

HOUSE FINANCE COMMITTEE
July 26, 2008
10:09 a.m.

CALL TO ORDER

Co-Chair Meyer called the House Finance Committee meeting to order at [10:09:10 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Les Gara (Present via Teleconference)
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas Jr.
Representative Richard Foster

MEMBERS ABSENT

Representative Harry Crawford

ALSO PRESENT

Randall Ruaro, Special Assistant, Office of the Governor;
Jon Sherwood, Director, Office of Program Review, Department of Health and Social Services; Jerry Burnett, Director, Division of Administrative Services, Department of Revenue; Karen Rehfeld, Director, Office of Management and Budget; Julie Kitka, President, Alaska Federation of Natives; Robert Keith, Chair, Kawerak, Inc., Nome; Barb Nickels, Director, Bering Strait Development Council (ARDOR); Representative Edgemon

PRESENT VIA TELECONFERENCE

David Pelto, Palmer; Judith Anderegg, Palmer; Howard Dorsey, Kenai; Margaret Manousoff, Alaska Conservation Solutions, Anchorage; Jerry McCutcheon, Anchorage; Paul D. Kendall, Anchorage; Bi Jerrel, Kenai; Eugene Boblett, Soldotna; Tom Lokosh; Georgia Westfall; Laura Schaevitz, Anchorage; Judith Magnus, Anchorage; Representative Les Gara

SUMMARY

HB 4002 "An Act establishing the Alaska resource rebate program and relating to the program; and providing for an effective date."

HB 4002 was HEARD and HELD in Committee for further consideration.

HB 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."

HB 4003 was HEARD and HELD in Committee for further consideration.

PUBLIC TESTIMONY: HB 4002; HB 2003

#HB4002
HOUSE BILL NO. 4002

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

[10:11:01 AM](#)

RANDALL RUARO, SPECIAL ASSISTANT, OFFICE OF THE GOVERNOR, provided information on the legislation. He observed that the legislation is based on sharing the resource wealth of the state among residents through a one-time \$1,200 payment. He emphasized that the principle of sharing resources with all residents of the state is fixed in the Constitution, Article 8. He thought HB 4002 would build a good foundation since it benefits all Alaskans and provides an efficient way to distribute the needed checks. He acknowledged the next step would be a long term plan. He observed that CSHB 4002 (CRA) made four significant changes. The payment method was changed from a separate check to a separate line item on the permanent fund dividend (PFD) check, which changes the timing from the first week of August to the first week of October. The potential pool of eligible Alaskans was narrowed to those found eligible by the Department of Revenue for the 2008 PFD. Overall the changes reduced the fiscal impact from \$800 to \$745 million and eliminated most of the administrative costs. He observed that both versions allow a significant one-time payment to 620,000 Alaskans to be made quickly.

[10:15:34 AM](#)

Co-Chair Meyer asked Mr. Ruaro if he supported the changes made in the bill. Mr. Ruaro replied that the administration

does support the changes while acknowledging additional work that needs to be done.

Co-Chair Meyer asked Mr. Ruaro if he supported the basic premise of attaching the payment to the permanent fund dividend, instead of a separate distribution. Mr. Ruaro affirmed his support.

Co-Chair Meyer asked why the governor did not propose those changes initially. Mr. Ruaro replied that the goal was to get checks out as soon as possible, and that option was available if unattached.

Co-Chair Meyer specified that it was a valid choice because in order to get the payment out quickly, it would incur some administrative costs. Mr. Ruaro agreed.

[10:16:51 AM](#)

Representative Thomas asked if people could apply in the circumstance that they were philosophically opposed to receiving permanent fund checks, but wanted energy assistance.

Mr. Ruaro replied that the administration would like to broaden the pool of people who would receive the resource rebate check who do not receive permanent fund checks. He observed that there are approximately 400 veterans and their spouses that do not apply for their permanent fund dividends since it only offsets their veterans benefits.

Vice-Chair Stoltze had questions regarding the hold harmless provision and its impact on the possible reduction of dividends.

