

SENATE FINANCE COMMITTEE

March 19, 2014

9:14 a.m.

9:14:36 AM

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 9:14 a.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair  
Senator Kevin Meyer, Co-Chair  
Senator Anna Fairclough, Vice-Chair  
Senator Click Bishop  
Senator Mike Dunleavy  
Senator Lyman Hoffman  
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Christine Marasigan, Staff, Senator Kevin Meyer; Senator Fred Dyson; Deven Mitchell, Executive Director, Alaska Municipal Bond Bank Authority, Department of Revenue; Jeff Ottesen, Director, Division of Program Development, Department of Transportation and Public Facilities; Judy Dougherty, Acting Executive Director, Knik Arm Bridge and Toll Authority; James Armstrong, Staff, Senator Pete Kelly;

SUMMARY

SB 80           OUT-OF-STATE PHYSICIAN LICENSE

CSSSB 80(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note from the Department of Commerce, Community and Economic Development.

2d CSHB 23(RLS)

KNIK ARM CROSSING; AHFC

CSHB 266(FIN)

APPROP: OPERATING BUDGET/LOANS/FUNDS

CSHB 266(FIN) was HEARD and HELD in committee for further consideration.

CSHB 267(FIN)

APPROP: MENTAL HEALTH BUDGET

CSHB 267(FIN) was HEARD and HELD in committee for further consideration.

Co-Chair Meyer stated that the operating budget would be taken up in the evening portion of the meeting.

#sb80

SENATE BILL NO. 80

"An Act relating to the practice of telemedicine and relating to licenses for out-of-state physicians or podiatrists to practice telemedicine in this state under certain circumstances."

[9:15:42 AM](#)

Co-Chair Kelly MOVED to ADOPT the proposed committee substitute for SB 80, WORK DRAFT 28-LS0615\H Martin 3/18/14 as a working document. There being NO OBJECTION, it was so ordered.

CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER, addressed the new committee substitute (CS) and related that it dealt with Section 2 of the bill. She noted that there had been groups seeking exemptions from Section 2 of the legislation, most notably of which were the Department of Corrections and the Department of Health and Social Services. She pointed to page 2 of the CS, specifically lines 2 through 10; the exemption about controlled substances specifically stated that the physician must have an established physician/patient relationship and when appropriate, a licensed healthcare provider is present with the patient. Under the legislation, a license healthcare provider included nurses. She related that the only other change in the CS was the addition of language that the

emphasis was on resident physicians, meaning that they practiced and were licensed in Alaska; follow up care needed to be available to the patient. She related that the bill also had a zero fiscal note and that it was not anticipated that the note would change as a result of the CS.

Co-Chair Meyer observed that the committee liked zero fiscal notes and inquired if the new CS addressed Senator Olson's concerns. Senator Olson replied that it did and other physicians that he had spoken to were much more comfortable with it as well. He applauded the sponsor for working with his staff to make sure that the issues of Rural Alaskan physicians were addressed.

Vice-Chair Fairclough wanted to confirm that the CS included nurse practitioners. Ms. Marasigan responded in the affirmative.

[9:18:48 AM](#)

Co-Chair Meyer inquired if the sponsor had comments on the changes in the CS.

SENATOR FRED DYSON, appreciated the work of Co-Chair Meyer's staffer, Ms. Marasigan, on the bill and stated that the sponsor had tried to answer everyone's objections. He addressed Senator Olson and understood that the American Medical Association might send a letter of endorsement to the bill, instead of opposing it. He noted that with the passage of the CS, tribal health centers would be able to be reimbursed for treating non-Alaskan Natives. He observed that everyone appreciated that the tribal health centers served everyone who walked in their doors and offered that the reimbursement would be helpful.

[9:20:14 AM](#)

Co-Chair Kelly MOVED to REPORT CSSSSB 80(FIN) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

CSSSSB 80(FIN) was REPORTED out of committee with a "do pass" recommendation and with a new zero fiscal note from the Department of Commerce, Community and Economic Development.

9:20:47 AM

AT EASE

9:22:33 AM

RECONVENED

#hb23

2d CS FOR HOUSE BILL NO. 23(RLS)

"An Act creating the Knik Crossing Development Corporation as a subsidiary corporation of the Alaska Housing Finance Corporation and relating to bonds of the Knik Crossing Development Corporation."

9:23:16 AM

DEVEN MITCHELL, EXECUTIVE DIRECTOR, ALASKA MUNICIPAL BOND BANK AUTHORITY, DEPARTMENT OF REVENUE, related that the CS before the committee was an acknowledgement to some of the concern to the public/private structure and the indeterminate amount of obligation that the state would be taking on within that structure of the Knik Arm Bridge and Toll Authority (KABATA) project; the concern covered trying to quantify and limit the state's exposure. He related that the concern from his office specifically regarded using the state's debt capacity and credit for an availability-payment support structure in which the state would not receive the true benefit of that credit support structure. He observed that the bill before the committee had three basic components of financing, the first of which was the federal highway funding that would need to be appropriated. The second financing component was the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan that would fund about a third of the project and the third component was revenue bonds of State of Alaska that would subject to an appropriation and moral obligation commitment of the state, as well as a subordinate claim on toll revenues. He stated that it was anticipated that the federal government would be willing to take risks on tolls if the state provided funding for the project. He related the through federal highway receipts as well as borrowing based on the state's credit rating Alaska co pledge the toll receipts to the TIFIA loan rather than having the loan backed by the state.

Mr. Mitchell continued to explain the bill's financing components and stated that there was about \$300 million in bonds and that the exact numbers depended on the final cash flows. He referenced a document in members' packets that described the general cost of the project (copy on file). He related that the estimated project cost needed was \$894 million and that the remaining authority available for construction was \$18.932 million. He continued that the budget proposal for the project for FY15 was \$55 million and that approximately \$226 million was needed in additional federal aid, which was expected to be funded over a 5-year period at about \$45 million per year. He related that there would be \$251.495 million in state-issued bonds, which did not include the cost of issuance or the reserve fund that would be required for those bonds and this would make the issuance cost in the \$280 million range; the bill currently provided an upper limit of \$300 million. He stated that the bonds would be subject to an appropriation commitment of the state to pay debt service out of General Fund receipts, a moral obligation reserve structure, as well as a subordinated lean on toll revenues; however, the expectation was that there would not be toll revenues available to pay the obligation for 7 to 12 years. He added that the administration did not want to focus on toll revenues as the commitment of the state and stated that the committee should recognize that the obligation would be something that would need to be considered every year until it was paid off; the expectation was that the debt on that would be about \$20 million to \$25 million based on the size of the final obligation, as well as the interest rates at that time.

