

HOUSE FINANCE COMMITTEE
FIRST SPECIAL SESSION
June 11, 2017
2:08 p.m.

[Note: Continuation of recessed meeting dated June 10, 2017, 11:20 a.m. See separate minutes for detail.]

2:08:18 PM

CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 2:08 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Paul Seaton, Co-Chair
Representative Les Gara, Vice-Chair
Representative Jason Grenn
Representative David Guttenberg
Representative Scott Kawasaki
Representative Dan Ortiz
Representative Lance Pruitt
Representative Cathy Tilton
Representative Tammie Wilson
Representative Mark Neuman (alternate)

MEMBERS ABSENT

Representative Steve Thompson

ALSO PRESENT

Paul Labolle, Staff, Representative Neal Foster; Ed King, Special Assistant, Department of Natural Resources; Mike Vigue, Director, Program Development, Department of Transportation and Public Facilities; Representative Dan Saddler; Representative George Rauscher; Representative Lora Reinbold.

SUMMARY

CSSB 23(FIN) am
APPROP: CAPITAL BUDGET

HCS CSSB 23(FIN) was REPORTED out of committee with a five "do pass" recommendations, five "amend" recommendations, and one "do not pass" recommendation.

Co-Chair Foster reviewed the meeting agenda.

#sb23

CS FOR SENATE BILL NO. 23(FIN) am

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

2:09:19 PM

Co-Chair Foster MOVED to ADOPT Amendment 1, 30-GS1854\T.5 (Martin, 6/10/17) [Due to amendment length, it is not included in minutes. See copy on file for detail].

Representative Wilson OBJECTED for discussion.

PAUL LABOLLE, STAFF, REPRESENTATIVE NEAL FOSTER, explained Amendment 1 accomplished a few goals. One was to reduce the appropriation to Knik Arm from \$5 million to \$2.5 million and the second would do the same for the Juneau Access project, with half going to Northern Lynn Canal transportation improvements. The third goal was to correct two drafting errors, including a double appropriation to the Alaska class ferry. He detailed when the version of the bill originally contained the appropriation in both the language and the numbers sections. This amendment used the amount not used for Knik Arm to eliminate the double appropriation and put it into the Kivalina School. The draw from Knik Arm to Kivalina School was reduced to \$500,000. The remainder of the \$2 million in the Knik Arm project went to federal highway match and to correct another draft error on marine overhaul on page 7 of the legislation. The intent in the committee substitute was to restore the governor's numbers and there were two components to that, a fund source change and a \$1 million reversal of a decrement. The draft of the bill contained a fund source change but did not have the reversal of the decrement, so \$1 million of the Knik Arm would go towards the item.

Co-Chair Foster asked for a summary of the main difference between the House and Senate versions.

Mr. Labolle explained for the Knik Arm, the House originally took \$5 million, and Senate took zero. The House was now taking \$2.5 million. The original of the House version appropriated the entirety of the Juneau Access funds to other Southeast projects and the Senate did not appropriate any of them. The amendment split it in half.

Co-Chair Foster reiterated that there was a 50/50 split in the amendment.

[2:13:11 PM](#)

Representative Pruitt had received his answer.

Representative Wilson WITHDREW her OBJECTION.

Representative Neuman OBJECTED. He thought the Knik Arm crossing was an important project for life, health, and safety.

Vice-Chair Gara found the Knik Arm project unaffordable.

Representative Pruitt thanked the chair for his efforts; however, he was in opposition to the amendment.

[2:15:14 PM](#)

Representative Tilton thanked the chair for looking at the issue to restore some funds to the Knik Arm crossing. The project was extremely important to the community

Representative Neuman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Guttenberg, Kawasaki, Ortiz, Gara, Grenn, Foster, Seaton

OPPOSED: Pruitt, Tilton, Wilson, Neuman

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment 1 was ADOPTED.

[2:16:49 PM](#)

Co-Chair Foster MOVED to ADOPT conceptual Amendment 2 (copy on file).

