

SENATE FINANCE COMMITTEE
February 20, 2020
9:01 a.m.

[9:01:00 AM](#)

CALL TO ORDER

Co-Chair von Imhof called the Senate Finance Committee meeting to order at 9:01 a.m.

MEMBERS PRESENT

Senator Natasha von Imhof, Co-Chair
Senator Click Bishop
Senator Lyman Hoffman
Senator Donny Olson
Senator Bill Wielechowski
Senator David Wilson

MEMBERS ABSENT

Senator Bert Stedman, Co-Chair

ALSO PRESENT

John Springsteen, Deputy Commissioner, Department of Commerce, Community and Economic Development; Tom Boutin, Executive Director, Alaska Industrial Development and Export Authority, Department of Commerce, Community and Economic Development; Alan Weitzner, Chief Investment Officer, Alaska Industrial Development and Export Authority; Senator Cathy Giessel; Representative Jonathan Kreiss-Tomkins.

SUMMARY

^AIDEA and ALASKA DEVELOPMENT TEAM

[9:01:11 AM](#)

Co-Chair von Imhof discussed the day's agenda:

- Today we will have two presentations - one from the Department of Commerce, Community and Economic Development discussing their new Alaska Development

Team, and one from AIDEA, or the Alaska Industrial Development and Export Authority.

- I invited both of these groups to discuss economic development opportunities in Alaska. I believe we have the financial assets, the natural resources, and the people to develop a vision to create new wealth for Alaska.

- As new wealth is invested in our state, as resources are harvested, as visitors come spend their dollars here, we experience the positive benefits, including more and better-paying jobs for Alaskans, which means more money circulating in our economy.

- To make Alaska an attractive place to live, work and raise a family, we need jobs, effective education, and safe and reliable transportation infrastructure. We can do this through targeted investments in projects by partnering with banks and private investors. I am excited to hear from the Alaska Development Team and AIDEA about how they plan to leverage state resources and build public-private partnerships to grow our economy.

[9:04:13 AM](#)

JOHN SPRINGSTEEN, DEPUTY COMMISSIONER, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, discussed "Alaska North to Opportunity" (copy on file). He looked at slide 2, "Alaska's Economic Development Strategy":

Need for "Statewide Coordination" recognized in State's Comprehensive Economic Development Strategy (CEDS) as informed by industry, business, and government leaders.

Economic Development Capacity Building

GOAL: Strengthen the ability of Alaska organizations to execute economic development initiatives that create jobs and investment

Objective: Improve the resiliency and health of existing business

Objective: Create new statewide coordination mechanisms for economic and business development

Mr. Springsteen highlighted slide 3, "Alaska CEDS Committee (2016/2017)." He stated that he had read the names of the committee in the other body, so he did not list the names. He noted that the committee represented different persuasions, political affiliations, industry sectors, and government leadership and involvement.

[9:05:25 AM](#)

Senator Wilson wondered whether the list was the current committee.

Mr. Springsteen replied that committee is convened on a five-year basis, so he believed it was the current committee.

Senator Wilson wondered whether the committee members were appointed as a person or appointed as a person within the organization.

Mr. Springsteen responded that he could not speak to the backgrounds of the individuals and the process by which they were appointed to the committee.

Mr. Springsteen looked at slide 4, "AKDT: A New Approach to Economic Development":

The Alaska Development Team (AKDT)

Mission

To promote growth of existing Alaskan businesses, encourage new businesses to invest in Alaska, and help create an economic environment that is favorable for business development.

Vision

To enable a flourishing private sector economy that brings job opportunities to the state and increases prosperity and self-sufficiency for Alaskan families.

Fundamental Question

What can Alaska do today, with what we have in our regions and communities, to grow and attract commerce, industry, and investment?

Mr. Springsteen addressed slide 5, "Economic Development Funding (\$ Thousands)." He noted that, in FY 16, there was funding for Alaska Seafood Marketing Institute (ASMI) in UGF, which was now directed to ASMI separately. He remarked that in FY 17, FY 18, and FY 19 there was funding of \$1.6 million per year. He noted that in FY 20, the funding for the division was cut to \$547,000.

Mr. Springsteen looked at slide 6, "FY2020 Division of Economic Development":

FY2020 budgeted positions for economic development
\$547K

Mr. Springsteen pointed to slide 7, "Current Alaska Development Team":

Current team structure implements renewed focus on economic engine development for Alaska

Mr. Springsteen discussed slide 8, "AKDT Governance and Participation." He remarked that the slide showed the participation of the different groups to the economic engine of the state.