Mr. Mitchell related that the TIFIA loan for the project was projected at \$341.3 million and that the state would not be backstopping it; the loan would be secured solely by the expected toll revenues of the bridge. He thought that the state not needing to secure the TIFIA loans was a big benefit of the shift in structure and noted that the money the state would be borrowing would be at the hi-AA credit levels and at the lowest possible costs. He stated that there were some projections of interest earnings on the construction fund that totaled out to \$894.4 million.

Mr. Mitchell was unsure if the committee wanted more detail on some aspect of the plan or if it would like to walk through some specific details of the bill. He concluded that he was open to committee questions.

9:29:35 AM

Co-Chair Meyer inquired how difficult the TIFIA loans were to obtain and what the difference was between them and the revenue bonds; he thought that both would be backed by the tolls from the bridge. Mr. Mitchell replied that Alaska did not currently have any TIFIA loans and that the program was a federal one that helped develop infrastructure in the U.S.; there were a finite amount of funds available in the program and it was administered by the Federal Highway Administration (FHA). He stated that the Knik Arm Bridge and Toll Authority (KABATA) staff had supplied a letter of interest to the TIFIA program several times in the past and that FHA had to invite an application; the project needed to be more shovel ready and have the components in place before it would get an invitation. He reported that the TIFIA program had structural advantages that could not be found on the open capital markets; it took a very long view, could be placed in the back of the amortization schedule, had a very low interest rate, and was willing to forgo interest expense in the short-term. He offered that TIFIA loans were, in a sense, similar to a revenue bond in that they would be getting the commitment of the toll receipts of the bridge on a senior-lien basis, which meant that they had the right, after operations and maintenance were paid, to receive all revenue until their debt service or loan repayment was met for that year; however, the revenue bonds that the state would be issuing would be secured by a lesser pledge of the toll receipts and there would not be any tolls flowing to pay those bonds unless operations and maintenance were met, the TIFIA loans were met, and there were excess revenues.

Mr. Mitchell related that there were others who could speak more succinctly to additional details regarding the TIFIA and pointed out that he had no direct experience with that program.

Co-Chair Meyer surmised that Mr. Mitchell was saying that if revenue totals did not cover the repayments, the state would have to cover with General Funds. Mr. Mitchell replied that that only applied on the state's revenue bonds and not TIFIA bonds. He explained that if the toll revenues were deficient, TIFIA did not get repaid until they were sufficient. He added that there would be some risk taken by the federal government with the TIFIA loans.

[9:32:56 AM](#)

Senator Dunleavy inquired if the state would get first dibs on the tolls for its obligation or if the TIFIA program would have the first crack at the tolls. Mr. Mitchell responded that the TIFIA program would have the first lien on tolls and the state would take a subordinate position on those tolls. He reported that in a normal scenario, it would not be financeable on its own, which was why there was a requirement that there be a commitment of Alaska to backstop the revenue bonds that the state would issue.

Senator Dunleavy surmised that the full faith and credit of the state would have to back up the state-issued bonds and that the federal government would be on the hook if the tolls were not enough to cover the TIFIA repayment; he assumed that if the tolls were not enough to meet the TIFIA repayments, then it would also not be enough to cover the state-issued bonds. Mr. Mitchell responded that the statement regarding TIFIA was correct, but that Alaska would not be giving its full faith and credit pledge of the state, but a lesser pledge called a "subject to appropriation pledge," which was similar to other obligations that had come before the committee.

[9:35:32 AM](#)

Senator Dunleavy inquired what the maximum exposure of the state would be in the worst case scenario. Mr. Mitchell replied that the bill authorized \$300 million in revenue bonds and that once the debt was sold, it could not be taken off the table; the debt was typically sold with a ten-year call. He stated that in a worst-case scenario, \$300 million in principle, plus the interest over a 20-year expected issuance on that, would need to be repaid. He thought that the state could wind up with \$400 million to \$450 million in total exposure on the project.

Senator Dunleavy inquired if Mr. Mitchell was more comfortable with the current bill's approach than that one that was brought forward the previous year. Mr. Mitchell replied in the affirmative and related that if you compared the cost of \$450 million to a private-activity bond, which had been previously considered, you could see that the state was taking the same risk for a lot more money. He thought that the bill's current structure reduced the

state's potential exposure by hundreds of millions of dollars and added that in the previous year's concept, the state would also be back stopping the TIFIA loan; previously, the state had also been backstopping an equity investment by the consortium, which had also been eliminated in the current structure. He reported that the current structure of the bill represented a significant improvement for the state from a financial perspective; however, there could be other considerations such as if the project could managed more effectively potentially by a private consortium instead.

Senator Dunleavy inquired if \$450 million was the top exposure of the state in the bill. Mr. Mitchel responded in the affirmative.

[9:38:32 AM](#)

Senator Hoffman saw that in Section 3 of the bill, the revenue bonds may not exceed \$300 million. He pointed to page 2 of the bill and thought that additional appropriations by the legislature should be excluded. Mr. Mitchell understood that Senator Hoffman was referencing the 2 different sections of statute that were referenced in the work draft. He clarified that one section of statute in the draft were KABATA's statutes and that AS 37.15 created its own authority; it was contemplated that the authority to issue revenue bonds by KABATA would no longer be exercised because there was not a need for them to borrow money. He was unsure exactly what Senator Hoffman's question was.

Senator Hoffman replied that his question was why the language "appropriations approved by the legislature" was needed in the bill as it was outline in the bond reserve fund. Mr. Mitchell responded that the language in reference was what created the basis of the state's commitment and allowed the obligations to be marketable. Senator Hoffman inquired if it was limited to the \$300 million plus the interest. Mr. Mitchell responded in the affirmative.

Co-Chair Meyer observed that Mr. Mitchell had stated that he was not an expert on TIFIA and inquired who was. Mr. Mitchell replied that the Department of Transportation and Public Facilities, Jeff Stark, or members of the FHA would be good people to talk to regarding TIFIA.