Section 1, Page 8, line 15

DELETE: \$35,100,000

INSERT: \$34,100,000

Section 1, Page 8, line 18

DELETE: \$22,900,000

INSERT: \$23,900,000

Explanation:

Amendment 1 provided an additional \$1,000,000 for state match, therefore the Federal Aid Highway State Match Appropriation can be reduced and the accompanying explanatory language adjusted.

Representative Wilson OBJECTED for discussion.

Mr. Labolle explained Amendment 2 cleaned up Amendment 1, which left the item overfunded by \$1 million.

Representative Wilson WITHDREW her OBJECTION.

There being NO further OBJECTION, There being NO further OBJECTION, conceptual Amendment 2 was ADOPTED. [2:17:55 PM](#)

Co-Chair Foster MOVED to ADOPT Amendment 4, 30-GS1854\T.10 (Wallace/Martin, 6/10/17).

Page 76, line 28:

Delete "(a)"

Page 76, line 31, through page 77, line 1:

Delete all material.

Representative Wilson OBJECTED for discussion.

Mr. Labolle explained Amendment 4 restores money from the Public Education Fund to the Alaska Gasline Project.

Representative Pruitt was opposed to the amendment. He felt the project had made positive gains, and he felt the funds allocated did not harm its opportunity to go forward, so he preferred to keep the funds in the Public Education Fund.

Representative Wilson believed it was difficult to speak to Amendment 4 without speaking to three other amendments. She

believed supporting education was the right way to go. She was opposed to the amendment.

Vice-Chair Gara supported the amendment. The operating budget already fully funded the Base Student Allocation (BSA).

Representative Neuman was opposed to the amendment. He felt it was very important to realize that many people in the state had lost faith in the gas pipeline. He stated he was not sure the gas price made that project economical, but the state did need other funding sources. He felt putting the money towards education was very important.

Co-Chair Seaton supported the amendment. He spoke to the aim to establish further revenue sources in the state.

Representative Wilson MAINTAINED her OBJECTION.

A roll call vote was taken on the motion.

IN FAVOR: Kawasaki, Ortiz, Gara, Grenn, Guttenberg, Seaton, Foster

OPPOSED: Pruitt, Neuman, Tilton, Wilson

The MOTION PASSED (7/4). There being NO further OBJECTION, Amendment 4 was ADOPTED.

[2:23:21 PM](#)

Co-Chair Foster MOVED to ADOPT Amendment 3, 30-GS1854\T.9 (Wallace/Martin, 6/10/17); Amendment 5, 30-GS1854\T.8 (Wallace/Martin, 6/10/17); and Amendment 6, 30-GS1854\T.7 (Wallace/Martin, 6/10/17) (copy on file):

Amendment 3

Page 76, lines 25-27:
Delete all material.

Page 80, line 5:
Delete "and (m)-(o)"
Insert "(m), and (n)"

Page 80, line 16:
Delete "35(l)-(o)"
Insert "35(l)-(n)"

Page 80, lines 17-18:
Delete "35(l)-(o)"
Insert "35(l)-(n)"

Amendment 5

Page 58, lines 12-15:
Delete all material.

Re-number the following bill sections accordingly.

Page 80, line 5:
Delete "34, 35(a), (b), (d)-(k), and (m)-(o), and 40"
Insert "33 34(a), (b), (d)-(k), and (m)-(o), and 39"

Page 80, line 7:
Delete "35(c), and 36"
Insert "34(c), and 35"

Page 80, line 11:
Delete "34(b), and 43(b)"
Insert "33(b), and 42(b)"

Page 80, line 12:
Delete "34(b), and 43(b)"
Insert "33(b), and 42(b)"

Page 80, line 14:
Delete "35(a)-(k), and 38-40"
Insert "34(a)-(k), and 37-39"

Page 80, line 15:
Delete "35(a)-(k), and 38-40"
Insert "34(a)-(k), and 37-39"

