

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

July 15, 2008

8:01 a.m.

MEMBERS PRESENT

Representative Anna Fairclough, Co-Chair
Representative Gabrielle LeDoux, Co-Chair
Representative Nancy Dahlstrom
Representative Mark Neuman
Representative Sharon Cissna
Representative Woodie Salmon

MEMBERS ABSENT

Representative Kurt Olson

OTHER LEGISLATORS PRESENT

Representative Mike Kelly
Representative Peggy Wilson
Representative Bryce Edgmon
Representative Andrea Doll
Representative Kyle Johansen
Representative Beth Kerttula

COMMITTEE CALENDAR

HOUSE BILL NO. 4002

"An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

- HEARD AND HELD

HOUSE BILL NO. 4003

"An Act making supplemental appropriations to the Alaska Energy Authority for power cost equalization; making special appropriations to the Department of Revenue and to the Department of Health and Social Services for the Alaska resource rebate program; making a special appropriation to the Department of Revenue for the payment of certain shared taxes relating to aviation fuel; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: HB4002

SHORT TITLE: RESOURCE REBATE PROGRAM FOR RESIDENTS
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

07/09/08	(H)	READ THE FIRST TIME - REFERRALS
07/09/08	(H)	CRA, FIN
07/11/08	(H)	CRA AT 8:00 AM BARNES 124
07/11/08	(H)	Heard & Held
07/11/08	(H)	MINUTE(CRA)
07/15/08	(H)	CRA AT 8:00 AM BARNES 124

BILL: HB4003

SHORT TITLE: APPROP: ENERGY RELIEF/REBATE/FUEL TAX
SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

07/09/08	(H)	READ THE FIRST TIME - REFERRALS
07/09/08	(H)	CRA, FIN
07/11/08	(H)	CRA AT 8:00 AM BARNES 124
07/11/08	(H)	Heard & Held
07/11/08	(H)	MINUTE(CRA)
07/15/08	(H)	CRA AT 8:00 AM BARNES 124

WITNESS REGISTER

RANDY RUARO, Special Staff Assistant
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Presented HB 4002 on behalf of the governor.

JERRY BURNETT, Legislative Liaison/Director
Administrative Services Division
Department of Revenue
Juneau, Alaska

POSITION STATEMENT: Provided a sectional analysis of HB 4002.

MICHAEL MITCHELL, Senior Assistant Attorney General
Civil Division (Anchorage)
Department of Law (DOL)
Anchorage, Alaska

POSITION STATEMENT: During hearing of HB 4002, answered questions.

CHRISTOPHER POAG, Assistant Attorney General
Commercial/Fair Business Section
Civil Division (Juneau)

Department of Law (DOL)
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 4002, answered questions.

SARA FISHER-GOAD, Deputy Director
Operations
Alaska Energy Authority (AEA)
Anchorage, Alaska

POSITION STATEMENT: Testified during the hearing on HB 4002 on behalf of AEA.

KAREN J. REHFELD, Director
Office of Management & Budget
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: Testified during the hearing on HB 4003.

SARA FISHER-GOAD, Deputy Director
Operations
Alaska Energy Authority (AEA)
Anchorage, Alaska

POSITION STATEMENT: Answered questions during the hearing on HB 4003.

RANDY RUARO, Special Staff Assistant
Office of the Governor
Juneau, Alaska

POSITION STATEMENT: During hearing of HB 4003, answered questions.

ACTION NARRATIVE

CO-CHAIR ANNA FAIRCLOUGH called the House Community and Regional Affairs Standing Committee meeting to order at [8:01:29 AM](#). Representatives Fairclough, LeDoux, Dahlstrom, Neuman, and Salmon were present at the call to order. Representative Cissna arrived as the meeting was in progress. Also in attendance were Representatives Kelly, Wilson, Doll, Edgmon, Johansen, and Kerttula.

HB4002-RESOURCE REBATE PROGRAM FOR RESIDENTS

[8:01:56 AM](#)

CO-CHAIR FAIRCLOUGH announced that the first order of business would be HOUSE BILL NO. 4002, "An Act establishing the Alaska

resource rebate program and relating to the program; and providing for an effective date."

8:02:29 AM

REPRESENTATIVE NEUMAN expressed interest in hearing from the administration regarding a long-range [energy] plan for Alaska. He then expressed concern with the \$1,200 rebate because he said he believes that in four to five years the state will be in a deficit situation. He said he's very uncomfortable with putting out cash for this rebate with the possibility of having to charge an income tax or take people's permanent fund dividends (PFDs) away in four to five years.

8:03:27 AM

CO-CHAIR FAIRCLOUGH noted that she has provided the committee with a legal opinion regarding the eligibility requirements and constitutionality of preserving the permanent fund.

8:03:50 AM

RANDY RUARO, Special Staff Assistant, Office of the Governor, stated that HB 4002 is important legislation for Alaskans as it would share a \$1,200 one-time special payment per person. Mr. Ruaro said that the state can afford this special one-time payment because oil prices have more than doubled from \$70 a barrel in July 2007 to record levels of \$145 a barrel at the start of business today. The \$1,200 payment per person represents a fraction of the state's expected surplus revenue for fiscal year (FY) 2009. Mr. Ruaro highlighted that when oil prices are high, Alaskans are faced with high prices for many consumer products. Therefore, the timing of payment is particularly helpful. The administration, he related, is prepared to make the proposed payment quickly as the Division of Finance believes it can issue the checks to those found by the Permanent Fund Division to qualify for a 2008 permanent fund dividend (PFD). The aforementioned group amounts to approximately 620,000 Alaskans. Mr. Ruaro then pointed out that there are a number of federal laws that impact Alaskans receiving federal benefits, such as the Food Stamp program, Adult Public Assistance, and Veterans' Administration benefits. The legislation has taken steps to hold those Alaskans harmless such that they will receive the payment. He noted that the hold harmless provisions in HB 4002 are a bit broader than those in the permanent fund statutes as disabled veterans and veterans over age 65 receiving a pension are held harmless.

