

HOUSE FINANCE COMMITTEE
May 17, 2016
1:24 p.m.

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CALL TO ORDER

Co-Chair Thompson called the House Finance Committee meeting to order at 1:24 p.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 Lance Pruitt
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Joe Michel, Staff, Representative Steve Thompson; Rob Carpenter, Legislative Finance Division; Pat Pitney, Director, Office of Management and Budget, Office of the Governor; Representative Adam Wool; Representative Lora Reinbold; Representative Dan Ortiz; Representative Mike Chenault; Representative Andy Josephson.

PRESENT VIA TELECONFERENCE

None

SUMMARY

SB 138 BUDGET: CAPITAL

HCSCSSB 138 (FIN) was REPORTED out of committee with a "no recommendation" recommendation.

Co-Chair Thompson reviewed the agenda for the day.

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CS FOR SENATE BILL NO. 138(FIN)

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

Vice-Chair Saddler MOVED to ADOPT the proposed committee substitute for CSSB 138, Work Draft (29-GS2741\Y). There being NO OBJECTION, it was so ordered.

Co-Chair Thompson invited his staff to present the changes to the bill.

[1:25:58 PM](#)

JOE MICHEL, STAFF, REPRESENTATIVE STEVE THOMPSON, reviewed the committee substitute, Version Y. He indicated that there were 5 changes to the bill. He relayed that previously Section 10 reflecting the Kivalina language was removed from the bill. On Page 33 the statutory program receipt funding for the Tok employee was removed. Next he highlighted that on Page 46, Line 18, Section 27 the Alaska travel industry appropriation was removed. Lastly there were three changes near the end of the bill on Page 48. First, Section 32 was added regarding the Constitutional Budget Reserve (CBR). Second, on Page 48, Line 9, Section 33 was added. Lastly, on Page 50, Line 3 was added.

Representative Gara apologized for misreading the bill in the previous day. In a few earlier versions of the capital budget a number of projects that were ongoing but stalled in his district had been removed. In the version before the committee in the previous day the projects had not been removed. He was under a misimpression and had made some comments on those items. He admitted he was wrong and commended the Chair's work and remarked that the projects would either lapse or not lapse. He referred to Section 27 and commented that the legislature had already made an

appropriation in the operating budget to Alaska Travel Industry Association (ATIA) for tourism and marketing. He asked if the \$1.3 million in the capital budget was in addition to the money in the operating budget. He also wondered whether the money appropriated in FY 15 had been spent. Mr. Michel was unable to answer his question.

Representative Gara was under the impression the money was designated general funds (DGF). He elaborated that the money was used by tourism companies to advertise in a state vacation planner. He suggested that some considered it a contribution to the state, he considered it a service paid by the companies personally. He asked if the money being discussed was the funding used to advertise in the vacation planner. Mr. Michel responded in the affirmative. He suggested that at least the majority of the money was for that purpose.

Representative Kawasaki asked if there was a TPS [Tax Performance System] report for the grant under AS 37.05.316. Mr. Michel responded that there was not a TPS report for the grant.

Representative Kawasaki asked about how ATIA would be using the funds for visitor statistics program research. Mr. Michel understood that they would be assuming the responsibility of making the pamphlet about tourism that had previously been generated by the state for the previous two years.

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Representative Wilson asked about Page 7 regarding the federal program match. She indicated that in Version F the state's portion was \$53,967,800 and in the new version the amount was \$54,700,000. She thought the difference was somewhere on Page 8. Mr. Michel asked for a brief at ease.

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AT EASE

[1:31:46 PM](#)

RECONVENED

Co-Chair Thompson relayed that Representative Edgmon had joined the meeting.

Mr. Michel explained that in Section 26 the DOT match money reappropriation had to do with the appropriation for the Friends of the Jesse Lee Home. The city needed about \$1 million to tear down the building. The request from the member of that area was reflected in Version F on Page 45, Line 30, in the amount of \$4.532 million. In the newest version \$3.5 million was being appropriated to the DOT match, thus leaving \$1.032 million in the appropriation for the Friends of the Jesse Lee Home.

Representative Wilson asked if there was a difference of \$732,200. Mr. Michel stated that it was a difference of \$1.032 million.

Representative Wilson relayed some figures in an effort to clarify the amount. Mr. Michel stated that he had to go to his lifeline from LFD.

ROB CARPENTER, LEGISLATIVE FINANCE DIVISION, responded that the appropriation for the Friends of the Jesse Lee Home was reduced by about \$1 million. However, the backfill for the match to reach the governor's number of \$50 million required about \$732 thousand.

Representative Wilson commented about having heard about the alcohol fund and whether there was enough money in it. She asked Mr. Carpenter to inform the committee what was in the fund and whether the state had overspent.

Mr. Carpenter responded that there was sufficient money for the level at which the Senate funded the projects. However, there was concern that the programs funded with the specific funds within the Department of Health and Social Services would not be available in future years. It was a concern regarding sustainability.

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Vice-Chair Saddler asked if he had a balance for the alcohol fund. Mr. Carpenter responded that it was approximately \$7 million.

Co-Chair Thompson asked how much alcohol money was in the operating budget. Mr. Carpenter responded that he did not have the exact dollar amount. However, he was aware that it was a significant amount and funded several programs. The concern was using money from the capital budget.

Co-Chair Thompson emphasized that there was a concern.

Representative Gara wondered about Page 46, Section 27. There was a new amount of \$1.3 million for the tourism industry. He wondered if the appropriation had appeared in any prior version of the budget. Mr. Carpenter relayed that it also appeared in the Senate's version of the bill.

Representative Gara wondered if it was in the Senate version, came out of the budget at some point, and was put back into the budget. Mr. Michel answered that the wording and the structure of the current version of Section 27 was the way the Senate had it in the bill. It was changed to reflect a Tok employee. The language was the same as in the Senate version.

Representative Gara understood that less funding was being provided to the tourism industry for marketing than in current years. He wondered about the money allocated for marketing in the operating budget. Mr. Carpenter responded in the negative.

Representative Pruitt commented that in the operating budget the state employees that dealt with the money were removed. The responsibility was moved over to the Alaska Travel Industry Association (ATIA). Somehow the money had to get to ATIA which he believed was the reason for the appropriation. He thought the change was ultimately getting rid of state employees. He had a question regarding Page 2. He noted a \$475 thousand improvement project to the third floor. He wanted an explanation of what was being done. Mr. Carpenter indicated that the funding source was the Juneau Community Foundation.

Representative Pruitt wondered about the mechanisms that allowed the money to be taken and the improvements to be made. He asked if he would be allowed to take money donated to him to improve his office. Mr. Carpenter answered that it would be called a statutory designated program receipt similar to what was involved with ATIA. If a non-state, non-federal entity wanted to give money to the state to perform a service it could be done. It the case at hand they were contributing funding for state capital renovations. He suggested having Pat Pitney answer further questions on the subject.

Co-Chair Thompson invited Ms. Pitney to the table.

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PAT PITNEY, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, responded that in regards to the donation from the Juneau Community Foundation, it was in the governor's original budget. When the Office of Management and Budget (OMB) did its overview of the capital budget in the House and the Senate the same legal question was asked by the Senate. However, the Department of Law confirmed that the process was appropriate. She did not have the documents but could ask someone from the Department of Law to speak to the committee or provide the documents that OMB provided to the Senate. She did not have the documents with her currently.

Representative Pruitt wondered if it was possible for other entities to provide donations for other space. He wondered if the state could have sought donations for the capital renovations. Ms. Pitney responded that the donation was initiated by the foundation. The governor's office had been approached rather than soliciting a donation. She believed it would be within the rules to ask for donations. She thought typically in state government it was called taxes. She thought there could be a structure implemented to ask for donations for a number of projects.

Representative Pruitt recalled a movie about the topic.

Representative Munoz relayed that the donation was a very generous gift from former Commissioner Corbus to make specific improvements outside of the normal capital program for the capital city. It was to help fill gaps in funding to make better capital city infrastructure. The donation was specific to the Juneau area and to the capital campus.

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Vice-Chair Saddler asked for a description of the project of \$475 thousand and how the funding would be used. Ms. Pitney replied it was to make improvements to the third floor.

Vice-Chair Saddler asked for the particulars of the project. Ms. Pitney would have to get the information to him.

Vice-Chair Saddler noted there was a policy regarding such renovations. Ms. Pitney read a list of improvements encompassing the third floor renovations. The list included modernizing and upgrading the ventilation system and creating a new, usable office space by remodeling the two areas at the building's stairwells. It also included installing cooling in the chief of staff's office, in some of the administrative areas, and in the small conference room.

Vice-Chair Saddler asked if air conditioning was being provided. Ms. Pitney assumed it would be air conditioning. They were modernizing the ventilation system.

Vice-Chair Saddler thought it raised interesting questions about extrinsic money coming into state government for whatever purpose.

Representative Gara asked for the name of the foundation providing the funding. He had no problem with foundation dollars helping to cover the cost of what would otherwise be a state expense. Ms. Pitney responded that the Juneau Community Foundation provided the funding.

Representative Gara noted the question as to whether the state could receive donations for the Anchorage legislative office building. He was doubtful.