9:41:23 AM

Co-Chair Meyer thought that since the federal government was taking a risk on the TIFIA funding, bonds would not be issued unless it was felt that KABATA was a pretty good project. Mr. Mitchell responded that Co-Chair Meyer was correct and that the state would have to have its obligation on the table before the bonds would be issued. He thought that the state had not been invited to apply for TIFIA funds previously because it did not have skin in the game and that authorizing the work draft's revenue structure would show the state's obligation, which would allow TIFIA to move forward; it was expected that with the new revenue structure, the state would be invited to apply for TIFIA funding.

Vice-Chair Fairclough inquired if the bonds would be sold in a 10-year increment. She thought that there would be a lost opportunity for interest and the cost of that borrowing capacity and noted that there was another bill coming out of the Senate Finance Committee addressing that; she requested an explanation of that legislation. Mr. Mitchell replied that 10 years was simply the date at which the bonds could be paid off and that typically tax-exempt municipal bonds had a 10-year call provision. This allowed the investors to know that the state was locked in for 10 years. He added that more typically, bonds were priced along the yield curve and there would be a maturity in each one of the years between the present and final maturity; an increasing yield curve would be taken advantage of by paying off a bond that matured. He recalled selling some geo-debt the previous week that had priced at an interest rate of .01 which was 10 basis points in a year. He surmised that 25 years down the yield curve, maybe the interest would be at 3.5 and that the state would take advantage of it; if there were opportunities to adjust that, the state would consider those.

9:43:59 AM

Vice-Chair Fairclough noted that the committee had been increasingly focused on debt and what that meant regarding the state's borrowing ability and the interest rate that would be received at the market. She wanted to see an actual cash-flow scenario. She expressed concern that the state would go out and borrow \$300 million, have it sit in the bank, and pay interest on it. She added even though the

state would be recouping money by drawing interest earnings on the construction bond fund in the amount of \$1 million, it would still be a net loss; it would be nice to see what the correlating interest cost to the state was for borrowing the money. She wanted to see the scenarios regarding when the cash was needed so that the state was not borrowing too early if it was going to proceed with the project. Mr. Mitchell responded that he had misunderstood the question originally and that Vice-Chair Fairclough had a very valid point that the state would not want to borrow the money for too long of a period. He recalled that the state had had borrowed long in the past and had been forced to invest short because it needed the ability to spend the money in the near-term; this could result in the state paying 3.5 percent and having to reinvest at 30 basis points. He concluded that the state would try to avoid borrowing long.

Vice-Chair Fairclough inquired if there was a section in the CS that stated that Alaska would not issue bonds until the TIFIA portion of the funding had been approved. Mr. Mitchell replied that before TIFIA would lend the state \$300-plus million, Alaska would need to have all of the project's components in place.

Vice-Chair Fairclough observed that the only uncertainty in the spreadsheet was the need for additional federal aid in the amount of \$226 million.

[9:46:57 AM](#)

Senator Bishop inquired if Mr. Mitchell had stated that the debt service on the \$300 million would be \$20 million to \$25 million per year. Mr. Mitchell replied in the affirmative.

Senator Hoffman noted that his question was similar to Vice-Chair Fairclough's and referenced the target for bonding capacity at 8 percent. He discussed SB 138, the Susitna-Watana project, and the KABATA project and requested a sheet that showed where the state would be if it had indebted itself on all 3 of those projects.

Senator Hoffman pointed to Section 3 of the bill and pointed out that it discussed the requirement of the State Bond Committee to evaluate whether the toll revenues were able make the principal payments on the interest in the

bonds; he wondered if it would be an off-ramp for the state if the toll revenues were not adequate. Mr. Mitchell responded that the provisions in Title 19 were related to the authorization for KABATA to issue bonds. He added that there was a check-off for revenue bonds that KABATA might consider issuing; however, since the State Bond Committee would be the issuer of the \$300 million and there was no short-term expectation that tolls would be sufficient to pay for the debt service, the check-off did not exist for the \$300 million.

[9:49:32 AM](#)

Senator Dunleavy inquired who would be responsible for cost overruns under the proposal. Mr. Mitchell responded that the Department of Transportation and Public Facilities (DOT) would be better suited to answer the question.

Co-Chair Meyer noted that DOT would be presenting next.

Senator Olson offered that Mr. Mitchell had credibility because he was at arms-length with the process and noted that his job was not necessarily dependent on whether the project went forward as opposed to those who almost had a conflict of interest on the issue. He offered that the project was there, but that the Division of Legislative Audit had indicated that the financial estimates were questionable. He understood that this was a new proposal with new estimates, but noted that the state's revenues and savings were projected to go down; additionally he assumed that this, along with taking on new debt for the project, would result in the state's credit rating dropping as well. He thought maybe Mr. Mitchell had a more objective view because he was a finance expert and could help eliminate the fears of people, like himself, who saw KABATA as another white elephant. He inquired if his viewpoint on the project was wrong and if so, how it was wrong. Mr. Mitchell replied that the new plan defined the commitment of the state in a much more concise fashion and that with it, the state knew it would pay maybe \$450 million in debt service for the project in the future; however, from a policy perspective, it was someone else's job, specifically the legislature's, whether the state wanted to spend that amount on the project. He added that people in his office supported it.

Senator Olson clarified that when he saw the downslope of oil production, he saw the downslope of the state's savings. He inquired if it was true that the state's bond rating would also be going to down from AAA. Mr. Mitchell responded that it would be a challenge to keep the rating from dropping in the future. Senator Olson interpreted that it was true.

Senator Olson noted that Mr. Mitchell had stated that the debt service on the \$300 million would be \$20 million to \$25 million and inquired if that was per year. Mr. Mitchell responded that it was per year. Senator Olson inquired if the state would be paying that amount every year for 7 to 12 years. Mr. Mitchell responded that the state would be paying \$20 million to \$25 million every year for 20 or 25 years.

Senator Olson surmised that the state would be paying a far larger amount than the \$300 million bond package. Mr. Mitchell estimated that the state would be paying back up to \$450 million.

Senator Olson commented that as you looked at the insolvency of the state and the issues it was facing, the financial numbers of the project caught his attention.

Co-Chair Meyer thought that Senator Olson made some good points and that the committee needed to find a balance. He noted the school debt, potential heavy-debt on the gasline, and the \$250 million power plant. He added that the committee would have to balance schools, pipelines, power plants, and dams with bridges and offered that they were all important aspects of government.