8:07:52 AM

JERRY BURNETT, Legislative Liaison/Director, Administrative Services Division, Department of Revenue (DOR), explained that Section 1 sets out the Alaska resource rebate program and the amount of \$1,200. Section 1 also provides the opportunity for people to elect not to receive a payment under the program. The program is established in the Department of Revenue (DOR). There are two classes of recipients: those who receive the 2008 PFD and those who are residents as of April 1, 2008, through the application period in October 1 through November 30, 2008. The latter class then has a six-month residency requirement and those applicants have to provide proof identity, residency, and have two people verify the applicant was in the state during the required timeframe. Section 1 specifies the various ways in which an individual can verify his/her residency and identity. The section also provides for how a parent or guardian provides identification of their children and that they, in fact, are the parent or legal guardian of the child. He pointed out that Section 1 also includes the hold harmless provisions mentioned earlier. Section 2 repeals the legislation June 30, 2009, and Section 3 is an immediate effective date.

MR. BURNETT then addressed how the program would be administered should it pass. He explained that DOR takes PFD applications during the period of January through March each year. About 643,000 applications came in this year, at this point the department has determined that approximately 580,000 are eligible. If HB 4002 passed now, some time in August the department would send a computer tape to Finance for those already determined eligible, which he estimated to be approximately 600,000. Those checks would be sent out in August. For the remaining 10,000-20,000 Alaskans who will ultimately qualify for the PFD, the checks would continue to be sent out on a bi-weekly basis as folks are deemed to qualify. Prior to the 1st of October, an application form would be developed and available on the Internet and in various state offices and other locations. Once those are received during the October application period, the applications would be verified and checks sent out on a weekly basis. He estimated that 35,000-50,000 people are expected to qualify under the six-month provision.

8:12:53 AM

MR. BURNETT, in response to Co-Chair LeDoux, pointed out that the fiscal note estimates that 45,000 individuals who didn't apply for the PFD would qualify under the six-month provision.

CO-CHAIR LeDOUX inquired as to the rationale behind providing this resource rebate to folks who don't qualify for the PFD.

MR. BURNETT said that a number of Alaskans don't apply for the PFD. Furthermore, a number of individuals live in Alaska but don't receive the PFD because they're meet the residency requirements of the PFD. There are also a number of people who have moved to Alaska, have lived in Alaska for the summer, and will live in Alaska in the winter, and thus would legitimately qualify for this program as it's envisioned.

[8:14:03 AM](#)

CO-CHAIR LeDOUX posed a scenario in which an individual lives in Alaska and qualifies for the PFD, but hasn't applied for the PFD. She questioned whether such an individual would be eligible for the proposed resource rebate.

MR. BURNETT answered that such an individual wouldn't be eligible since he/she hadn't applied for the PFD and wouldn't be on the list of eligible Alaskans. One of the qualifications for an Alaska PFD is that one must make application during the specified period.

[8:15:04 AM](#)

REPRESENTATIVE NEUMAN inquired as to whether there's a system for garnishments for child support or traffic fines.

MR. BURNETT explained that under the PFD program, garnishments from all state agencies and private servers are accepted. However, this legislation doesn't allow for garnishments of the [resource rebate] checks by the state. In order to [distribute these checks] in an expeditious manner, it's practically impossible to do garnishments, particularly garnishments from private servers. Furthermore, the Internal Revenue Service (IRS) likely won't garnish the resource rebate checks, although it does garnish the PFD checks.

[8:17:14 AM](#)

CO-CHAIR FAIRCLOUGH asked if [garnishments] would be possible if the PFD distribution in October was used [for all individuals].

She inquired as to why a duplicative process at a cost of \$.5 million is being used.

MR. BURNETT answered that it would be technically feasible [to distribute the resource rebate under the PFD and provide for garnishments].

MR. RUARO interjected that it's partly a legal question and a question of the Permanent Fund Division's administrative ability to make garnishments and distribute the PFD on time. There is a legal question in regard to blending the proposed special one-time payment with an ongoing program which is the cause for some hesitation.

[8:19:19 AM](#)

CO-CHAIR LeDOUX remarked that she has some real problems with not being able to garnish for child support. Therefore, she inquired as to what can be done to address that.

MR. RUARO said that the administration can review and work on this issue. As mentioned earlier, one of the main purposes is to get the payment to Alaskans quickly.

[8:19:56 AM](#)

CO-CHAIR LeDOUX asked if performing garnishments would be facilitated by having a limited time in which an applicant can report the names of those to whom the applicant owes child support.

MR. BURNETT highlighted that DOR administers both child support and the PFD. Therefore, DOR has the information about child support, although it's not put together until it does the PFD distribution. Mr. Burnett related his understanding that [the garnishments] aren't a large technical issue, rather they were a policy choice that both parties would need the money.

CO-CHAIR LeDOUX surmised then that there wouldn't be any technical difficulties with changing the legislation to allow garnishments of the resource rebate program in the case of child support debt.

MR. BURNETT said that although child support is probably the easiest [garnishment], private garnishments would be nearly impossible to do in a short period of time - even if done in conjunction with the PFD check.

8:22:04 AM

CO-CHAIR FAIRCLOUGH expressed concern with regard to the urgency tied with a resource rebate versus the urgency of an energy supplement. Co-Chair Fairclough said she understood when the administration was moving quickly regarding an energy rebate when rural Alaska had shipments of fuel that needed to come in by barge. However, she related that she has less sensitivity to the aforementioned under a resource rebate that doesn't allow the collection of funds from those who have obligations to pay others.

8:22:56 AM

REPRESENTATIVE NEUMAN expressed hope that the administration develops proposals to address the aforementioned. He then asked whether the legislation includes a [process] for those who don't receive the resource rebate but believe they are eligible to contest that.

MR. BURNETT answered that the legislation specifies a formal appeals process that goes through the Office of Administrative Hearings.

8:23:54 AM

REPRESENTATIVE DAHLSTROM inquired as to whether the administration has taken any steps to address veterans or senior citizens who might be on income-based programs and may be negatively impacted by the proposed resource rebate.

MR. RUARO informed the committee that the [administration] has reviewed the hold harmless issues and contacted the Veterans Administration (VA). He highlighted that the legislation holds harmless several different veterans' programs that were found to be impacted by income and thus would be impacted by [the proposed] payment. For seniors, the legislation specifies that those seniors receiving any state benefit are held harmless. Therefore, those seniors receiving any state-administered benefit would be held harmless.

