaska ever charged with murder in the first or second degree. It was a unique case. He said the state would always have to prove that the officer acted with the intent to kill. Looking at self defense and other types of justification makes it highly unlikely that a police officer would ever be charged with murder in the first or second degree if responding to a situation. An officer acting with wanton disregard, like shooting at a shoplifter in a crowded mall and killing someone, may be charged with manslaughter.

9:30:26 AM

SENATOR GREEN asked if the expectations for peace officers would be the same whether they are on or off duty.

MR. SVOBODNY said that what happened in Nome is the officer used his authority to get a 19-year-old girl into his patrol car and into "a situation where he could ultimately kill her." The way the bill is drafted now, it would apply, for example, to an officer who was on duty and had a fight with his wife and intentionally killed her, even though he did not use his police authority to do so. "I think that the language about being on duty needs to be tightened up a little bit."

9:32:08 AM

CHAIR MCGUIRE noted that an officer could be off duty and still use the color of authority to commit such a crime, "and it would be equally as offensive." She asked for better language.

MR. SVOBODNY said the language the chair just used may be good: "use of the color of his authority."

9:32:42 AM

SENATOR FRENCH asked if it was proved that the Nome incident took place while the man was on duty.

MR. SVOBODNY said, yes he was on duty.

9:33:17 AM

SENATOR STEVENS said it was a terrible case and the only incidence of its type in Alaska. He asked about such a predator being hired and suggested that weeding out predators "is a big issue as well."

COMMISSIONER MONEGAN said it depends on how strict a department is on following their own guidelines for background checks and other screening. He said his profession tries to do the best

possible job, but some issues, especially deviant sexuality, are buried and undisclosed. He said it takes persistence and thorough background checks.

[9:34:56 AM](#)

SENATOR STEVENS said it sounds like there were several incidents prior to the murder in which girls were taken into the police car. "How can we do a better job to make sure that people like this are not in uniform?"

COMMISSIONER MONEGAN said he agrees and assumes Nome has now looked at their screening process. He spoke of a case of an officer having pornography on his computer where there was nothing in his background that would have disclosed it. A person's latent tendencies can come out after being hired, he said. He asked if SB 45 could place the following language on page 2, line 9: the defendant is a peace officer who acted with criminal intent and under the color of authority at the time of the murder. He said that would separate incidents of criminal intent from deployment of deadly force without criminal intent.

[9:37:42 AM](#)

MR. SVOBODNY said this is a sentencing provision, and culpable mental states--intent to kill the person--would be under the charging provisions. He thinks the language of acting under the color of authority is good, but he does not know of any sentencing provision that provides for a person's state of mind. "I think we can work out language that covers what everyone wants," he stated.

[9:38:41 AM](#)

CHAIR MCGUIRE said she understands Commissioner Monegan's concern with the public relations issue. "You don't want an officer to have one more thing to think about to hesitate." The language needs to be clear that it is for the abuse of one's color of authority, she stated.

SENATOR STEVENS asked when a police officer is ever not acting under the color of authority. "People would always be aware this person was a police officer whether he's in uniform or not."

[9:39:52 AM](#)

MR. SVOBODNY noted the example he gave of an officer on duty who killed his wife in a domestic dispute but was not using the authority of his position to do so.

SENATOR STEVENS said everyone in Nome knew the offender was a police officer.

SENATOR FRENCH suggested the following language: "the defendant is a peace officer who acts contrary to established police practices and under color of the authority of his or her position to commit the murder."

[9:41:21 AM](#)

COMMISSIONER MONEGAN said something like that would work or "anything like that that clearly says the officer is acting within their scope of duties...versus totally outside the law."

[9:41:49 AM](#)

CHAIR MCGUIRE said the committee is all headed in the same direction.