[9:09:56 AM](#)

Mr. Springsteen looked at slide 9, "What Does the AKDT Do?"

We work with Alaskan businesses, governmental entities, economic development organizations, industry groups, and chambers of commerce to identify and facilitate ways to make doing business in Alaska easier.

How are we doing this?

- Promoting the advantages of doing business in Alaska to prospective investors
- Serving as a facilitator to connect interested parties and move investment ready commercial and industrial projects forward
- Interacting with economic development organizations, industry groups, and business owners and participating in trade events to share information and ideas for promoting business growth

- Identifying barriers to business development in Alaska and developing approaches to resolve impediments

Senator Wielechowski wondered whether the Alaska Development Team had a website.

Mr. Springsteen replied that there was information on the Alaska Development Team through the commissioner's website. He furthered that there would be more information forthcoming. He stressed that the goal was not to advertise the Alaska Development Team, but rather to discuss opportunities for investment and commerce in the state.

Senator Wielechowski asked whether money had been spent to build a website.

Mr. Springsteen replied in the affirmative.

Senator Wielechowski wondered how much had been budgeted and spent on the website.

Mr. Springsteen agreed to provide that information.

Senator Wielechowski asked whether there was a plan to put up a website. He understood that there was \$30,000 for a website, so he queried the plan.

Co-Chair von Imhof wondered whether the intent of the website was to access information about the group. She wondered how there would be a presence online.

Mr. Springsteen replied that the information was currently available through the commissioner's office, and the website would soon be available. He agreed to provide further information.

[9:15:19 AM](#)

Co-Chair von Imhof felt that after spending money to travel to trade shows there should be an online presence. She requested a one-page paper about that plan.

Senator Wielechowski wondered whether the Alaska Development Team (ADT) received travel funding, and if so, how much.

Mr. Springsteen replied that they were working with their existing budget.

Co-Chair von Imhof asked for a repeat of the response.

Mr. Springsteen stated that they were working with their existing budget.

Senator Wielechowski wondered how much was spent on travel.

Mr. Springsteen agreed to provide that information.

Co-Chair von Imhof requested a breakdown of all the spending within the budget.

Senator Wielechowski wondered who the ADT had engaged in communications.

Co-Chair von Imhof asked whether that information would be later in the presentation.

Mr. Springsteen stated that the presentation listed anticipated future activities.

Co-Chair von Imhof hoped that the committee would allow for more slides to create the whole picture.

Senator Bishop felt that the ADT should move as fast as possible.

Mr. Springsteen displayed slide 10, "Economic Engines":

"What drives the Alaska economy?"
2008 Scott Goldsmith article is still relevant today

[9:18:42 AM](#)

Mr. Springsteen looked at slide 11, "How Can AKDT Help Alaska's Economy?":

By focusing on Alaska's economic engines and potential growth sectors, we drive the Alaskan economy.

Senator Hoffman noted that there were three regional corporations that had revenues in excess of over \$1 billion. He felt that the Native corporations were a critical contributor to the economic engine of the state,

which provide dividends to contribute additional drivers to the economy. He looked at the second column, which mentioned mariculture. He felt that it should be an area that should be expanded upon. He noted that the Department of Fish and Game (DFG) was recommending vast reductions to that program. He stressed that the state was on the verge of expanding the mariculture industry, particularly in Southeast Alaska. He was interested in further inquiry by the commissioner of whether or not there should be a second look at the direction of the current administration about mariculture.

Co-Chair von Imhof noted that the governor has not commented on the oil and gas initiative, so she wondered whether the governor had been advised of the effects of the oil and gas initiative.

Mr. Springsteen replied that he was not in the governor's advisory committee. He could not speak to the question.

[9:25:50 AM](#)

Senator Bishop stressed that cesium is a critical mineral that was being solely outsourced to China. He wondered whether there were conversations about exploring cesium.

Co-Chair von Imhof noted that the governor's main platform is that Alaska is open for business, so he created the ADT. She wondered whether there were periodic meetings with the governor to let him know of the results and accomplishments of the team.

Mr. Springsteen replied that they provided reports of activity to the governor.

Co-Chair von Imhof recommended that ADT meet with the governor in person to provide the information.

