

HOUSE FINANCE COMMITTEE

April 12, 2016

8:35 a.m.

8:35:36 AM

CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 8:35 a.m.

MEMBERS PRESENT

Representative Mark Neuman, Co-Chair
Representative Steve Thompson, Co-Chair
Representative Dan Saddler, Vice-Chair
Representative Bryce Edgmon
Representative Les Gara
Representative Lynn Gattis
Representative David Guttenberg
Representative Scott Kawasaki
Representative Cathy Munoz
Representative Tammie Wilson

MEMBERS ABSENT

Representative Lance Pruitt

ALSO PRESENT

Kevin Brooks, Deputy Commissioner, Department of Fish and Game; Forrest Bowers, Deputy Director, Division of Commercial Fisheries, Department of Fish and Game; Samuel Rabung, Aquaculture Section Chief, Division of Commercial Fisheries, Department of Fish and Game; Ginny Eckert, Associate Director of Research, Alaska Sea Grant and Professor, School of Fisheries and Ocean Sciences, University of Alaska Fairbanks; Chris Maisch, Director, Division of Forestry, Department of Natural Resources; Sean O'Brien, Director, Division of Public Assistance, Department of Health and Social Services.

PRESENT VIA TELECONFERENCE

Heather McCarty, Central Bering Sea Fishermen's Association, Anchorage; Julie Decker, Executive Director,

Alaska Fisheries Development Foundation, Wrangell; Nancy Hillstrand, Pioneer Alaskan Fisheries, Seldovia; Owen Graham, Alaska Forest Association, Ketchikan; Carl Portman, Resource Development Council, Anchorage.

SUMMARY

HB 300 FISH/SHELLFISH HATCHERY/ENHANCE. PROJECTS

CSHB 300(FSH) was REPORTED out of committee with a "no recommendation" recommendation and with one new fiscal impact note from the Department of Fish and Game, one new zero fiscal note from the Department of Revenue, and one previously published zero fiscal note: FN2 (DFG).

CSSB 32(RES)

TIMBER SALES

HCS CSSB 32(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal impact note: FN2 (DNR).

CSSB 145(FIN)

RECOVERY OF PUB. ASSIST. OVERPAYMENTS

CSSB 145(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN2 (REV); and one previously published fiscal impact note: FN3 (DHS).

Co-Chair Thompson addressed the meeting agenda.

#hb300

HOUSE BILL NO. 300

"An Act relating to management of enhanced stocks of fish; authorizing the operation of nonprofit shellfish hatcheries; relating to application fees for salmon and shellfish hatchery permits; and providing for an effective date."

[8:36:44 AM](#)

KEVIN BROOKS, DEPUTY COMMISSIONER, DEPARTMENT OF FISH AND GAME, relayed that the bill would enable the commissioner of Department of Fish and Game (DFG) to manage fish stocks for the purpose of supplying shellfish to an aquatic farm. The bill was inspired by stakeholder interest and had support from the industry. He relayed that the bill was virtually identical to the companion bill on the Senate side.

FORREST BOWERS, DEPUTY DIRECTOR, DIVISION OF COMMERCIAL FISHERIES, DEPARTMENT OF FISH AND GAME, provided background on the bill. He relayed that there were a number of shellfish fisheries that had been closed for several years. There were other depressed shellfish stocks including abalone, sea cucumber, and other. He remarked that some had failed to rebuild the populations to a level of harvestable surplus. Current statutes did not give the authority to permit shellfish for restocking. The bill was modelled largely after the existing salmon law for consistency. He went through a sectional analysis:

Sec. 1

Provides the Alaska Board of Fisheries authority to direct the department to manage production of enhanced shellfish stocks, beyond broodstock needs, for cost recovery harvest.

Sec. 2

Increases the permit application fee for new private nonprofit salmon hatcheries from \$100 to \$1,000.

Sec. 3

Adds a new Chapter 12 to Title 16, "Shellfish Stock Rehabilitation Efforts, Enhancement Projects, and Hatcheries. Provides direction to the commissioner on issuance of permits for private nonprofit shellfish stock rehabilitation and fishery enhancement projects and associated shellfish hatcheries and establishes a \$1,000 permit application fee. This section directs the commissioner to consult with technical experts in the relevant areas before permit issuance. This section provides for a hearing prior to issuance of a permit and describes certain permit terms including cost recovery fisheries, harvest, sale, and release of hatchery-produced shellfish, and selection of broodstock sources. This section describes reporting requirements and terms for modification or revocation of a permit.