GAIL SHUBERT, Executive Vice President and General Council, Bering Straits Native Corporation, said her niece is married to Sonya Ivanoff's brother. Ms. Ivanoff was in her prime and was well-liked, and the Bering Straits board took her murder seriously and adopted the first resolution in support of what it called the Sonya Ivanoff law. One of the fundamental duties of a law enforcement officer is to protect the community and respect constitutional rights. She said that the board believes that peace officers should be held to a higher standard. The incident set a tidal wave of distrust of law enforcement officers and the judicial system through the Native community of western Alaska. She noted that the prosecutor in the trial, Mr. Svobodny, opined that murder by an officer on duty should mandate the same sentence--99 years--that is imposed on a person killing an officer on duty. The presiding judge agreed and "thankfully imposed the maximum sentence of 99 years." She highlighted the fact that SB 45 only relates to an officer convicted of first degree murder, "and presumably that police officer would have a jury of 12 who would hear the facts and circumstances and decide whether, in fact, murder in the first degree is an appropriate conviction." Ms. Shubert requested that the law be entitled the Sonya Ivanoff law.

[9:46:05 AM](#)

CHAIR MCGUIRE spoke of how awful and gut-wrenching the murder was and how the people in Nome felt abandoned. "We will get some version of this bill through." She said it was good the justice system did respond in this case and give the officer a 99-year sentence. This bill will insure the same sentence every time an officer uses the color of authority to commit murder, she said.

SENATOR BUNDE asked if anyone in the position of authority should be brought under this, including teachers and clergy.

CHAIR MCGUIRE said it is not a bad idea. SB 45 will be brought up on Tuesday "with an eye toward the amendments."

[9:48:33 AM](#)

SB 25-STATE PLANNING AND BUDGET

CHAIR MCGUIRE announced the consideration of SB 25.

SENATOR FRED DYSON, Alaska State Legislature, introduced Lucky Shultz. He said all of the members have discussed what to do regarding a state financial plan, and SB 25 is largely Mr. Shultz's work. This bill asks that the administration reveal a 25-year plan for Alaska's financial affairs.

[9:50:43 AM](#)

LUCKY SHULTZ, staff to Senator Dyson, said SB 25 does not make a plan but asks the governor to create a 25-year plan. He said that across the nation more people want to know what our government is doing "and how we're going to take care of issues." He noted that he has helped corporations put together strategic plans, and many times those plans were not successful "because we didn't know what we were doing and what we were looking for in the future." For the past couple of years he has heard many Alaskans ask what the state's long range plan is. "And my response has to be, either we're not very good at communicating what our long range plan is or we don't have a long range plan." This bill would require the governor to report the key elements of a long range plan, including costs and revenues. He quoted the retired publisher of the Ketchikan Daily News, saying Alaskans need a plan. He said Medicaid costs are rising, and there will be huge shortfalls in retirement benefits nationwide. He said the retirement/health care plans alone will cost a trillion dollars across the country. He said that half of the 500 biggest companies will lose half of their senior managers in five years. Civil service will have trouble finding people to run the government, he noted.

[9:53:45 AM](#)

MR. SHULTZ said the European commission has an energy efficiency action plan to reduce energy consumption by 20 percent. Brazil has an 80-year plan, Bp has a 50-year plan, and many Japanese companies have 100-year plans. He showed a chart called the

gully chart of Alaska's declining oil and gas revenue. A gas pipeline will likely take 10 years before providing revenue. The Alaska Department of Natural Resources (DNR) provided a chart showing a decline in oil production and revenue. He spoke of Medicaid costs by the year 2015, "all of a sudden seniors start escalating." He said, in 2018, seniors "surpass spending of any other age group in Alaska." The population is aging. He noted that, "for the first time in recent history," elderly people are moving to Alaska. He said they are doing so for different reasons including: to be with their children; because Alaska has better road infrastructure now; and "partly because of the hospitals and partly because of entertainment." Costs of Medicaid are going up, he noted. Alaska's share of Medicaid is going to go from \$350 million to over \$2 billion by 2025 because of the growing number of seniors, the fact that seniors have higher costs for Medicaid, Medicaid costs are going up, and the federal government is reducing their share of Medicaid.