[10:19:10 AM](#)

JON SHERWOOD, DIRECTOR, OFFICE OF PROGRAM REVIEW, DEPARTMENT OF HEALTH AND SOCIAL SERVICES, provided information regarding the hold harmless statute. Hold harmless statutes protect people who receive public assistance if they get the permanent fund dividend. He explained that the state makes up the difference in any federally required reductions in their public assistance benefits. He elaborated that any hold harmless benefits the state would pay as a result of the CRA version would be funded through the permanent fund dividend distribution account. Hold harmless payments under the original legislation would have been made through the Department of Health and Social Services' general assistance program. He added that the CRA version recalculated the hold harmless costs because the payments will occur when people are already receiving permanent fund dividends that are already going into hold harmless for public assistance

benefits. He estimated a current projection at \$400,000, which is a substantial reduction from the original version.

[10:22:25 AM](#)

Vice-Chair Stoltze clarified that the dividend recipients pay the hold harmless costs after the state takes out its administration costs. He estimated that each Alaskan's permanent fund dividend would be reduced by 80 cents - 90 cents. Mr. Sherwood acknowledged the assessment to the best of his knowledge.

Representative Gara asked if the hold harmless would come out of the \$1,200 payment as opposed to the permanent fund dividend.

[10:23:58 AM](#)

JERRY BURNETT, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF REVENUE, explained that hold harmless funds reduce the amount from which permanent fund dividends are paid. In the original bill, the hold harmless was directed at the resource rebate and there was a general fund appropriation of approximately \$10,600,000. With the change, he wasn't sure how the difference between the hold harmless results would be distinguished from the permanent fund distribution and the resource rebate if they are on the same check.

Representative Gara asked how the energy rebate was attached.

Mr. Burnett answered that if calculated from the hold harmless it would reduce the permanent fund dividend around 70 cents. The alternative was to appropriate additional general fund dollars to the hold harmless program, and not reduce the permanent fund dividend. He continued that it was an appropriation choice the committee and legislature could make.

[10:26:57 AM](#)

Representative Gara reported that he had learned about seniors at the pioneer's home who get subsidized rent, but they don't get their senior benefits. One of the hold harmless effects would be that residents of the pioneers home would get to keep the \$1,200 checks. He stated concerns about people possibly unable to keep the \$1,200 if there was no hold harmless provision. He explained further that with out hold harmless the potential exists for people to be left out of senior and public housing assistance.

Mr. Burnett replied that as the bill is written the rebate is separate from the permanent fund dividend. The resource

rebate would not be counted for public housing purposes and probably not for child support calculations since it is a one-time check.

Representative Gara asked about garnishment. Mr. Burnett replied that because of the mechanism being used the resource rebate would be garnished the same as the permanent fund dividend.

[10:30:11 AM](#)

Co-Chair Chenault observed that the resource rebate would not have been garnished under the original proposal. Mr. Burnett agreed that the resource rebate was exempt from garnishment in the original proposal.

Representative Hawker asked if the resource rebate would be subject to garnishment or other legal attachment if the checks were administered more quickly.

Mr. Ruaro said his understanding was that garnishment could not occur at an administrative level; checks would be subject to garnishment once they were received and deposited.

Representative Hawker furthered there was no exemption for garnishing this payment. Mr. Ruaro agreed.

[10:32:01 AM](#)

In response to a question by Vice-Chair Stoltze, Mr. Burnett explained that the equivalent of what incarcerated felons would receive is now taken out of the permanent dividend fund and transferred to corrections and public safety. He clarified that this money would not be part of the permanent fund dividend at any time, so would not increase that pool for those purposes.

Co-Chair Chenault thought the Department of Health and Social Services might know what would be lost if the hold harmless was not funded.

Mr. Sherwood clarified that under the permanent fund hold harmless statute, state and local programs are directed to disregard the permanent fund dividend unless required by federal law. The programs that require that the dividend be counted are: Medicaid, Food Stamp Program, Supplemental Security Income, and the Adult Public assistance program.