Page 80, line 16:
Delete "33, 34(a), 35(l)-(o), 36, 37, 41, and 43(a)"
Insert "33(a), 34(l)-(o), 35, 36, 40, and 42(a)"

Page 80, lines 17 - 18:
Delete "33, 34(a), 35(l)-(o), 36, 37, 41, and 43(a)"
Insert "33(a). 34(l)-(o), 35, 36, 40, and 42(a)"

Page 80, line 19:
Delete "sec. 34(a)"
Insert "sec. 33(a)"

Page 80, line 22:
Delete "sec. 34(b)"
Insert "sec. 33(b)"

Page 80, line 25:
Delete "sec. 37"
Insert "sec. 36"

Page 80, line 28:
Delete "34(b), 42, and 43(b)"
Insert "33(b), 41, and 42(b)"

Page 80, line 30:

Delete "35(a)-(k), and 38-40"
Insert "34(a)-(k), and 37-39"

Page 80, line 31:
Delete "sees. 44 and 45"
Insert "sees. 43 and 44"

Amendment 6

Page 57, lines 20-23:
Delete all material.

Renumber the following bill sections accordingly.

Page 80, line 5:
Delete "32(a), 34, 35(a), (b), (d)-(k), and (m)-(o), and 40"
Insert "31(a), 33, 34(a), (b), (d)-(k), and (m)-(o), and 39"

Page 80, line 7:
Delete "35(c), and 36"
Insert "34(c), and 35"

Page 80, line 11:
Delete "34(b), and 43(b)"
Insert "33(b), and 42(b)"

Page 80, line 12:
Delete "34(b), and 43(b)"
Insert "33(b), and 42(b)"

Page 80, line 14:
Delete "secs. 25-30, 32, 35(a)-(k), and 38-40"
Insert "secs. 25-31, 34(a)-(k), and 37-39"

Page 80, line 15:
Delete "secs. 25-30, 32, 35(a)-(k), and 38-40"
Insert "secs. 25-31, 34(a)-(k), and 37-39"

Page 80, line 16:
Delete "31, 33, 34(a), 35(l)-(o), 36, 37, 41, and 43(a)"
Insert "32, 33(a), 34(l)-(o), 35, 36, 40, and 42(a)"

Page 80, lines 17 - 18:
Delete "31, 33, 34(a), 35(l)-(o), 36, 37, 41, and 43(a) and (c)"
Insert "32, 33(a), 34(l)-(o), 35, 36, 40, and 42(a) and (c)"

Page 80, line 19:
Delete "sec. 34(a)"
Insert "sec. 33(a)"

Page 80, line 22:
Delete "sec. 34(b)"
Insert "sec. 33(b)"

Page 80, line 25:
Delete "sec. 37"
Insert "sec. 36"

Page 80, line 28:
Delete "34(b), 42, and 43(b)"
Insert "33(b), 41, and 42(b)"

Page 80, line 30:
Delete "Sections 25-30, 32, 35(a)-(k), and 38-40"
Insert "Sections 25-31, 34(a)-(k), and 37-39"

Page 80, line 31:
Delete "secs. 44 and 45"
Insert "secs. 43 and 44"

Representative Wilson OBJECTED for discussion.

Mr. Labolle explained the amendments. The items were those in Department of Labor and Workforce Development (DOL), Department of Public Safety (DPS), and Department of Transportation and Public Facilities (DOT), and were removed with the funds remaining within the AKLNG project.

Representative Wilson communicated that she would withdraw her objection. She did not want to start putting operating budget funds into the capital budget. She spoke about 20 positions that had not been filled and a graduating class of 5 in the Alaska State Troopers. She WITHDREW her OBJECTION.

Vice-Chair Gara OBJECTED for discussion. He commented on the amendments. He spoke to a shortage of troopers in Alaska. He had concerns about one-time allocations for those positions. He WITHDREW his OBJECTION.