[9:55:01 AM](#)

Vice-Chair Fairclough commented on the state's bond rating being tied to the decline in oil and offered that what would happen to the rating was dependent on how the state chose to respond to the decline, as well as what it had done to meet its obligation. She thought that Commissioner Rodell had indicated that if the state was making its payments and met its obligations within a five-year window, it would maintain its AAA rating; however, the raters were watching the \$12 billion pension obligation. She thought that raters would be looking at what the state put towards paying off the pension liability, how it affected the

operating budget, and how that ratio of debt played into things. She thought that Alaska had a wonderful opportunity that revenue continued to benefit and that it also had \$50 billion in the bank from the Permanent Fund, which helped with the credit rating. She thought that school debt needed to be considered and that sometimes the best thing to do was to pay off debts and future obligations in order to position Alaska well until more oil was brought on line. She offered that the Senate had positioned the state well to make sure that the debt could be carried by Alaska; the debt on gas pipeline would not be huge until the state had contracted with a buyer and it would not borrow money that it could not pay back. She wanted it on the record that the Senate Finance Committee had been looking very seriously at debt and that Senator Olson's concerns regarding debt management were shared by the committee.

[9:57:17 AM](#)

Senator Dunleavy noted that \$450 million, from Mr. Mitchell's perspective, was the maximum exposure of the state for the project. He assumed, however, that if the tolls were able to pay TIFIA loans, they would also be able to help pay down the state debt. Mr. Mitchell replied that that Senator Dunleavy was correct. Senator Dunleavy inquired if \$450 million was the maximum, worst-case exposure for the state on the project, from Mr. Mitchell's perspective. Mr. Mitchell responded in the affirmative.

Senator Olson wondered where money would come from for potential cost overruns and if the tolls were unable to pay debt down; furthermore, he was a little pessimistic about the ability of the project to secure TIFIA loans based on applications to that program in the past. He wondered what the backup plans were if the state started running out of money when it was looking at other projects, such as the liquid natural gas pipeline, that benefitted all Alaskans. Mr. Mitchell responded that bonds would not be issued unless the total anticipated funding need of the project was already in hand, which he thought might address Senator Olson's first concern. He stated that DOT could answer the question of cost overruns better, but that the same options would be available to fund cost overruns, whether they were federal highway receipts, additional state leveraging, or additional TIFIA loans.

Senator Olson commented that a good example of a project that had gone over budget was the Goose Creek Prison and stated that it had gone millions and millions of dollars over cost and that as a result, he was hesitant to commit to another project that had started off with questionable cost numbers. He offered that the project was questionable in the amount of toll revenues that would be generated, the cost to conduct phase I and II, and how the project participants had conducted themselves over the last six months with people in Government Hill.

Co-Chair Meyer noted that being the first to testify was touch, but added that Mr. Mitchell had done an excellent job of keeping the state's credit rating as high as it could be.

10:02:07 AM

JEFF OTTESEN, DIRECTOR, DIVISION OF PROGRAM DEVELOPMENT, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, referenced a 1 page document in members' packets with orange bars (copy on file) and the column labeled "federal formula funds," which represented the amount of funds needed in the one-third/one-third/one-third financing arrangement for the project. He reported that the total was \$295 million in federal receipts, which did not include match funds and that the \$18.9 million at the top of the column was the remaining ear-mark funds available to the project; the \$18.9 million was already in the bank and would not be subtractive of other projects across the state. He added that the number of federal receipts going forward between the present and 2020 was closer to \$276 million. He spoke to the impact of the KABATA financing plan on the other project's around the state and related that the projects financing scheme was based on national highway system funding, which was now called the National Highway Performance Program (NHPP). He noted that funding from the Surface Transportation Program (STP) and other smaller categories of federal funding were not an issue. He relayed that funding from STP covered went towards essentially everything that was not in the national highway system; community roads and other state highways were not impacted at all by the financing scheme. He stated that the project was in the budget for \$50 million in federal funding in FY15, which was about 10.3 percent of the overall funding per year or 17 percent of the state's national highway funding. He stated that from 2016 through

2020, the amount of federal funding dropped to about \$45 million per year, which would drop the total percentage of federal funds for the project to 9.3 percent and the national highway funding to about 15 percent.

Mr. Ottesen continued to discuss federal funding and related that when he looked at the current portfolio of national highway system projects that were progressing through the necessary steps to become eligible for construction funding, there was about a 12-year list of projects that were actively being worked on; if you added the KABATA project, it became a 13-year list. He reported that the bridge was a relatively small add on the list to the total amount of underway projects. He stated that the average project that was being worked on would be given the go in about its the 6th or 7th year and that KABATA project essentially added a half of a year to the average weight of funding. He stated that some projects progressed more quickly than others and the question was which type of projects the state would give the priority to and not slow down, as well as which types would be waiting a longer period of time to accommodate the KABATA project. He stated that factors to consider when making priorities were things like public safety, traffic volume, and project readiness. He stated that prioritized projects would be things like the widening of the Parks Highway through Wasilla; that project involved a highway-safety corridor where there was a very bad congestion problem. He reported that DOT was also widening the Seward Highway near midtown in Anchorage and that it would also not be slowed down as a result of the KABATA project. He gave additional examples of projects that would not be slowed as a result of the KABATA project.

Mr. Ottesen discussed the projects that would be slowed down to make room for the KABATA project and reported that there were a series of projects within the national highway system program that were started when Alaska thought that the big pipeline would be going through Canada; the logistics routes to bring that pipe into the state, as well as the roads and bridges along the route down the Richardson Highway to Delta and further east were not as high priority as they were in the past. He reported that there were also projects being conducted on the Haines Highway that were considered lower priority. He stated that DOT would not be cancelling these lower-priority projects, but would be moving them out in time typically for one or two years. He offered that in reality, the impact of the

KABATA project would be even less than he had just indicated and related that every year, a certain number of DOT's projects did not make the finish line; the success rate of DOT's projects was about 70 percent, meaning that 30 percent had to be delayed. The causes for delay were typically due to a lack of approval, the inability to obtain a right-of-way parcel in time, and too high of a workload. He stated that other states usually had about a 60 percent success rate and that delays were normal and were part of the complexity of the federal process.

