

SENATE FINANCE COMMITTEE  
February 1, 2019  
9:02 a.m.

[9:02:24 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:02 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Peter Micciche  
Senator Donny Olson  
Senator Mike Shower  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

Senator Lyman Hoffman

ALSO PRESENT

Senator Cathy Giessel; Senator Mia Costello; Dan Stickel, Chief Economist, Economic Research Group, Tax Division, Department of Revenue; Ky Clark, Economist, Department of Revenue; Alexei Painter, Analyst, Legislative Finance Division.

SUMMARY

PRESENTATION: INDIRECT EXPENDITURES

^PRESENTATION: INDIRECT EXPENDITURES

[9:03:47 AM](#)

Co-Chair Stedman discussed the agenda.

DAN STICKEL, CHIEF ECONOMIST, ECONOMIC RESEARCH GROUP, TAX DIVISION, DEPARTMENT OF REVENUE, introduced himself, and informed that the project manager for indirect expenditures

was a subject matter expert and would be discussing the presentation.

KY CLARK, ECONOMIST, DEPARTMENT OF REVENUE, introduced himself and discussed his background. He had been in the position for two years. He had a degree in economics.

Mr. Clark discussed the presentation "Overview of DOR's Indirect Expenditure Report, Report for FY 2013 - FY 2017" (copy on file).

[9:05:27 AM](#)

Mr. Clark moved to slide 2, " Overview":

- Indirect Expenditure Report Legislation Overview
- DOR Indirect Expenditure Report
- Considerations/Recommendations

Mr. Clark reminded that the Legislative Finance Division also produced a report of the same name. He would give an overview of the Department of Revenue's (DOR) report.

[9:06:25 AM](#)

Mr. Clark showed slide 3, "Indirect Expenditure Report Legislation Overview."

[9:06:30 AM](#)

Mr. Clark showed slide 4, "Indirect Expenditure Report Overview":

- Passed in 2014 and signed on July 7, 2014 (House Bill 306)
- Requires DOR to submit a report to the Legislature biennially on July 1 detailing indirect expenditures of all agencies in the State (AS 43.05.095)
- Requires the Legislative Finance Division to provide a report to the Legislature on the indirect expenditures of certain agencies before the start of Legislative Session following the release of DOR's biennial report

- The 1st DOR Indirect Expenditure Report was released the day after the bill was signed, July 8, 2014
- The 2nd DOR Indirect Expenditure Report was released July 1, 2016
- The 3rd DOR Indirect Expenditure Report was released July 1, 2018

[9:07:41 AM](#)

Mr. Clark reviewed slide 5, " Indirect Expenditures Defined":

Indirect expenditure: Any foregone revenue by the state designed to encourage an activity to benefit the public in the form of a credit, exemption, deduction, deferral, discount, exclusion, or other differential allowance.

As defined by AS 43.05.095(d):

- An express provision of state law that results in foregone revenue for the state by providing:
- A tax credit or other credit
- An exemption, but does not include federal tax exemptions adopted by reference in AS 43.20.021
- A discount
- A deduction, but does not include costs incurred in the ordinary course of business that are deducted in the calculation of a tax under this title or in the calculation of a royalty or net profit share payment for a lease issued under AS 38
- A differential allowance

Mr. Clark gave an example of an indirect expenditure and a tax credit for the fisheries business tax. He gave additional examples of indirect expenditures through exemption of fees. He mentioned discounted fees for hunting and fishing licenses for certain user groups.

[9:10:47 AM](#)

Co-Chair Stedman clarified that the Sheldon Jackson Museum was owned by the Alaska State Museum.

Mr. Clark continued to address slide 5 and gave more examples of fee deductions. Municipal and federal taxes could be deducted from the state gambling tax. He gave an example of a differential allowance and described a resident in an Alaska Pioneer Home through which the state paid the differential amount over that which the resident could pay.

[9:12:27 AM](#)

Mr. Clark discussed slide 6, "DOR Indirect Expenditure Report":

- Released July 1, 2018 by DOR
  - The DOR Indirect Expenditure Report was revised on August 14, 2018 to reflect the repeal of one indirect expenditure through HB 398 (pg. 164)
  - Provides details on 260 indirect expenditures across 11 departments and agencies, including 78 provisions administered by DOR

[9:13:24 AM](#)

Mr. Clark showed slide 7, "DOR Indirect Expenditure Report."