[2:26:24 PM](#)

Representative Neuman OBJECTED. He MAINTAINED his OBJECTION. He believed the state needed to fund its troopers.

A roll call vote was taken on the motion to adopt Amendments 3, 5, and 6.

IN FAVOR: Ortiz, Wilson, Gara, Grenn, Guttenberg, Kawasaki, Foster, Seaton
OPPOSED: Pruitt, Neuman, Tilton

The MOTION PASSED (8/3). There being NO further OBJECTION, Amendments 3, 5, and 6 were ADOPTED.

[2:27:51 PM](#)

Co-Chair Foster MOVED to ADOPT Amendment 7, 30-GS1854\T.11 (Wallace/Martin, 6/10/17) (copy on file):

Page 51, line 14, following "CAPITALIZATION.":
Insert "(a)"

Page 1, following line 15:
Insert a new subsection to read:

"(b) The sum of \$40,000,000 is appropriated from the budget reserve fund (AS 37.05.540) to the oil and gas tax credit fund (AS 43.55.028) to pay outstanding tax credit liabilities."

Representative Wilson OBJECTED for discussion.

[2:28:04 PM](#)

AT EASE

[2:28:23 PM](#)

RECONVENED

Mr. Labolle explained Amendment 7 would restore \$40 million of the \$288 million of the oil and gas credit payments in the Senate version of the bill.

Representative Wilson asked if it was the intent to restore the statutory amount to be paid on the credits.

Mr. Labolle answered that the House version of the operating budget and the amendment would bring the total to the statutory amount.

Representative Wilson WITHDREW her OBJECTION.

Representative Pruitt OBJECTED for discussion. He thought it would be better to go above the statutory limit. He believed maintaining the statutory limit would harm future negotiations with banks. He recognized that foreclosure had the potential to leave banks with leases in their hands, which would be a unique situation. He trusted that the conversation was not over in the current year. He wanted to hold to the deal that Alaska made with oil companies. He WITHDREW his OBJECTION.

[2:31:54 PM](#)

Co-Chair Seaton clarified that credits had three mechanisms for utilization. The first mechanism was as production tax credits that could be used to offset future production, they could be sold to other companies with tax liabilities, or, if available, the state would buy the credits back. The utilization was optional and not a cash layout obligation. He wanted the public to understand that the state was not obligated to pay cash for the credits.

Vice-Chair Gara remarked that it was obvious there were competing needs in the state, but without a fiscal plan it was not possible to fund everything. He believed the amendment was appropriate. He spoke to the Senate's proposal of \$288 million for payments while making cuts to education.

There being NO further OBJECTION, Amendment 7 was ADOPTED.

[2:34:49 PM](#)

Co-Chair Foster MOVED to ADOPT conceptual Amendment 8 (copy on file):

Agency:
Natural Resources

Project:
Arctic Strategic Transportation and Resources (ASTAR)

Funding Source:
UGF

Explanation:
The reappropriation of the entire balance of the Reservoir Studies for North Slope and Cook Inlet capital project will result in a FY2018 Supplemental request for work that is scheduled. Retaining \$500,000 in this capital appropriation would avoid a supplemental and allow the department to continue reservoir modeling efforts which are used for decisions related to equity redeterminations for state royalty revenue.

Page 57, line 31
Delete "\$7,803,482"
Insert "\$7,303,482"

Page 58, lines 7 & 8
Delete "estimated balance of \$3,297,753"
Insert "not to exceed \$2,797,753"

Representative Wilson OBJECTED for discussion.

Co-Chair Foster noted the amendment had been brought forward by the Department of Natural Resources (DNR). He asked the department to address the amendment.

ED KING, SPECIAL ASSISTANT, DEPARTMENT OF NATURAL RESOURCES, explained that the amendment would leave \$500,000 in the fund that was being reappropriated in the current version of the bill to the ASTAR project. Those funds were to pay for licenses in the department's Resource Evaluation section to do things like redeterminations and other day-to-day operations. The department had not planned to pay for the expenses out of its operating budget because it had funds in the reservoir account. Removing monies from that fund would leave the department without the ability to pay for the software for that study. The department would include the fees in the operating budget in the future.

