

SENATE FINANCE COMMITTEE
February 9, 2015
9:16 a.m.

[9:16:03 AM](#)

CALL TO ORDER

Senator Anna MacKinnon called the Senate Finance Committee meeting to order at 9:16 a.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair
Senator Anna MacKinnon, Co-Chair
Senator Pete Kelly, Co-Chair
Senator Peter Micciche, Vice-Chair
Senator Click Bishop
Senator Mike Dunleavy
Senator Lyman Hoffman
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Pat Pitney, Director, Office of Management and Budget,
Office of the Governor.

SUMMARY

SB 26 BUDGET: CAPITAL

SB 26 was HEARD and HELD in committee for further consideration.

SB 40 SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

SB 40 was SCHEDULED but not HEARD.

#sb26

SENATE BILL NO. 26

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

9:16:34 AM

Co-Chair MacKinnon referred committee members to capital budget detail sheets.

9:17:00 AM

AT EASE

9:19:31 AM

RECONVENED

PAT PITNEY, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, addressed the governor's capital budget. She began with amendments on a document titled "FY2016 Capital Gov Amended Items Only Project Summary" dated February 5, 2015 (copy on file). She explained that the discussion would pertain only to governor's amendments proposed following the governor's budget submittal deadline of December 15, 2014. She detailed that the governor's initial capital budget of \$106 million was limited to items with federal matching funds. Projects shown in the document before the committee had been added subsequent to December 15. Page 1 included a \$3 million request for Department of Administration deferred maintenance, renewal, repair, and equipment. She elaborated that the increment would come from the Public Building Fund and would provide a very modest amount to deferred maintenance. She relayed that page 3 provided a project breakdown.

Co-Chair MacKinnon asked if there were two separate \$3 million increments. Ms. Pitney replied that there was only one \$3 million request. She addressed a \$15 million request for the Alaska Energy Authority (AEA) under the Department of Commerce, Community and Economic Development. She expounded that the proposed request would pay for the Renewable Grant Program with funds from the Renewable Energy Fund that had been capitalized in the operating budget.

Vice-Chair Micciche asked for an explanation about why the governor believed each item was critical and necessary to

include in the current budget. He asked Ms. Pitney to address the question for each increment.

Ms. Pitney agreed. She relayed that the Renewable Grant Program had been built up over several years to change the nature of energy in Alaska. The hope was that the next time oil prices increased the state would be utilizing more renewable energy sources, which would lead to a reduced footprint and cost.

[9:23:39 AM](#)

Co-Chair MacKinnon remarked that she served on the REFAC [Renewable Energy Fund Advisory Committee] with Senator Hoffman. She explained that the \$15 million request was based on statute. She asked Senator Hoffman to elaborate.

Senator Hoffman expounded that the statute had passed several years earlier and the target had been to spend \$50 million. The state had a target of reaching 50 percent by 2020. He stated that the program was incredibly successful; continued funding would reduce energy consumption in many areas, particularly in rural Alaska. He pointed to high energy costs in rural areas, where communities spent \$8 to \$9 to generate electricity and similar amounts for one gallon of heating fuel. He relayed that it was critical to keep moving the program in the current direction. He asserted that Alaska was looked to as a leader on renewable energy given its high energy costs and its position as the northernmost state. He believed the program was well-worthy of the legislature's continued support.

Vice-Chair Micciche addressed the deferred maintenance items. He observed that the state had been waiting 10 years to replace the water pipeline in the State Office Building for a mechanical upgrade. He did not believe it was the year the state would catch up on deferred maintenance. He did not intend to discount the importance of the renewable energy fund.

Ms. Pitney replied that the amounts for deferred maintenance were significantly lower than in former years. She explained that the minimal amount would be used to continue the program. She communicated the perspective of the administration that the situation was a pay now or pay later scenario. She discussed that the item represented a few steps to continue forward. If the money was not paid in

the current year a certain amount of expertise would be lost or projects would be only partially completed.

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Senator Dunleavy wondered what would happen if the state took one year off from spending on the project. Ms. Pitney asked for clarification on the item he was speaking to.

Senator Dunleavy addressed the renewable energy fund and deferred maintenance increments. He wondered if there would be negative impacts if one year was taken off from spending on the items.