Senator Wielechowski requested a copy of the reports provided to the governor.

Mr. Springsteen agreed to provide that information.

Mr. Springsteen highlighted slide 12, "Economic Sectors":

AKDT "front-line" members are assigned to focus on individual sectors of the economy to engage and encourage growth.

Co-Chair von Imhof wondered whether there was comment on the name that was absent.

Mr. Springsteen replied that the list was of the front line members who were the first points of contact for the ADT. He noted that there was a contractor that was providing services in line with the contract.

Co-Chair von Imhof wondered whether the governor's reports included the efforts of the people and a calendar of their activities.

Mr. Springsteen replied in the affirmative.

[9:30:02 AM](#)

Mr. Springsteen discussed slide 13, "Highlights of Recent AKDT Activities:

AKDT and Mining

- Making it easier to do business
- Alaska mining, U.S. Critical Minerals, and eligibility for "high priority infrastructure project" designation to streamline permitting

AKDT and Mariculture

- Interacting with industry to promote business growth
- Alaska Mariculture Task Force, Alaskan grown shellfish and seaweed, overcoming statutory and regulatory hurdles, and consultation with the seafood industry

AKDT and Broadband

- Identifying barriers and resolving impediments
- Alaska broadband, sensible standards for satellite performance, and OneWeb collaboration with Pacific Dataport to improve rural connectivity

Senator Wielechowski wondered whether the mariculture industry would recognize the ADT.

Mr. Springsteen replied that he believed that they were familiar with one of the members of the ADT, because that member had been working with the mariculture industry.

Senator Wielechowski wondered whether there was a different answer to that question in the other body.

Mr. Springsteen replied that he did not believe so.

Senator Wielechowski queried the current ADT projects that address the broadband issues across the state.

Mr. Springsteen stated that there would be examples provided in the presentation.

Co-Chair von Imhof noted that broadband was one of the biggest issues to promote Alaska commerce, particularly in rural Alaska. She noted that there were some bills for tele-health and tele-education.

[9:35:17 AM](#)

Mr. Springsteen looked at slide 14, "Other AKDT Initiatives":

- Expanding gaming opportunities in Alaska
- Attracting investors for cold storage and secure storage facilities for international air cargo
- Pursuing initial funding to extend broadband fiber connectivity from Kodiak to Dutch Harbor
- Assisting Alaska Aerospace Corporation to attract commercial rocket launches and to market their skills and techniques around the world
- Capitalizing on University of Alaska research and development capabilities
- Providing long-term supplies of timber to global markets
- Exploring potential for multi-user infrastructure funded primarily by and for industry (similar to Delong Mountain Transportation System)

- Pursing public-private partnerships for tourism opportunities

- Ongoing work with Alaska Regional Development Organizations (ARDORs), Alaska Municipal League members, industry groups, and chambers of commerce on driving local and regional economic engines

Senator Bishop wondered whether there was any forthcoming legislation to help execute some of the initiatives.

Mr. Springsteen replied that there were occasional recommendations of things that would help the development opportunities.

Senator Bishop felt that there should be a continuance of work with the federal administration to continue funding of the Denali Commission.

Senator Olson noted the bullet point related to vital transportation systems. He noted the transfer to a local asset, and

Mr. Springsteen replied that he was not familiar with that idea.

Senator Olson shared that he would have a private conversation on the matter.

[9:40:22 AM](#)

Senator Hoffman felt an additional area of vast resources was the fisheries industry. He shared that he had a meeting with Adak, and the community felt that there was a vast crab resource but no movement to do an assessment of a possible fishery. He remarked that Adak had very little access to jobs, and felt that doing an assessment would result in capitalization of the resource.

[9:45:01 AM](#)

Mr. Springsteen welcomed that discussion.

Co-Chair von Imhof hoped that there could be an identification of some of the barriers of doing business. She felt that ADT had the opportunity to do good work. She noted that there must be included the specific state's role

in facilitating the efforts. She felt that there could be streamlining of permitting and inspections; ensuring that environmental reviews were done in a timely manner; and possibly provide for utility infrastructure.

Mr. Springsteen agreed.

Co-Chair von Imhof felt that the state could provide access to the economic opportunities.

[9:49:32 AM](#)

Senator Wielechowski agreed, and felt that there was great potential in the program. He encouraged a focus on breaking through the bottle necks of oil and gas development on the North Slope.