[2:36:54 PM](#)

Representative Wilson asked why the state was paying for the items.

Mr. King answered that DNR needed the licenses to stay on par with the industry for anything related to subsurface studies. They had no previously needed to pay for them from the operating budget. There is no longer a mechanism to pay for them.

Representative Wilson asked how much the studies had cost the preceding year.

Mr. King answered the cost had been about \$300,000 per year. He detailed this included expertise and consultants. The funds were needed annually.

Representative Wilson asked what would happen when the funds disappeared.

Mr. King answered that the department had not planned to pay for the licenses out of the operating budget in the current year. Without the reservoir studies, it would need to include the funds in the operating budget beginning the next year.

Representative Wilson asked whether making a supplemental request was normal with DNR.

Mr. King replied that the department had not planned to pay for the cost in the operating budget in the current year as they thought they would be included in the capital budget.

Otherwise the department would be forced to ask for a supplemental request if the funds were not allocated.

2:39:32 PM

Representative Wilson asked what the capital appropriation had been initially.

Mr. King responded it was a reservoir study appropriated in 2011. The legislature at the time wished to have a deeper understanding of reservoir characteristics in Cook Inlet. They were now in the midst of that study and removing the funds would terminate the exercise.

Representative Wilson commented on the department's testimony that the supplemental would be used if the funds were not allocated. She wanted the supplemental to be as low as possible. She WITHDREW her OBJECTION.

Representative Neuman OBJECTED for discussion. He remarked that the operating budget item was being included in the capital budget. He asked for the plan in the future.

Mr. King answered if the department did not have the reservoir studies as a capital budget item, it would need to be included in the operating budget going forward.

Representative Neuman asked if there was a mechanism in place for companies working in the area to cover the costs for the oil and gas permits without a capital expenditure.

2:42:34 PM

Mr. King replied that the particular operations under discussion were not centered on permitting, but to ensure the state was receiving the appropriate royalty from companies. It was not something the industry was asking the state to do, but was done to protect the state's own interests.

Representative Neuman asked if the software was a one-time purchase.

Mr. King replied that the contracts were annual.

Mr. Labolle relayed that the project had been originally reappropriated in the Senate version of the bill and went

to the federal highway match. The ASTAR project was a request from DNR so it was deemed appropriate to fund it together with the DNR funds already in the federal highway match.

Representative Guttenberg remarked if the project ended, the state lost information and better understanding of the reservoirs in Cook Inlet. The value was understanding the resources in the ground. He asked if the work needed to be done perpetually.

[2:46:05 PM](#)

Mr. King replied that the study would have a termination date. The software needed to be purchased annually in order for DNR to verify it was getting the correct royalty share. He explained there was no end to needing the software, but there would an end to the study itself.

Representative Neuman WITHDREW his OBJECTION. There being NO further OBJECTION, Amendment 8 was ADOPTED.

[2:47:08 PM](#)

Representative Ortiz MOVED to ADOPT conceptual Amendment 9, 30-GS1854\R.A.1 (Wallace/Martin, 5/13/17):

Page 7, following line 30:

Insert new material to read:

It is the intent of the legislature that the new oceangoing vessel to replace the F/V Tustumena be constructed by a shipyard facility that produces the best value and most advantageous proposal to the state. The commissioner of transportation and public facilities shall award the contract using a competitive proposal procurement method unless the commissioner concludes, in writing, that the use of the competitive proposal procurement method is not in the best interests of the state. The Department of Transportation and Public Facilities shall consult with the Federal Highway Administration to determine whether an open and competitive proposal procurement method can be used."

Representative Wilson OBJECTED for discussion.

Representative Ortiz explained the amendment contained intent language. The amendment encouraged the department to look at existing facilities in the state to build the vessel.