Mr. Clark displayed slide 8, "Methodology":

Examples of provisions not meeting definition of "Indirect Expenditure":

- Alaska Housing Finance Corporation (AHFC)
  - Identified one potential indirect expenditure; reduced loan rates. But, it was part of their normal operations and not "required by statute." Statutorily, AHFC can set the rates.
- Department of Commerce, Community, and Economic Development (DCCED):
  - Has certain licensing fees, which are set by statute to cover program costs, that were reduced for residents vs. non-residents. It was determined not to be foregone revenue, because the fee differential doesn't affect total revenue.

- University of Alaska (UA):
  - Addressed tuition waivers to employees and dependents; they are a part of the employee's benefit package, so are not considered foregone revenue.
  - Non-resident vs. Resident tuition; UA is not discounting the resident tuition rate, rather the out-of-state student is paying a non-resident surcharge (so no foregone revenue).

[9:15:26 AM](#)

Mr. Clark looked at slide 9, "Reported Information":

Each department was required to report the following information:

- The name of the indirect expenditure
- A brief description
- The statutory authority
- The repeal date, if applicable
- The intent of the legislature in enacting the statute authorizing the indirect expenditure
- The public purpose served by the indirect expenditure
- The estimated revenue impact of the indirect expenditure for the previous five fiscal years (excluding the fiscal year immediately preceding the date the report is due)
- The estimated cost to administer the indirect expenditure, if applicable
- The number of beneficiaries of the indirect expenditure and who benefits

[9:16:20 AM](#)

Mr. Clark displayed slide 10, "Recommendations/Considerations."

Mr. Clark discussed the material on slide 11, "Recommendations/Considerations":

DOR identified several areas for the committee to consider:

- House Bill 155 from 2015-2016
- House Bills 399 & 409 from 2017-2018

- House Bill 398 from 2017-2018
- Review of recommendations produced by the Legislative Finance Division
- Indirect Expenditures were reviewed in both January 2015 and January 2017
- Fee Setting Authority

Mr. Clark noted that HB 155 attempted to make changes to different taxes within the Department of Revenue. He noted that all the bills had to do with excise taxes.

Co-Chair Stedman asked if the bills listed on the slide had been enacted.

[9:17:41 AM](#)

Mr. Clark reviewed slide 12, " House Bill 155 from 2015-2016":

The following indirect expenditures were addressed in a proposed bill:

- Tobacco Products Tax
  - Gives a four-tenths of one percent deduction to cover the expense of account and filing the return for the tobacco tax
  - FY 2015 revenue impact of \$54,053
- Cigarette Tax
  - Gives a discount of up to \$50,000 as compensation for affixing stamps to packs of cigarettes
  - FY 2015 revenue impact of \$360,326
- Motor Fuel Tax
  - Gives a timely filing credits of 1% of the total monthly tax due to a maximum of \$100
  - FY 2015 revenue impact of \$62,590
- Large Passenger Vessel Gambling Tax Deduction
  - Allows a deduction of federal and municipal taxes paid from gambling gross income
  - Revenue impact is unknown

Co-Chair Stedman asked if the bills being discussed had been passed or were deceased.

Mr. Clark stated that the listed bills on slide 12 had not been passed.

Co-Chair Stedman asserted that the committee did not want to hear about deceased bills.

Mr. Stickel recalled that the previous year, members had requested a list of areas in which the legislature could contemplate ways to change indirect expenditures. The department had highlighted previous legislation for the committee to consider as an example of a starting point for changes.

Co-Chair Stedman reiterated that the committee was not interested in deceased bills.

Mr. Stickel noted that the presentation provided example of four previous pieces of legislation to serve as an example of past proposals. The fourth example had been enacted.

Co-Chair Stedman asked the testifiers to discuss the department's recommendations and items that were ready for review.

[9:19:32 AM](#)

Mr. Clark affirmed that most of the indirect expenditures listed had been recommended by review or termination by the Legislative Finance Division (LFD).

[9:20:03 AM](#)

Co-Chair von Imhof looked forward at slide 16 and recalled reading reports and recommendations and thought there was greater interest at present. She thought it was important to consider the environment at present. She wondered if the department had specific recommendations based on the current fiscal climate.

Mr. Stickel stated that the department's role in the indirect expenditure report was to compile information rather than make policy recommendations. He noted that the department compiled information, which it turned over to LFD to make policy recommendations for different indirect expenditures based on the report.

Co-Chair Stedman understood that the administration could submit bills if it felt there was a change needed. He gleaned that Mr. Stickel was suggesting that the department had no recommendations at present.

Mr. Stickel clarified that he was not prepared to speak to policy at present, but there was another chief economist in the room that might be able to do so.