Ms. Pitney answered that taking one year off would stall the program, which could cause some people to leave the program. She surmised that if the program was not running the administrative and science expertise would not be necessary. There were projects underway that would be closed out. Additionally, there would be no planning for the next project; therefore, there could be an inefficiency gap between one project and the next. She stated that momentum would be slowed and it could drop particular programs.

Co-Chair MacKinnon referred to page 79 of a capital budget review [a Legislative Finance Division document titled "The Fiscal Year 2016 Budget: Legislative Fiscal Analyst's Overview of the Governor's Request"] that included a conversation about deferred maintenance in Alaska. The administration was estimating deferred maintenance costs of close to \$1.8 billion. She stated that the \$3 million appropriation represented a small drop in the bucket in relation to the overall facility maintenance needs. She noted that everything was on the table for consideration.

Vice-Chair Micciche believed there were many assets that the state should probably consider taking off its books. He would look for buildings and assets that were not as high on the priority list as some of the others where deferred maintenance could be passed on to the next buyer. He agreed that everything was on the table.

Co-Chair MacKinnon observed in her review of deferred maintenance spending that it pertained to both public and non-public buildings. She believed the legislature needed to consider how the state was investing in other people's

buildings. She acknowledged that there may be circumstances where the state had a long-term leases that required the state to contribute in some way.

[9:31:11 AM](#)

Ms. Pitney moved to a reappropriation request for the Alternative Energy and Energy Efficiency Program on page 6. The request focused on public buildings in communities. She detailed that the proposed reappropriation would come from the Mount Spurr Geothermal Project and was not to exceed \$2.2 million.

Vice-Chair Micciche wondered why the funds would not be deposited back into the general fund instead of going to an already well-funded state program. Ms. Pitney answered that the increment would go towards continuing the momentum of the program. She remarked that the funds could be deposited into the general fund and then to the project. She added that the method was certainly the legislature's call.

Ms. Pitney continued on pages 8 through 16. The requests were included in the reappropriation of Mount Spurr funds to the highest priority energy projects, which had traditionally been funded through AEA. Pages 8 and 9 included funding for Kake and Port Heiden rural power system upgrades. Page 10 pertained to Tuluksak bulk fuel upgrades. Page 11 included funds for the Electrical Emergencies Program. Pages 13 through 16 addressed school district major maintenance grants in the amount of \$13 million, which included the top four projects; \$10 million of the request was a reappropriation.

[9:35:44 AM](#)

Ms. Pitney explained that there were four pieces of deferred maintenance in the amendments, which totaled approximately \$25 million to \$30 million. She noted that the amount was significantly below the \$100 million in addition to school major maintenance that had been funded in the past. She concluded that the funding reflected a small step to continue the program. She moved to page 17 related to the Department of Fish and Game (DFG). The request included federal (\$375,000) and DFG (\$125,000) funds for deferred maintenance on three shooting ranges; the DFG funds were directed at range maintenance.

Senator Dunleavy asked about the amount of the required state match (page 17). Ms. Pitney replied that the state match was \$125,000 (25 percent).

Senator Dunleavy wondered if the funds would roll into the following year if they were not used in the current year. Ms. Pitney answered that capital projects had a five-year time horizon.

Ms. Pitney addressed a funding request for the Alaska Arctic Policy Leadership on page 19. She detailed that the small appropriation had been requested given the timing of the U.S. chairmanship of the Arctic Council. The increment was to ensure that Alaska's policy agendas were at the top of the Arctic Council's agenda. The appropriation would be in coordination with the current legislative commission on Arctic policy.

Vice-Chair Micciche asked where the proposed \$500,000 increment would be spent on the Alaska Arctic Policy Leadership. Ms. Pitney answered that Craig Fleener had taken on a special assistant role on Arctic policy; he would have the details in the coming weeks.

Vice-Chair Micciche asked if the increment included Mr. Fleener's salary. Ms. Pitney replied in the negative.

Vice-Chair Micciche expressed his interest in seeing a breakdown of the expenditures that would occur over the three-year period. He did not believe the state could afford contingencies at present. He understood that the state had a bright future, but he believed that every dollar spent needed justification.