Mr. Ottesen continued to discuss federal funding and related that the dollars that were scheduled for a certain year for projects that did not happen had to be used somewhere else or the funding would be lost. He explained that DOT needed manage the program well; if a project did not happen because the department took on too many other ones or it exceeded the expected costs, and the department did not have shovel ready viable substitute, the federal funding would be lost. He relayed that DOT did not lose funding in that the manner and that it was built in to the department to not allow federal dollars to leave the state. He explained that the KABATA project becomes a natural place to send the dollars that got delayed by the natural slippage of other projects; as a result of that, there was a possibility to fund to the project with very little impact to ongoing projects. He furthered that if there was delay in a project for natural reason, the KABATA project would not have caused it, but it and the state would benefit from it by having a place to send funding.

[10:10:09 AM](#)

Mr. Otteson continued to discuss federal funding and stated that in addition to projects being delayed, every year, the state received additional funding. He recalled his discussion with the Senate Finance Committee several weeks prior and reiterated that in the last quarter of the year, over \$100 million had become available to DOT due to project closeouts. He explained that it had been federally mandated that the department had to close out projects fast before the next fiscal year and that as a result, the \$100 million suddenly became available for use elsewhere; these kinds of events made KABATA a natural recipient of funding without impacting the rest of the state.

Senator Bishop pointed to Mr. Ottesen's remarks about ongoing projects along the route of the proposed big pipeline through Canada. He pointed out that the committee had just passed SB 138 and that there was a new pipeline and route. He stated that the route for the new pipeline went through Willow but that it had not determined a way across the Knik Arm. He requested DOT to coordinate with KABATA regarding the new producers' alignment and related that he did not want to see SB 138's pipeline or the KABATA project add costs to one another. Mr. Ottesen reported DOT had a full-time staffer working on the multiple pipeline issues and that although he had not spoken to the staffer recently, he was sure that they were coordinating. He stated that a bridge on the Dalton Highway had become structurally deficient the previous summer and that funding had been assigned to that project to start redesigning the bridge for reconstruction within less than a month; DOT was paying attention to that route and knew how important it was. He stated that the good news was that DOT had had its attention on the commerce corridor of the Parks Highway and Dalton Highway long before SB 138's pipeline proposal; the bridges and segments of the pipeline route were getting better. Her added that last summer alone, the department had funded 13 pairs of passing lanes on the Parks Highway. He concluded that a lot of attention was being paid on what was essentially the proposed pipeline construction and logistics route.

[10:12:52 AM](#)

Vice-Chair Fairclough inquired if DOT would be managing the KABATA project. Mr. Ottesen replied in the negative and that the underlined statute that enabled KABATA had really put it in charge; however, DOT had a responsibility in the project because from the viewpoint of FHA, the department was the recipient of the federal funding that went into the project. He concluded that DOT had an obligation to make sure that federal rules were being followed and did have a role to play in the project.

Vice-Chair Fairclough assumed that DOT was taking a 12 percent or lower percentage cut of the federal funding to pay for administrative fees that it was incurring on the KABATA project. Mr. Otteson responded that DOT's current administrative overhead number was about 5 percent and thought that the department had negotiated a lower percentage because of the large size of the project; the

administrative fee was what was paying for the accounting system, the people that worked in it and other similar steps.

Vice-Chair Fairclough inquired if the Knik Arm Bridge would be financed with an approximate structure of 33 percent tolls, 33 percent state dollars, and 33 percent federal funding. Mt. Ottesen replied that was the correct approximate percentage ratio, but that TIFIA represented a little more than 33 percent. He reported that TIFIA's share of the funding was about \$351 million and thought that the state share was \$300 million. He concluded that counting the the money that was already on the shelf in the form of ear-marked funds, the federal share was just under \$300 million.

Vice-Chair Fairclough had wanted to alleviate her concerns her concern that the spread sheet (copy on file) dated March 1, 2014 stated that there was an additional \$226 million. She had been trying to understand the comment that the federal aided represented about a third of the total project cost, but noted that there were expected tolls that would go towards paying the TIFIA debt back. She had understood that the state was proposing to borrow up to \$300 million, which it would make incremental payments on over time, depending how much was needed at a particular time. She had heard that the payments would be between \$20 million and \$25 million, but noted, however, that the amount of the payment was based on borrowing all \$300 million at once; the state's obligations would increase over time as the those obligations increased. She also understood that as the federal government continued to support the national highway system, the state would have additional federal funding available that was not calculated in the financing scheme of the project. She thought that the proposal would not result in displacing other projects; additionally, the state would be trying to pick up anything that was left on the table and would be prioritizing projects in the out-years. She observed that the non-prioritized projects would be delayed for a year or two and that projects that were in the queue would not be displaced. She concluded that the financing plan for the project called for a third of funding coming from the public, a third from the federal government, and third from the state. She inquired if her understanding of the proposal was correct. Mr. Ottesen responded in the affirmative.

10:16:50 AM

Co-Chair Meyer noted that about a third of the financing for the project were expected federal-toll receipts and inquired if the cost estimates included the roads that would need to be built in Government Hill or Point Mackenzie.

JUDY DOUGHERTY, ACTING EXECUTIVE DIRECTOR, KNIK ARM BRIDGE AND TOLL AUTHORITY (KABATA), replied that the project's limits extended from the Government Hill area out to Port Mackenzie; the project proposal that was before the committee was within those limits and the funding request did not include funding for roadway projects outside those limits. Co-Chair Meyer noted that it was something that the committee would want to address as it proceeding with the legislation because there were concerns in Anchorage whether the existing roads would be able to handle the increased traffic from the Valley.

Co-Chair Kelly queried what the best-guess estimate was for the cost of building the additional roads. Ms. Dougherty inquired if Co-Chair Kelly was referencing potential additional roads outside of the project. Co-Chair Kelly responded in the affirmative. Ms. Dougherty replied that she did not have that information.

Co-Chair Meyer reiterated that the estimates were something that the committee would want see. Ms. Dougherty responded that the project limits were confined by the FHA and were the ones that had complied with the National Environmental Policy Act (NEPA) and included the entire scope of KABATA's permitting activities. She concluded that KATABA was not able to conduct projects outside of those limits. Co-Chair Meyer interjected that the committee understood that, but observed that Ms. Dougherty was at the table presenting with DOT's director of program development who could help with those roads.