Representative Wilson asked if the donation came with a specific list of renovations and a guideline of how the money could be spent. Ms. Pitney replied that the donation was specific to the third floor. There had been discussion of the need given the project scope of the existing capital renovation.

Representative Wilson asked if the third floor would be the only floor with air conditioning in the building. Ms. Pitney responded affirmatively and added that it could be ventilation cooling via a fan. She was uncertain about the exact system.

Representative Wilson suggested trying it out when she came back.

Representative Guttenberg pointed out that the Juneau Community Foundation had donated considerably to the

legislative campus when the state purchased the Thomas Stewart Building.

Representative Munoz corrected Representative Guttenberg that it was a gift from the City of Juneau.

Representative Guttenberg stated that it was along the same lines: A gift to the legislature.

Co-Chair Thompson relayed that the House Floor Session had been moved to 3:00 p.m. to accommodate the House Finance Committee meeting. He indicated that the committee would be taking up amendments.

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Representative Wilson MOVED to ADOPT Amendment 1.

Co-Chair Thompson OBJECTED for discussion.

Representative Wilson explained that the amendment was an appropriation for the Cold Climate Housing Research Center (CCHRC), a great organization. She reported that the legislature had funded the organization in the previous year at \$500 thousand with general funds (GF). The amendment reduced the appropriation from \$1 million to \$500 thousand. It was her understanding that organizations and agencies throughout the state utilized the services provided by the CCHRC and felt they should pay for them.

Co-Chair Thompson spoke to his objection. He relayed that the CCHRC was an organization that was able to reach remote portions of the state helping to provide efficiencies. Alaska Housing Finance Corporation (AHFC) utilized their services throughout the state. The money being used to fund the organization was from AHFC dividends rather than from the state's GF. In the previous year the CCHRC ended up with \$750 thousand but barely scrapped by with all of the work the organization had.

Representative Gara opposed the amendment because of the comments made by the chair. He added that the state's ability to improve energy efficiency had taken a big setback. The money at the Alaska Energy Authority (AEA) had been largely decimated. He thought the state had to do a much better job of helping communities save money in energy costs. He thought the current funding represented a small

step towards that goal. He was concerned about the state's capacity to work on energy efficiency.

Representative Edgmon would be supporting the amendment. He pointed out that what was being discussed was AHFC receipts rather than normal GF. He noted the work the CCHRC had done in terms of building prototype homes that were energy efficient, cheaper, and well suited for a rural Alaska climate. The Cold Climate Research Center had greatly contributed to providing modern technology for home building in rural areas, which he felt was vital. He had been a strong supporter of the Alaska Renewable Energy Grant Program, and the weatherization program. He agreed with the comments made by the representative from Anchorage about the state decimating other very important programs which was a sign of the times. He continued that the fact that the legislature was able to find DGF to give to the CCHRC was very exciting. He would support the amendment.

Co-Chair Thompson asked if Representative Edgmon was supporting the reduction of funding by \$500 thousand.

Representative Edgmon corrected himself, "Oh, I am going to oppose the amendment. Thank you." He supported what was in the budget and opposed the amendment.

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Representative Guttenberg would be opposing the amendment. He did not agree with the Representative from North Pole about turning it into a billable product. He relayed that the standards and the innovative ways of handling Alaska's unique building circumstances when applied resulted in savings. The savings came with the use of innovative energy efficiency measures when building housing. He reported that when he represented a host of villages along the Yukon River he was amazed with the lack of quality in which the homes were constructed to the detriment of the communities. There were no building standards. The federal government had granted money to build two-by-four stick homes many of which were built by the Bureau of Indian Affairs. He claimed a lot of those homes had failed. In the future homes would be built more efficiently and with set standards because of the contribution the CCHRC had made. He claimed that the money savings came as a result of the work they had done in both rural and urban communities inside and outside of the state. He thought their

activities should be encouraged. He would be opposing the amendment.

Representative Kawasaki opposed the amendment. He spoke about how the University of Alaska system was looking for a way for the brainy folks and the geophysical institute to interact with the private sector. The Cold Climate Housing Research Center worked very closely with private industry partners. It was not just a publicly funded organization. He believed about 30 percent of CCHRC's funding came from private entities. During the Arctic Summit in March they highlighted what CCHRC was doing. Amazingly, the organization was doing leading edge things compared to other arctic nations. He surmised that for a state that had only been in existence since 1959 it was doing an amazing job competing with nations that had been working on climate research for a much longer time. He thought it was amazing that it had built a model that could bring in private funds. He opposed the amendment.

Vice-Chair Saddler wondered about the amount of the CCHRC's budget. He was unclear of the \$1 million funding coming out of GF versus funds from AHFC dividends. Mr. Michel responded that it was AHFC dividends in all of the funds source books.

Mr. Carpenter added that AFHC dividends were part of the undesignated general funds (UGF) group. They were GF dollars.

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Vice-Chair Saddler wondered what the total budget was for the CCHRC. Mr. Carpenter did not have the answer to the question off the top of his head.

Co-Chair Thompson asked Ms. Pitney to respond.

Ms. Pitney explained that previously she had been on the board of the CCHRC. She relayed that if her memory served her right the state's contribution was roughly 20 percent of their total budget. Their funds included federal, project, and other membership fee type of funds.

Vice-Chair Saddler asked her to be clearer. He wondered if the \$1 million was only 20 percent of their budget. Ms. Pitney responded that she was speaking strictly from her

past experience. She could not speak to their current budget. They were a non-profit 501(c)(3) entity. The state money was one of several funding sources for their budget.

Vice-Chair Saddler asked about their other fund sources. Ms. Pitney explained that the organization received federal funds and project funds. In other words, CCHRC would be asked to work with a housing agency which paid for their transportation and staff time. She provided an example from her previous career where CCHRC was involved in helping with the energy efficiency piece. She mentioned the funding also came through memberships with contractors and window suppliers.

Representative Wilson asked for a point of order. She explained that the reason for her amendment had to do with not having an explanation from the organization as to how they used the funding provided by the state. She continued that without representation from the organization only guesses were being made. She appreciated Ms. Pitney's previous experience but the subject was the current year's budget.

Co-Chair Thompson agreed.

Representative Gattis asked that CCHRC speak to the amendment. She would rather see the amendment rolled to the bottom to allow for someone to come before the committee.

Representative Edgmon commented that if the maker could not justify her amendment then he asked for a question on the issue.

Representative Wilson responded that it was her point that the legislature was being asked to fund \$1 million for the CCHRC. She had not received any information regarding their budget. Although it was a good organization, an increase was being proposed at a time when money was being taken away from Alaska's seniors and from other projects. She surmised that the organization performed study and research rather than doing actual work on homes. She contended that AHFC was utilizing CCHRC's services and should be paying for them similar to a private entity. She complained that no paperwork was provided and the state was proposing to double what they funded in the previous year. She would rather contribute the money to the weatherization program.

She thought it was a bad time to be adding more money for research and study.

Co-Chair Thompson clarified that the legislature appropriated \$750 thousand in the previous year.

Representative Wilson asked if it was GF that were appropriated.

Co-Chair Thompson answered affirmatively. He was unclear whether the funding was from the GF or from AHFC dividends.

Representative Wilson explained that \$500 thousand came from the GF. She was not aware of the additional \$250 thousand.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Saddler, Wilson, Gattis
OPPOSED: Guttenberg, Kawasaki, Munoz, Edgmon, Gara, Thompson, Neuman

The MOTION FAILED (4/7).

Amendment 1 failed to be adopted.

Representative Munoz asked that Amendment 2 be rolled to the bottom of the amendments.

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Representative Wilson MOVED to ADOPT Amendment 3.

Representative Guttenberg OBJECTED for discussion.

Representative Wilson explained the amendment was a reduction from \$10 million to \$5 million for deferred maintenance for the University of Alaska. She understood that currently the University already had approximately \$19 million in a fund for deferred maintenance. She had heard but could not confirm that the University tried to keep around \$21 million to \$22 million available for emergencies. The \$5 million would satisfy that level. She reported that in the House Finance University of Alaska Subcommittee the University had been asked to look at all

of its buildings. She suggested that with the state's fiscal crisis the University would not be able to keep all of the buildings it was currently responsible for. She was expecting a report in the following year regarding building repairs and a plan for deferred maintenance.

Representative Guttenberg responded that he had heard from the University of Alaska that it had roughly 40 percent of all of the buildings in the state. He suggested that \$5 million to \$10 million did not satisfy what was really needed to keep up with maintaining its facilities. He iterated that the \$20 million set aside for emergencies was to be used for things such as a roof going out and other unanticipated items. He thought the state should provide at least \$10 million. He thought the consequences of the University not maintaining its buildings would result in building replacements down the road. He thought many band aids had been applied and that \$10 million was not enough funding. He thought the legislature had neglected the University's major maintenance budget. He would be opposing the amendment, as it did not make fiscal sense.

Representative Kawasaki rose in opposition to the amendment. He thought the University was doing a significant amount to restructure and change the way it was doing business. He commented that the legislature was currently sitting in a building [the Bill Ray Center] that had previously been owned by the University of Alaska. The University was doing prudent things. He reported that there were over 400 buildings the University owned or had to maintain. He suggested that every dollar the state did not spend in maintenance would cost \$3-5 in the future. The amount of money currently in the budget, \$10 million, paled in comparison to the amount of money that the state would have to pay if it delayed repairs into the future.