[9:40:30 AM](#)

Senator Olson wondered how much funding the state had allocated to Alaska Arctic Policy Leadership in the past (when the U.S. did not have the Arctic Council chairmanship). Ms. Pitney did not believe the state had funded a special assistant position in the past. She did not know the amount that had gone into the Arctic Policy Commission; however, she believed the commission was a good investment for Alaska in order to put its policies forward. She opined that the progress made by the legislature on the issue was laudable.

Ms. Pitney addressed a reappropriation from a completed project to the Alaska Vocational Technical Center (AVTEC) for an information technology systems refresh. She detailed that \$530,000 would be reappropriated from a \$16 million dormitory replacement project.

Co-Chair MacKinnon referred to DSL services on page 22. She wondered the item would be a one-time software purchase. She explained that the capital budget chair tried to ensure there was a clean line between operating expenses and one-time capital budget expenses.

Ms. Pitney replied that she would follow up on the question. She believed the item was potentially bandwidth related and was possibly an operating expenditure. She surmised that it may be below the level at which the funding would cover. Co-Chair MacKinnon understood.

Ms. Pitney highlighted a \$1 million request to acquire subsurface lands on northern Afognak Island with funds from the Exxon Valdez Oil Spill Trustee Council.

Senator Dunleavy asked for verification that the land was state-owned. Ms. Pitney replied that she was not certain.

Senator Dunleavy made the assumption that the land was state-owned. He asked for verification that the action would use \$1 million to take state land out of the possibility of development. Ms. Pitney replied that she would follow up on the question.

Senator Dunleavy asserted that it looked like the request would remove the possibility of development on the land. He thought it was a "triple whammy." He elaborated that 1) it would cost the state \$1 million; 2) it would remove state land from development possibilities; and 3) it would make the federal government happy, but not the state. He asked for verification that the increment was \$1 million.

Ms. Pitney affirmed that the request was \$1 million. She turned to a request on page 25 for the Cook Inlet Oil and Gas Resources and Statewide Energy Database (\$400,000 in federal receipts and \$400,000 in general fund match). She elaborated that the database would help to find undiscovered resources.

Co-Chair MacKinnon asked if the request was an operating budget item or a capital budget expenditure. Ms. Pitney replied that the request was a capital budget expenditure for database development. Future use of the database would be funded through personnel within the Department of Natural Resources (DNR).

[9:45:35 AM](#)

Ms. Pitney addressed a federal budget increment for the upgrade and repair of critical volcano monitoring instruments (page 28). The \$500,000 request was federally funded and related to emergency and safety.

Vice-Chair Micciche noted for the public's benefit that items funded with federal receipts were passed through the capital budget.

Ms. Pitney replied that the legislature had the responsibility to appropriate all funds, which included the authority to receive federal funds. She detailed that it was a "pass through"; the agency could not spend the federal funds without the authority of the legislature. She turned to a request that would reappropriate DNR funds within the department to unified permit automation and document management (page 31). She expounded that the increment included four entities looking to obtain development permits; the database was intended to streamline the process. There had been prior funding to the project; no additional funding was anticipated going forward.

Senator Hoffman pointed to the one-time \$1 million reappropriation on page 31. He observed that approximately three-quarters of the amount would go to personnel services. He wondered if the personnel services designation included state employees; if so, he asked whether they would be temporary hires. He believed there were about eight positions that would be located in Anchorage. He referred to page 34 where some of the positions were listed as PFT [permanent full-time], which led him to believe the funds were not one-time.

Ms. Pitney would follow up on the question. She detailed that the permanent full-time analyst/programmer positions would transition to other projects or would transition out; the employees had been permanent full-time to date.

Additionally, there were three long-term non-permanent positions associated with the project development.

9:50:08 AM

Ms. Pitney moved to an \$850,000 request for the continuation of the Alaska Domestic Violence and Sexual Assault Intervention Program under the Department of Public Safety (page 35). The program had received one prior appropriation of \$850,000 the previous year. Page 36 included a \$2 million request for the Empowering Choice Housing Program under the Department of Public Safety for rental assistance for victims. The rental assistance went towards helping a victim get out of a domestic violence or other problem.

Co-Chair MacKinnon remarked that under the Alaska housing program there had previously been a preference for individuals seeking shelter from domestic violence. She elaborated that the state had eliminated the preference. She believed general fund or other dollars had been substituted to support that part of the population that was bottle-necking other low-income families from receiving housing.