Mr. Ottesen added that the success of the project would be that it would carry a lot of traffic, which in turn would stress the existing road networks in Anchorage as it entered the city; however, the higher traffic would generate more revenue. He continued that when that revenue was in excess of the need to pay firstly the TIFIA bonds and secondly the state's portion, there would be a time

where there was excess revenue available for projects. He stated that the construct of the project was that these dollars had to be spent on highway projects that were eligible under Title 23 rules, subject to appropriation of the legislature.

[10:19:37 AM](#)

Co-Chair Meyer thought that Mayor Sullivan would want funding for additional roads due to the increased traffic from the bridge. Ms. Dougherty replied that she had spoken to Mayor Sullivan and that he was a strong supporter of the project. She related that one of the things that the Municipality of Anchorage had expressed was that once traffic started ramping up, there should be an effort to bring forward the Ingra-Gambell connection, which was part of the KABATA project, at the earliest possible date in order to help alleviate increased traffic issues.

Co-Chair Meyer stated that the committee would have more discussion once Senator Dunleavy returned and noted that he was not sure what it was like on the Valley side of the bridge.

Senator Hoffman pointed to the audit report and discussed the previous year's proposal and page 19. He was trying to reconcile why, even though the funding scheme had changed, there was a drastic difference between the construction costs of the two proposals. He stated that on page 19, it showed the total project cost of the previous proposal at \$1.6 billion and had the current year's proposal at \$900 million; he noted that there was a \$700 million difference between the two estimates. He acknowledge that a big reason for the difference was probably the financing scheme, but that the construction and right-of-way costs on the previous proposal were about \$1.25 billion; the current proposal did not come close that amount.

Senator Hoffman addressed some of Co-Chair Meyer's issues from the other side of the bridge and remarked that were proposed Port Mackenzie road upgrades in the amount of \$15 million.

Senator Hoffman inquired what had changed with the new proposal to reduce the costs so drastically. Ms. Dougherty responded that the numbers in the audit were taken from the TIFIA letter of interest and that under that program, the

recipient was allowed to borrow based on the total project costs from the very beginning of the project which included pre-construction development, all of the costs that had been expended to date, as well as the commerce grant that was given to the Mat-Su Borough to do work on the other side of the inlet; all this was included in the 33 percent participation from TIFIA. She concluded that \$1.6 billion included all of the above costs, as well as costs that were estimated for capacity improvements and roadway expansion within the project limits; it included the Ingra-Gambell connection and the widening to four lanes. She stated that the approximately \$900 million that Senator Hoffman was referencing was just for phase 1 of the project and would pay for the initial construction on a four-lane foundation , two-lane roadway; it was also the amount from this point forward and did not include anything that had already been spent. She pointed out that the actual cost estimate for the project was \$782 million and that \$894 million included the capacity for things like cost overruns. She recalled that cost overruns had been discussed earlier in the meeting and pointed out that FHA required a project to assess the potential risk for cost overruns; additionally, there needed to be a financial plan that demonstrated how potential overruns would be paid for.

[10:23:56 AM](#)

Senator Olson queried if Ms. Dougherty was inferring that some of the project numbers were inflated regarding TIFIA. Ms. Dougherty responded that FHA required that a project show that it had the necessary resources to see the project all the way through and address unknowns. Senator Olson surmised that Mr. Dougherty agreed that the numbers were somewhat inflated and that there need to be some funding for cost overruns. Ms. Dougherty responded in the affirmative.

Co-Chair Meyer confirmed that Ms. Dougherty was representing KABATA. Ms. Daugherty replied that she was the Acting Executive Director of KABATA.

Co-Chair Meyer inquired what the chances were of securing TIFIA loans for the project and observed that he did not know how easily obtained they were. Ms. Dougherty stated that KABATA had a letter of interest in for TIFIA loans for a number of years and thought that people were aware of the criticism that it had been turned down for loans; however,

she would like to discuss what TIFIA's purpose was, which was to provide financing for large infrastructure projects in which it was expected that the traffic and toll revenue would not be enough to secure full funding. TIFIA's goal was to encourage non-federal participation in these types of infrastructure projects, which is what would happen with the state bond contribution; KABATA felt very comfortable that it would be able to secure TIFIA funding. She did not think that the Department of Revenue would bring forward a financing plan that included TIFIA unless there was a relative assuredly that the federal funds would be received.

10:26:11 AM

Mr. Ottesen added that MAP-21, which funded the Federal Highway Program, was nearing its end. He reported that there were currently proposals from Congress and the White House for the next version of the Highway authorization. He stated that virtually all of the proposals he had seen either enlarged TIFIA or create a new federal infrastructure bank that would work much like TIFIA to finance projects and help jump start them. He offered that the concept behind TIFIA was catching on and that it appeared as though this type of federal funding would increase in the future.

Senator Olson inquired what TIFIA stood for. Ms. Dougherty reported that it stood for the Transportation Infrastructure Finance and Innovation Act.

Senator Olson noted that there was also a federal infrastructure program called Transportation Investment Generating Economic Recovery (TIGER). He observed that KABATA had applied to TIGER and TIFIA a number of times. He offered that part of the governor's public policy was not to put his full faith and trust in federal funding coming to Alaska to do projects. He related that expanding Medicaid was a good example of a program where Alaska was counting on federal money that it hoped would be there and that he agreed with the governor to a certain extent. He thought that the state was getting itself in a financial straight jacket that would not allowed it to have certain projects. He pointed out that in 2010, there were 39 applications to TIFIA and TIGER and that only 4 had been approved; additionally, in the current year, none of the 4 letters of interest had been approved. He recalled that in

2013, only 6 out of the 34 letters of interest that were submitted had been approved, which only represented a 17 percent success rate. He asserted there was less than 1 chance in 5 that the KABATA project would secure TIFIA funding and disagreed with Ms. Dougherty regarding being very comfortable in securing TIFIA funding.