[9:57:23 AM](#)

MR. SHULTZ said the state needs to look ahead. By 2025 the fy08 budget allocation for health takes up almost half of all allocations, he said, and if money for education is added, all the other departments are squeezed even more. "How are we going to balance our budget when education and health are consuming so much of the budget?" he asked. He estimated there will be \$10 billion needed for unfunded liabilities of Alaska's retirement systems. He said Alaska now has \$950 million in deferred maintenance, and the University of Alaska is asking for \$67 million per year for the next several years to address deferred maintenance, "so, again, the question is, how are we going to handle it?" SB 25 asks the governor for the projected revenues by source and expenditures for the next 25 years and how the budget will be balanced. He said Medicaid is just one little element. Mr. Shultz asked what happens when expenditures are projected to exceed revenues. He noted that the gas line is at least ten years away, and the chart shows that Alaska already has a problem. What happens if the revenue, like the petroleum tax, is forestalled a year? He told the committee that Venezuela and Brazil are planning a 7,700-mile natural gas pipeline across South America, more than twice the size of Alaska's potential pipeline. A shortage of steel and welders could be a problem for Alaska. The bill asks for a debt analysis; growing debt is serviced out of the general fund. "What is [the governor's] plan for managing that debt? What's the strategy? Unfunded liabilities—how much per year? Are we going to do several hundred million dollar contributions every year? Don't know."

[10:01:23 AM](#)

MR. SHULTZ asked what actions the legislature should take, and by when, to make the governor's plan work. The bill will become effective on July 1, so the information will be required next January. "It will take at least that long, and perhaps longer...to get the information that I'm looking for in this bill." He said that the legislature is facing unprecedented fiscal pressures as legislatures do everywhere, and "the time for action is now."

[10:02:03 AM](#)

SENATOR BUNDE said the Department of Labor has a chart of Alaska demographics showing the smallest cohort will be 30 to 50-year-old workers. He asked the chart to be incorporated as it indicates another salient factor in the need to plan ahead.

[10:02:45 AM](#)

SENATOR FRENCH said the bill is a great idea that deserves thought, but he asked how the governor can realistically project beyond his or her administration. "How do you get a report that's...worth the paper it's printed on when the political landscape changes every four years?" Income can be projected but expenditures are politically driven, he stated.

MR. SHULTZ said no one can know costs and revenue in 25 years. His hope is to institutionalize a presentation to the legislature every January. If a new governor plans to change everything, "part of this bill says your going tell us the assumptions that you're basing these projections on." The legislature can challenge those assumptions or not, he said. The state can't just look at next year and hope for the best after that. Currently the governor is required to give the legislature a budget for one year, "and when we're looking at things like a gas pipeline and [petroleum production tax] that impacts the state for 20, 30, or 50 years into the future, we need to have the full picture...to make informed decisions." If an incoming administration changes things, the legislature can disagree during the January briefing sessions, he stated.

[10:05:23 AM](#)

SENATOR DYSON said economics is not a dismal science and there are good tools for analyzing. He said that the Department of Revenue has always overestimated oil production and underestimated oil prices. There are patterns to see when looking back. The legislature will be asking the current governor if her budget is sustainable at predicted oil production and prices. He surmised that it is probably not sustainable, so the legislature needs to ask for a plan of what

to do until the next sugar daddy shows up. This bill should help get away from the past strategies of hope or hide. He explained the hope strategy as a fairy godmother rescuing the state from its financial irresponsibility. He said "all of us" are getting more cynical about "miraculous deliverances from our own irresponsibilities." The other strategy is to hide the impending problems by spending the money that is political popular and letting the next administration face "the stinky stuff in the closet." He said problems will not be hidden under SB 25, and the legislature and governor have to answer the question of how the state is going to pay for expenditures.

[10:08:41 AM](#)

SENATOR STEVENS said the information will be enormously valuable, but it seems very costly.

MR. SHULTZ said he is not going to come up with the cost, but the departments are looking at it. Some departments will say it is not a big deal. He said he thinks it will take at least another full-time position. "You're making decisions for a pipeline into several years in the future at billions and billions of dollars; I think you need good information to make that decision."

[10:10:08 AM](#)

SENATOR BUNDE concurs with Senator French that this might be an exercise in smoke and mirrors. There is some value in legislators receiving the information but better value for the public to receive it. He said Alaskans have a variety of opinions but the one thing he has heard consistently is that there is too much state spending. The public has to be part of the solution; the public demands the spending and the pork, he stated. People are pandering to self interest and they have to understand there are long-term consequences. He said it has been an Alaska tradition since the gold rush days, to "come here and make your stake and get out."