9:22:02 AM

Senator Micciche thought slide 15 discussed a bill that had been passed. He asked about the effect of the bill.

Co-Chair Stedman asked if the agency had a position on the information and stated that the committee did not need a legislative history. He asked if the testifiers wanted to discuss the mechanics of the indirect expenditures listed on slide 12.

9:23:09 AM

Mr. Clark went back to slide 12. He reiterated that he and Mr. Stickel did not have a position but thought the information on the slides was for the benefit of the committee.

Co-Chair Stedman asked Mr. Clark to discuss the function of the taxes listed on slide 12.

Mr. Stickel discussed the particularities of the taxes listed on slide 12. He specified that there was a \$2 per pack of cigarettes tax on sales of cigarettes in the state. The Motor Fuels Tax was a per-gallon tax of most motor fuels sold in the state. The highway rate was 8 cents per gallon, and there were other rates for different types of motor fuel. The Large Passenger Vessel Gambling Tax was a tax on the share on net profits from gambling in state waters on cruise ships.

9:25:52 AM

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Co-Chair Stedman recalled a slide with a list of the largest indirect expenditures that was not showing in the slide deck.

Mr. Stickel answered in the affirmative.

Co-Chair Stedman asked the testifiers to discuss the information and provide the committee with a copy.

Mr. Stickel discussed an additional slide entitled "Large Indirect Expenditures" (copy on file):

- Oil & Gas Tax Credits (FY17 = \$686 million)
- Mining License Tax - Depletion Deduction (FY16 = \$29 million)
- Insurance: all programs - Deduction from premiums written for claims paid (DCCED\*)(FY17 = \$18 million)
- Royalty Modification - Ooguruk Unit (FY17 = \$18 million)
- Sport Fishing, Hunting & Trapping Senior Discount (FY 18 = \$14 million)
- Commercial Passenger Vessel Taxes - Tax Reduction for Local Levies (FY17 = \$13 million)
- Motor Fuel Tax - Foreign Flight Exemption (FY17 = \$8.8 million)
- Discounted Interest Rates - SRF Municipal Loans (FY17 = \$6.3 million)
- Insurance: all programs - Lower Tax Rate (DCCED\*)(FY17 = \$5 million)
- Multiple Tax Programs - Film Production Credit (FY17 = \$5 million; credit phasing out under current law)
- Permanent Registration for 8-Year-Old Vehicles (FY17 = \$4.6 million)

Mr. Stickel informed that the oil and gas tax credits were the largest indirect expenditure and were integral to the tax calculation itself. He mentioned that the City of Juneau had a local head tax on cruise ship passengers, the amount of which could be deducted against the state tax. He noted that Juneau and Ketchikan both had the levies in place when the state enacted the tax and both cities were grandfathered into the ability to deduct it against the state tax.

[9:29:44 AM](#)

Mr. Stickel advanced to slide 13, "House Bill 399 from 2017-2018":

The following indirect expenditures were addressed in a proposed bill:

- Federal Tax Credits
  - Under Alaska's adoption of the Internal Revenue Code, taxpayers can claim most federal incentive credits
  - FY 2014 revenue impact of \$1,578,843 (FY 2016: \$1,936,758)
- Foreign Royalty Exclusion
  - Excludes 80% of foreign royalties from apportionable income
  - FY 2014 revenue impact of \$1,408,557 (FY 2016: \$1,382,229)
- Reduced Tax Rate on Capital Gains
  - Long term capital gains are taxed at a maximum rate of 4.5%, while other income is taxed at a maximum rate of 9.4%
  - FY 2014 revenue impact of \$1,551,095 (FY 2016: \$1,802,151)
- Exemption from tax under Stranded Gas Development Act
  - Corporations that are a party to a contract under the Stranded Gas Development Act are exempt from corporate income tax filing requirements, if the agreement provides for a payment in lieu of tax
  - Revenue impact is \$0; no beneficiaries because there is no contract

Mr. Stickel explained that the slide looked at several indirect expenditures against the state's corporate income tax as potential considerations.