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Vice-Chair Saddler was in support of the amendment. He relayed that the state was experiencing difficult times. He thought that the University already had money set aside for deferred maintenance and believed it was appropriate to reduce the appropriation by \$5 million.

Representative Gattis supported the amendment. She thought that due to the restructuring of the University making changes to owning or maintaining facilities should be

looked at and potentially changed. She thought it was the beginning of many changes.

Representative Wilson remarked that the University of Alaska Southeast had made some good decisions. She reported that the University had 139,329 acres of investment property and only 12,000 acres of education property. Some of the property could be sold for commercial and residential use. She read the intent language placed in the operating budget by the legislature:

"It is the intent of the legislature the University of Alaska better utilize community buildings, school district buildings, and other facilities in close proximity to its existing brick and mortar campuses and satellite facilities that have low utilization rates of face-to-face classes. Only the restructuring results in a decreased total cost. Furthermore, the University is to report back to the legislature with a plan to increase its use of co-location by the 15th day of the 2017 legislative session."

Representative Wilson thought \$5 million was enough to tie the University over until the following year. She appreciated members' support.

Representative Guttenberg MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Munoz, Pruitt, Saddler, Wilson, Gattis, Neuman, Thompson

OPPOSED: Kawasaki, Edgmon, Gara, Guttenberg

The MOTION PASSED (7/4).

Amendment 3 was ADOPTED.

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Representative Gattis MOVED to ADOPT Amendment 4.

Co-Chair Thompson OBJECTED for discussion.

Representative Gattis explained that the amendment removed \$2.2 million from the Alaska Land Mobile Radio System (ALMR). She thought the state needed an emergency

communications system. However, the ALMR system was an old Department of Defense system given to the state by the federal government years prior. She thought any money spent on the system currently would be throwing good money after bad. She argued that the technology had improved significantly. She believed that adding money now would lead to another \$50 million invested in the old system over time. She thought it was an appropriate time to make a change away from the ALMR system. She suggested looking at other options. She had visited with different agencies that indicated they could be part of an emergency system. She asked for support of her amendment.

Co-Chair Neuman spoke to his objection. He relayed that, in previous conversations, the Department of Public Safety expressed that if the money was cut for the ALMR system the department would be left without the technology to communicate with each other. It was a constitutional requirement to have communication. He informed the committee that the ALMR system had been under the microscope for years and the administration was very aware that the legislature would like the system gone. However, something else would have to be in place before taking the ALMR system offline. If ALMR was removed it would be detrimental to communication necessary for safety. He agreed that the program was not ideal but it was the only system the state had at present. It scared him about potentially not being able to communicate. He thought the legislature was sending a strong message to the Department of Administration that the system had to go. He indicated reluctantly he would be voting against the amendment.

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Representative Kawasaki appreciated the comments made by the previous speaker. He also agreed that ALMR was an old system. He remarked that many departments had spent a tremendous amount on the system but it was outdated now. However, absent ALMR funding, some folks would be cut from the communications lifeline. He remarked that Fairbanks had a redundant system and Anchorage did not use ALMR. There were several places, though, that used ALMR exclusively. He would be opposing the amendment.

Representative Guttenberg agreed with the previous 2 speakers. He relayed having received positive feedback about ALMR from fire chiefs in his district. He spoke in

opposition of the amendment. Although he wished the state could rid itself of the system, it had to have a replacement vehicle in place first.

Vice-Chair Saddler remembered ALMR being a sink hole 20 years prior. He could believe the system would be entirely inoperable if \$1 million was not allocated. He concluded a larger complaint would have come in otherwise. He was unsure how he would vote on the amendment.

Co-Chair Thompson remarked that, as the previous Mayor of Fairbanks, he was familiar with the system. He believed the system would have to be addressed in the future but wanted to see the system continue for another year. He hoped a replacement vehicle would be considered for the following year.

Representative Wilson would be voting in favor of the amendment. It was her understanding the state would be purchasing additional equipment and would get the state deeper into an investment in the system. She noted hearing previous comments about taking care of the issue "next year". She thought it was time to stop making an investment in the old system. She did not understand the state's obligation. She wanted to deal with the issue in the current year.

Representative Gara remarked that he used to be against the ALMR system prior to several locations signing onto it. The different locations had purchased equipment in order to communicate with the state's system. He thought it would be very expensive to purchase a new system and did not know if it would be possible to come up with a new system within just a year. He commented that the state's public safety system was predicated on the ALMR system. He opined that it was not an option to defund the program. He would be voting against the amendment.

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Representative Gattis reminded members that the amendment was talking about \$2.2 million which would sign the state for almost an additional \$50 million in the next 5 years. She remarked that that if the state continued to subsidize the same program no one else would make a change. She thought it was a great opportunity to say that the state had paid enough. She asked for support from members.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Saddler, Wilson, Gattis

OPPOSED: Munoz, Edgmon, Guttenberg, Kawasaki, Thomson, Neuman

The MOTION FAILED (4/7).

Amendment 4 FAILED to be adopted.

Representative Wilson MOVED to ADOPT Amendment 5.

Co-Chair Thompson OBJECTED for discussion.

Representative Wilson explained that when the state started taking federal funds for different projects and used state matching funds, the Department of Transportation and Public Facilities (DOT) decided what projects it would pursue. Her understanding was that the only way to stop the department was to add specific language preventing funds from being used for a particular project. In her district what she had found was that even with a number of signatures obtained it did not stop the DOT from going ahead with certain projects. However, it would not stop the department from using GF for anything else in the Statewide Transportation Improvement Program (STIP).

Co-Chair Thompson directed members to take a look at the last page of the amendment. He would call for an "at ease" to allow for members to read the information. It was a document from Legislative Legal Services. Basically the document stated that the intent language could possibly violate the constitution of the State of Alaska.

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AT EASE

[2:38:57 PM](#)

RECONVENED

Co-Chair Thompson commented that the opinion from Legislative Legal Services was that the amendment might be in violation of Alaska's constitution and potentially unenforceable. It violated the confinement clause of the

Constitution of the State of Alaska. He was not a legal expert.

Representative Wilson directed the committee's attention to the middle of the page. She noted that there was a list of questions that had to be answered. She read directly from the opinion from Legislative Legal Services:

[T]he qualifying language must be the minimum necessary to explain the Legislature's intent regarding how the money appropriated is to be spent. It must not administer the program of expenditures. It must not enact law or amend existing law. It must not extend beyond the life of the appropriation. Finally, the language must be germane, that is appropriate, to an appropriations bill.

Representative Wilson reviewed the requirements and believed that the amendment passed the test.

Co-Chair Neuman remarked that there had been other circumstances where the question arose whether a bill was constitutional. He thought Representative Gara had talked about the confinement clause previously. He believed that a clause could not be placed in a bill that would make the legislation illegal. He was unsure whether the operating budget would be considered unconstitutional if an unconstitutional amendment was inserted.

Representative Gara indicated that he had been incorrect about the single subject law for most of the session. In almost every bill the legislature passed if there was an unconstitutional provision, by law only that portion would be removed. The only difference had to do with violating the single subject clause. If two provisions were placed in a bill that did not belong together because of the constitution the courts would not know which to remove. The courts considered it "log rolling" to build votes with one provision to get votes for another provision. Some courts have said they would declare the entire bill unconstitutional. It only had to do with the single subject issue. In all other bills it was only the unconstitutional portion that would be removed.

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Representative Guttenberg explained that the intent of the amendment was not to stop the project but to stop the current design proposal. He asked to be added as a cosponsor of the amendment. He thought the sponsor would agree with him that there might be problems. Safety concerns needed to be addressed at the intersection that was the main topic. He relayed that the community had reached out to the DOT with having hundreds of people submitting their comments and signing a petition. The amendment would not stop the project but rather change the current adopted design proposal. His concern was that the community had risen to ask that the project be done in a different way but the DOT had not made a change. He supposed the current design proposal was the issue.

Co-Chair Neuman thought the issue sounded very familiar to an issue in Big Lake. The legislature appropriated money for improvements to intersections on some of Big Lake's roads. The money was moved over to the Matsu-Borough who decided to build some round-a-bouts even though community members expressed opposition to them. He understood and suggested going back to the people to see what they wanted.

Co-Chair Thompson announced that the House Floor Session had been postponed until 4:00 p.m.

Co-Chair Thompson WITHDREW his OBJECTION.

There being NO OBJECTION, Amendment 5 was ADOPTED.

[2:45:32 PM](#)

Representative Wilson MOVED to ADOPT Amendment 6.

Co-Chair Thompson OBJECTED for discussion.

Representative Wilson explained that the amendment had to do with alcohol and other drug abuse treatment funds. The funds returned to the fund it was in. She reported having received information about the FY 17 Governor amended [budget]. The available balance was \$33,168,500. She did not believe \$1.5 million for the particular project would decimate the fund. The amendment utilized the funds as outlined in the original version.

Representative Gara asked where it appeared in the current version of the bill.

Representative Wilson responded Page 36, Line 10.