Sec. 4 Provides the commission authority to issue special harvest area entry permits to holders of private nonprofit shellfish rehabilitation, enhancement or hatchery permits.

Sec. 5

Defines legal fishing gear for special harvest area entry permit holders.

Sec. 6

Exempts shellfish raised in a private nonprofit shellfish project from the farmed fish definition.

Sec. 7 and 8

Establish tax exemption for a nonprofit corporation holding a shellfish hatchery, rehabilitation, or enhancement permit.

Sec. 9

Exempts shellfish harvested under a special harvest area entry permit from certain taxes.

Sec. 10

Establishes an effective date of the fee for salmon hatchery permits described in sec. 2.

Sec. 11

Authorizes the department to adopt implementing regulations.

Sec. 12

Establishes an immediate effective date for sec. 12 pursuant to AS 01.10.070(c).

Sec. 13

Establishes an effective date for sec. 9 concomitant with sec. 2 effective date.

[8:43:41 AM](#)

Representative Wilson asked about the support of industry. She thought fishermen were not excited about it.

Mr. Bowers replied that the department had received broad support from the United Fisherman of Alaska.

Representative Wilson asked if the department had received any opposition to the bill.

Mr. Bowers replied that the department had not received any opposition.

Representative Wilson asked about the opposition in public testimony.

Mr. Bowers replied that the opposition was concerned about hatcheries in general.

Vice-Chair Saddler referred to the sectional analysis. He asked who the technical experts would be.

Mr. Bowers replied that the panel had not yet been appointed. It was a group the department would put together and would describe the number of seats and makeup in regulations.

Vice-Chair Saddler asked about the size of the shellfish industry currently.

Mr. Bowers answered that the shellfish industry was about a \$400 to \$500 million commercial fishery.

Vice-Chair Saddler asked if nonprofits receiving the permits, and expanding their business or limiting to only shellfish.

Mr. Bowers answered that there were currently a couple of projects in the research stage.

[8:48:15 AM](#)

Vice-Chair Saddler asked if new fisheries were anticipated.

Mr. Bowers provided stated that rehabilitation would take place of some depressed stocks. There were existing populations at a very depressed level. Enhancement would be beyond the natural productivity level. He did not know that there would be additional fisheries.

Representative Kawasaki pointed to a letter in support of the bill.

Mr. Bowers replied that the group was operating under a research permit.

Representative Kawasaki stated that the words rehabilitation and enhancement were mentioned multiple times in the letter.

Mr. Bowers answered that a hatchery could open, but the bill was not necessarily about hatcheries.

[8:52:19 AM](#)

Representative Kawasaki was confused about the bill. He wondered if the hatchery was the only new allowance in the legislation.

Mr. Bowers answered that under the existing permit for research small scale projects were allowed.

Representative Kawasaki wondered how the science or research would take place prior to approving a large scale operation.

Mr. Bowers answered that the department would engage its research lab, and maintain integrity. The department would look at the habitat, the dynamics of the stock, the population level that would be supported, and how the project would impact other animals.

Co-Chair Neuman asked what a nonprofit meant in the bill. He asked if it was an entity that made a profit by selling fish, but did not pay taxes.

Mr. Brooks deferred the question to a colleague.

SAMUEL RABUNG, AQUACULTURE SECTION CHIEF, DIVISION OF COMMERCIAL FISHERIES, DEPARTMENT OF FISH AND GAME, answered that the bill designed to be not for private ownership, rather the private nonprofit model, the entities were registered with Department of Commerce, Community and Economic Development made up of boards with stakeholders.

Co-Chair Neuman asked about nonprofit or a shellfish hatchery harvest and sell for a profit.

Mr. Rabung replied that cost recovery was a funding mechanism, but was not the only one.

[8:57:54 AM](#)

Co-Chair Neuman assumed the reports were audited.

Mr. Rabung nodded in the affirmative.

Co-Chair Neuman spoke to the original version of the bill. He discussed fish or shellfish, and he asked why it had been removed.

Mr. Rabung answered that it was the exact language in statute for salmon. The department had overlooked additional shellfish issues.

Co-Chair Neuman remarked on budget concerns. He asked if the state was putting money into the project.

Mr. Brooks replied that there was a staff of five that ran the aquaculture program; the department envisioned using the existing staff for the project. There was one-time permit fee of \$1,000 and only expected a few permits per year.