8:25:32 AM

MR. BURNETT, in response to Representative Salmon answered that there was no intent to mail out an application to every Alaskan. In this case, the intent would be to inform people [who don't

qualify for the PFD and thus don't qualify for the proposed resource rebate program] of the application period through advertising. The group [that does not qualify for the PFD and thus does not qualify for the proposed resource rebate program] is a smaller group of individuals, and therefore it doesn't make sense to send an application to every Alaskan. In further response to Representative Salmon, Mr. Burnett confirmed that those who don't live in Alaska, but who qualify for and receive the PFD will qualify for the proposed resource rebate program.

[8:26:51 AM](#)

CO-CHAIR FAIRCLOUGH inquired as to whether this legislation creates, through its eligibility requirements, a new residency requirement.

MR. RUARO explained that there are two eligibility pools: 1) everyone who qualifies for the 2008 PFD, which amounts to about 620,000 residents; 2) those estimated 30-40,000 who don't apply or aren't found to qualify for the PFD. The second eligibility pool consist of people such as veterans who don't apply for the PFD because it isn't held harmless.

[8:28:34 AM](#)

CO-CHAIR FAIRCLOUGH recalled that the July 11, 2008, memorandum from Legislative Legal Services relates that Alaska has different residency requirements for various programs. The proposed resource rebate has a specific set of residency requirements that would be unique to the program. Therefore, she questioned whether the difference in eligibility requirements would result in a challenge to those residency requirements in the future.

[8:29:33 AM](#)

MICHAEL MITCHELL, Senior Assistant Attorney General, Civil Division (Anchorage), Department of Law (DOL), said that he hasn't seen the aforementioned memorandum, and therefore he couldn't comment.

[8:30:15 AM](#)

MR. RUARO stated his agreement that there are many different residency requirements in various programs and the legislature can select from those.

[8:31:07 AM](#)

CHRISTOPHER POAG, Assistant Attorney General, Commercial/Fair Business Section, Civil Division (Juneau), Department of Law (DOL), informed the committee that the lead attorney from DOL is Mike Barnhill, who is away on a family emergency. He explained that the PFD residency requirements include a one-year physical residency with allowable absences. There is a general allowable absence for every Alaskan that allows every Alaskan to be absent from the state for up to 180 days. Therefore, it's more of a 185-day residency requirement. The resource rebate program doesn't include all the allowable absences specified for the PFD as it would be complicated and hard to administer. Although the residency requirements in HB 4002 are akin to those of the PFD, Mr. Poag noted his agreement with Ms. Cook's opinion in the aforementioned memorandum that this legislation is a different program, an interim program that is established in uncodified law. The proposed program has its own purposes and residency requirements, both of which are slightly different from the PFD. To the extent there is concern with regard to a challenge to the proposed program, Mr. Poag related that DOL is ready to defend an attack on the proposed program as well as the PFD program. As members are likely aware, the Alaska Supreme Court has faced a number of challenges the DOL has defended and very good precedence on the PFD program has been received.

[8:32:44 AM](#)

REPRESENTATIVE NEUMAN related his understanding that those who have already applied for the PFD, don't need to reapply for the proposed resource rebate.

MR. POAG replied yes, adding that it's nice to immediately build in applications and eligibility for roughly 600,000 Alaskans. Those who applied for the [PFD] but who were found ineligible for the PFD can apply for the resource rebate.

[8:34:06 AM](#)

CO-CHAIR FAIRCLOUGH recalled testimony that the proposed rebate program is slightly different than PFD in regard to how it would be defended. She said that under an energy plan she understood the urgency to meet the energy need of the state. Under the energy need, Co-Chair Fairclough said she has questions regarding those out-of-state individuals who qualify. She then inquired whether the residency requirements for the resource rebate is jeopardizing the PFD or providing an argument [for a

challenge]. "The permanent fund," she said, "holds Alaska's resource wealth specifically, and we are distributing Alaska's resource wealth in the same manner." If it's different, she inquired as to how it's different, because it's Alaska's resource wealth.

MR. POAG opined that energy relief is a need that the entire state will experience and because it's more of a needs-based category, it receives different scrutiny from the Alaska Supreme Court and the U.S. Supreme Court. Needs-based things seem to be viewed as a basic necessity of life and should be treated differently. Mr. Poag then informed the committee that the PFD program faced challenges in three different cases. The Alaska Supreme Court determined that the PFD has three principle purposes: 1) distribute the Alaska's oil and gas wealth to Alaskans; 2) reduce population turnover; 3) encourage permanent residents to have an interest in how the state's resources are distributed or utilized. Therefore, the proposed resource rebate program is more akin to the PFD because it is based on the last five fiscal years. Although there has been a sharp increase in the price of oil, that five-year lag creates a situation in which the state's coffers fill while the PFD's coffers are stagnant. He opined that the interim resource rebate provides an opportunity to give those funds back to the residents to acknowledge the five-year lag and share the state's oil wealth. Therefore, it's not energy relief, it's a resource rebate. As a resource rebate, much like the PFD, it's different, isn't needs-based, but rather says that Alaska residents are entitled to a PFD because of the aforementioned three principles. Because [the resource rebate program] achieves those three principles, the short or limited durational residency requirements that the basic necessity of life would have required are not necessary.

[8:38:00 AM](#)

CO-CHAIR LeDOUX inquired as to whether those in an institution are eligible to receive this resource rebate.

MR. POAG replied yes, if the resident of the institution has a legal guardian or a representative who can file on the individual's behalf. Residents of an institution who have their legal authority would be able to apply on their own behalf. In further response to Co-Chair LeDoux, Mr. Poag pointed out that there is language in the bill - [on page 2, lines 25-26, referring to AS 43.23.005(d)] - which specifies that an individual is deemed ineligible for the PFD if he/she has a

felony conviction, a felony conviction tied to jail time, or a two-time misdemeanor conviction.

8:40:15 AM

CO-CHAIR LeDOUX, regarding the provision that would require a physical address [on page 3, line 8], expressed concern that the physical addresses of many of her constituents are not printed anywhere.

MR. POAG pointed out that in subsection (g), on page 3, lines 6-18, there are listed as many types of indicators of Alaska residency as possible. He said he believes a voter registration card alone would suffice, although he said the department would be open to other suggestions.

CO-CHAIR LeDOUX suggested that a paragraph could be added to include "other substantial proof of physical presence."

MR. POAG suggested that removing the word "physical" and just using the term "residence address" may alleviate Co-Chair LeDoux's concern.

CO-CHAIR LeDOUX said it might.