Vice-Chair Micciche wondered if the funds only passed through the capital budget. More specifically, he asked what percentage of the expenditures were recovered with the Permanent Fund Dividends (PFDs) of perpetrators. Ms. Pitney replied that the \$2 million increment was entirely derived from the PFDs of criminals.

Vice-Chair Micciche surmised that the funds were essentially pass through funds. Ms. Pitney answered in the affirmative. She elaborated that the fund source was the recommendation of the administration; however, she acknowledged that it was the legislature's choice to determine how to best utilize the funds.

Co-Chair MacKinnon was uncertain that PFD funds were being used properly according to statute. The committee would need to explore the issue further related to the two requests (pages 35 through 37) to ensure statute was adhered to. She noted that it did not mean the governor's request would not be followed, but the funding source would need to be examined.

9:53:29 AM

Ms. Pitney turned to a \$350,000 DPS reappropriation request on page 38. She detailed that funds would be reappropriated from a completed video arraignment project to upgrade trooper video equipment and storage. Page 40 included a \$4.6 million request for the Alaska Housing Finance Corporation (AHFC) under the Department of Revenue. Funds would go to the new Teacher, Health Professional, Public Safety and Village Public Safety Officer (VPSO) programs.

Co-Chair MacKinnon observed that the governor proposed eliminating some VPSO positions that had not been filled. She wondered if the elimination of the positions was reflected in the housing program. Ms. Pitney believed the increment was in alignment with the positions. She elaborated that in addition to unfilled VPSO positions there was tremendous turnover. There was also a lack of housing in some communities that had not yet been identified.

Co-Chair MacKinnon requested further detail to ensure that the construction of housing was in line with locations that had existing officers.

9:56:06 AM

Ms. Pitney relayed that beginning on page 43 there was a list of projects in various communities over the past several years.

Co-Chair MacKinnon observed that the state was creating a significant amount of housing. She wondered if it was safe to assume that any appropriation would actually build a house to completion. She wanted to ensure the funding did not only partially fund items. Ms. Pitney replied that it was a safe assumption, but she would follow up.

Vice-Chair Micciche remarked that the proposed request was \$40 million from FY 16 through FY 21. He was concerned that competition from the private sector could potentially deliver the same result at a much more cost-effective price. He also worried that planning to build that far in advance in communities that may or may not continue to have the need could result in a surplus of state-owned real estate. He believed it was for an honorable reason, but he wondered how far in advance the project was planned. He

asked if it was ongoing effort for the state to construct rental units and housing for state positions when there may be a smaller number of position in the future.

Ms. Pitney answered that the program had been ongoing. She relayed that there were communities that were still with need. She stated that it was a choice the state faced in the current environment. She added that the increment was much smaller than in past years.

Vice-Chair Micciche was unsure the smaller increment would solve the problem if it was not the right choice to continue building housing or if there was private sector competition. He wondered how the administration felt about the competition with local businesses that may want to provide housing at a lower cost. He wondered if the role was appropriate for the state.

Ms. Pitney replied that the intent of the program was to have housing to attract qualified individuals to service communities. The issue had been seen as the most significant barrier to recruiting qualified personnel into the communities.

Senator Dunleavy noted that the program had begun in 2001. He detailed that the program's initial purpose had been to provide infrastructure and teacher housing in many of the state's rural villages that had complicated land ownership issues with tribes and tribal corporations. He elaborated that it had not been easily available for private contractors to go in and build housing. He explained that the teacher housing provided a Housing and Urban Development-like program for first time homebuyers anywhere in the state. He highlighted that a portion of the current request included a partnership between school districts, tribes, and other where the money was a loan that was paid off over time to teachers and others. Until 2001 in rural Alaska operating dollars were used to build teacher housing. He noted that it had been thought that it was more appropriate to have a different revenue stream to build infrastructure.

[10:01:03 AM](#)

Senator Olson stressed that it was not possible to recruit VPSOs to villages without housing. He asserted that the housing program had been contributing to the success of the

VPSO and teacher programs. He thought missing the point would be detrimental. He spoke to tragedies in small communities such as Manokotak and Tanana that would continue without first line responders like VPSOs. He firmly believed that the housing was justified and necessary in order to continue the success of VPSOs.

Vice-Chair Micciche supported the value of the housing, but he wondered if it was being done as efficiently as possible. He was interested in private partnerships whenever possible.