Co-Chair Neuman believed it had been the intent of the legislature to direct the departments, and he hoped the state would recoup the costs

Mr. Bowers replied that if they were successful the state could do cost recovery on test fishing.

Co-Chair Neuman would like to see a mechanism for cost recovery.

Co-Chair Thompson directed the department to work on the issue.

Representative Gara wanted to ensure there was no contamination of wild stocks. He asked if all of the shellfish would be from the area.

Mr. Bowers answered in the affirmative.

[9:02:30 AM](#)

Representative Gara stated that currently one of the largest marketing of Alaska shellfish was the allure of a wild product. He asked what the companies would have to do to market their wild product.

Mr. Bowers answered that it was enhancement or rehabilitation of wild stocks; similar to that of salmon.

Representative Gara did not know how to analyze the risk. He did not believe they were wild. There was risk in his mind that people who want to undermine the sale of wild // He asked about the danger.

Mr. Rabung answered that the department utilized local stock.

Representative Gara stated that wild shell fish would be more concentrated. He asked about more waste contaminate in the water.

Mr. Rabung replied that the project would be limited to millions of juveniles and would not result in a waste issue.

Representative Gara asked about the danger to any other species. The bill contained a provision about destroying diseased shellfish.

Mr. Rabung answered that it was standard and had been in place since 1974. He announced that regulation pathology required fairly strict quarantine.

[9:08:30 AM](#)

Representative Gara asked what the danger would be to disease of other wild shellfish.

Mr. Rabung replied that the department had discussed the issue with its pathologist who was not concerned as long as current regulations were adhered to.

Representative Gara wondered what individuals who were not champions of the bill would say.

Representative Guttenberg expressed concern about Alaska wild salmon. He had seen criticisms of hatchery fish from competing markets. He was concerned how it would impact wild products. He pointed to a letter in the packet mentioned the mariculture taskforce - he asked about criticisms.

Mr. Rabung replied that the governor's mariculture taskforce had been established but had not yet met; it was seen as a companion bill.

[9:12:28 AM](#)

Representative Guttenberg spoke to the taskforce. He believed it was probably a good thing to be doing, but he would like a better picture about expanding the program.

GINNY ECKERT, ASSOCIATE DIRECTOR OF RESEARCH, ALASKA SEA GRANT AND PROFESSOR, SCHOOL OF FISHERIES AND OCEAN SCIENCES, UNIVERSITY OF ALASKA FAIRBANKS, thanked the governor's office and believed the bill served the need. She spoke to king crab, which were native to Alaska and were seriously overfished. She stated that the population had not recovered. She was conducting research to determine why they had not recovered.

[9:16:36 AM](#)

Vice-Chair Saddler was given the gavel.

Representative Kawasaki expressed concern about ensuring that the stock would not harm the ecology.

Ms. Eckert answered that they were valid concerns. The goal of the bill was to take stocks from an area as close to the area where rehabilitation would occur. She stated that if the native stock was not available, they would go to the next closest source. She stressed that, with crab, everything was much more localized with salmon than shellfish.

Representative Kawasaki asked Ms. Eckert to address the concern about mixing, because he did not want to introduce something new that may damage the ecology.

Ms. Eckert replied that there were criticisms of salmon hatcheries. She stated it was necessary to think about where the bottleneck occurred. There were not enough adults to produce the offspring to rehabilitate the stock on its own.

[9:21:46 AM](#)

Representative Kawasaki spoke to overharvesting in the 1980s - he wondered why the solution was not harvesting for some time. He recognized a commercial fleet depended on it for money.

Ms. Eckert replied that the industry had been closed since the early 1980s, but it had not been effective.

Representative Guttenberg addressed the moratorium on the fisheries. He asked if there had been any research on something that had replaced the species.

Ms. Eckert did not know that enough about the ecology was known to know if something had replaced them.

Representative Guttenberg asked if someone had studied the ecology of the regions. He wondered why the species had not come back. He wondered if there was a reason that the species could not live in the areas any longer due to a habitat change.

Ms. Eckert answered that it was necessary to think about the bottleneck in the fishery. He stated that habitat was not limiting, the ocean was compatible for king crab to live in regions, but overfishing had caused the decrease in king crab.

Representative Edgmon supported the bill. He believed concerns had been assuaged by the expert testimony

[9:25:58 AM](#)

HEATHER MCCARTY, CENTRAL BERING SEA FISHERMEN'S ASSOCIATION, ANCHORAGE (via teleconference), she relayed that the group was comprised of different stakeholders.