8:43:03 AM

CO-CHAIR FAIRCLOUGH directed attention to page 3, line 15, and remarked that a check stub doesn't really establish residency; therefore, it appears that the intent of the proposed legislation is that a seasonal worker who is here "under the timeframe and leaving" would qualify.

MR. POAG reminded Chair Fairclough that there are three criteria, the third of which is found on page 3, line 5, and would require the person to indicate, under penalty of perjury, that he/she "intends to maintain a home in the state." If the person declares falsely and receives the check, he/she would have stolen money from the state.

8:44:43 AM

REPRESENTATIVE CISSNA observed that uninsured people make up one of the neediest groups. She said Alaska is unique because it has a huge population of those who work seasonally and live an itinerate lifestyle. She suggested that there may be "a hole in ... what we're doing to identify ... the people who don't have

addresses." She noted that she once lived in a fish camp that had no physical address. Representative Cissna talked about the difference between a resource rebate and a crisis rebate, and inquired as to differences between those two. She said a question for the Department of Revenue would be why a switch was made from one to the other, what the implications are surrounding that change, and whether or not "we" should be thinking about that.

MR. POAG said Representative Cissna is right that Alaska has a group of people who spend part of the year in the state and part elsewhere; however, as long as those people are [in Alaska] for 185 days, and Alaska is their home, they qualify for the PFD. He noted that the proposed bill has a 180-day residence requirement.

MR. POAG observed that Representative Cissna seems to be indicating a concern that the resource rebate may have the unintended consequence of leaving folks who have a need but don't meet the criteria without the dividend. He said, "That's a policy call for you folks to make." If the bill were to provide energy relief, he said, it would be drafted differently, because relief is focused on a person's basic necessities, such as food and shelter. A legislative decision would have to be made that all Alaskans actually need that relief.

MR. POAG said he understands from the administration's position that [HB 4002] proposes a resource rebate, much like the PFD, but acknowledges that current oil prices have resulted in the state coffer filling up while the rate of the PFD has not changed. The proposed legislation would offer a resource rebate to Alaskans - not based on need and "not necessarily designed to catch that concern that you have." Mr. Poag suggested that the Department of Revenue or the administration address Representative Cissna's policy concern.

[8:49:20 AM](#)

CO-CHAIR FAIRCLOUGH questioned why the state would spend \$.5 million to distribute the money 30 days early when there is a system already in place that could handle a distribution of a resource rebate. She said it seems inefficient to set up a separate department to handle a one-time rebate.

MR. POAG offered an explanation from a legal perspective. He said applicants apply for a certain benefit, and if the legislature changes that benefit midstream, it may be necessary

to reopen the application process and redetermine eligibility. The due process interests change, he said. He stated, "I think there are ways to do what you're referring to, but I don't know that there's a way to do it and tie it to the 2008 PFD eligibility without a separate application process. He suggested there may be some who would apply for the "super PFD" who did not apply for the original PFD, or perhaps there would be some who fight harder when told they are ineligible. He concluded, "I think this is ... a middle solution that sort of addresses both of those concerns, that those that are deemed eligible for the 2008 dividend are built into this, but then we have a supplemental application process to catch those folks that fall through the cracks."

CO-CHAIR FAIRCLOUGH mentioned that there has been challenge of a six-month period related to a rebate program by the administration, and she questioned whether there could be a challenge that "we don't have a short enough time period."

MR. POAG said the state could be challenged; plaintiffs' attorneys exist that are ready to put together class action suits at any time. However, he noted that the PFD program has thus far survived any Alaska Supreme Court challenges. He said he thinks the concern being referenced by Co-Chair Fairclough comes from the United States Supreme Court decision, Sans v Roe, which marks a change in how the courts have dealt with durational residence requirements. Under the old system, the court seemed to be reacting to the facts before them and making decisions that made sense to them. The old test, he said, used to be whether or not the conditioning of a benefit on a certain period of residency "penalized or burdened the right to travel." The focus always seemed to be on what the benefit was that was being handed out. The court determined that if that benefit is a basic necessity of life, the durational residence requirement must be short, because "those are important interests that residents need to get." However, Mr. Poag relayed, the court has routinely acknowledged, in footnotes and in dicta, that that holding does not apply to other types of benefits.

MR. POAG mentioned a court case in which the issue of portable benefits was addressed. He referenced another case in which the court said it thinks the PFD qualifies as a portable benefit. Mr. Poag explained that a portable benefit is much like instate college tuition. If a student goes out of state and qualifies for instate tuition, then comes back to Alaska and utilizes his/her education in Alaska, he/she has gotten a benefit from the State of California, but has utilized the benefit in Alaska.

So, in an Alaska Supreme Court case, the PFD was seen as a cash portable benefit; a person could move to Alaska, live for the requisite time period, and take the benefit home to his/her home state and consume that benefit. As a result, Mr. Poag said, "We qualify for that exception." He said, "And if someone takes us to the U.S. Supreme Court, much like if they brought the PFD to the U.S. Supreme Court, we would defend this on that exception."

[8:55:15 AM](#)

REPRESENTATIVE SALMON directed attention to language on page 2, line 27, which would require a physical address and telephone number be provided with the application. He indicated that he finds the requirement for the physical address to be problematic, and he asked for an explanation of why a telephone number would be required.

MR. POAG clarified that Representative Salmon was referring to the "verifier requirement." He explained, "In a desire to come up with easy, administratively practicable measures to implement the verifier residency, we put the verifiers in this bill." He said the telephone number is a good means by which the department can contact someone; however, he said if people do not have telephone numbers, he is sure the bill could be drafted in a way that that requirement would be an alternate or optional piece of information to provide. Mr. Poag pointed out, "There is an appeals process here, and a lot of these issues would probably get ferreted out or worked out in the appeals process." He said he thinks it is the goal to "get this resource relayed back to Alaskans."

[8:57:24 AM](#)

CO-CHAIR LeDOUX, regarding the durational residency requirement, offered her understanding that [the proposed rebate] will be more likely to "pass constitutional muster" if given out to everyone, than it would be if it was turned into a needs-based program.

MR. POAG replied that although the answer is slightly more complicated, in essence Co-Chair LeDoux is correct.

[8:58:05 AM](#)

CO-CHAIR LeDOUX, regarding incarceration, asked if AS 43.23.005(d) is the statute that would specifically exempt people who are in penal institutions.

MR. POAG answered that is correct, and noted that Co-Chair LeDoux is referencing language on page 2, lines 25-26.