Representative Gara thought the Alcohol and drug abuse treatment and prevention fund should be used for exactly what it was intended. He was unclear about Page 36, Line 10 and whether it had to do with alcohol and drug abuse treatment. He supposed it did not have anything to do with drug and alcohol treatment. He did not know why the state would use treatment funds for a notification system.

Co-Chair Thompson remarked that it was a victim notification and time management system.

Representative Kawasaki opposed the amendment. He relayed that the alcohol and drug abuse prevention fund was established within the Department of Revenue. It was 50 percent of alcohol taxes collected under the same section. The legislature appropriated a balance to the Department of Health and Social Services (DHSS) for the establishment and maintenance of programs for the prevention and treatment of alcoholism, drug abuse, and misuse of hazardous volatile materials and substances by inhalant abusers. It was pretty clear that the fund was to be used for that purpose. He did not think the money was intended for the correctional offender management system or the victim information notification system. It very specifically stated that the legislature was supposed to use it for the DHSS. He opposed the amendment.

Co-Chair Neuman expressed concerns with how much money was left in the Alcohol and Drug Abuse Treatment fund. He stated that with the passage of SB 91 [Legislation passed in 2016 - Short Title: OMNIBUS CRIM LAW & PROCEDURE; CORRECTIONS] it might be the only money to use as a backup until savings was realized. He was aware that the fund was currently stretched. He thought it had already been overspent by several million dollars in the current year. He was concerned whether a \$1.5 million hole would be left in the following year if the same programs were needed. He favored using any additional monies in funds. He reiterated that the alcohol and drug fund had been overspent.

[2:50:05 PM](#)

Representative Wilson relayed that it was \$1.5 million of GF. She believed it was part of SB 91. It would still have

\$33,168,500 in the fund for all sorts of programs. She wondered why funds would be shifted currently without knowing how much money would be in the fund. She would rather supplement with GF in the following year and show the savings in the current year in order to pay for an upgrade due to a bill that was just passed.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Wilson, Gattis

OPPOSED: Saddler, Edgmon, Gara, Guttenberg, Kawasaki, Munoz, Neuman, Thompson

The MOTION FAILED (3/8).

Amendment 6 FAILED to be adopted.

Representative Munoz WITHDREW Amendment 7.

Representative Kawasaki MOVED to ADOPT Amendment 8.

Co-Chair Thompson OBJECTED for discussion.

Representative Kawasaki explained that the amendment dealt specifically with the Kivalina School. In 2011 there was a lawsuit that was finalized, the Kasayulie case. One of the results of the lawsuit was that a school had to be built. There was a price tag to that school. Under the current bill the allocation amount was short. The governor had originally put in \$7.2 million. The amendment allocated the remaining amount making the obligation whole. He recognized there were some dueling legal opinions from lawyers. He was uncertain if his amendment made sense at the current time. However, he wanted to put on record that he had concerns that the state might be violating one of the decrees of the Kasayulie case.

Representative Kawasaki WITHDREW Amendment 8.

[2:53:10 PM](#)

Representative Gara MOVED to ADOPT Amendment 9.

Co-Chair Neuman OBJECTED for discussion.

Representative Gara explained that the amendment was written to Version F and he was trying to find the new legislative building portion of Version Y. He referred to Page 24, Line 28. He was certain that if the state was going to purchase a building the Wells Fargo building [1500 West Benson Blvd., Anchorage, AK 99503] would be cheaper than the old office building [716 West 4th Street, Anchorage, AK 99501]. He explained that he was not convinced that enough of a search had been done for a modest office space in Anchorage. He advocated leasing rather than buying at the present time.

Co-Chair Neuman reported that as a member of Legislative Council there had been a significant amount of discussion regarding the Anchorage office space. The legislature had given the landlord a 90 day notice to allow for time to relocate the office. He thought the building currently being considered to replace the building on 4th Street would serve the purpose of the legislature well. He conveyed that the selection of available buildings was limited. He supposed the biggest challenge over the past several years was choosing a building. The cost of the Wells Fargo building was estimated at about \$.57 per square foot which was reasonable. Wells Fargo wanted to maintain its lease occupying a portion of the first floor which would provide the state some revenue. There were also cell towers located on the roof which generated revenue. Additional parking could be leased as well. He claimed that the property search had been thoroughly vetted. He had received several different proposals from other developers on different buildings. He favored the appropriation to purchase the Wells Fargo building for a maximum of \$12.5 million.

Co-Chair Thompson thought that it was best to purchase the Wells Fargo building in Anchorage.

[2:58:10 PM](#)

Vice-Chair Saddler suggested that, like automobiles, if a building was only going to be used for a short period of time then leasing was a better option than buying. He thought that as long as the State of Alaska and the legislature existed there would be a need for a legislative office facility. Therefore, he concluded buying was a better choice. He would oppose the amendment.

Representative Kawasaki highlighted that the legislature had been part of a bad deal for a while. Although the Wells Fargo building was affordable to purchase at \$12.5 million the state could not afford it currently. Such a purchase would have bad optics. He also stated that the size of the building was greater than what was needed. He quoted approximately 4000 square feet per legislator for those that would be housed there during the interim months. He thought it would be better to lease office space and would support Amendment 9.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Kawasaki

OPPOSED: Saddler, Wilson, Edgmon, Gattis, Munoz, Pruitt, Thompson, Neuman

The MOTION FAILED (3/8).

Amendment 9 FAILED to be adopted.

[3:00:47 PM](#)

Representative Gara MOVED to ADOPT Amendment 10.

Representative Wilson OBJECTED for discussion.

Representative Gara explained that the amendment restored what the legislature had been doing in the capital budget in prior years until the previous year. The state currently had 1200 more foster youth in its foster care system than 6 years ago. The state did not have enough adoptive parents and had the second highest number per capita of children in the foster care system waiting for an adoptive home. The state was paying for them in the foster care system (\$30 to \$100 per day). The state needed to get the foster care children into permanent loving homes. The amendment asked for a modest \$75 thousand to do radio and television ads to recruit needed adoptive and foster parents. He was glad that the second part of the bill [amendment] for \$125 thousand to ATIA had been removed. He suggested that the amendment was currently a conceptual amendment since the language following Line 15 had already been removed in a separate amendment. The way the amendment was originally written there was a net savings of \$50 thousand. He opined that the amendment was a small project that needed support.

Co-Chair Thompson asked about an amendment to an amendment.

Representative Gara indicated he would present Amendment 10 as a conceptual amendment. The conceptual amendment would be to add the funding for the recruitment adds.

Co-Chair Thompson clarified that the amount was \$75 thousand.

Representative Gara responded affirmatively. He added that Legislative Legal Services would have to write the conforming language.

Co-Chair Neuman clarified that part of the conceptual amendment should be to eliminate the language from Line 15 and below.

Representative Gara was making the amendment conceptual because he was unsure which of the deletions and insertions were needed on Page 2.

Representative Wilson objected to the conceptual amendment. She did not disagree that additional foster care or adoptive parents were needed. However, she felt the system was broken. She spoke of people opening up their homes and their children to foster children and placing their own children at risk. She spoke of a circumstance where someone trying to do the right thing by opening up their house to a foster child ended up jeopardizing their family. She thought that reevaluating the Office of Child Services needed to come before recruiting adopting or foster care parents. She provided an example of a couple in her district that felt that it was their life duty to become foster parents. They had previously been foster parents and had adopted a few children. They had a child placed in their home temporarily and an allegation was made. The couple lost all of their children. The issue was still in play.

Co-Chair Thompson redirected Representative Wilson to speak to the amendment.

Representative Wilson thought that if the state was going to run television advertisements it would be important to be honest about the risks involved for people considering

either being a foster care or adoptive parent. She would oppose the amendment.

Co-Chair Thompson provided a personal example of a positive foster care outcome. He did not want to paint foster care parenting and adoption in a poor light.

Vice-Chair Saddler spoke to the amendment. He suggested that although the amendment was accompanied by an earnest desire to help foster care children he had not heard anything from the Department of Health and Social Services (DHSS) that it was the most important or most important use of \$75 thousand. He thought there were many social ills that might also benefit from increased public service announcements. He provided a list of examples. He also did not believe that \$75 thousand would provide a significant amount of exposure. He would be opposing the amendment.

[3:08:50 PM](#)

Representative Gara spoke to the previous speaker's statement that he had not heard that it was the most important use of money in the state. He commented that there was nothing in the capital budget that was the most important use of money in the state. If that was the standard the entire document would get thrown out.

Co-Chair Neuman asked for a point of order. He clarified that all legislators had opinions about what was most important. He wanted to get back to the amendment.

Representative Gara talked about a woman in the audience who had bounced between 47 foster homes. Children were taken from their families and placed into emergency foster homes rather than a willing and ready foster family. This was due to a lack of available foster care homes. He thought that to not take action would leave things worse off than to take at least a small action. He hoped for support of the amendment.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Edgmon, Gara, Guttenberg, Kawasaki, Munoz
OPPOSED: Wilson, Gattis, Pruitt, Saddler, Neuman, Thompson

The MOTION FAILED (5/6).

Representative Gara asked that Amendment 11 be rolled to the bottom as he was awaiting an improved version of his amendment.

Representative Kawasaki MOVED to ADOPT Amendment 12.

Co-Chair Thompson OBJECTED for discussion.