Vice-Chair Saddler asked if the testifier was in support of the bill.

Ms. McCarty replied that they strongly supported the bill. They had been working with the Department of Fish and Game and believed they were superb guardians of the fisheries resources of Alaska.

JULIE DECKER, EXECUTIVE DIRECTOR, ALASKA FISHERIES DEVELOPMENT FOUNDATION, WRANGELL (via teleconference), spoke in support of the bill. She spoke to a recent taskforce established by a governor order.

[9:32:21 AM](#)

Vice-Chair Saddler asked Ms. Decker to provide written testimony if available.

NANCY HILLSTRAND, PIONEER ALASKAN FISHERIES, SELDOVIA (via teleconference), was worried that the state was using legislation that was 40 years old. She felt that there was not enough monitoring in the hatcheries. She shared that there was one stream that had 90 percent hatchery fish replacing the wild stocks, and 87 percent were from Prince William Sound traveling all the way to Kachemak Bay. She stressed that there were many problems with the hatchery system, even with the help of pathology and genetics. She felt that there should be a pilot program, because the legislation proposed was still in the research phase. She remarked that the interaction between species. She stated that in the 1960s, in the Bering Sea, king crab was introduced; but king crab was now considered an invasive species. She stressed that the American Fishery Society must be contacted. She urged the committee to research the issue further.

[9:35:33 AM](#)

Vice-Chair Saddler CLOSED public testimony.

Mr. Brooks appreciated the public testimony and had noted Ms. Hillstrand's concerns. The department believed it had the safeguards in place to address concerns.

Representative Wilson believed the testifier had raised serious issues.

Mr. Bowers answered that the department had heard the issues in the past. He was not trying to discount them, but the department believed the safeguards were in place. He pointed to examples in different regions. He spoke to the commercial fishery on the Russian side of the Bering Sea, and that he did not view the project as a failure.

Representative Gara wondered if there were dissenting views from biologists regarding safety.

Mr. Bowers replied that the same request had been given in the prior committee. He stated that a small group had developed the bill. He shared that not all staff biologists were not consulted on the bill. He felt that there may be individuals who may be against the bill.

Representative Guttenberg requested a written comment in reply to Ms. Hillstrand's testimony. He felt that Mr. Brooks seemed flippant.

Mr. Brooks answered that there was no intent to be flippant. He stated that he would provide written answers.

Representative Kawasaki wanted to ensure that the bill would not destroy the ecology of a specific area.

[9:42:27 AM](#)

Mr. Rabung replied that, in the event that local stock was extirpated, no longer existed, or in insufficient numbers to provide adequate root stock to meet genetic minimum effective population numbers, the nearest stock to be sought to be the most compatible.

Vice-Chair Saddler agrees.

Mr. Brooks added that it had been a concern in the Senate. He announced that the language had been removed to address the concern.

Representative Edgmon supported the bill and viewed the legislation as economic development. He did not find any of the department's comments to be dismissive. He believed the bill had been vetted. He felt any hiccups or problems along the way would be noted by the department.

Co-Chair Neuman spoke to the funding issues. He asked if there would be federal funds coming in.

Mr. Brooks replied that the program would pay for itself. He explained that there was a contract that brought in federal funds for managing crab.

Co-Chair Neuman remarked that management would be reduced in the state because of budget reductions. He felt that the program would have a good benefit to the state, but noted the current programs that require funds. He wondered if any of the funds for the project must be dedicated to shellfish.

Mr. Brooks replied none of the programs would be displaced to manage the program. He stated that primary funding for shellfish management was federal receipts.

Co-Chair Neuman stated that his concern was that it took department staff, and the department was already extended thin. He would like to see the funds coming from industry to support it.

Co-Chair Neuman addressed the three zero fiscal notes.

[9:48:54 AM](#)

Co-Chair Neuman MOVED to REPORT CSHB 300(FSH) out of committee with individual recommendations and the accompanying fiscal notes.

Representative Gara OBJECTED. He wanted to know about dissenting biologists who were concerned about the safety of the program. He wanted to ensure that he was not only hearing one side of the story. Representative Gara WITHDREW his OBJECTION.

Representative Wilson OBJECTED. She felt that the people who had offered concerns, were valid individuals. She wanted to further understand the process. Representative Wilson WITHDREW her OBJECTION.