[8:58:32 AM](#)

CO-CHAIR LeDOUX asked what the rationale would be to allow someone in another type of institution to collect an energy rebate if that person is not actually being impacted by [the high energy costs].

MR. POAG responded that if the purpose of the bill is to provide energy relief, and some people were not experiencing "energy needs," then "we would probably want to draft it to rule out those individuals from receiving it if there was a way to do so that was administratively practicable."

[8:59:43 AM](#)

REPRESENTATIVE NEUMAN, regarding the super dividend, addressed his concern that additional state funds would be spent in order to service this program, and he recounted that the reason the proposed rebate could not be folded into the already existing PFD is because "it was separate." He recollected that Mr. Poag had brought up disaster relief for Hurricane Katrina. He asked Mr. Poag if he had based "any of this stuff" on law that was addressed during Hurricane Katrina for purposes of comparison, or if the language before the committee is all new.

MR. POAG responded that Mike Ford shared in the drafting of the bill, along with himself and others in the Department of Law. He clarified that the language was not based on a Hurricane Katrina program, but was based essentially on the PFD program and other state programs that offer rebates or benefits. The language was essentially created for this need.

[9:01:27 AM](#)

REPRESENTATIVE CISSNA, returning to Representative Salmon's prior remarks, noted that Representative Salmon's constituents live in remote Alaska. She observed that urban Alaska has a lot of uninsured citizens, but in rural Alaska, those numbers are multiplied. Phones are rarer outside of urban areas, she observed. She said discussion began with talk about energy, but has switched to "the resource," and she stated her desire to focus on who the legislature is really trying to help and why.

MR. POAG said since he heard no legal component to Representative Cissna's question, he would prefer to defer it to the administration.

CO-CHAIR FAIRCLOUGH said the committee hopes to hear back from Mr. Poag regarding finding a middle ground for remote and rural Alaska regarding the issue of the telephone numbers and physical addresses.

[9:04:21 AM](#)

CO-CHAIR LeDOUX asked if it would be possible to send out a notice that those who were ineligible for the PFD would have a specific timeframe in which to apply for the rebate, thus making the requirement "exactly identical" and enabling the state to fold the rebate into the PFD, save the extra \$500,000, and avoid constitutional issues or legal difficulties.

MR. POAG answered that he thinks there probably is a way to "renotify" the 2008 dividend, such that the due process concerns he has could be dealt with properly. However, there are concerns about constitutionality, and he noted that Co-Chair Fairclough had mentioned a concern about a challenge to the resource rebate program. He said, "If we make this a PFD program, there will be a challenge to the PFD program." He encouraged the committee to think about that as it moves forward with the bill discussion.

CO-CHAIR LeDOUX said she does not understand why, if the qualifications were made "exactly identical," the result would be a challenge, because the PFD program has successfully managed to avoid challenges.

MR. POAG answered that Co-Chair LeDoux is correct that, practically speaking, there should be no difference. If the programs are identical but separate, there would be no concern; however, if the two programs were merged, then there would be an attack on the PFD program, rather than an attack on the resource rebate program.

CO-CHAIR LeDOUX asked Mr. Poag, "Would the attack be any more likely to be successful than any of the other attacks?" She reiterated that [the PFD program] has pretty well withstood constitutional challenge.

MR. POAG answered, "You're correct. It's just we would be defending the PFD program instead of the research rebate program; that's the only distinction."

[9:07:13 AM](#)

CO-CHAIR FAIRCLOUGH said she would like an administrative response to the subject of Alaskans beginning to hear the call for energy relief. She said she would also like to hear whether or not the administration is in favor of the percent of market value (POMV) that "died years ago." She questioned if the "5 percent payout method" would have solved the problem, and if the resource rebate is a means for "backdooring a POMV." She clarified that she is talking about a higher than average return, not the government's spending money. She said she would like a description of the difference between an energy rebate and the resource rebate that has been presented to the committee.

MR. RUARO responded that the key distinction to make is between the foundation for the payment and the circumstances that Alaskans are facing regarding inflation and high energy prices. He said the foundation for the payment is "a sharing of the state's resource wealth on an equal basis, which is based on the concept enshrined in Article 8 of the state's constitution that the people are the true owners of the state's resources. He specified, "The distinction - and it's an important one - is that the basis for the payment is an equal distribution of excess wealth." He said it is not surprising that "that ... could happen to occur when Alaskans are also facing a lot of energy issues, as it's the price of oil [that] is the common factor to both."

[9:11:23 AM](#)

REPRESENTATIVE DAHLSTROM expressed appreciation of the administration's willingness to review the garnishment issue, as well as its willingness to consider "some different possible aspects of that" in a committee substitute. Furthermore, she said she shares concerns that have been broached regarding the cost of distributing the check, and she said she hopes there will be continued consideration of more creative ways to lower that cost.

[9:11:57 AM](#)

CO-CHAIR FAIRCLOUGH observed that although every Alaskan is suffering because of the increased cost of energy, rural and remote Alaskans face different, more immediate energy needs than those in urban Alaska. They have higher prices than urban Alaska does already; therefore, those areas are being disproportionately hurt. She questioned whether the legislature should address the energy component factor that is different or stick with the administration's flat distribution, which is less likely to be legally challenged.

MR. RUARO acknowledged that there is a difference, but pointed out that there are widely available programs that have been in place for years, such as the Low Income Home Energy Assistance Program (LIHEAP). He said [the resource rebate] is a single tool in the toolbox and designed to be distributed on an equal basis - a fact he said he thinks is very important. He relayed his hope that those individuals in the [rural and remote] areas will avail themselves of any means available [to lessen the effect of increased energy costs].

[9:14:42 AM](#)

CO-CHAIR FAIRCLOUGH said she thought she was here to address energy needs, and while the \$1,200 may impact a family positively today, she questioned how the legislature is looking to the future. She said she accepts that the state has money at this point in time, greater than anticipated. She said she is battling with returning those resources into the pockets of Alaskans while understanding that there is an enormous, long-term energy need to address. She echoed Representative Cissna's previously stated question about why the legislature is here - to address energy matters or a super PFD.

[9:16:05 AM](#)

REPRESENTATIVE CISSNA said she was aware that a severe energy need existed before she came to the regular session. There is a sharp divide between what's going on in Alaska and what's happening in the capitol. She stated that it is upsetting that the state has enough money right now to actually do some critical things that could help Alaskans long term. She said she understands that [HB 4002 and HB 4003] are a part of a solution. She reiterated the critical nature of the energy trouble. She expressed a desire to see rural Alaska survive and questioned which legislation would meet that goal.