Mr. Springsteen stressed that it was a goal to have direct contact with the communities, but that "opportunities come to those who work." He felt that Hoonah was an example of finding and creating an economic engine for the community. He stated that it was not the job of ADT to direct a bank to invest in a project, but the team would advise a community in the process.

Senator Wielechowski noted there were many AIDEA funded businesses, and wondered whether the ADT could do similar work.

Mr. Springsteen looked at slide 11 and noted that the focus of the team was on economic engine and new growth sectors. He stressed that there should be support of all Alaska businesses.

Co-Chair von Imhof felt that questions about AIDEA could be saved for AIDEA directly.

[9:55:14 AM](#)

Mr. Springsteen addressed slide 15, "AKDT and Mining":

Facilitated meetings with Graphite One and federal entities.

Mr. Springsteen looked at slide 16, "AKDT and Mariculture":

State support, spanning multiple administrations, is critical to reach the goal of growing a \$100 million mariculture industry in 20 years. We are thankful for the support of Gov. Dunleavy, Ben Stevens, Matt Fagnani and Clark Penney of the Alaska Development Team and additional agency staff, who jumped in the boat with us and helped row in the same direction. Julie Decker, Alaska Daily News

Mr. Springsteen discussed slide 17, "AKDT and Alaska Broadband":

Advice prompts inclusion of satellite standard for Alaska Broadband (critical for rural access and federal funding eligibility)

Senator Wilson queried the challenge of working with other departments helps Alaska.

Co-Chair von Imhof asked for an incorporation of that response with the mariculture response.

Mr. Springsteen stated that the input was about the market price point, and worked backwards to the current situation in the state. Therefore, determining the areas that were worth the effort. He noted early indication of the focus of mariculture.

Senator Wilson wondered whether there was an examination of regulations and statutes that may harm industries.

Mr. Springsteen replied that ADT provided a voice but could not dictate the activities of the state's other departments.

Co-Chair von Imhof pointed out that the program should help businesses point in the right direction. She wondered how that would function without working with other departments.

Mr. Springsteen replied that the program would work with departments to coordinate assistance for the businesses.

[10:00:52 AM](#)

Senator Bishop disagreed and asked that ADT be much more assertive with the governor.

Senator Wielechowski wondered whether ADT was an independent organization or whether they took orders from the governor.

Mr. Springsteen replied that he would engage in a conversation about commercial projects, but that the ADT was a part of the executive branch.

Mr. Springsteen pointed to slide 18, "AKDT and Alaska Broadband":

This partnership will allow the delivery of OneWeb's high speed internet services all over Alaska

Mr. Springsteen looked at slide 19, "Sustainable Economic Development Model."

- Research and Analyze economic delivery models
- Create recognizable value
- Propose economic development structure to ensure long term viability

Mr. Springsteen highlighted slide 20, "Working to a 'Partnership Model'":

- Performing research on economic engine development models
- Participating in best practices working group e.g. the State Economic Development Executives (SEDE) Network
- Ongoing interviews with other state economic development executives

[10:05:04 AM](#)

Co-Chair von Imhof was eager to see the reports for the governor. She felt that the presentation lacked identifying the barriers to entry and the bottlenecks.

Senator Wielechowski expressed concern about the metrics and stressed the need for results-based decision making.

Mr. Springsteen remarked that one of the metrics discussed was additional capital invested into the state projects.

Co-Chair von Imhof felt that business principles could be infused into the bureaucracy.

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TOM BOUTIN, EXECUTIVE DIRECTOR, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, (AIDEA) discussed, "Senate Finance Committee; Alaska Industrial Development and Export Authority; February 2020" (copy on file). He looked at slide 2, "AIDEA'S MISSION and OVERVIEW":

To advance economic growth and diversification in Alaska by providing various means of financing and investment

- Investing in Alaskans since 1967
- State of Alaska's Development Finance Authority
- Financially Self-Sustaining Public Corporation
- \$422.4 Million in Dividends to Alaska since 1997
- One of the largest investors in Alaska

10:12:22 AM

ALAN WEITZNER, CHIEF INVESTMENT OFFICER, ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY, explained that there was an attempt to identify the objective of AIDEA.