[9:31:07 AM](#)

Mr. Stickel reviewed slide 14, "House Bill 409 from 2017-2018":

The following indirect expenditures were addressed in a proposed bill:

- State Identification Cards for Senior Citizens
  - Waives identification card fees for applicants that are 60 years or older
  - FY 2017 revenue impact of \$198,630

- Motor Vehicle License Plates and Registrations Fees for Amateur Radio Users
  - Waives registration fees for certain amateur radio users
  - FY 2017 revenue impact of \$4,400
- Motor Vehicle License Plates and Registrations Fees for Municipal Governments and Charitable Organizations
  - Discounts vehicle registration fees from \$100 to \$10 for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations and Alaska Tribal Village Councils
  - FY 2017 revenue impact of \$532,125
- Permanent Registration for 8-Year-Old Vehicles
  - Allows permanent registration for vehicles 8 years or older in unorganized boroughs or in communities that have passed an ordinance to allow permanent registration
  - FY 2017 revenue impact of \$4,664,100

Mr. Stickel explained that slide 14 addressed several indirect expenditures within the Division of Motor Vehicles (DMV).

[9:31:49 AM](#)

Mr. Stickel looked at slide 15, "House Bill 398 from 2017-2018":

The following indirect expenditure was eliminated in a passed bill:

- Utilities Exempted from Water's Edge Combination Reporting
  - Income from public utilities including telephone services is exempt from water's edge combination reporting requirements. These companies can instead pay tax only on Alaska net income, based on separate-entity reporting
  - Revenue impact is unknown because relevant information is not collected
- HB 398 fiscal note:
  - "Within the last 10 years some public utilities have started using their own methods of

allocating and apportioning income to Alaska. These methods are less than favorable to Alaska... we are unable to provide an estimate of the additional potential revenue due to confidentiality concerns. However, we estimate that there will be a material amount of additional revenue collected, between \$100,000 and \$5,000,000, if this legislation were to pass."

Mr. Stickel noted that slide 15 addressed a piece of legislation that made a change to corporate income tax calculation for utility companies. Prior to the previous year, a utility company could pay corporate income tax based only on its Alaska subsidiaries income apportioned to Alaska. Most other companies were made to pay based on Water's Edge Combination Reporting.

[9:33:06 AM](#)

Co-Chair von Imhof recalled working on the legislation listed on the slide.

[9:33:43 AM](#)

Mr. Stickel moved to slide 16, "Recommendations from Legislative Finance":

- There are recommendations made by Legislative Finance Division in both their 2015 & 2017 Indirect Expenditure Reports
- 2015 Report
  - Recommended 17 indirect expenditures be terminated
  - Recommended 33 indirect expenditures be reconsidered
  - Recommended 24 indirect expenditures be reviewed
  - Recommended 37 indirect expenditures be continued
- 2017 Report
  - Recommended 2 indirect expenditures be terminated
  - Recommended 13 indirect expenditures be reconsidered
  - Recommended 3 indirect expenditures be reviewed

- o Recommended 48 indirect expenditures be continued

[9:34:17 AM](#)

Mr. Stickel showed slide 17, "Fee Setting Authority":

Legislature has granted fee setting authority to certain agencies, for example:

- Department of Transportation and Public Facilities
  - o Alaska Marine Highway (AMHS): foregone revenue related to AMHS discounts amounted to over \$4.7 million in FY 2015
- University of Alaska
  - o Scholarship awarding authority
  - o Western Undergraduate Exchange
  - o Senior Citizen Tuition Waiver
- Discounts offered by agencies with fee setting authority may not qualify as "indirect expenditures" since they are not an "express provision of state law"
- Office of Management and Budget (OMB) produces annual Fee Report
  - o Details department and agency fees, including name and purpose
  - o Details authorizing statute or regulation and the amount of the fee.

Mr. Stickel noted that there could be discounts allowed by agencies when there was not actually an express provision in state law. He thought that the combination of the OMB Fee Report and the departments Indirect Expenditure Report was a comprehensive view of potential differentials and allowances being offered throughout state government.

[9:35:37 AM](#)

Co-Chair von Imhof asked if with the ability and authority to grant fees, she assumed that the corresponding responsibility of evaluating the fees would also lie within the agencies. She asked if there was a recommendation or discussion of evaluating whether the fee structures were working.

Mr. Stickel stated that the report was a large spreadsheet with a great deal of information. He was sure that OMB was

considering the fees and would be happy to discuss the information with the committee.

Co-Chair Stedman affirmed that the committee would discuss the subject with OMB.

Co-Chair Stedman wanted to ensure that the committee understood that the head tax issue was an indirect expenditure. He thanked the testifiers from DOR. He noted that the committee would consider recommendations from OMB.

[9:38:17 AM](#)

ALEXEI PAINTER, ANALYST, LEGISLATIVE FINANCE DIVISION, introduced himself and discussed his background. He recounted that he had previously worked for DOR.