Representative Kawasaki explained Amendment 12 which was on Page 48, Line 12 in the new work draft Version Y. It addressed one reappropriation of money in the legislature's budget that was formerly a part of the Legislative Council's budget, formerly in the task force for sustainable education, and formerly slated for Legislative Budget and Audit. The total amount of money was over \$5.5 million. The current reappropriation indicated that the legislature would put \$1.5 million of the \$5.5 million into new video surveillance and upgrades to enhance security at the new Capital Building complex. He wanted to leave that portion intact. The remaining \$4 million would go to the Alaska Legislature's Legislative Council for renovations, repairs, technology improvements, and other necessary projects related to legislative buildings and finance. He suggested that at a time when the legislature was attempting to scratch together some nickels here and there he thought it was best to put \$4 million back into the GF so that it could be used for something very specific. He thought it was nice for the legislature to have a slush fund but felt it did not make sense to do so in the current fiscal climate.

Co-Chair Thompson was having difficulty with 12 because it did not have an explanation as to how much of the money was needed for a special session.

Vice-Chair Saddler remarked that the use of the term "slush fund" had a negative connotation and was inappropriate.

[3:15:02 PM](#)

Representative Kawasaki apologized for the use of the term "slush fund." He thought there were ways to budget things. The legislature could ask for a supplemental budget in future years. If the legislature wanted to understand truth in budgeting legislators needed to start with their own

branch. Potentially \$4 million would be directly allocated to the Legislative Council for an unspecified purpose. He would prefer clearly defining the purpose of any money being allocated to the Legislative Council. He supported Amendment 12.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Kawasaki, Wilson
OPPOSED: Edgmon, Gattis, Munoz, Pruitt, Saddler, Neuman, Thompson

The MOTION FAILED (4/7).

Amendment 12 FAILED to be adopted.

Representative Kawasaki MOVED to ADOPT Amendment 13.

Co-Chair Thompson OBJECTED for discussion.

Representative Kawasaki referred to Page 50, Line 30. Amendment 13 was an add-on to lapsed appropriations. He explained that the legislature had several pots of money. The current capital budget bill had taken money that was unexpended and swept those funds back into an account to ensure that there was money in the future. He thought it was necessary especially when the legislature was scraping nickels together. The amendment dealt with other projects specifically recognized as the "mega projects." Currently there was over \$15.1 million UGF for the Juneau Access Project, \$5 million for the Knik Arm Bridge and Toll Authority Project, \$8.35 million for the Susitna-Watana Hydroelectric Project, \$8.16 for the Ambler Mining District Industrial Access Road Project, \$18.8 million for the Bragaw Extension/U-Med North Access Road Project, and \$2.3 million for upgrades to the Kodiak Launch Complex. The total amount for megaprojects in Amendment 13 was over \$57.8 million. He argued that at a time when the legislature was trying to bare down on the budget it was important to consider whether the state could afford these major projects. Many of the projects mentioned would require \$102 million in additional funding to reach the Federal Energy Regulatory Commission (FERC) licensing, the studies necessary for the project. The question was whether the legislature would be able to come up with the \$102

million to pursue the project just to get to the point of actually talking about construction of a \$3 billion damn. He surmised the state would not be able to. He felt that, rather than spending money on things the state would not be able to afford in the near future, some of the money should be swept back into the GF and into savings while the legislature attempted to stabilize the budget.

[3:19:55 PM](#)

Representative Wilson indicated that it was her understanding that some of the funds were requested by the governor. She had hoped the legislature would receive information about a plan for each of the mega projects. She was unclear what funding was still being used. She expressed her concerns with ending the funding without more information. She would be opposing the amendment.

Co-Chair Neuman remarked that the mega projects had all been looked at several times. It was his understanding that the Kodiak Launch Complex would be taken over by a private enterprise. He remarked that the Knik Arm Bridge and Toll Authority project was self-funded and would have no effect on the state's budget. The project would not cost the state a dime. He added that it would require about \$3 billion or \$4 billion to update the Glenn Highway to accommodate capacity. He furthered that he and Representative Gattis had about 34 thousand constituents traveling back and forth to town on a road that was over capacity. He remarked that the Ambler Road was to encourage mining activity in areas of the state that were currently unincorporated. He opined that the mining industry within the North Slope Borough was amazing. He remarked that the money for the Susitna-Watana Hydroelectric project were federal dollars that were previously appropriated. He deferred to Representative Munoz to discuss the Juneau Access Project. He would be opposing the amendment.

Vice-Chair Saddler noted the amendments had been seen at every phase of the operating and capital budgets for the past 2 years. They had already been raised. The governor had issued the administrative order that paused progress on many of the mega projects. Following the pause, decisions were made by review that the projects should proceed. In the case of the Susitna-Watana Hydroelectric project the Alaska Energy Authority was directed to finish the resource studies that FERC required in order to reach a good

stopping point. It was a project considered for decades that would provide power for the entire railbelt at a very low cost. The Knik Arm Crossing had already been mentioned. He stated that the Ambler Road Project had been paused but the Alaska Industrial Development Export Authority was directed to proceed with the project and to initiate the environmental impact studies. The U-Med Northern Access Project for about \$18 million had been debated at every stage of the budget. It was clear from the information he had seen that the residents and organizations such as South Central Foundation, Providence Alaska Hospital, Alaska Pacific University, and the Alaska Native Tribal Health Consortium all desired to see the road go through to alleviate congestion and make access to the U-Med District more available to more people. The arguments had already been heard. He would be opposing the amendment.

Representative Munoz opposed the amendment. She spoke specifically to the Juneau Access Road Project. The state had set aside enough money to meet the 10 percent state match. If the amendment were to pass the state would be defunding the state's portion of the project. The project was a \$450 million capital project for the region. It was a top priority to the community of Juneau. She reported that the city and borough assembly was in support of the project. Many of the trade unions favored the project. She listed a number of members. She did not understand why the state would want to defund such an important project at a time when going forward the state would be faced with low capital budgets. She strongly opposed the amendment.

Representative Gara made a remark about decorum.

[3:26:37 PM](#)

Representative Guttenberg stated that the maker of the amendment had posed most of his same arguments. He had been in the construction business and appreciated building things. However, he believed that everything was on the table and that the projects being discussed were very expensive. He thought they could be set aside and picked up at a later time in the future. He commented that he understood the Bragaw Extension project was not supported by any of the community councils or residents. He reiterated that everything was on the table.

Representative Kawasaki appreciated all of the comments. He closed by mentioning that when the governor was elected the price of oil was at about \$80 per barrel. Many legislators expected oil to be at that price. By the time the governor took office in early December 2014, he realized the price of oil would not remain at about \$80. He issued Administrative Order 271, the purpose of which was to declare that the state did not have the cash outlay to pursue many of the major mega projects including, the Ambler Mining District Industrial Access Road Project, the Juneau Access Project, the Susitna-Watana Hydroelectric Project, the Kodiak Launch Complex, the Knik Arm Bridge and Toll Authority Project, and the stand-alone pipeline project. Since December 26, 2014, the legislature had been trying to decide what to do with the remaining cash that was unencumbered by the mega projects. He continued that the Ambler Mining District Industrial Access Road Project would cost an additional \$3.6 million. The Susitna-Watana Hydroelectric Project would require an additional \$102 million prior to getting to a FERC licensure. He did not think it was realistic for the state to come up with the funding. He admitted that the Juneau Access Project was further along than other projects. It had been a long time dream for many people in Juneau. The project would require an additional \$574 million following a record of decision. The state had approximately \$120 million set aside at present. It was possible that the state would receive a significant amount of federal aid. However, he wondered if the state would actually get the amount needed. He continued that the Knik Arm Bridge and Toll Authority Project was a \$1.17 billion project. He reported that about \$250 million had been spent thus far with \$5 million remaining. The project did not cost the state any money but would in the future. He suggested the remaining \$5 million could be used to buffer the state's savings. The money associated with the Kodiak Launch Complex, over \$22 million, was returned to the state. He reported \$2.3 million left for a launch pad that had not been constructed and would likely not be constructed in the current fiscal year. Finally, he reported that regarding the Bragraw Extension there were some groups that supported it, but the mayor and all of the community councils did not want to use the money for that project but for other things. He stressed that the state did not have a significant amount of money available and the mega projects had a huge dollar value to them. He thought the money should be returned to the GF into savings. He urged support for Amendment 13.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Kawasaki

OPPOSED: Gattis, Munoz, Pruitt, Saddler, Wilson, Edgmon, Thompson, Neuman

The MOTION FAILED (3/8).

Amendment 13 FAILED to be adopted.

[3:33:08 PM](#)

Representative Pruitt Vice-Chair Saddler MOVED to ADOPT Amendment 14.

Representative Kawasaki OBJECTED for discussion.