Mr. Boutin addressed slide 3, "AIDEA'S FUNDING":

Finance, Jobs, Economic and Rural Development, Arctic Investment

Mr. Weitzner explained that the fund was a revolving fund. The net position of that fund as of the previous fiscal year, was \$1.21 billion. That account was used for the Economic Enterprise Account and the Economic Development Account, which was the revolving fund account.

10:15:42 AM

Mr. Boutin highlighted slide 4, "AIDEA'S PRODUCTS AND PROGRAMS":

To advance economic growth and diversification in Alaska by providing various means of financing and investment

- Loan Participation Program
- Development Project Finance
- Infrastructure Development
- Sustainable Energy Transmission and Supply Development Program (SETS)
- Conduit Revenue Bond Program
- Small Business Economic Development Revolving Loan Fund Program
- Rural Development Initiative Fund Loan Program
- Business Export Assistance Program

Mr. Weitzner stated that there were details further into the presentation. He noted that the programs were defined statutory programs. He shared that there were three principal programs: the Loan Participation Program; the direct investments; and the Conduit Revenue Bond Program.

Co-Chair von Imhof felt that the presentation should continue as the concepts were built.

Mr. Boutin stressed that AIDEA took ownership of many projects.

Mr. Boutin pointed to slide 5, "HOW DOES AIDEA INVEST IN ALASKANS?"

Capital for Economic Growth and Job Opportunities across all Commercial, Industrial and Infrastructure Sectors important to Alaska

Loan Programs:

- Loan Participations
- Energy Loans
- Small Business Loans through DCCED

Direct Investments

- Project Finance Loans and Bonds
- Equity Ownership
- Partner w/ Private Capital (P3)

Capital Markets

- Conduit Revenue Bonds

- Bond Guarantees
- Export Guarantees

Mr. Boutin looked at slide 6, "COMMERCIAL FINANCE":

Loan Participation Program:

Participation up to 90 percent of a loan originated by a commercial lender, capped at \$25 million

666 Loans funded since 1992, \$1.21 Billion funded by AIDEA

No delinquencies, performing as agreed

Fixed Rate, Long-Term Capital for projects solely in Alaska

Job Creation: 9,312 construction and 9,624 permanent jobs (as of FYE 2019)

[10:20:16 AM](#)

Co-Chair von Imhof remarked on conversations about doing less than 90 percent. She wondered whether there were many projects that were less than 90 percent, and any thoughts related to shifting the program stretch the program.

Mr. Weitzner noted the previous year's loan participations and stated that there was a range of participation of 70 to 90 percent, depending on the loan. He stressed that the weighted average was 86.7 percent. He stated that it was driven by the borrower's request.

Co-Chair von Imhof felt that the percentage could be reduced by the lender.

Mr. Boutin stated that the 90 percent was established in the Governor Murkowski administration, and had been maintained since that time.

[10:25:38 AM](#)

Senator Wielechowski requested how the process would work.

Mr. Boutin replied that the bank or credit union developed the loan, and AIDEA did not speak directly to the borrower.

Senator Hoffman remarked that AIDEA had made 666 loans since 1992 of \$1.2 billion, and queried the span of the \$445 million since January. He wondered how far the loans went back in time, and how many were in rural Alaska.

Mr. Boutin responded that the information was regularly published in the annual report, so he agreed to provide that information.

Mr. Weitzner stated that the average duration was approximately 23 years.

[10:30:51 AM](#)

Senator Wielechowski wondered why AIDEA did not bypass the bank.

Mr. Boutin replied that AIDEA was not universally seen as a bank. He stressed that it was important for the Alaska bank to be in the process.

Co-Chair von Imhof wondered why the bank would go to AIDEA, and not do the loan themselves.

Mr. Boutin replied that it was unknown whether a bank did not come to AIDEA for a loan.

Mr. Weitzner stressed that there were key services provided by the local banks.

Co-Chair von Imhof wondered whether liquidity was a value to the bank.

Mr. Weitzner replied in the affirmative.

Senator Wielechowski asked what percentage of the loan was taken by the bank, without the participation of AIDEA.

Mr. Boutin replied that he did not know.

Senator Bishop wondered whether the AIDEA loans were used, because it put the risk on an outside entity from the bank.

Mr. Weitzner responded that the program was a commercial financed program, so it was focused on commercial real

estate and hotel development in different environments, therefore it was a "de-risked program."

[10:36:33 AM](#)

Senator Bishop stressed the phrase "de-risking."