Mr. Painter discussed the presentation, "Overview of Legislative Finance Division Indirect Expenditure Reports" (copy on file). He noted that there was two Indirect Expenditure Reports: one compiled by DOR with data from all state agencies, and one from LFD. The LFD report made recommendations to the legislature based on the DOR report data. On the first day of the legislative session, LFD submitted a report that looked at provisions within state agencies.

[9:40:25 AM](#)

Mr. Painter looked at slide 2, "LFD Indirect Expenditure Reports":

- Make recommendations to legislature based on data from DOR
- Look at several agencies each report, on a six-year cycle
- Past recommendations may be based on outdated information, so use with caution

[9:40:34 AM](#)

Mr. Painter discussed slide 3, "Agencies in 23015 Report":

- Commerce, Community and Economic Development
- Fish and Game
- Health and Social Services

- Labor and Workforce Development
- Revenue

[9:40:51 AM](#)

Mr. Painter showed slide 4, "Summary of 2015 Recommendations":

- Terminate: 17 provisions
  - Total known revenue impact of \$5 million (in FY14)
  - Three provisions had unknown revenue impact
- Modify or review: 59 provisions
- Continue: 37 provisions
- No recommendation: 25 provisions

Mr. Painter noted that some of the provisions that were recommended to be terminated remained on the books. The slide also showed a pie chart. He noted that the number of recommendations to review or modify provisions was due to the fact that several areas of the tax code or fees had to be revisited, due to the fact that the legislature had not examined the information in decades. He used the example of the ADFG fee structure, which had not been modified since the 1980s. He noted that the legislature had subsequently reviewed and revised the ADFG fees.

[9:42:38 AM](#)

Mr. Painter reviewed slide 5, "2015 Report Key Points":

- Future DOR reports added revenue estimates for several provisions that had an unknown impact when the first LFD report was prepared
- LFD did not review oil and gas tax credits

#### Legislative Actions

- HB 247 (SLA 2016) repealed an obsolete exploration incentive
- HB 97 (SLA 2018) repealed an unused credit for donations to the Fire Standards Council
- HB 398 (SLA 2018) repealed a Corporate Income Tax provision related to water's edge reporting

Mr. Painter emphasized that LFD had not reviewed oil and gas tax credits. There had been a referendum on the oil and gas tax systems, and LFD had not had data on how the systems were performing with modifications. He added that subsequent DOR reports added a lot more revenue estimates than in the past.

[9:43:42 AM](#)

Mr. Painter discussed slide 6, "Agencies in 2017 Report":

- Administration
- Education and Early Development
- Environmental Conservation
- Natural Resources
- Transportation
- Judiciary
- Plus review of the Education Tax Credit, which was scheduled to sunset at the end of 2018.

[9:44:18 AM](#)

Co-Chair von Imhof asked what was done with the Alaska Education Tax Credit. She recalled a robust discussion on the topic.

Mr. Painter noted the HB 233 had extended the credit but made some modifications. The bill had reduced the cap on the credit per company from \$5 million to \$1 million. The bill also reduced the rate of the credit. The committee had passed a committee substitute that became enacted. Starting in 2021, the rate would be 50 percent for all levels of expenditure. The change was in line with a recommendation that LFD made in its 2017 report.

[9:46:00 AM](#)

Mr. Painter moved to slide 7, "Summary of 2017 Recommendations":

- Terminate: 2 provisions
  - Unknown revenue impact
- Modify or review: 13 provisions
- Continue: 56 provisions
- No recommendation: 6 provisions

Mr. Painter expanded that many of the modifications pertained to fee differentials or exemptions in the Department of Environmental Conservation. It was found that in most cases the actual cost of conducting a fee study and implementing regulations to capture the fee would largely outweigh the revenue the state would get from the few entities that would pay the fees.

[9:47:15 AM](#)

Mr. Painter addressed slide 8, "2017 Report Key Points":

- Some items do not have revenue generation as a goal ("fix-it" tickets)
- Others have authority to set fee structure (Marine Highway)
- Remainder are mostly routine (senior discounts, fee waivers for disabled veterans, etc.)

Legislative Actions

- HB 233 (SLA 2018) extended the Education Tax Credit and made some changes recommended by LFD report to limit credit

Mr. Painter discussed why the 2017 report was biased in favor on continuation. He used the example of the reversal of a traffic ticket in the event of a repaired headlight. It was found that the goal of such a ticket was to enhance public safety rather than to generate income for the state.

Mr. Painter identified that senior citizen deductions varied in age definition across state law, and LFD saw some value in standardizing the definition of "senior."