[10:35:10 AM](#)

Co-Chair Chenault asked if there was federal income tax paid on any of the benefits. Mr. Sherwood answered that public assistance benefits are not taxable.

Co-Chair Chenault noted that others will pay at least 25% of their check to the federal government.

Mr. Sherwood explained that the dividend itself is subject to taxation, but typically needs-based benefits are not taxable, so the recipients of the hold harmless check are not taxed.

Co-Chair Meyer asked what is the average taxation rate for Alaskans. Mr. Ruaro offered to find the requested information.

Co-Chair Meyer surmised that the \$1,200 payment came out of the governor's initial proposal for a \$100 per month debit account. Mr. Ruaro agreed.

[10:37:18 AM](#)

Co-Chair Meyer cited the feedback he had heard about kids not having the energy costs adults would have and the suggestion that the \$1,200 should go to adults only. Mr. Ruaro agreed that it could be done as a policy matter, through the permanent fund dividend process.

Representative Hawker asked about consequences to people in prison. Currently, permanent fund dividend checks for incarcerated felons are kept by the state and used to subsidize the Department of Corrections. Mr. Burnett clarified that the resource rebate would not be paid to inmates. The resource rebate does not go into the Permanent Fund Dividend Fund from which the money comes for the Incarcerated Felon Fund. Funds that would have been paid to felons would remain in the general fund.

Representative Hawker requested guidance through the legal argument behind Mr. Burnett's statement.

Mr. Burnett explained that since this is not a permanent fund dividend check, but instead added to the permanent fund dividend check as an energy resource rebate, it does not go into the fund from which the money comes for incarcerated felon funds. He stated that money was simply not appropriated for them.

Representative Hawker argued that the wording "the amount of the permanent fund dividend shall be increased" suggests that it is part of the dividend.

Mr. Burnett thought some clarifying language would be good.

Representative Hawker requested itemization of the additional work needed for the bill.

[10:40:57 AM](#)

Mr. Ruaro responded that the additional work included the scope of the pool to try and capture or allow veterans over 65 years of age, making less than \$13,000 per year to receive pension payments. He would also like to see disabled veterans in the pool. In addition, he wanted to add language to allow persons to choose not to receive the rebate if they are philosophically opposed. If there is some federal benefit that the state has not accounted for, that would make them ineligible for those benefits, and he wanted to give them a way out.

Representative Hawker asked if there was an inventory of those programs where there is an anticipated federal benefit loss.

Mr. Ruaro had identified some of the possible programs, but wanted to further review them. He elaborated that they were captured in the initial drafting of the bill, as hold harmless.

[10:43:21 AM](#)

Representative Hawker asked how to rationalize the issues of energy policy being efficient, equitable and effective. He asked if he thought this was efficient.

Mr. Ruaro agreed that there was no doubt that the benefits being taxable were a down side. He argued that there were a number of ways that the income could be used that would be beneficial to recipients, for example, a more efficient heating system. He suggested that this is an opportunity for individuals to make those kinds of long-term changes in their homes.

Representative Hawker detailed that eligible Alaskans could spend all but 25% on those mentioned beneficial changes, because at least that amount would be going to federal taxes. Mr. Ruaro agreed.

Representative Hawker asked about mechanisms other than the direct cash handout. He suggested that this might be done through local governments or local utilities. Regarding property tax, he suggested a revenue sharing approach that would result in direct property tax relief. He stated "we could get literally 100% value without taxable transaction." He asked if anything like that had been considered.

Mr. Ruaro replied that he looked at a number of ways to get benefits to people and avoid tax consequences. The catch was that all Alaskans were not reached with those hypothetical cases.

Representative Hawker remarked that his understanding is that because there was no readily identifiable solution, a compromise, including giving one third of the money to the federal government, was agreed upon.

[10:47:37 AM](#)

Mr. Ruaro explained that the issue of taxation was not seen as and either/or type of situation, as there were other components considered such as Power Cost Equalization (PCE) and Low Income Home Energy Assistance Program (LIHEAP) that are nontaxable.