Representative Pruitt explained that the amendment would reappropriate money that was already "out there" for the U-Med North Access Road Project that was given to the Municipality of Anchorage. The money would be reappropriated to the University of Alaska Anchorage (UAA). The University had donated its land to the project and wanted to see the project move forward. Alaska Pacific University (APU) had offered its support for the project as well. The U-Med district master plan, encompassed in a letter to Senator McKinnon, was in front of the assembly. He reported that APU was a key contributor to the U-Med village concept. The village would be on APU land. However, in order to carry out the master plan the access road would be necessary. There was also a safety concern at Elmore Road and Providence Drive. Since the building of the new arena it had become less safe for their students. Providence Health was supportive of the project because of the increased traffic resulting from the new facility at UAA and the new engineering building. The Southcentral Foundation was in favor of the project, as it would provide access to its facility located south of the road. The Alaska Native Medical Center and the Alaska Native Tribal Health Consortium (ANTHC) were in favor as well. He spoke of ANTHC constructing patient housing and perhaps a new facility for skilled nursing. A traffic study had been done and 40 percent of West Anchorage commuters traveled to the U-Med area and would benefit from the project. He had heard

consistently that there was concern with community councils. He spoke of the safety aspect of the road which would provide better medical access in an emergency situation. He asked members to support the amendment.

[3:38:54 PM](#)

Representative Kawasaki indicated that the road would be seven-tenths of a mile and would cost about \$20 million. He relayed that nine community councils within the immediate affected area opposed the project. He thought it was important to listen to constituents in the area who did not want the extension. The mayor of Anchorage did not want the expansion either. He was troubled that the amendment removed \$18.9 million from the Municipality of Anchorage to build the road and gave it to the University of Alaska System to be used with its discretion. There had already been a fight earlier about how much money the UA needed to maintain its 400 buildings. The University had \$1 billion in deferred maintenance. The University was appropriated \$10 million to maintain buildings already constructed and currently it was asking for \$18.8 million to build a new road. He wondered who would be maintaining the road, a question he thought every legislator should be asking. He opposed the amendment because the residents and the mayor did not want the project. He appreciated the University. He wondered if the University should be in charge of \$18.8 million when there was so much deferred maintenance. He opposed Amendment 14.

Vice-Chair Saddler supported the amendment. The road would be on the miracle mile of Anchorage containing the city's University Medical District. It was a medical campus where emergency rooms were located and where most doctors were concentrated. He spoke of trying to get a free-standing emergency department built in Eagle River to have access to emergency services closer to home with quick access. Eagle River was told no and was encouraged to direct residents to the U-Med district where Providence Hospital received 7 beds that were up for grabs for an emergency department. Eagle River had been told by DHSS to rely on quick access to the Providence Hospital for his constituents that needed emergency services. They were expected to drive through the U-Med District to get to the ER. It was not just a green space, but was a place where quick access was needed to avoid someone potentially dying. It was a path to salvation, health, life or death. It was very important to

have access to Anchorage's medical facilities. There had been much debate on the subject and many questions had been answered. He thought the amendment provided the University the wherewithal to achieve building the road for the benefit of all of his constituents and many others. He thought it was a good deal. He appreciated other members supporting the amendment.

[3:43:20 PM](#)

Representative Gara listened to the exaggerations about death. He commented that the previous speaker's constituents would likely go to Alaska Regional Hospital which the project would not affect. Emergency vehicles and personnel had override devices to go through traffic lights. He thought the death argument was very emotional and inaccurate. He pointed out that \$18 million would fly out of the capital building with the swipe of one amendment while the state had a deficit of \$4 billion. He remarked that it was a significant amount of money. It was over 200 times more money than the cost of a previous amendment that would have tried to get parents to children who did not have them. He thought legislators needed to prioritize what was of high importance. He continued that it was more money than the 13 members of his caucus had put into the operating budget in one amendment. He thought the state had reached a point where it was not supposed to be doing free spending. He argued that spending \$18 million on a short road that residents and the mayor had opposed was a bad idea. He thought the people of the area had a better pulse on their neighborhoods than the members around the table. He would be opposing the amendment.

Representative Guttenberg relayed that President Johnson of the University stated in his letter to the Senate President that the project would move forward with the memorandum of understanding (MOU) negotiated with the Municipality of Anchorage. He wondered if the MOU was still in effect since the mayor had changed and currently did not support the project. He relayed that the letter indicated the University had no intention of maintaining the road and that it would fall on the shoulders of the Department of Transportation and Public Facilities (DOT). He was glad to hear that the University would not be responsible based on its reduced maintenance budget. He thought that because of the University's donation of land there might be issues

down the road requiring another reappropriation for the project.

[3:48:02 PM](#)

Representative Pruitt did not know the position of his community council regarding the project. He typically attended all of his community council meetings unless he was in Juneau. Had he been there to vote he would have been a "no" vote. He appreciated the work of community councils. However, there were people that felt they should be able to access the Alaska Native Medical Center (ANMC), the highest level trauma center in the State of Alaska (Level 2). He continued that ANMC treated many of the high level emergency care cases that arose in Anchorage. For those folks that live in Mountain View, Eagle River, or any place in Northern Anchorage they would have to take the long way to ANMC or Providence. Patients would not necessarily immediately go to Alaska Regional Hospital, although it was a great hospital. He did not understand why the project was so contentious since it was a lifeline. The previous mayor was in favor of the road. He suggested looking at the people being served. The people in Northern Anchorage, some of the poorest people in the city, would be affected. He thought providing them access to the medical facilities was the right thing to do. He favored moving the funding over to the University since the city was not willing to do it. He asked for support from members.

Representative Kawasaki MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gattis, Munoz, Pruitt, Saddler, Wilson, Edgmon, Neuman, Thompson

OPPOSED: Guttenberg, Kawasaki, Gara

The MOTION PASSED (8/3).

Amendment 14 was ADOPTED.

[3:51:48 PM](#)

AT EASE

[4:08:40 PM](#)

RECONVENED

Co-Chair Thompson indicated that the committee would be hearing Amendment 15.

Representative Munoz WITHDREW Amendment 15.

4:09:04 PM

AT EASE

4:10:05 PM

RECONVENED

Representative Gattis MOVED to ADOPT Conceptual Amendment 16.

Co-Chair Thompson OBJECTED for discussion.

Representative Gattis explained that the amendment replaced Section 27d with Section 26d of Version G, the Senate's version of the bill. Additionally the amendment would reduce the appropriation on Page 8, Line 3 by \$5,867,800 for a new total allocation of \$36 million. The net effect would be \$5,867,800 in savings to the state by spending previously appropriated funds rather than appropriating additional money. The short version was that there was a philosophical policy difference. There were funds that were going to be reappropriated for the DOT highway match funds but the appropriation was reversed. The funds were not being used which begged the question whether the funds should be reappropriated as the matching funds.

Co-Chair Thompson asked about the total GF dollar change.

Representative Gattis responded \$5,867,800. She was happy to walk through the section if necessary.

Co-Chair Thompson wanted to confirm the dollar amount. He anticipated that the amount would be about \$11 million.

Representative Gattis responded that \$11 million was the original amount before it was reappropriated. She corrected herself that she had stated \$11 million in a private conversation and the number should have been \$7 million. She apologized for the error.

Vice-Chair Saddler asked for clarification concerning Section 27d. He wondered which version she was referring to.

Representative Gattis began with Version G explaining that the conceptual amendment replaced Section 27d with Section 26d on Page 43 in Version G, Line 7.

4:13:57 PM

AT EASE

4:16:08 PM

RECONVENED

Co-Chair Thompson rolled Amendment 16 to the bottom.

Representative Gara could not locate his amendment.

4:16:25 PM

AT EASE

[4:16:45 PM]

RECONVENED

Representative Gara WITHDREW Amendment 17.

Representative Gara MOVED to ADOPT Amendment 18.

Co-Chair Thompson OBJECTED for discussion.

Representative Gara explained that the language was in the previous day's version of the bill. The amendment had to do with a statewide project that was very important in terms of protecting people from others that engaged in domestic violence and sexual assault. He thought someone was available online to provide a better explanation.

Co-Chair Thompson indicated that no one outside of the committee had been allowed to speak to the amendments.

Representative Gara elaborated that the Municipality of Anchorage ran a statewide database of individuals who had been engaged in domestic violence or sexual abuse. These individuals might have probation conditions and get picked up within the state by a policeman or village public safety officer. The officer accessed the database to find out whether the individual was in violation of probation. The database was maintained in Anchorage and available statewide. He opined that it was important to know whether individuals were sexual predators, in violation of

probation, or faced other conditions. The database was crucial in terms of deciding whether to remand a person to custody and to keep them away from potential victims. It was a very important part of the sexual abuse and domestic violence prevention system in Alaska. He believed that some people thought the appropriation only applied to Anchorage, but the database was a statewide tool.

Co-Chair Neuman assumed that the amendment was a reappropriation of funds left over from the Anchorage Police Department Training Group Center. It looked as if \$900 thousand remained. The money might have gone towards some safety improvements in the past. He surmised that it was a reappropriation of left over funds from prior projects. He was unaware of any other reappropriations that had gone into a specific program. He was sympathetic to the issues of domestic violence and sexual assault. He believed the program's operating budget was close to \$13 million or \$14 million; \$1.3 million for administrative duties and the remainder for domestic violence and sexual assault. He did not want to do something on the fly. He was unfamiliar with all of the numbers but he knew that the policy at present was to take reappropriations and put them towards other match highway funds for statewide projects.