Senator Olson inquired how his thinking was wrong regarding the project's poor chances of receiving TIFIA funds. Ms. Dougherty replied that KABATA shared Senator Olson's frustration to a degree and reported that when TIFIA was first getting started, there were delays in getting the structure in place to submit a letter of interest. She stated that the TIFIA office looked at project readiness and that many of the applying projects had not completed its NEPA document and were not as mature as the KABATA project. She felt confident that KABATA would secure TIFIA funding and that on the off that chance that it did not, a finance plan that satisfied the FHA would still be needed. She related that nothing would be obligated until KATABA had a financial plan that the federal government approved. She explained that there was no risk in trying to secure the low-interest funds and pointed out that you did not have to pay TIFIA back for up to five years after a project opened and tolls were collected. She stated that TIFIA payments had a recognition that it would take time to build up revenues on a startup facility.

[10:30:56 AM](#)

Senator Olson inquired why the Municipality of Anchorage was not offering bonds to help further the KABATA project if Mayor Sullivan was so in favor of it. Ms. Dougherty could not speak for the Municipality of Anchorage.

Senator Olson stated that it appeared that there was a lack of confidence that the project would be able to operate in the black.

Co-Chair Meyer noted the he and Vice-Chair Fairclough had both been on the Anchorage Assembly and that the city would not typically offer a bond for the project until the funding was in place and it ready to move forward.

Vice-Chair Fairclough added that there were major state-highway corridors that ran through Anchorage that

Municipality of Anchorage was not responsible for. She was unsure if Ingra-Gambell was a state right-of-way or not.

[10:32:12 AM](#)

Mr. Ottesen replied that Ingra-Gamble were both state highways. He stated that communities putting their own financing into transportation projects was relatively rare and that Mat-Su probably did this the most. He related the difference between the old financial scheme for KABATA and the current proposal and stated that the old scheme relied 100 percent on the payment for bonds coming from traffic; it was viewed as somewhat suspect because of its reliance on traffic. He stated that the current scheme focused on just the TIFIA portion being reliant on traffic, which was only a third of the financing; the new plan had cut its expectation of traffic by two-thirds compared to the previous proposal. He reported that Juneau Douglas Bridge had about 9,500 cars per day crossing it and that it took about 10,000 cars per day to pay back the TIFIA bond funds. He related that it was reasonable to assume that traffic on the Knik Arm Bridge would reach levels at least as large in volume as that on the Juneau Douglas Bridge rather quickly because the population centers on either side of the Knik Arm Bridge were much larger.

Co-Chair Meyer noted that if the bridge was not built, something would have to be done to the Glenn Highway. Mr. Ottesen replied in the affirmative and added that DOT would have to improve capacity one way or another. He observed that the state had never before had a project that was funded by the users and added that the tolls would also be funding the maintenance and operation of the project; additionally, as the tolls were paid off and surplus revenue was being generated, they would help fund the general highway program of the entire state.

[10:34:31 AM](#)

Co-Chair Meyer did not know what the costs would be expand the Glenn Highway to accommodate additional traffic and thought that a comparison of costs between the KATABA project and expanding the Glenn Highway would be interesting. Mr. Ottesen responded that the latest estimate he had heard for work on the Glenn Highway was about \$600 million just to add the pair of lanes all the way out to the Parks-Glenn Y.

Senator Olson recalled that Mr. Ottesen had stated that the Mat-Su Borough had been very active in bonding for projects and inquired why it was not bonding for the KABATA project even though it directly affected them. Mr. Ottesen replied that Mat-Su was essentially bonding local roads and that he did know of any instance of an Alaskan community participating in a national highway system route.

Senator Olson inquired how the KABATA project was involved with STP funding. Mr. Ottesen replied that he was unsure of the question.

Senator Olson inquired if most roads have had some type of STIP consideration. Mr. Ottesen replied in the affirmative. Senator Olson queried if the STP was involved in the KABATA project. Mr. Ottesen responded that the KABATA project would have to be on the STIP because of the federal earmarks it had received to date; it was considered a federal project and would have to be on the STP. He stated that the type of funding that was shown on the STP could be bonds, TIFIA funding, or federal aid.

Senator Olson surmised that other projects would be put on hold as a result of the KABATA project and wondered what types of projects would be delayed and for how long. Mr. Ottesen stated that the typical project would have to wait 1 or 2 years as compared to the current backlog. DOT already had a 12-year list of projects and the average wait would be 6 years on that list without the project. He stated that the KABATA project would add about another year's worth of funding demand on its funding stream and added that projects in which the need for them was no longer as evident would be the types that would be delayed; the gas pipeline was a perfect example of that. He explained that Alaska was no longer building a route along that older proposition and projects that like this could be delayed with little impact to the traveling public.

[10:38:00 AM](#)

Senator Olson asserted that the sentiment within the Senate in general was that projects that were underway should not be slowed because doing so would cost a lot more in the long run. He offered that projects that were already started would be delayed as a result of the KABATA project and that the end costs of those projects would go up

millions if not tens of millions of dollars. He assumed that Mr. Ottesen agreed with this and inquired why a public-policy entity like the legislature would be in favor slowing projects and increasing overall costs. Mr. Ottesen responded that the state was essentially in the same dilemma with the KABATA project and that Alaska had started that project too and had spent over \$100 million on it. He furthered that something would have to be delayed and a choice would have to be made to prioritize projects that were the most important to the overall benefit of the state.

Senator Olson noted that as you looked at the financial numbers, the same people were providing them as the previous year. He wondered how these same people could be trusted this year when their numbers had been found suspect by a legislative audit the previous year. Mr. Ottesen stated that there were differences in cost estimated that could depend how costs were considered, but that the key number to focus was that the project only needed one-third of the traffic to be successful and pay of its bond to TIFIA than it needed under the old scheme. He added that under the old scheme, the entire project would be financed by bonds at a higher interest rate.

Co-Chair Meyer noted that in his mind, the state would either have to spend \$600 million expanding the Glenn Highway or \$300 million if you did not count the bond payments; the bridge would also provide another way in and out of Anchorage. He stated that a concern about the Glenn Highway was that an accident blocked off the only route in and out of Anchorage and that the bridge offered an alternative route.

Senator Olson understood that the expansion of the Glenn Highway was already being planned regardless of the Knik Arm Bridge. Co-Chair Meyer was not sure if both projects would be conducted and requested an explanation.

[10:41:32 AM](#)

Mr. Ottesen responded that the Glenn Highway would need to be expanded in the future, but that drawing traffic off it from KABATA would buy time for the future expansion. He added that it would be good to have an alternative route in and out of anchorage for times of emergency or breakdowns.