Vice-Chair Saddler stressed that there was never 100 percent unanimity.

Representative Gattis believed everyone was aware of the "fish wars" but she believed it was important to recognize the underlying problem.

Co-Chair Neuman also had concerns with the department's actions. He believed it was incumbent on the department to visit members to discuss the matter. He stated that the committee would watch the issue.

[9:53:55 AM](#)

Representative Edgmon remarked that the department no longer had a legislative liaison. He recommended the department to visit committee offices.

CSHB 300(FSH) was REPORTED out of committee with a "no recommendation" recommendation and with one new fiscal impact note from the Department of Fish and Game, one new

zero fiscal note from the Department of Revenue, and one previously published zero fiscal note: FN2 (DFG).

[9:54:45 AM](#)

AT EASE

[9:56:50 AM](#)

RECONVENED

#sb32

CS FOR SENATE BILL NO. 32(RES)

"An Act relating to the sale of timber on state land; and providing for an effective date."

[9:57:17 AM](#)

CHRIS MAISCH, DIRECTOR, DIVISION OF FORESTRY, DEPARTMENT OF NATURAL RESOURCES, provided a quick overview of the bill. The bill would change the authority process of timber sales:

The bill would amend AS 38.05.110 and 38.05.118 to expand the authority of the Commission of Natural Resources to negotiate the sale of timber at appraised value.

The Department of Natural Resources may offer timber sales either through competitive bid or through negotiation. Currently under AS 38.05.118, the Commissioner of Natural Resources may negotiate the sale of timber to a local manufacturer at appraised value. However, negotiated sales larger than 500,000 board feet may only be offered in areas of high unemployment, excess manufacturing capacity, and an underutilized allowable cut of timber. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. The proposed bill would provide that, in addition to sales to local manufacturers of wood products, sales may also be negotiated with users of wood fiber. This change clarifies that negotiated sales may be used to support wood energy production as well as traditional products. In addition, the bill would eliminate the current limitations that negotiated timber sales be

based on a finding that in the area of the sale there is a high level of unemployment, an underutilized manufacturing capacity, and an underutilized supply of timber that will lose value if not cut. The requirement that all three conditions be met substantially limits the Commissioner of Natural Resources' authority and flexibility to approve negotiated sales that would be in the best interest of the State.

Competitively bid timber sales are the preferred sale method under most conditions. However, negotiated sales provide the ability to tailor some sales to the needs of local processors in areas that lack competitive interest or where there is competition from round log export markets in a region with a constrained timber supply. The latter situation exists in Southern Southeast Alaska where the State of Alaska is small landowner compared to the Tongass National Forest, and the State of Alaska's full allowable cut is a critical source of logs for the remaining sawmills.

[10:04:26 AM](#)

Representative Wilson relayed that the pellet plant was in North Pole.

Representative Kawasaki remarked that there was concern about the ability of the commissioner to engage in the 25-year process. He requested an explanation of the 5-year appraisal process.

Mr. Maisch replied that sales occurred at a base rate. The rate was determined by an appraisal that covered the cost of the division to offer and administer a sale. The division negotiated from the base rate point. He stressed that the 25 years was the maximum, and the commissioner determined the best interest for the state. He remarked that financing was the most important reason for longer term sales. He explained that there were no restrictions in the 120 sales to any particular length of time. He stated that, as a matter of practice, those sales were typically three to five years. He remarked that there was a reappraisal clause in both the contract and legislation.

Representative Kawasaki wondered whether, under the reappraisal, there would be another submitted best interest finding.

Mr. Maisch replied in the negative, and stated that it would be a part of the contract.

Co-Chair Neuman noted that the legislation considered negotiated sales with areas with high unemployment, and wondered how those areas were identified.

Mr. Maisch replied that it was 125 percent of the statewide average. He shared that the statewide average was published by the DLWD was currently 6.5 percent. He stated that the level must be above 7.6 percent to employ the authority. The current unemployment rate in Ketchikan was Ketchikan.

Co-Chair Neuman asked whether the Fairbanks and Mat-Su boroughs qualified for the sales.

Mr. Maisch answered that currently the areas did not, but the bill would allow for the authority consistently statewide.

Co-Chair Neuman remarked that the timber sales must be added value sales, where they process the log.

Mr. Maisch answered in the affirmative. He shared that it had long been the department's policy to encourage managing in Alaska.