[10:12:20 AM](#)

JACK KREINHEDER, Chief Analyst, Office of Management and Budget, said the Palin administration supports long-term fiscal planning, which ties in with her 2008 budget proposal. Key elements of the budget are to spend less, control government growth, save surpluses, and live within the state's means by keeping the FY08 budget in line with projected revenues. He said a document created from SB 25 needs to be worth the paper it is printed on and not an exercise that sits on the shelf collecting dust. He noted that OMB has been involved in long-term fiscal

planning exercises over the years since the mid 1980s when oil prices took a sharp downturn. The work needs to be done, but is it the best use of staff time and expense? he asked.

[10:15:33 AM](#)

MR. KREINHEDER said the gully chart of long-range spending and revenue through 2020 highlights the fact that Alaska's long-range finances can be captured in one chart. He suggested the state doesn't need a several hundred page report that the legislature may not have time to read. More targeted information may be a better use of everyone's time. A 25-year time frame is better than 100 years, because looking into the future is risky; the one guarantee is that it will be wrong. He said the gully chart looked forward 13 years, which is a more reasonable, and the added value of projecting 25 years may be minimal.

CHAIR MCGUIRE asked what time frame he would suggest.

[10:18:16 AM](#)

MR. KREINHEDER said perhaps 15 years. Once a projection gets beyond 10 or 15 years its value declines, and the line tends to straighten out at that point. The fiscal note recognizes that this is not a trivial amount of work and would require some additional staff. The work involved is tough to project, and that is why Mr. Kreinheder provided an indeterminate note. He said OMB would need at least one new position, but it is difficult to know what other departments will need. The big jobs would be the Medicaid projections for the Department of Health and Social Services, enrollment and educational foundation formula projections for the Department of Educations, and projections for public facilities, which will affect six other departments. He said he has heard some concerns from other departments regarding the work that will be required. His concern is figuring out the most effective use of everyone's time and recognizing that large reports don't get read.

[10:21:24 AM](#)

MR. KREINHEDER said the gully chart showed the challenge of the next 10 to 15 years until a gas line can be built. The governor is committed to getting it built. The gully chart is still accurate and the gap of declining oil production needs to be bridged until the gas line is operating. He told the legislature that it was important to keep the lid on spending, not spend the state's surplus, and extend the life of the constitutional budget reserve "so that as oil production does drop off those funds would be available to help balance the budget.

[10:22:51 AM](#)

SENATOR BUNDE spoke of an unsustainable amount of state funding that will put the state in "deficit mode" in two to three years. The state will have to start living off of the savings in the constitutional budget reserve. He said Senator Dyson called the governor's budget transitional, and no one believes it will be as small as the governor has projected. "Most people think that the \$150 million in savings will be very difficult to achieve, even if we achieve that, this year's projected budget goes up \$600 million over last year." The tail begins to wag the dog if that is the case, he said. If the gully happens, the state will have to live off savings, and "the wisdom of putting money in the corpus of the permanent fund, where it will be unavailable to help bridge this gap, has to come into question."

[10:24:37 AM](#)

CHAIR MCGUIRE said this bill is more appropriate in the finance committee, and she would like to move it. She asked about reducing the projection to 15 years.

SENATOR DYSON said the value and credibility does decrease over time, but it is still valuable. Each year the work will be diminished. He said he is not wedded to 25 years, but 15 years would be the absolute minimum. Senator Green always asks, "Why would you do that?" This kind of information will make "all of us ask the question: why would we do that? Why would we be building expectations that are not sustainable?" he said. He stated that there is good expertise in legislative finance that will challenge all of the legislature's actions.

[10:26:50 AM](#)

CHAIR MCGUIRE moved Amendment 1. "Wherever the number 25 is, that it be stricken and replaced with the number 15." She said it is a starting point, and she respects OMB's opinion that the value wavers beyond that time frame.

SENATOR GREEN said page 4 speaks of a six-year increment, and she asked if that needs to be changed to fifteen. She noted there is an additional six years on page 4, line 4.

MR. SHULTZ said no, that is the original six years that is already in statute for where the sources are.

[10:28:49 AM](#)

Hearing no objections, Amendment 1 carried.

SENATOR BUNDE SENATOR moved SB 25, as amended, from committee with individual recommendations and attached fiscal note(s). There being no objection, CSSB 25(STA) passed out of committee.

10:29:14 AM

CHAIR MCGUIRE adjourned the Senate State Affairs meeting at 10:29 a.m.