[4:21:48 PM](#)

Representative Gara would understand if the funds could be matched 9 to 1, but they could not. He relayed that the Anchorage 42nd Avenue traffic project was not a 9 to 1 match nor was the police department training center roof replacement project. It was a needed statewide project. He remarked there had been reappropriations throughout the bill. The important question he posed was whether it was something the legislature wanted to do. There had been some reduction to the domestic violence sexual assault prevention efforts in the state until some of it was reversed in SB 91, the omnibus crime bill. Some monies were placed in training and education programs on batterer intervention and prevention. He thought the funding would help to keep predators away from their victims. He believed it was something the legislature needed to fund. The monies were left over and were not needed for the projects. He thought there had been a mistake in the previous day that some people saw the word "Anchorage" and did not know it was a statewide project.

Co-Chair Thompson asked if money was being taken away from other projects.

Representative Gara responded that the funds were not needed for the projects listed. He conveyed that the Municipality and the City of Anchorage were in favor of the amendment. The funds were no longer needed for the projects.

Co-Chair Thompson asked if the funds had been pulled.

Representative Gara claimed that the funds were unobligated and were not needed for the completion of any of the projects.

Co-Chair Thompson commented that it sounded like the funds had already been swept because they were no longer needed for the projects.

Representative Gara stated that the funds would just be used.

Co-Chair Thompson asked about matching funds.

Representative Gara responded that the Police Training Center money was not being used and, he did not believe the 42nd Avenue money was being used for a highway match.

Co-Chair Thompson stated that he received indication from Mr. Michel that the information was true.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Guttenberg, Kawasaki, Edgmon, Gara

OPPOSED: Munoz, Saddler, Wilson, Gattis, Pruitt, Thompson, Neuman

The MOTION FAILED (4/7).

Amendment 18 FAILED to be adopted.

[4:26:48 PM](#)

Co-Chair Thompson MOVED to ADOPT Conceptual Amendment 19.

Representative Kawasaki OBJECTED for discussion.

Co-Chair Thompson explained that the amendment was born out of a consultation with the Department of Commerce, Community and Economic Development. He instructed Legislative Legal services to craft the amendment to conform to the newest draft. The amendment deleted the words "estimate balance" and inserted "not to exceed".

Representative Kawasaki WITHDREW his OBJECTION.

There being NO OBJECTION, Conceptual Amendment 19 was ADOPTED.

Representative Munoz MOVED to ADOPT Amendment 2.

Co-Chair Thompson OBJECTED for discussion.

Representative Munoz read from Page 7, Lines 19-22:

Alaska Marine Highway System Vessel Overhaul, Annual Certification and Shoreside Facilities Rehabilitation

Representative Munoz explained that the allocation was \$12 million which included \$9 million of UGF and \$3 million of DGF. Her issue was that the DGF came from the Alaska Marine Highway System Fund which had a balance of \$12.6 million at the beginning of the session. The operations budget from the House removed \$2 billion from the fund and the Senate took an additional \$4 million leaving \$6 million for the day-to-day operations of the marine highway. The current amendment would drop the fund down to \$3 million. She was concerned with leaving the highway system with extremely low reserves to deal with any unanticipated costs of the system. Amendment 2 placed \$3 million back as UGF and returned the \$3 million DGF to the Alaska Marine Highway Fund.

Representative Wilson wondered if the budget would be increased by \$3 million.

Co-Chair Thompson stated that the legislature would be placing \$3 million back into UGF.

Representative Wilson clarified that the state would be spending \$3 million more than it was currently.

Co-Chair Thompson answered in the affirmative.

Representative Wilson commented that the state did not have the money. She would be a "no" vote.

Representative Gara remarked that the budget had already been substantially reduced. He suggested that in no normal year did the state use \$9 million from the Alaska Marine Highway System Fund. It equaled three-quarters of the fund. The maker of the amendment was trying to keep some money in the fund to keep it solvent. Originally the reduction of \$2 million was taken by the House which seemed appropriate. The decrease grew to \$6 million and currently to \$9 million. At some point there would not be an Alaska Marine Highway System Fund at all. He disagreed with cannibalizing every fund. He thought it was a modest put-back to maintain solvency in the fund.

4:30:55 PM

Co-Chair Neuman mentioned that the committee had held to a stringent commitment of trying to reduce the Constitutional Budget Reserve (CBR) draw to fund the GF. He thought that \$3 million would remain in the highway fund. The money was to be used for inspections and similar activities. He indicated that DOT might have to return to the legislature with a supplemental request. He did not think it made sense to put GF dollars into the fund to replace money that was already in the fund for repairs.

Representative Munoz concluded that the fund helped with the day-to-day operations. She explained that it was the fund that received system receipts into a fund that helped with operations. She stated that the \$3 million figure was way too low for an 11 vessel fleet. It was a 2 percent reserve. She was certain the department would be back with a supplemental request to address the low number. She appreciated support for the amendment.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Munoz, Pruitt, Edgmon, Gara, Guttenberg,
Kawasaki, Thompson

OPPOSED: Saddler, Wilson, Gattis, Neuman

The MOTION PASSED (7/4).

Amendment 2 was ADOPTED.

[4:34:35 PM](#)

Representative Gattis MOVED to ADOPT Conceptual Amendment 16.

Co-Chair Thompson OBJECTED for discussion.

Representative Gattis reviewed that the amendment replaced Section 27d with Section 26d of Version G and reduced the allocation on Page 8, Line 3 to \$36 million. It took the reappropriations on Page 43, Line 7 through Page 44, Line 3, Page 44, Lines 8-11, Page 44, Lines 30-31, Page 45, Lines 10-11, Page 45, Lines 16-23, Page 46, Lines 11-12, Page 46, Lines 15-17, Page 46, Lines 22-28, Page 47 Lines 7-8, Page 47, Lines 12-16. There were 16 items that might not have been up for a technical reappropriations sweep but the projects were completed and the money was left over. She was asking that they go back to the Senate version and become part of the DOT federal highway match.

Representative Kawasaki asked about the second part regarding the reduction of the allocation on Page 8, Line 3. He did not see where there was an allocation reduction number on Page 8, Line 3 in Version G of the bill.

Representative Gattis was waiting for Version G of the bill.

[4:38:08 PM](#)

AT EASE

[4:39:17 PM](#)

RECONVENED

Representative Wilson stated that when the committee looked at reappropriations on a previous day many of them were swept and were to be used as state matching funds. A House Finance version of the bill incorporating the changes was published. Later in the same day a newer version was published that had taken out some of the reappropriations. Conceptual Amendment 17 would incorporate the full list of reappropriations. She had talked to the Senate to find out whether due diligence had been exercised. She had also talked to DCCED and was informed that each of the

reappropriations had been vetted and reflected left over funds. She suggested that if members voted in favor of the amendment, the appropriations would be swept back to the projects that had been completed that had left over funds, and used as reappropriated funds versus GF. She furthered that the left over funds would be used as DOT matching funds rather than set aside. It would benefit the whole state equally amongst everyone. She maintained that the state could not keep using GF monies to backfill when there were left over monies from projects that were already completed. She would be voting in favor of the amendment because she thought it made sense.

Co-Chair Neuman was confused about the amendment and was unclear about the other body's stand on the amendment. He had been told the monies were not left over funds and would be needed for the corresponding projects.

Co-Chair Thompson reported that many of the projects were from 2014 and 2015. He noted reviewing each of the TPS numbers and expiration dates. As appropriations expired they would go back into the GF. For those projects that remained incomplete the appropriations would not go back into the GF right away. He wanted to make sure the legislature was doing the right thing. It was not as if the funds were going into the wind, they would be swept into the GF once they expired. He was trying to be cautious.

[4:44:21 PM](#)

Representative Edgmon thought he understood the gist of the amendment. He thought it also hit on the question of the underlying appropriations and whether each one should be considered. When he looked at the amendment it appeared that the federal highway state match was reduced by \$6 million. He was hoping the representative offering the amendment could comment on the match during her wrap up.

Representative Pruitt appreciated what the maker of the amendment was trying to do and he also appreciated the goal of the Co-Chair to make sure that money was not being taken from those projects that were not complete. He noted a project with an appropriation from 2008 which could be found in Version G, Page 43, Line 23. The project was estimated to be \$2.6 million. There was a balance of \$32,329 which he supposed was no longer needed. The maker

was attempting to offset GF. In the end, the difference was comprised of \$13.5 million plus \$36 million totaling just under \$50 million that the governor sought. He further explained that the difference was because the current Version Y had \$6.5 million on Page 43 under "D". Some of the money was removed. Between the previous day's version and the current version there was an additional change to the appropriation for the Jesse Lee Home project. He was unsure whether the adoption of the amendment would override that particular appropriation. He thought the concept of the amendment was good and he supported the idea of potentially offsetting more of the GF with some of the appropriations. However, he anticipated potential challenges. He reported that the Friends of the Jesse Lee home were looking to tear down the building. He wondered if it was possible to merge amendments to make sure it was possible for the Jesse Lee Home to be torn down and for any asbestos to be dealt with properly as well as to make sure left over monies could be used to offset the GF. He liked the concept of using the unspent monies to offset the GF.

[4:49:42 PM](#)

Representative Kawasaki commented that there was an example of an appropriation associated with the state neurology lab that was listed in the Version G that was swept. It was not being swept in Version Y and he was unclear as to why. He explained that the construction of the building in Fairbanks was completed. There was an appropriation of \$875 thousand that remained. He supported the concept of the amendment but wondered if the total amount allocated to the federal aid highway match would be larger or the same. He noted that the allocation amount was substantially higher in Version G of the bill - almost double the amount allocated from unobligated GF balances.

