

**ALASKA STATE LEGISLATURE**  
**HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE**

March 11, 2008

8:06 a.m.

**MEMBERS PRESENT**

Representative Gabrielle LeDoux, Co-Chair  
Representative Nancy Dahlstrom  
Representative Kurt Olson  
Representative Sharon Cissna

**MEMBERS ABSENT**

Representative Anna Fairclough, Co-Chair  
Representative Mark Neuman  
Representative Woodie Salmon

**COMMITTEE CALENDAR**

HOUSE BILL NO. 308

"An Act establishing a state heating assistance program in addition to the federal heating assistance program."

- MOVED CSHB 308(CRA) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB 308

SHORT TITLE: HEATING ASSISTANCE PROGRAM

SPONSOR(S): REPRESENTATIVE(S) NELSON

01/11/08	(H)	PREFILE RELEASED 1/11/08
01/15/08	(H)	READ THE FIRST TIME - REFERRALS
01/15/08	(H)	CRA, FIN
03/11/08	(H)	CRA AT 8:00 AM BARNES 124

**WITNESS REGISTER**

REPRESENTATIVE MARY NELSON

Alaska State Legislature

Juneau, Alaska

**POSITION STATEMENT:** Spoke as the sponsor of HB 308.

RON KREHER, Chief

Field Services

Division of Public Assistance

Department of Health and Social Services (DHSS)  
Anchorage, Alaska

**POSITION STATEMENT:** During hearing of HB 308, answered questions.

#### **ACTION NARRATIVE**

**CO-CHAIR GABRIELLE LEDOUX** called the House Community and Regional Affairs Standing Committee meeting to order at [8:06:07 AM](#). Representatives LeDoux, Dahlstrom, Olson, and Cissna were present at the call to order.

#### HB 308-HEATING ASSISTANCE PROGRAM

[8:06:24 AM](#)

CO-CHAIR LEDOUX announced that the only order of business would be HOUSE BILL NO. 308, "An Act establishing a state heating assistance program in addition to the federal heating assistance program."

[8:06:41 AM](#)

REPRESENTATIVE MARY NELSON, Alaska State Legislature, speaking as the sponsor of HB 308, explained that HB 308 establishes a program whereby the state can match the federal low-income home heating and energy assistance program (LIHEAP). She said that during the special session to increase oil taxes she had wanted some of that money be returned to Alaskan consumers, which required the development of a program. She related that she wanted a program in particular for space heat. Distributing the state's wealth back to Alaska's consumers seemed to be quite a challenge, and thus the notion of using an existing program and helping those who need it the most arose. She explained that to qualify for this program one must fall below the federal poverty guidelines. She then reminded the committee that although last year there was intent language with Alaska's Clear and Equitable Share (ACES) legislation, statutory authority is necessary to actually allocate the funds. This legislation would allow for the state to contribute at higher levels than the federal government, in terms of the poverty threshold. She related her understanding that it would amount to 150 percent of the federal poverty guidelines, which mirrors the senior benefits program. Representative Nelson informed the committee that the department wanted to amend HB 308 such that it could contract with tribal entities because many tribes are administering the [federal low-

income] heating funds. The amendment [Amendment 1] labeled 25-LS1294\A.2, Bullock/Mischel, 3/10/08, which is included in the committee packet, would allow for the aforementioned.

[8:10:36 AM](#)

REPRESENTATIVE DAHLSTROM, referring to line 7 of [Amendment 1, text provided below], asked if the term "may" is utilized throughout the amendment. She then asked if the term "may" was used due to the fluctuating oil prices and money that the state may or may not receive.

REPRESENTATIVE NELSON replied yes, and reminded the committee that under ACES it had a progressivity component such that it isn't necessarily an entitlement program.

[8:11:22 AM](#)

REPRESENTATIVE CISSNA pointed out that the oil resources come from rural Alaska, yet rural Alaska has significantly higher energy costs. She indicated that an even playing field should be the goal in this energy state. She asked if HB 308 comes close to creating an even playing field.

REPRESENTATIVE NELSON answered that HB 308 doesn't come close to the energy rebate or offset program that she desired. Furthermore, HB 308 doesn't focus only on rural Alaska because the low-income heating beneficiaries are across the state, with the majority residing in urban Alaska. This legislation [focuses] on low income individuals who are throughout the state, even though the average cost is much higher in rural Alaska. Depending upon poverty and need, there's a scale [to determine the benefit]. The average beneficiary of the [LIHEAP] receives about \$720 a year. She noted that the aforementioned would be less than one month's heating bill for her home in Bethel.

[8:13:53 AM](#)

REPRESENTATIVE NELSON, returning to Amendment 1, clarified that the "may" language only refers to contracting with tribes and it merely allows such and doesn't require such.