He recalled four to six hour waits after traffic fatalities on the Glenn Highway.

Co-Chair Meyer noted that the alternate route out of Anchorage and being able to avoid long delays were concerns of his, Vice-Chair Fairclough's, and Senator Dunleavy's constituents and residents of South-Central Alaska.

Senator Dunleavy inquired what the potential economic benefits of the project would be related to other transportation projects that were dealing federal receipts. Mr. Ottesen replied that the project would first pay for part of its own cost via user fees, would then pay for the state bonds, would pay for its own operating costs, and eventually it would contributing dollars to the over transportation needs statewide subject to legislature's appropriation. He did not know of another project that had ever had the set of benefits that the KABATA project had. Senator Dunleavy wondered if KABATA would still continue with a plan for federal aid even if TIFIA funding was not approved. Ms. Dougherty replied that it if TIFIA was not approved there would still have federal aid through the highway program and KABATA would have to work with the Department of Revenue and same financial team on a plan b, which would have to then be approved by the FHA before it could continue to a project. Senator Dunleavy inquired if KABATA would have to come back to the legislature at that for approval to move forward with the new plan. Ms. Dougherty imagined that it would depend on what the new plan consisted of.

Senator Dunleavy stated that his understanding was that Ms. Dougherty and Mr. Ottesen were feeling pretty good that the new project proposal was a viable plan. Ms. Dougherty replied in the affirmative. Mr. Ottesen also responded in the affirmative and felt that it was a very sound plan with tremendous benefits to the state.

Senator Dunleavy noted that there was a question whether the Glenn Highway was already slated for expansion even if the Knik Arm Bridge was constructed and requested clarification. Mr. Ottesen replied that widening the Glenn Highway was not an active project with the exception of the Geo-Bonded project that was funded in 2012 at Artillery Road and the Eagle River off ramp, which was only funded currently in the outbound direction. He concluded that it was not currently in the queue of preconstruction.

10:46:45 AM

Senator Dunleavy inquired what the estimate was for how much traffic would be routed through the Knik Arm Bridge and off the Glenn Highway. Ms. Dougherty replied that KABATA did not have direct siphon off numbers and explained that it would not be a direct percentage that would be pulled off. She stated that it was anticipated that there would be increased activity at Port Mackenzie and additional activity that moved over to the Mat-Su; she added that the over-flow from Anchorage was what the initial traffic on the bridge would consist of.

2d CSHB 23(RLS) was HEARD and HELD in committee for further consideration.

10:48:58 AM

RECESSED

5:12:33 PM

RECONVENED

#hb266

#hb267

CS FOR HOUSE BILL NO. 266(FIN)

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs, capitalizing funds, and making reappropriations; and providing for an effective date."

CS FOR HOUSE BILL NO. 267(FIN)

"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 Meyer handed the gavel to Co-Chair Kelly.

5:13:11 PM

Co-Chair Meyer MOVED to ADOPT the committee substitute for Senate CS HB 266 (FIN), work draft 28-GH2671\G (Wallace, 3/19/14). There being NO OBJECTION, it was so ordered.

JAMES ARMSTRONG, STAFF, SENATOR PETE KELLY, referred to four Statewide Reports that were prepared by the Legislative Finance Division (copies on file). He stated that for all funds, the governor's proposal had \$12.195 billion in total spending. The CS had \$9.148 billion in total spending. The difference between the governor's proposal and the CS was \$3.47 billion. He stressed that \$3 billion for PERS was not contained in the CS. He looked at the general fund (GF), including designated general funds (DGF) and undesignated general funds (UGF). He reported that the governor's proposal had \$5.878 billion; and the CS proposed \$5.818 billion. The CS contained a reduction of nearly \$60 million. He announced that one of the reports contained the day-to-day operations of the formula and non-programs contained within the budget using a comparison using UGF. He stated that the comparison did not take into account the \$1.5 billion from statewide operations.

Co-Chair Kelly wondered if the \$1.5 billion was DGF. Mr. Armstrong replied that the \$1.5 billion was DGF and statewide operations.

Mr. Armstrong shared that, with the \$1.5 billion removed, the subcommittee reports contained \$33.641 million below the governor's proposal. The fourth report examined the agency day-to-day operations, and removed the non-formula portion of the budget. Under that analysis, the governor's proposal was \$2.270 billion; and the current version spent \$2.243 billion. Therefore, the CS was a reduction of \$26.343 million. He announced that the current version removed K-12 formula education and Medicaid formula funding. The subcommittee work represented a 1.1 percent decrement to agency operations against the governor's FY 15 budget request. He announced that the governor also provided decrements to the budget. He stated that comparing the Senate CS to the management plan of FY 14, there was a \$53.991 million or approximately 2.2 percent reduction in day-to-day operation of state government.

5:19:10 PM

AT EASE

5:20:52 PM

RECONVENED

Co-Chair Meyer MOVED to ADOPT the committee substitute for Senate CS HB 267 (FIN), work draft 28-GH2673\Y (Wallace, 3/19/14). There being NO OBJECTION, it was so ordered.

Mr. Armstrong shared that there were some language changes in HB 266. He stated that there were some negotiated contract settlements with the University of Alaska, but were not included in the CS. He shared that those issues would be dealt with at a later date. The infusion of \$3 billion was also not included in the CS. He stated that there was intent language that was added by the other body into the language section, but he had not had adequate time to review that language. He announced that items related to crime victims' rights, recidivism reduction, and the Alaska Seafood Marketing Institute (ASMI) program funding would be addressed in the Conference Committee. He reported that the fuel trigger section, which contained \$30 million as proposed by the governor, was reduced by \$3 million. This represented a \$9 million reduction, and a 25 percent reduction in the program from the FY 14 budget. There were numerous technical and financial changes, and stated that language comparisons could be found on the Legislative Finance website. He announced that the deadline for amendment submission was Friday, March 21, 2014 at 4:00pm to Co-Chair Kelly's office.

Co-Chair Kelly encouraged the committee members to discuss the individual items that were included in the budget.

Mr. Armstrong announced that his was his mother's birthday.

CSHB 267(FIN) was HEARD and HELD in committee for further consideration.

CSHB 266(FIN) was HEARD and HELD in committee for further consideration

#  
ADJOURNMENT  
5:24:59 PM

The meeting was adjourned at 5:25 p.m.