Representative Gattis summarized that the amendment took money that the state currently had that was not being used and would not be used. She indicated that the Senate's version of the capital budget had been published for about a month prior. She felt that there had been plenty of time and opportunity for people to raise their concerns. She thought putting the money towards infrastructure or roads where the state received a federal match was a huge benefit to the state. His intent was not to hurt any ongoing projects. She had checked with DCCED to confirm which jobs were completed. She offered to work with Legislative Legal

Services to return to Version G. She hoped the members understood her intent.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Pruitt, Saddler, Wilson, Gattis, Kawasaki

OPPOSED: Edgmon, Gara, Guttenberg, Munoz, Neuman, Thompson

The MOTION FAILED (5/6).

Amendment 16 FAILED to be adopted.

4:53:09 PM

AT EASE

4:53:51 PM

RECONVENED

Co-Chair Thompson relayed that Amendment 11 had been rolled to the end of the agenda. He clarified that Version 29-GS2741\Y.3 was being addressed.

Representative Gara MOVED to ADOPT Amendment 11 (Y.3).

Co-Chair Thompson OBJECTED for discussion.

Representative Gara explained that there was likely concern that, regarding the issue of domestic violence prevention, only one community would benefit from a capital budget item. The general idea on the capital budget was that no communities were supposed to receive monies for individual projects. However, statewide items were being addressed. Amendment 11 was different from the last version in a number of ways. The money would be used for the Council on Domestic Violence and Sexual Assault (CDVSA). The council granted its money out to grantees based on competitive grants. The funds would be used for the things deemed most important by CDVSA including compliance checks and addressing over-crowded shelters. Alaska had one of the ugly first or second place rankings for domestic violence each year. However, the state did not have the necessary space for victims of domestic violence and sexual assault. The funds that were used for shelters had shrunk over the years. The amendment allowed CDVSA more latitude than a previous amendment as to how the funds would be used. The

funds would be administered by CDVSA rather than the Municipality of Anchorage. He asserted that for anyone that thought the state was doing too much for victims of sexual assault and domestic violence he disagreed. He added that the amendment did not harm the state's fiscal situation and asked for member support.

Co-Chair Thompson was confused about the pages.

[4:57:13 PM](#)

Co-Chair Neuman referenced Line 11, 12, and 13 on the amendment. He relayed that there were several codes listed on Page 50, Line 12. He referred to Version Y of the bill pointing to Page 41, Section 24, Line 25. He remarked that (a) reflected the unexpended and unobligated balance which included money for the Department of Public Safety for the P/V Wolstad for engine repower and dry dock maintenance. He also referred to Section 24 (b) which he was uncertain whether the references to the Anchorage Police Department had anything to do with the other funds.

Representative Pruitt wanted to make certain the previous speaker was better informed. He clarified that the amendment added a subsection that did not currently exist. He commented that it was similar to a section removed from the bill in the previous day.

Representative Kawasaki clarified that in the previous day the committee had problems with some of the reappropriations to specific districts. There were several dealing with Anchor Point and the Kenai area in House District 11. One of the items was listed under House Districts 12-28, the Anchorage Bowl area. It read almost exactly with the exception that the money looked like it went to the Municipality of Anchorage. He had a personal issue with it because he agreed with the idea that capital projects should be limited to statewide projects under the state's current fiscal situation. He changed his mind and agreed that it was a statewide project. The information received from CDVSA and the Municipality of Anchorage confirmed that people from around the state would benefit. He favored the language in the current amendment, as it clarified that it was a statewide project. He thought it was better for the CVDSA to receive the money directly rather than the Municipality of Anchorage receiving the money as a district-specific grant. He supported the

amendment. He reported that the grant was originally 3 years in length from 2017 -2019 as noted in Version F of the bill. He wondered if the grant was meant to be over just 1 year or 3 years as originally intended by the House Finance Committee.

Co-Chair Thompson was curious about highway safety traffic money, as the amendment referenced Anchorage 42nd Avenue traffic and safety improvements. He wondered if it was federal dollars the state was trying to reappropriate.

Representative Wilson thought that the appropriation was automatically for a 5-year period because of it being in the capital budget. She wondered if the appropriation had been put to the test whether it was a capital project. She did not believe it was a capital project, but rather an operating cost. In her opinion appropriations in the capital budget should pass both tests; being a statewide project and being a capital project. She did not feel the appropriation belonged in the current bill. She would be opposing the amendment.

[5:03:46 PM]

Representative Gara stated that the amendment used the same funds as in the previous amendment. They were not funds associated with federal matches but were unused funds left over from completed projects. He remarked that traditionally one-time items had been placed in the capital budget. He asserted that the appropriation fell into the category of a one-time item. He relayed that if folks wanted to leave the language that identified the end of the fiscal year ending on June 30, 2017 to allow the appropriation to last 5 years, he would entertain an amendment to the amendment. He asserted that a certain portion of the funding would be for a capital project for sexual assault victim services expanding shelter space. He reported that the Awake Shelter in Anchorage had been over capacity for several years. He thought it was true for other shelters across the state. He reasserted that the amendment reflected one-time funding and would be a wise use of money. It would assist victims of domestic violence and sexual assault. The difference in the amendment was that it was written clearly that groups statewide could apply for the grants. He thought the amendment was written much better given the way the capital budget was presently being handled.

Co-chair Thompson expressed concerns about taking Sections 24(a) and 24(b) on Page 50 that were capital items and replacing them with a new section reflecting operations money.

Representative Gara requested an "at ease" to make a clarification.

[5:05:58 PM]
AT EASE

[5:06:38 PM]
RECONVENED

Representative Gara stated that on Page 50 the legislature was saying that the appropriation would lapse under the rules of AS.37.25.020. The project was referenced on Page 50, Lines 11-13 as a project that would lapse under the statute.

Co-Chair Neuman stated that the information was incorrect and it would not lapse.

Co-Chair Thompson MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Gara, Guttenberg, Kawasaki
OPPOSED: Saddler, Wilson, Edgmon, Gattis, Munoz, Pruitt, Thompson, Neuman

The MOTION FAILED (3/8).

Amendment 11 FAILED to be adopted.

Co-Chair Thompson indicated that the committee was through all of the amendments.

Representative Gara wanted to offer Amendment 15 which he had previously withdrawn.

[5:08:39 PM]
AT EASE

[5:11:42 PM]
RECONVENED

Co-chair Thompson asked for any further comments on the bill as amended.

Co-chair Neuman moved to report HCSCSSB 138(FIN) out of committee with individual recommendations. He requested that authorizations be given to the Legislative Finance Division and to Legislative Legal Services to make necessary technical changes and conforming amendments.

Representative Wilson objected for discussion. She expressed her frustration with the lack of time to be able to do due diligence. She supposed that if more time had been provided legislators could have better explained the proposed amendments. She was concerned about GF monies being utilized in the budget because of not having the appropriate amount of time. She reported having been in her office every weekend, early in the morning, and late at night trying to make sure she was keeping up. However, it was difficult to keep up when changes were presented without proper time to vet them. In her opinion she thought that if the legislature did not get the budget right the state would be looking to Alaskans to fill the gap. She would not stop the bill from going to the floor. She was unsure how she would vote on the floor because she would spend more time reviewing the bill first. She opined that when things were done in a rush legislators were not giving due diligence to the process. She requested that in the future there would be more time allotted for review and questions. She continued to provide examples of items she did not have time to vet. She removed her objection.

[5:16:55 PM]

Representative Gara OBJECTED.

Representative Gara felt that the committee could have moved much further towards a bi-partisan budget and did not. Every single amendment offered by the minority was voted down including one that would have provided \$75 thousand to help kids that did not have parents. Several of the amendments failed on the grounds that the legislature did not incorporate operating items in the capital budget. He asked that members be honest. There were a number of one-time operating budget items in the capital budget. It was a practice that had been done regularly in the past. He did not want to have a standard that was not applied to all

legislators. He did not feel it was an accurate standard. He surmised that the problem with the session was that there were caucus riffs and they did not get repaired when everything was voted down along party lines. He stated that that was what had happened on every single budget item in the current year in both the capital and operating budgets. He watched \$18 million fly out of the room in one of the amendments which he had not agreed with. He thought there was spending in the budget that was unnecessary. It was a small budget. He relayed that he did not feel a huge sense of cooperation on the budget. He thought it was sad and one of the reasons why the legislature was still in session.

Vice-chair Saddler began to comment on an issue brought up by another member.

Co-Chair Thompson redirected Vice-Chair Saddler to speak to the budget and to his objection.

Vice-Chair Saddler remarked about a term he would use in the future.

Representative Gara WITHDREW his OBJECTION.

HCSCSSB 138 (FIN) was REPORTED out of committee with a "no recommendation" recommendation.

Co-chair Thompson reviewed the agenda for the following day.

Co-chair Thompson recessed the meeting to a call of the chair [note: the meeting never reconvened].

[5:19:17 PM]

ADJOURNMENT

[5:19:17 PM]

THE MEETING WAS ADJOURNED AT 5:19 P.M.