[8:14:35 AM](#)

REPRESENTATIVE OLSON asked whether the 100 percent pass through is to the tribes or is there an administrative fee.

REPRESENTATIVE NELSON deferred to department representatives.

[8:14:54 AM](#)

RON KREHER, Chief, Field Services, Division of Public Assistance, Department of Health and Social Services (DHSS), specified that under the federal program there is a cap on administrative costs. Presumably the program proposed in HB 308 would be operated parallel to the federal program, and thus there would be some administrative burden. In further response to Representative Olson, Mr. Kreher related that the cap on the federal program is 10 percent. However, on average the state operates at about 7 percent.

[8:15:42 AM](#)

CO-CHAIR LEDOUX, upon determining no one else wished to testify, closed public testimony.

[8:16:11 AM](#)

REPRESENTATIVE DAHLSTROM moved that the committee adopt Amendment 1, labeled 25-LS1294\A.2, Bullock/Mischel, 3/10/08, which read:

Page 1, line 14:

Delete "**Duties.**"

Insert "**Powers and Duties. (a)**"

Page 2, following line 6:

Insert new subsections to read:

"(b) The department may develop a regional Alaska heating assistance program for the administration of AS 47.25.621 - 47.25.625 to provide home heating assistance in a uniform and cost-effective manner in a region of this state if an Alaska Native organization is authorized to implement a federally approved tribal family assistance plan that includes that region and has been awarded an Alaska Native family assistance grant for a program that includes that region for the applicable fiscal year under AS 47.27.200.

(c) The department may award contracts to implement a program developed under (b) of this section. A contract authorized for delivery of home heating assistance under a regional Alaska heating

assistance program under (b) - (g) of this section is exempt from the competitive bid requirements of AS 36.30 (State Procurement Code). Subject to appropriation, a contract under this section must be in an amount that represents a fair and equitable share of the money appropriated for the Alaska heating assistance program under AS 47.25.621 - 47.25.625 to serve the state residents specified in (b) of this section. The authority provided under (b) - (g) of this section to contract is in addition to the authority to contract in AS 47.05.015 or other law.

(d) The department may award a contract under this section only to an organization that

(1) has been awarded an Alaska Native family assistance grant under AS 47.27.200 for a program that includes that region;

(2) agrees to administer home heating assistance under AS 47.25.621 - 47.25.625 to state residents in the region; and

(3) agrees to implement an appeals process as described in (f) of this section.

(e) Records pertaining to recipients of home heating assistance under a contract awarded under (b) - (g) of this section have the same confidential protections as are provided to recipients of assistance from Alaska Native family assistance grants under AS 47.27.200.

(f) Notwithstanding AS 47.25.624, an organization that receives a contract under this section shall provide an appeals process to applicants for or recipients of home heating assistance covered by the contract awarded under (b) - (g) of this section. The appeals process must be the same as the method available under AS 47.25.624, except that the decision reached shall be considered a recommended decision to the department. Within 30 days after receiving a recommended decision, the department shall review the recommended decision and issue a decision accepting or rejecting the recommended decision. If the department rejects the recommended decision, the department shall independently review the record and issue its final decision. The final decision of the department on the matter is appealable to the courts of this state.

(g) If the department establishes a regional Alaska heating assistance program and awards a contract to provide home heating assistance under (b)

- (g) of this section, a person applying for home heating assistance under AS 47.25.621 - 47.25.625 in the region of the state covered by the regional home heating assistance program may obtain home heating assistance from the department only through the organization designated by the department to serve the region."

Page 2, line 18:

Delete "An"

Insert "Except as provided in AS 47.25.623(f), an"

There being no objection, Amendment 1 was adopted.

[8:16:38 AM](#)

REPRESENTATIVE OLSON pointed out that missing today are at least two members who may want to weigh in on this legislation. He asked if the committee's calendar is such that HB 308 could be held over to Thursday.

CO-CHAIR LEDOUX specified that the committee has two pieces of legislation scheduled for Thursday.

[8:17:05 AM](#)

REPRESENTATIVE NELSON interjected that time is of the essence.

[8:17:25 AM](#)

REPRESENTATIVE DAHLSTROM mentioned that the House Finance has similar legislation [in its possession], and therefore she said she's comfortable forwarding HB 308 to the House Finance Committee so that it can review all legislation pertaining to energy assistance.

[8:17:57 AM](#)

REPRESENTATIVE DAHLSTROM moved to report HB 308, as amended, out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, CSHB 308(CRA) was reported from the House Community and Regional Affairs Standing Committee.

[8:18:17 AM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 8:18 a.m.