MR. RUARO responded that "this" is an important piece of a much larger puzzle, and he said he thinks Alaskans "need it and should have it." He suggested to Co-Chair Fairclough that it may be a good time to turn to the appropriations bill [HB 4003], which he said has other implications for energy, including those factors that are important to rural areas. He stated, "This bill doesn't halt ... any progress that the administration is working on towards long-term solutions, towards mid-term solutions, towards other short-term solutions like the motor fuel tax; this is just one piece."

[9:20:16 AM](#)

MR. BURNETT, in response to a request from Co-Chair Fairclough, noted that the fiscal note for HB 4002, from the Department of Revenue, is \$810 million, of which approximately \$800,000 is to operate the program, \$520,000 is to send out the checks, and about \$300,000 would be used to manage the supplemental application process. Then there would be an additional \$10,600,000 to \$10,700,000 for the Department of Health & Social Services for "hold harmless."

CO-CHAIR FAIRCLOUGH observed that as money rolls in, the State of Alaska begins moving it more quickly and in increasing sums, thus, millions become billions, and sometimes the state loses sight of what that money could really do if it were invested in projects.

MR. BURNETT regarding estimated revenues, noted that this morning, oil prices were approximately \$145, and they have averaged \$138 a barrel for this fiscal year thus far. At those prices, he related, the forecasted total revenue for the year is \$15-\$18 billion. In response to Co-Chair Fairclough, he said the fiscal year thus far means a few days. In further response to Co-Chair Fairclough, he noted that when the revenue forecast was made in April, it was done at \$82 a barrel, which is clearly out of the realm of reality at this point. June revenues are included in the fiscal year 2009 (FY 09), he noted. He said the department is certain that there is enough additional revenue beyond what was expected in the first quarter of "this year" to fund all the appropriation bills that were "put in this special session."

CO-CHAIR FAIRCLOUGH said she does not quibble with the statement that the state has the money to distribute, but does not want the public to be misled. She said it may be true that there are

\$10 billion extra, but estimates are not being based on that particular number.

9:24:02 AM

CO-CHAIR FAIRCLOUGH said the governor has said that if the legislature does not like the administration's proposal, it should step up with a proposal to provide relief for Alaskans. She asked if there is a plan that could be put in place to address those in crisis, for example, a rural fuel loan program that could get fuel to villages by means of river waterways.

MR. RUARO said he is not knowledgeable in that area. He deferred to Ms. Fisher-Goad.

9:25:20 AM

SARA FISHER-GOAD, Deputy Director, Operations, Alaska Energy Authority (AEA), specified two loan programs that offer capital funds for purchasing long-term fuel: the bridge loan program, run by the Department of Commerce, Community, & Economic Development (DCCED), and AEA's long-standing bulk fuel revolving loan fund program. Currently, she said, AEA is not seeing a need for additional funds for the bulk fuel revolving loan fund. She noted that HB 338 - [which was signed into law on 29 June 2008] - codified the bridge loan program for commerce, as well as allowed AEA to borrow funds from the power project fund for bulk fuel revolving loan needs. Typically, she said, there is a cap on those programs of \$500,000 per loan, and AEA has seen only a handful of applications. She said it is early in the season to know what the demand will be, but AEA thinks that with the implementation of HB 338, and with the organization's existing funds, the communities that typically borrow from bulk fuel will have their needs met through that program.

MS. FISHER-GOAD, in response to Co-Chair Fairclough, said typically a community purchases fuel and has it delivered for the entire community, which includes retail purchases; therefore, typically there is fuel being brought in to be sold for individual use. She said she would need to think about what type of capital would be needed or is desired for individuals, but said she has not heard of that need. She explained that AEA typically does not deal with individual borrowers, but often deals with community borrowers, the electric utility, or the village corporation.

CO-CHAIR FAIRCLOUGH requested that the administration provide a presentation from Steven Haagenson, whom she described as the administration's point person on its energy policies and plans. She said she wants to ensure that enough fuel reaches communities before winter comes and they may become landlocked.

[9:29:04 AM](#)

MS. FISHER-GOAD reminded the committee that Mr. Haagenson is on schedule for July 22nd. She reported the actions Mr. Haagenson and the agency have taken since Mr. Haagenson took office in March, including: holding town hall meetings throughout the state; addressing what types of technology should be applied; implementing the HB 152 program and the granting of \$5 million to projects; preparing to go to the Legislative Budget and Audit Committee to tap into the renewable energy fund for additional projects that have met certain criteria; and working on a second request for proposals (RFP) for additional projects to tap into the rest of the FY 09 money made available by the legislature.

[9:30:27 AM](#)

REPRESENTATIVE CISSNA said she would like a history of what the state has done thus far to monitor the energy situation in communities. She clarified that she wants information, regarding attrition due to the energy crisis. She said the loss of populations in communities may jeopardize their existence.

[9:32:14 AM](#)

CO-CHAIR LeDOUX expressed interest in hearing about long-term plans before making decisions to spend money on short-term fixes.

MS. FISHER-GOAD said she believes Mr. Haagenson will be able to answer the committee's questions.

[9:33:19 AM](#)

REPRESENTATIVE NEUMAN highlighted that the fiscal note analysis [prepared by the Department of Revenue] reports that there will be an additional 45,000 persons qualifying for [the energy assistance program under the supplemental application program]. He added, "But we also have an analysis that says you're going to be able to accomplish all that work with nine temporary staff, and you're going to be able to do that with a minimum amount of money." He remarked that that is a lot of work for

nine temporary people to do, and he asked for an explanation of what process would be used and "how they're going to be able to accomplish that task within somewhere of a month."

MR. BURNETT responded that "those people" will be accepting applications, imaging them into the same system used for the PFD process, determining qualifications, and entering information into the database so that checks can be produced. He said the department bases those numbers on the same productivity levels used in relation to the seasonal employees hired to work for the Permanent Fund Dividend Division. He said he thinks the estimate, which was made by the same people that do the budgets for the rest of the department, is a reasonable one. He indicated that because of the division's track record, it is possible but unlikely that there would be more work than anticipated. The guidelines for the application would be simpler, he added.