[10:09:28 AM](#)

Co-Chair Neuman wondered if the funds would be directed into forestry management in Southeast Alaska.

Mr. Maisch replied in the affirmative, and explained that currently all the forestry positions in Southeast Alaska were funded under the timber sale receipt authority.

Vice-Chair Saddler queried what would occur without a timber source for the Viking Mill.

Mr. Maisch replied that the mill was currently operating one forest service sale to big foreign sales, so there was roughly one year of timber under contract. He stated that

it was likely that there would not be enough timber to keep the mill open, without the ability to negotiate sales.

OWEN GRAHAM, ALASKA FOREST ASSOCIATION, KETCHIKAN (via teleconference), spoke in support of the bill. He remarked that it was very difficult to have two operators operating.

[10:12:52 AM](#)

CARL PORTMAN, RESOURCE DEVELOPMENT COUNCIL, ANCHORAGE (via teleconference), testified in support of the bill. The basic premise of the bill was to allow long-term sales where appropriate.

Vice-Chair Saddler CLOSED public testimony.

Representative Kawasaki had originally thought the bill may have been related to special interest, but he had come around and believed it was good policy.

[10:16:28 AM](#)

Representative Wilson supported the bill. She remarked that the bill provided another way to best utilize the timber.

Co-Chair Neuman remarked that the department had the opportunity to offer the high value processing timber or logging companies to enter into contracts for up to \$10 million board of feet a year consistent with principles for a term of up to ten years. He did not believe that the department had every utilized that allowance.

Representative Guttenberg remarked that it occasionally paid off to "not be first."

Co-Chair Thompson addressed the zero fiscal note from the Department of Natural Resources (DNR).

Co-Chair Neuman MOVED to REPORT HCS CSSB 32(RES) out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

HCS CSSB 32(RES) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal impact note: FN2 (DNR).

10:21:21 AM

AT EASE

10:22:46 AM

RECONVENED

#sb145

CS FOR SENATE BILL NO. 145(FIN)

"An Act relating to benefits for public assistance programs administered by the Department of Health and Social Services; and providing for an effective date."

10:23:10 AM

SEAN O'BRIEN, DIRECTOR, DIVISION OF PUBLIC ASSISTANCE, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, provided information about the bill. He stated that the bill would extend the ability for the division to collect on overpayments through Permanent Fund Dividend (PFD) garnishment. He shared that the bill was initiated because of the child care assistance block grant changes that required more aggressive attempts to collect the overpayments. He stated that there was a recognition of the opportunity to see that the PFD garnishment option was available for all of the division's programs. He stated that the bill allowed for the ability to utilize the garnishment option, to provide that the funds would be returned. He stressed that without the garnishment tool, general funds would be used. He remarked that the fiscal note allowed for collection of the PFD garnishment funds, and allow for the receipt of the funds to the division.

Representative Wilson wondered if there was \$500,000 that had not yet been collected.

Mr. O'Brien replied that \$500,000 was established as an estimate of how much was needed to allow for receipt of PFD remittance. He stated that there was no plan to ask for general funds.

Representative Wilson queried the outstanding balance.

Mr. O'Brien replied that the division had calculated approximately \$331,578 in overpayments in state fiscal year 2015, which were in various stages of repayment.

Representative Wilson wondered if the bill addressed providers, those who received the benefit, or both.

Mr. O'Brien answered that the bill addressed providers who were receiving child care assistance funds on behalf of parents; and child care grants paid to license providers for specific purposes.

Representative Kawasaki wondered whether there was an order in which PFD garnishments operate.

Mr. O'Brien replied in the affirmative. He stated that the bill would fall into 9th in the order. He stressed that the bill depended on the demands on PFD garnishment that were ranked at a higher level.

Co-Chair Thompson CLOSED public testimony.

Mr. O'Brien appreciated the committee's support.

Co-Chair Neuman addressed the fiscal notes.

Co-Chair Neuman MOVED to REPORT CSSB 145(FIN) out of committee with individual recommendations and the accompanying fiscal notes. There being NO OBJECTION, it was so ordered.

CSSB 145(FIN) was REPORTED out of committee with a "do pass" recommendation and with one previously published zero fiscal note: FN2 (REV); and one previously published fiscal impact note: FN3 (DHS).

Co-Chair Thompson discussed the schedule for the following meeting.

#

ADJOURNMENT

10:33:52 AM

The meeting was adjourned at 10:33 a.m.