[9:49:13 AM](#)

Mr. Painter showed slide 9, "2019 Report":

- No agencies covered - ones not listed in statute have reported no indirect expenditures
- LFD reviewed five provisions scheduled to sunset

Mr. Painter noted that the 2019 report was short in length. He noted that LFD had chosen to do a review of the

provisions that were scheduled to sunset. Because there were no other agencies to review, LFD went deeper in evaluation one credit.

[9:50:30 AM](#)

Mr. Painter showed slide 10, "2019 Report," which showed a table with the summary of recommendations. He noted that LFD had recommended the sunset of the SHARP II program, as it had not met expectations.

[9:50:54 AM](#)

Senator Wilson discussed development of the SHARP III program and potential tax credits.

Co-Chair Stedman asked for a definition of the acronym.

Mr. Painter did not recall what the acronym signified.

Senator Wilson stated that the SHARP program was a payment program that allowed reduced loan payments to certain healthcare providers to help recruit and retain primary care providers in rural areas.

[9:52:27 AM](#)

Mr. Painter continued to discuss slide 10. He noted that the division had reviewed the In-State Refinery Tax Credit. // He addressed the LNG Storage Facility Credit //

[9:53:19 AM](#)

Senator Bishop stated he disagreed with //

Mr. Painter thought it was possible the credit needed to be modified. He thought it appeared as though the current //

Senator Bishop stated //

[9:53:56 AM](#)

Mr. Painter discussed the Salmon and Herring Product Development Credit as listed on the table. He // HE explained that LFD had wanted to examine // Due to confidentiality constraints, LFD had been unable to determine how much of the credit was used for herring. He

asserted that confidentiality rules should be revised by the legislature if it desired LFD to examine the details of the credit's effectiveness.

Mr. Painter continued discussing the credit, and suggested that // One of the reauthorizations had added ice machines //

Co-Chair Stedman recalled that the salmon and herring credit was put into effect when the legislature

Mr. Painter thought the original version of the credit was older

[9:56:42 AM](#)

AT EASE

[9:59:18 AM](#)

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Senator Wilson disclosed that //

Senator Micciche disclosed the he was a commercial fisherman that sold to companies that may or may not take advantage //

Mr. Painter explained that SHARP signified Supporting Health Access (through loan) Repayment Program.

Mr. Painter addressed the Community Development Quota Credit as listed on slide 10. // He noted that LFD recommended that a scheduled sunset was not needed as the credit did not affect state finances.

[10:01:30 AM](#)

Senator Micciche wanted to understand the //

Mr. Painter stated he would address the question // He thought it was an important consideration // He expanded that the division had considered how the tax credit had affected the economy and broader economic impacts. In other states that completed similar reviews, more work was done on understanding broader //

[10:03:00 AM](#)

Senator Micciche wondered if LFD planned to conduct random evaluation of a portion of credits as //

Co-Chair Stedman asked if Senator Micciche was asking for a random analysis // He thought that //

10:04:08 AM

Mr. Painter looked at slide 11, "Looking Forward":

- Cycle restarts in 2021 with a review of the same agencies as the 2015 report
- Pew recommendation to Alaska: "Selectively studying major incentives in greater depth might lead to more detailed evaluations."
- Exempt routine provisions from review? (Maine and Washington state)
- Only review a few selected provisions per year? (Minnesota, Indiana)

Mr. Painter thought that // He referenced the Pew Charitable Trust, which had recommended that // It was thought that the state could perhaps benefit from // The division was looking for direction from the legislature with regard to // He noted that there were provisions that // He suggested that removing the provisions would not save much time, but would rather //

Mr. Painter continued discussing // In Indiana, the equivalent of LFD had made the selection // He preferred to get recommendations from the legislature on what areas to provide more in-depth review and perhaps revision. He indicated that // Since LFD had done an initial review of all the provisions, he thought there was value //

Co-Chair Stedman thought the review would be low on the priority list considering the // He referenced the confidentiality constraints and // He //

10:07:42 AM

Mr. Painter commented that other states that had confidentiality concerns // He thought it was

Co-Chair Stedman thought disclosure was good when concerning public finances. He thought //

Co-Chair Stedman thanked the department and LFD for //

Co-Chair Stedman discussed the agenda for the following week. He reminded that the budget had a release date //

He was concerned about // He wanted the members to ponder the larger budget components. He //

#

ADJOURNMENT

10:12:19 AM

The meeting was adjourned at 10:12 a.m.