REPRESENTATIVE NEUMAN offered his understanding that the estimate to which Mr. Burnett referred is shown in the analysis for the aforementioned Department of Revenue's fiscal note, as follows: "The cost of administering the supplemental application process is estimated at \$325,000." He observed that that \$325,000 is for nine employees to work for 30 days to respond to approximately 45,000 applicants.

MR. BURNETT responded that the application period is actually 60 days. Furthermore, he said some of the people would be employed for three months, while others would be employed for the balance of the year, for example, to address appeals and the fraud line. He reiterated that the division has a good track record.

REPRESENTATIVE NEUMAN remarked, "We also have a track record of increasing the operating budget 12 to 14 percent over the last few years."

[9:37:14 AM](#)

CO-CHAIR FAIRCLOUGH asked that questions from legislators not on the committee be submitted through Representative LeDoux's office.

MR. BURNETT, in response to a question from Co-Chair Fairclough, confirmed that the resource rebate would be fully taxable under federal law, thus it would have tax consequences for families and individuals. In response to a second question, he clarified that the program proposed through HB 4002 is a one-time program

with a sunset date; therefore, there would be no opportunity for a person who did not apply or receive the rebate to "come back and apply later." He pointed out that this is unlike the PFD, which allows a person up until two years after his/her eighteenth birthday to apply for any PFDs for which his/her parents failed to apply.

MR. BURNETT, in further response to Co-Chair Fairclough, stated his belief that the \$800 million in the fiscal note is sufficient to fund the program, unless there are more people to apply than expected. He mentioned the amount of \$1,200 and said that the way the appropriation is written, "it's adjustable internally." He mentioned the date, June 30, 2009, and said the division would keep track of appeals, know how many applications could be paid, and would encumber funds from this appropriation that it could then use to make payments, "so that it would not result in a supplemental as a result of an appeals process."

[9:42:30 AM](#)

CO-CHAIR FAIRCLOUGH, in response to Representative Cissna, said there will be no video conferencing in upcoming hearings, but there is statewide teleconferencing. She then announced the upcoming hearing schedule.

[HB 4002 was heard and held.]

HB4003-APPROP: ENERGY RELIEF/REBATE/FUEL TAX

[9:43:41 AM](#)

CO-CHAIR FAIRCLOUGH announced that the final order of business would be HOUSE BILL NO. 4003, "An Act making supplemental appropriations to the Alaska Energy Authority for power cost equalization; making special appropriations to the Department of Revenue and to the Department of Health and Social Services for the Alaska resource rebate program; making a special appropriation to the Department of Revenue for the payment of certain shared taxes relating to aviation fuel; and providing for an effective date."

[9:44:05 AM](#)

KAREN J. REHFELD, Director, Office of Management & Budget, Office of the Governor, noted that Jerry Burnett had touched upon some factors of HB 4003 during discussion of HB 4002. In addition to the resource rebate amount of \$800 million and the

hold harmless, which is \$10.7 million, there are some other items in the bill, she noted. First, she said OMB has requested the legislature's approval of a \$9.7 million power cost equalization (PCE) program, which would also require a \$600,000 component in fiscal year 2008 (FY 08) to fully fund the PCE program in 2008, and an estimated additional \$9 million related to "looking at what has changed in oil changes for FY 09." Additionally, \$150,000 has been requested, which Ms. Rehfeld explained is a shared tax, hold harmless, and she indicated that that is in a bill not before the committee - a bill related to the suspension of the motor fuel tax. She explained that there are several communities with municipally owned airports. If aviation fuel tax were suspended, it would hold harmless those airports for that loss of revenue. She said, "So, it's a small component of that bill, but it is included in this appropriation bill that's before you."

[9:46:09 AM](#)

MS. REHFELD presented a sectional analysis. Sections 1(a) and 1(b) show the appropriation request for the PCE, with an increase of \$600,000. It changes the existing appropriation to reflect those increases. Sections 1(c)-(e) adjust the appropriations for FY 09 based on the current estimate. Section 2 is the appropriation of \$800 million to the Department of Revenue for the resource rebate program, and it includes the administrative cost of approximately \$800,000 for the nonpermanent positions talked about by Mr. Burnett during the hearing on HB 4002. Section 3 is the hold harmless provision under the Department of Health & Social Services, with an estimated amount of \$10.7 million to continue eligibility for certain assistance programs resulting from the resource rebate. Ms. Rehfeld noted that there are administrative costs of about \$770,000, and approximately 9 nonpermanent positions that would be created to do that work. Section 4, she said, would give an estimated \$150 to the Department of Revenue for shared taxes related to hold harmless and suspension of aviation fuel tax. Ms. Rehfeld noted that several communities would receive funding under that appropriation, including Anchorage, Juneau, the Ketchikan Gateway Borough, Kenai, Kodiak, Palmer, Soldotna, and Wasilla. Section 5 would provide a retroactive date for the appropriations requested in Section 1(a) and 1(b) for the PCE shortfall in fiscal year 2008. Section 6(a) holds contingent language for Sections 2 and 3 of the bill, having to do with the resource rebate program, while Section 6(b) is a contingency related to the passage of the bill suspending the motor fuel tax. Finally, Section 7 provides the immediate effective date.

9:48:48 AM

REPRESENTATIVE NEUMAN said he had requested a long-range plan, having spoken about the issue with Commissioner Pat Galvin. He observed that the state seems to be preparing to spend several billions of dollars. He listed the PCE, roads related to this pipeline, workforce training, mass transit, and the increased cost of operating budgets. Representative Neuman said he thinks spending money on building the state's infrastructure is an important part of the capital budget process, because "it comes right from the communities that we represent." A lot of the capital budget projects were "needled" this year, he said, because the legislature was told there was no money for them. He stated that he is getting mixed signals. He disagreed with a statement he said was made by Randy Ruaro that the state has excess money. He not only said there is no excess money, but he also predicted that the state would be in deficit in a few years.

MS. REHFELD said she shares Representative Neuman's views regarding the need for a long-range plan. She said legislation has been passed, which requires that a long-range plan be produced when [the administration] brings the budget to the legislature this December. She related that there are many things impacting Alaska in a way that could not have been predicted even six months ago. With or without the gas line, she said, the state has a huge need in the areas of deferred maintenance and infrastructure development, and a long-range plan is absolutely critical, so that "we" know how best to invest "those dollars."