Co-Chair Meyer added that his approach was that the net \$900 could be used toward motor fuel, electric and/or gas heat. He agreed that it could also be used toward weatherization.

Representative Joule asked about obligations towards children even if a person did not apply.

Mr. Burnett clarified that the bill Representative Joule referred to was HB 366. He pointed out that it concerned felon funds, the money otherwise paid to incarcerated felons for children of incarcerated who owed child support. This bill would not have an effect on that.

[10:50:29 AM](#)

Vice-Chair Stoltze clarified the differentiation is in the derivation of the money, since it comes from general fund.

Mr. Burnett acknowledged that could be one of the differentiations. He observed that clarifying language to separately identify resource rebates and permanent fund dividends may be needed.

Vice-Chair Stoltze wished to clarify that the resource rebate funds have not entered the permanent fund dividend stream.

Mr. Burnett explained that the money from the Permanent Fund is identified. The department then calculates: the number of people who will not receive dividends, the appropriations for hold harmless; the balance from the previous year; and the number of qualifying individuals to determine the amount of the permanent fund dividend. The money allocated for incarcerated felons is set aside at this time, after which the additional general fund appropriation for the resource rebate is added.

[10:53:25 AM](#)

Representative Nelson asked about benefits for military families. She questioned the possibility of military

personnel absent from Alaska, and therefore not in need of energy assistance.

Mr. Burnett answered that military families and others on allowable absences would receive the resource rebate just as they receive permanent fund dividends. He divulged there were approximately 14,000 people living outside of Alaska who received permanent fund dividends last year and estimated that this year will likely be similar.

Representative Nelson expressed concerns about equality and agreed that it could be defined in different ways. She did not think energy rebates should be given to those who are not incurring Alaska energy costs. Mr. Ruaro said that could be done through the authority of the legislature

Representative Nelson clarified that family members that are here should be eligible, but she did not think the intent of the legislation was to fund those who were away and were not paying energy costs. Co-Chair Meyer acknowledged the point.

[10:56:03 AM](#)

Representative Hawker asked what the intent of the proposal was and questioned if it is to provide energy cost relief to Alaska residents or is it to give away the resource derived surplus.

Mr. Ruaro divulged the foundation and basis of the payment is to share Alaska resource wealth with Alaskans. The administration acknowledged that high energy costs are impacting Alaskans, but the basis of the payment is the sharing of Alaska's resource wealth.

Representative Hawker asked if Alaskans can use the rebate to purchase luxury items. Mr. Ruaro affirmed there is no restriction on the payment.

Representative Hawker spoke to the motive of the administration. Mr. Ruaro reiterated the basis for the payment was sharing the resource wealth.

[10:58:33 AM](#)

Representative Gara hoped to achieve the goals and to save money at the same time. He contended that \$700 million could fund many needed programs. He thought limiting the checks to adults would save \$200 million, while achieving the same goals. He wondered how many Alaskans were under 18 and how much was saved if limited.

Mr. Burnett answered that he did not have the details for 2008, but in 2007 there were 451,022 adult applications and 177,873 child applications. Representative Gara estimated

that would save one third of the cost. Mr. Burnett agreed with Representative Gara's estimate.

Representative Gara suggested the Permanent Fund Corporation could figure out, by using the qualifying date, who is under 18.

[11:02:33 AM](#)

Mr. Ruaro said that the technical details regarding the determination of those citizens under the age of 18 are relatively simple.

Representative Gara questioned the determination of minors who are emancipated and currently running households.

Mr. Ruaro believed that applications from emancipated minors were already taken into account.

Co-Chair Meyer noted he had received the same feedback and information. He argued that a family of five or six has higher costs than a family of one.

[11:04:23 AM](#)

Mr. Burnett reminded the committee that it is a resource rebate, and the concept is similar to the permanent fund, where all Alaskans are included regardless of age.

Vice-Chair Stoltze asked if there were a legal definition of head of household. Mr. Ruaro thought that there was a definition in federal statute and offered research the definitions.

Vice-Chair Stoltze referred to same sex couples and questioned what constitutes a "household". Mr. Ruaro did not know the answer.