Senator Olson pointed out that there were very few people in villages who could put money together to build a private facility. He noted that Native corporations had witnessed this fact and had primarily stayed out of the issue. He believed the chance housing would be built that was not state sponsored was minimal.

Ms. Pitney turned to an \$11 million request for AHFC energy programs on page 47. The request was made up of \$3 million from the AHFC dividend, \$6.6 million in general funds, and \$1.5 million in federal receipts. The funds would keep the weatherization and home rebate program continuing; it also provided funds to assist with weatherization and rehabilitation of existing homes for low and moderate income families. The request represented one-quarter of the amount appropriated in the past (up to \$100 million had been appropriated in the past, but between \$44 million and \$51 million had been appropriated in the past few years). She relayed that the program had a good return on investment. She briefly highlighted pages 49 through 52 related to the AHFC Weatherization and Home Energy Rebate Programs. She turned to a \$1 million request for the Cold Climate Housing Research Center (CCHRC) on page 54. The funding would go towards the ongoing operation of the program; it assisted AHFC and with determining the appropriate design for Alaska's climate at the lowest energy footprint possible.

[10:05:42 AM](#)

Ms. Pitney addressed a \$29 million request for the Department of Transportation and Public Facilities (DOT) on page 56. The request was made up of \$24 million in federal highway capital funds and \$5 million in capital improvement project receipts. The increment focused on improving

traffic in congested areas. She detailed that the state equipment fleet replacement was the primary component from the highway capital fund (fleet replacement occurred after a 5 to 7-year lifecycle).

Co-Chair MacKinnon referred page 57. In her review of the operating budget she had observed an increase in fish and game and boats. She remarked that the request would help cover some of the cost, which was related to replacement vehicles. She wondered what the administration was proposing to purchase. She requested detail on what would be purchased and how old the vehicles were. She noted that there was surplus money coming in from the sale of some of the equipment. She wondered what the average mileage was on vehicles that were surplus and whether the state received the value of items when they were surplus.

Ms. Pitney would follow up on the questions. She turned to an \$8 million request for DOT deferred maintenance, renewal, repair, and equipment (page 60). She communicated that prior year appropriations had ranged from \$25 million to \$27 million. The increment would address a few of the department's highest priority deferred maintenance needs.

[10:09:11 AM](#)

Ms. Pitney turned to a \$12 million reappropriation request on page 61. The increment would reappropriate the funds from the estimated Alaska Aerospace Corporation balance of \$22 million to Alaska Marine Highway System (AMHS) vessel and terminal overhaul and rehabilitation. She added that the funds could just as easily go back into the general fund for appropriation to AMHS. She relayed that the increment was an operating item that could be discussed for future budgets. She added that the annual maintenance requirement had traditionally been in the capital budget, but could be transferred to the operating budget in future years.

Co-Chair MacKinnon remarked that Co-Chair Kelly did not want items moved from the capital budget to the operating budget at present.

Ms. Pitney addressed an \$8 million request for the University of Alaska Fairbanks engineering building (page 64). She detailed that the building was partially complete (walls were currently up); the increment would allow for

the completion of an additional floor and a couple of labs. She added that the total amount needed to complete the facility was slightly over \$30 million. Page 65 included an \$8 million request, which was the final deferred maintenance component. The increment was for the University of Alaska system for its highest priority deferred maintenance requirements. She communicated that the increment had been around \$37 million in prior years, but had fluctuated depending on the year. Page 68 included a reappropriation of \$1 million to capitalize the Emerging Energy Technology Fund with funds previously allocated to the Mount Spurr Geothermal Project development.

Co-Chair MacKinnon thanked Ms. Pitney for her presentation. She informed the committee that it would hear from each department related to the items discussed.

Senator Dunleavy asked for verification that the items discussed during the meeting had been added to the governor's original budget dated December 15, 2014. Ms. Pitney replied in the affirmative.

Senator Dunleavy asked for the total cost of the additions. Ms. Pitney replied that the net was \$43 million; including reappropriations the total was closer to \$80 million. The additions would increase the capital budget to \$150 million in general funds and over \$1.4 billion in federal funds.