MS. REHFELD related that the governor has, since the beginning of her term, maintained that [the administration] would be responsible and reasonable in the proposals that it brings before the legislature, and the governor's goals have been to control the growth of government and save for the future. She said, "That is exactly how we're going to be able to bridge the gap between now and the time we see ... revenues from first gas, but that is going to take some significant discipline, even with some of the increases that we're seeing here." She said the state needs to move forward in a responsible manner, and the administration is working diligently to bring [long-term] plans to the legislature. She noted that Mr. Haagenson has "hit the deck running on the energy plan." She emphasized the importance of investing wisely in energy projects to get the best return for the state's investment.

MS. REHFELD stated:

The governor's proposals here today ... [were] designed to be very short-term, to do a rebate back to Alaskans based on the revenue that we have seen, knowing that, with that increase in revenue to Alaska, we also have communities and individuals and families that are hurting because of these increased costs. It was not meant to be a long-term answer; ... this is a very short-term solution while we continue to look forward on these other components.

[9:53:07 AM](#)

REPRESENTATIVE NEUMAN indicated that he was asking yet again for an estimate of "what's on the table right now" from various departments. He said there are people with no medical insurance in the state, and whether or not they can pay their heating bills won't matter if they cannot survive due to health issues. He clarified that he wants to see in writing how much the state will be spending in the next few years on various proposed programs, and he predicted that that number would be in the billions. He reiterated that he does not think there will be "extra" money in the next few years.

MS. REHFELD reiterated that the governor agrees that a long-term plan is needed, and she said she would bring that plan to the legislature.

[9:54:09 AM](#)

CO-CHAIR FAIRCLOUGH noted that Representative Olson, as chair of the House Labor and Commerce Standing Committee, has control of a bill relating to motor fuel tax, and she suggested that he could perhaps present the issue to the House Community and Regional Affairs Standing Committee.

[9:54:24 AM](#)

CO-CHAIR LeDOUX inquired as to the criteria that would make a community eligible for the PCE.

MS. REHFELD deferred to Sara Fisher-Goad.

[9:54:59 AM](#)

SARA FISHER-GOAD, Deputy Director, Operations, Alaska Energy Authority (AEA), in response to Co-Chair LeDoux, noted that there are approximately 180 communities in the state eligible for the PCE program, and she said those communities that used at least 75 percent diesel in 1984 are eligible. She listed the following as ineligible: Four Dam Pool communities, railbelt communities, and any community that has a rate for power less than the floor, which for this year is 12.83 cents.

[9:56:02 AM](#)

CO-CHAIR LeDOUX asked if there has been any thought given to revisiting PCE and expanding it to include the entire state, depending upon what the costs of energy are for the various communities.

MS. FISHER-GOAD replied that the call has been expanded to address PCE, but she offered her understanding that that was an issue "requested from legislators to do that"; the administration is not proposing changes to the PCE program at this point. She related that she has heard there is concern regarding a 12.83 cent floor being based upon the three communities. She indicated that there are other communities that have power costs greater than 12.83 cents currently, for example, Kodiak, Glen Allen, and even Fairbanks.

[9:57:25 AM](#)

CO-CHAIR FAIRCLOUGH said the committee would have some discussion related to motor fuel tax and whether or not there would be any impact on federal appropriation. She noted that some time ago, [in certain parts of the state], the 55 mile per hour (mph) speed limit was changed to 65 mph, and she revealed that she was one of a minority serving on a community council who voted against that speed increase for safety concerns; however, she said she has heard since that driving slower saves gas. She complimented Juneau on its recent conservation efforts during its energy crisis, and she talked about the state considering its own energy consumption and then setting an example for the people of Alaska to follow.

[10:00:47 AM](#)

RANDY RUARO, Special Staff Assistant, Office of the Governor, said there is a computer system used for fuel monitoring that he thinks is currently used by the ferry system used in British Columbia, and is used on one vessel in Alaska, as well as being

considered for use on two more. Conservation efforts are ongoing, Mr. Ruaro said, but he told the committee that Mr. Haagenson would better be able to provide a more comprehensive overview of the state's conservation efforts.

[10:01:31 AM](#)

CO-CHAIR FAIRCLOUGH returned the subject of the highway speed limit and asked Mr. Ruaro if there is data that proves that driving 55 mph reduces consumption and saves lives.

MR. RUARO responded that he does not know the answer, but he agreed to obtain information from Department of Transportation & Public Facilities' (DOT&PF's) Division of Highway Safety. He recollected that certain counties in Washington state may have returned to a 55 mph speed limit.

MS. REHFELD noted that because of Juneau's experience, there have been real savings seen in state agencies, and "we" are asking departments to figure out which of the measures Juneau residents have taken can be implemented on an ongoing basis.

[10:03:00 AM](#)

REPRESENTATIVE SALMON asked for an explanation of the numbers shown on page 2, line 6, of HB 4003.

MS. REHFELD responded as follows:

In subsection (b), what you're seeing is the \$9 million going into the fund capitalization - a power cost equalization fund - and then in sub part (d) you're seeing the increase in the appropriation to be able to expend the \$9 million.

[10:04:45 AM](#)

REPRESENTATIVE SALMON said he would like an explanation of the numbers shown [on page 2, lines 10-12].

MS. REHFELD responded:

The component that is coming from the \$16 million is the component that is ... generated from the power cost equalization fund - the endowment fund - and then it's further capitalized, the state general fund, so we have to put the additional \$9 million in general

funds in, in order to be able to fully fund the program.

MS. REHFELD, in response to Co-Chair Fairclough, confirmed that the amount shown in brackets on line 12, "[\$9,353,800]", denotes a deleted number. She said, "It was a lower amount in the original bill, and we're adding the \$9 million to that."

REPRESENTATIVE SALMON noted that the number in the brackets is \$353,800 over \$9,000,000, and he asked where that overage goes.

MS. REHFELD responded as follows:

It's just an increase to the original number was \$9,353,000, and we've just added another \$9 million to that number. So, it's just the total ... now of general funds going to the power cost equalization program will be \$18,353,800.

CO-CHAIR FAIRCLOUGH reiterated her interest in finding out how individual families and public service announcements can affect conservation efforts.

[HB 4003 was heard and held.]

[10:06:06 AM](#)

CO-CHAIR FAIRCLOUGH reminded the public of the upcoming opportunity for public comment in Anchorage.

[10:06:19 AM](#)

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:06 a.m.