Representative Wilson asked if there was a problem with the state's procurement process.

Representative Ortiz replied he was not aware of a problem. He elaborated that in the past, vessels under construction had been constructed with federal dollars and ships being built in ports in Louisiana. He furthered that once the construction had taken place, there had been problems with the vessels and cost overruns. The amendment encouraged the department to look at the possibilities of constructing vessels in the state.

Representative Wilson appreciated the language, but her bigger concern was that if procurement did not allow it currently, there may be an issue with the process. She asked if the intent language would change the way procurement was working.

[2:50:47 PM](#)

Representative Ortiz deferred to the department.

MIKE VIGUE, DIRECTOR, PROGRAM DEVELOPMENT, DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, answered that the Tustumena was a federal aid project, funded by the Federal Highway Administration. The typical process when using federal funds was to go with a low bid. His understanding was the amendment would ask the commissioner to look at an innovative procurement methodology which would mean the department would have to ask the federal agency how to proceed. He underlined that this was not unprecedented.

Representative Wilson was concerned that the state did not currently attempt to get the best value for the state. She surmised that the amendment would direct DOT to go to the Federal Highway Administration to request an exception to the lowest bid process.

Mr. Vigue replied in the affirmative.

Representative Guttenberg believed that many times the lowest cost was not the best value. He asked whether the

commissioner could not make the federal request without the language in the amendment.

[2:54:13 PM](#)

Mr. Vigue answered that the department could still go to the federal agency and ask them to procure in a different manner.

Representative Guttenberg surmised the intent language provided more leverage.

Mr. Vigue indicated this was the case.

Representative Pruitt asked if it would not be simpler to ask the DOT commissioner to tell the federal government to build the ships in Ketchikan.

Representative Ortiz replied there were other ship building facilities outside of Ketchikan. He thought the amendment spoke for itself.

Representative Pruitt thought the language in the amendment did not necessarily speak for itself. He asked what "most advantageous proposal" meant. He believed the amendment language was vague.

Representative Ortiz appreciated the comment, but stood with the amendment language as it was.

[2:57:09 PM](#)

Representative Neuman supported doing all work the state could in Alaska; however, he thought the amendment could present legal issues. He mentioned the open bid process. He wondered about the restriction for "best value to the state."

Representative Ortiz replied that the amendment left the issue up to the commissioner to determine the definition of "best value to the state." Additionally, the amendment specified the department "shall consult with the Federal Highway Administration to determine whether an open and competitive proposal procurement method can be used." It was merely intent language and was not legally binding in any way.

Representative Neuman had been looking for a clearer explanation on the record about the intent. He was satisfied with the answer.

Representative Wilson WITHDREW her OBJECTION.

There being NO further OBJECTION, conceptual Amendment 9 was ADOPTED.

3:00:10 PM

AT EASE

3:01:21 PM

RECONVENED

Representative Ortiz WITHDREW conceptual Amendment 10, 30-GS1854\T.3 (Martin, 5/13/17) (copy on file).

3:01:39 PM

Representative Guttenberg MOVED to ADOPT conceptual Amendment 11, 30-GS1854\A.9 (Martin, 5/13/17) (copy on file):

Sec. A. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. The proceeds from the sale of state-owned land in Fox, Alaska, that was intended for a veterans' cemetery in Interior Alaska, are appropriated to the Department of Military and Veterans' Affairs for land purchase, planning, and construction for a veterans' cemetery in Interior Alaska.

Sec. B. LAPSE. The appropriation made in sec. A of this Act is for a capital project and lapses under AS 37.25.020.

Sec. C. Section A of this Act takes effect July 1, 2017.

Representative Wilson OBJECTED.

Representative Guttenberg explained the amendment related to a state-authorized veterans' cemetery. He gave background on the attempts to purchase land for the project. There was currently another parcel available, and the amendment said that if the state bought that parcel, and there was still money for the project, the money would go to that. There was an estimate of \$100,000 for Davidson

Ditch impacts. He stated the money would follow the project.