[10:13:44 AM](#)

Vice-Chair Micciche saw the value in the projects and did not want to come across as doubting the administration's approach. As the former mayor of a small town he understood that it was helpful to keep buildings for extra storage and other uses. However, he wondered if the committee could receive a comprehensive evaluation of property controlled by the state that may not need to be controlled any longer. He wondered about putting property up for sale, which would reduce the state's maintenance and holding costs.

Ms. Pitney answered that she would follow up on the question.

Vice-Chair Micciche wondered how complicated the effort would be to identify property that would be best for surplus sale. He wondered if there was a running tally of state properties and how they were used.

Ms. Pitney replied that that the best source of information to start with would be the deferred maintenance list to prioritize the facilities. She detailed that the state had a variety of facilities ranging from gravel coverage, campground kiosks, a crime lab, fish hatcheries, office buildings and other. She agreed that the facilities represented a tremendous cost to the state and it would be worth a systemic look.

Co-Chair MacKinnon communicated that the Senate Finance Committee would have its "hands firmly on the steering wheel." She recommended against the inclusion of any discretionary funds in the capital budget. She wanted to ensure that health, life, and safety issues were addressed in the budget. She asked committee members to include requests in the Capital Appropriation Submission and Information System (CAPSIS). She noted that requests totaled \$1 billion to date. She added that there continued to be communities and entities requesting money that would benefit individual projects. She recognized the projects were important to the people asking for them and served the people of Alaska in many ways. She emphasized the \$3.4 billion debt facing the state. She stated that projects with matching money may have greater consideration than those requesting general fund dollars only. She was interested in hearing ideas that could reduce the state's operating budget or expenses in the future. She wanted to lower the public's expectation related to what could be done in the current year. She spoke to the importance of maintaining the integrity of the process. She explained her intent to look at operating budget items and the use of one-time funds. She had requested that the administration take a high-level look at its budget to determine how much had been cut in recurring dollar costs versus one-time expenses; it appeared to her that the capital budget was taking the majority of the hit. She discussed that in past years the capital budget had been used to stabilize the economy. She referred to 2008 and 2009 when capital budget projects helped to maintain the state from falling into recession. She wanted to let Alaskans know that the committee was working hard to understand what would make a difference.

[10:21:37 AM](#)

Senator Dunleavy thanked Co-Chair MacKinnon for her comments. He believed that Alaskans understood that the state had an issue with its revenues. He also believed that Alaskans were concerned about the legislature's ability to understand the problem. He thought the statements would reassure Alaskans that the legislature would be "tight" on the budget. He opined that many legislators would perfectly understand why there would be no discretionary funding in the budget for projects in individual districts. He believed it was the beginning of reality. He thought the state needed to take a year off from spending and to reduce the size of government. He spoke to the need for reducing and restructuring.

Vice-Chair Micciche hoped all legislators heard Co-Chair MacKinnon's message. He believed the state would be in great financial shape again in the future. He noted that when adjusting for inflation per capita, the spending in 1981 was higher than current spending. He believed the state had an incredible opportunity to right-size its budget. He did not believe the situation should be looked at as impending doom and gloom. He greatly supported the thoughts shared by Co-Chair MacKinnon. He believed oil prices would rebound.

Senator Hoffman agreed that the state needed to tighten its belt; however, his districts did not have much in the way of state spending. For example, the state may only be providing a small amount of revenue sharing and some funds for the school in the community of Oscarville. He discussed that there were still many unmet needs in rural Alaska that were health, life, and safety issues (i.e. water, sewer, and other). He remarked that the prior governor had spent significant time on VPSOs. He elaborated that without a VPSO, entire communities were at risk in the event of a shooting. He believed that as the state tightened its belt it needed to remain cognizant that health, life, safety issues existed in rural areas. He spoke to the importance of remembering that many Alaskans living in rural communities had far different circumstances than those individuals living in urban areas. He wanted to ensure that individuals were treated fairly.

Senator Bishop did not disagree with comments made around the table, but he wanted to reassure Alaskans that they had not been forgotten. The legislature was working to determine the best path forward related to state spending.

Co-Chair MacKinnon appreciated members' comments. She stated that "we're in it together and together we will be successful." She discussed the schedule for the following day.

SB 26 was HEARD and HELD in committee for further consideration.

ADJOURNMENT

10:27:30 AM

The meeting was adjourned at 10:27 a.m.