Mr. Weitzner stated that the participating banks underwriting the loans were retaining a stake in the loan, so there was some risk.

Co-Chair von Imhof remarked that there was a desire for AIDEA to succeed, because it was a driver of economic success in the state.

Mr. Boutin discussed slide 7, "CONDUIT REVENUE BONDS PROGRAM":

Access for Alaskans to Capital Markets for Tax-exempt and Taxable Financing:

No assets/credit of AIDEA or the State of Alaska at risk

Project underwriting based on its economic and financial feasibility

Long Term Capital

Bond rates determined by credit quality and duration of the project

Bonds are repaid from Project Revenue

Mr. Weitzner highlighted slide 8, "DIRECT INVESTMENTS IN ALASKA":

Project Finance and Asset Management

Facilitate Investment in Alaska's Industrial Sectors

Partnership with Public and Private Capital

Patient, Long-Term Capital

Direct Investment as Owner/Partner/Lender

Feasible Economic Structures, No Subsidies

[10:41:19 AM](#)

Mr. Weitzner looked at slide 9, "DIRECT INVESTMENTS IN ALASKA":

AIDEA's Portfolio of Direct Investments under AS 44.88.172 at FY2019

Senator Wielechowski requested the structured return on investment for commercial finance.

Mr. Weitzner responded that the commercial finance program's 2019 portfolio of \$50 million had a weighted average rate on those loans of 3.9 percent. The loans ranged from 3.27 percent to 4.39 percent. The difference in the rate had a direct benchmark rate to the home loan rate.

Senator Wielechowski queried the status of the Mustang loans.

Mr. Weitzner replied that the Mustang loan was currently in restructure. He explained that as of November 1, there was an issue of default of the loan. He stated that there was work with the underlying developers of the project to restructure the facilities.

Senator Wielechowski wondered whether there was \$85 million of collateral available from those loans.

Mr. Weitzner the underlying collateral was the current leases of the Mustang project, and the physical assets. The current valuation in the restructure was representative of restructuring at \$64 million. He believed that the question highlighted the risks the loan program.

Co-Chair von Imhof surmised that the returns were intended to minimize losses.

[10:48:43 AM](#)

Mr. Boutin pointed to slide 10, "DIRECT INVESTMENTS IN ALASKA":

Project Finance and Asset Management

Two new investments added so far in FY2020:

□Icy Strait Point -Adventure Landing: Authorized up to \$15 million financing in coordination with their second phase development partnership with Norwegian Cruise Line.

□AK SHIP: Established a \$10 million vessel repair and overhaul financing program to enhance the regional competitiveness of Alaska's shipyards.

Mr. Weitzner stressed that it was important to identify where Alaska can be more competitive.

Senator Bishop appreciated the interest in renewable energy.

Co-Chair von Imhof requested an examination of dividend payments to the state.

Mr. Boutin looked at slide 12, "AIDEA DIVIDEND PAYMENTS TO STATE." He stated that he was prepared to answer questions about the slide.

Co-Chair von Imhof wondered whether there was legislation that changed how dividends were calculated and asked for how that might help the cash flow.

Mr. Weitzner stated that there was FY 19 legislation that allowed for an exclusion of the underutilized gains and losses from the net income. He explained that it allowed for a calculation at the actual income level.

Co-Chair von Imhof stressed that it was actual cash flow.

Mr. Boutin agreed.

Mr. Boutin pointed to slide 13, "AIDEA FINANCIAL SUMMARY FY2019." He remarked that the slide was a gross summary in an understandable form.

[10:54:31 AM](#)

Co-Chair von Imhof appreciated the change in net position represented in the slide.

Senator Wielechowski surmised that there was \$1.5 billion in assets with the state dividend of \$4.9 million, which was a return of approximately 0.3 percent.

Mr. Boutin replied that AIDEA must follow government accounting rules. He gave an example of what would follow the government accounting rules.

Mr. Weitzner furthered that it was difficult to universally determine the payments, because of the rules.

Senator Wielechowski stressed that the return on the investment was less than 1 percent.

Co-Chair von Imhof felt that the philosophy could be moved to a different discussion.

Mr. Boutin stressed that AIDEA did not look to the state for appropriations for its general operations.

Co-Chair von Imhof stated that she would be willing to funnel further questions to AIDEA.

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ADJOURNMENT

10:59:54 AM

The meeting was adjourned at 10:59 a.m.