Representative Wilson wondered where the money would go without the intent.

Representative Guttenberg answered it would go nowhere - it would sit in a fund that could not be used.

Representative Wilson thanked Representative Guttenberg for his work on trying to locate a piece of property. She wanted to ensure he would be able to do what he needed to do.

Representative Guttenberg thanked Representative Wilson. He explained it was intent language - the money would follow the project. The other piece of property would be purchased, which was owned by the Alaska Mental Health Trust.

Representative Wilson wanted to ensure the project would not be further delayed. She WITHDREW her OBJECTION.

There being NO further OBJECTION, conceptual Amendment 11 was ADOPTED.

[3:05:46 PM](#)

Co-Chair Seaton MOVED to REPORT HCS CSSB 23(FIN) out of committee with individual recommendations.

Representative Neuman OBJECTED for discussion. He objected to removing funds from the Knik Arm project. He spoke to the Transportation Infrastructure Finance and Innovation Act (TIFIA) and remarked that the federal Department of Transportation had gone through the numbers and concluded the total cost would be about \$782 million, and there were cost overrun contingencies. He stated it would not cost the state anything according to the experts. He believed the issue was political. He wondered how the state could let people die on its roads. He stressed that it was a bridge to a community to address serious road congestion. He spoke to the project viability. He stated it was not a bridge to nowhere, but a bridge to the fastest growing area in the state. He was distraught that politics was taking the lead over Alaskans lives. He understood that it impacted other areas in Anchorage.

3:14:01 PM

Representative Pruitt believed some great things had been done in the capital budget. He thanked the co-chair and Senate for their work. He agreed with Representative Neuman on the Knik Arm project. He believed it was ironic that the state's largest city was out of land. He remarked that the money was restored to AKLNG and added if the project came to fruition, it would present the opportunity to bring gas to the Anchorage/Mat-Su area, leading to value added investment. He stated one of the largest problems would be lack of access to the area by the needed workforce. He spoke to the goal of growth in Alaska. He stressed substantial savings to the state would occur. He believed in some cases the budget was a little short-sighted. He underscored growth in Alaska would require investment. He understood what the statute said in terms of the legislature's liability, but there was a secondary responsibility related to how the international community would perceive the state in terms of how it fulfilled its obligations. He shared that constituents had communicated that their companies would cease to exist if the state no longer paid for the credits. He wanted to grow Alaska and send a pro-business message.

3:19:42 PM

Vice-Chair Gara believed the bill represented the most responsible capital budget the legislature could pass. He spoke to the need to fix the budget deficit. He recognized the passion by some for the Knik Arm Bridge; however, he did not believe the state had the funds. Additionally, the state did not have the money for a \$770 million Juneau Access road. He agreed the state should fix the portions of highways that were the least safe, including on the Glenn Highway.

3:21:44 PM

AT EASE

3:22:30 PM

RECONVENED

Representative Neuman MAINTAINED his OBJECTION.

A roll call vote was taken on the motion to report the legislation from committee.

IN FAVOR: Gara, Grenn, Guttenberg, Kawasaki, Ortiz, Foster, Seaton

OPPOSED: Neuman, Tilton, Wilson, Pruitt

The MOTION PASSED (7/4).

Co-Chair Seaton MOVED to give the Legislative Finance Division and Legislative Legal Services the ability to make technical and conforming adjustments.

There being NO further OBJECTION, HCS CSSB 23(FIN) was REPORTED out of committee with five "do pass" recommendations, five "amend" recommendations, and one "do not pass" recommendation.

Co-Chair Foster thanked Legislative Legal Services for their hard work on the bill, Legislative Finance Division, and his staff.

Co-Chair Foster reviewed the schedule for the following day. He recessed the meeting [Note: the meeting never reconvened].

ADJOURNMENT

[3:25:00 PM](#)

The meeting was adjourned at 3:25 p.m.