[11:06:56 AM](#)

Representative Hawker asked if the appropriation is on an annual basis. Mr. Ruaro answered that the intention is to limit the appropriation to one time.

Representative Hawker asked if there is any assurance that it is a one time program. Mr. Ruaro stated that he was not aware of any intent to introduce a similar bill next year.

Representative Hawker requested assurance that the administration would not renew this program this year. Mr. Ruaro could not provide that assurance.

Representative Hawker commented on the difficulty of removing a program once it is in place. Mr. Ruaro thought the expectations might exist regardless of the bill.

Representative Hawker inquired if it would make a difference if the price of oil was stable next year.

Mr. Ruaro said that they could possibly add findings and intent language to the bill supporting a one time program. He was not comfortable speculating about future language, but he knew that there was no intent to file a bill next year .

Representative Hawker summarized that there is not a nexus between the legislation and increasing oil costs. He suggested looking at a more durable program for the future. He wondered if the administration would be interested in such a program. Mr. Ruaro offered to discuss concepts with Representative Hawker.

[11:12:30 AM](#)

Representative Hawker asked if the resource rebate is a one year program, or if it should exist on a longer basis as part of a long-range plan.

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, thought that the goal was to have a long-range plan. "This particular package is meant to be one time." She emphasized that the governor welcomed the ideas and discussions brought forward by the legislature.

Representative Hawker pointed out that the focus is on high oil prices. He stressed the need to also consider the escalating oil production decline. He asked how soon the state would be in a position of budget deficits.

Ms. Rehfeld thought that was a critical question. She noted the importance of putting money into the constitutional budget reserve. She offered to provide additional information.

Representative Hawker reiterated the importance of a long-range fiscal plan. Ms. Rehfeld opined that a tremendous amount of work is needed first.

[11:18:32 AM](#)

Representative Joule expressed concerns regarding the bill due to the differences in energy costs throughout the state. He hoped to have a conversation about how best to provide balance across the state.

[11:21:13 AM](#)

Representative Nelson thought that not including children in the household count could have legal ramifications. She specified that in a case of a family with a single parent or a parent with poor participation, the money for children was important.

[11:22:21 AM](#)

Representative Gara believed that there would be problems if specific groups are excluded from the household definition. He said there is already a statutory definition: "legally emancipated". He agreed with Representative Nelson that some families need the money more than others. He questioned the expense of \$250 million for families based on their size. He had problems spending the money on a check for everyone.

Representative Gara asked Ms. Rehfeld if it was the administration's policy to spend \$800 million on resource rebate rather than fund eight years of early education.

Representative Nelson thought the question was inappropriate under special session and the topic should be limited to AGIA and an energy rebate.

[11:25:59 AM](#)

Co-Chair Meyer pointed out the topics before the committee. He asked why the administration feels that this is a serious use of the money. Representative Gara said he was serious about his question, but offered to end the discussion.

[11:27:10 AM](#)

Co-Chair Chenault spoke about the disadvantages of not allowing children to qualify.

Vice-Chair Stoltze took issue with Representative Gara's restatement of his comment. He brought up the situation where extended family members manage households.

[11:29:03 AM](#)

Mr. Burnett explained how dividends are held in trust when an application process has not occurred for the mentioned children. He stated that the children would then receive the dividend money when they turned 18 years of age.

Representative Nelson asked if that should be in writing.

Mr. Burnett thought it would not be necessary due to the current language in the bill.

[11:30:06 AM](#)

Representative Thomas pointed out that this bill touches everyone equally.

HB 4002 was heard and HELD in Committee for further consideration.

#HB4003

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."

Ms. Rehfeld explained the components of the bill, which include:

- \$8.0 million for the one time payment for resource rebate and associated administrative costs;
- \$10.7 million for hold harmless provisions;
- Includes a request for supplemental funding for the Power Cost Equalization (PCE) program of \$9.6 million based on rates needing adjustment or increase in the near future; and
- A component concerning \$150,000 to hold harmless, in the event of motor fuel tax suspension, for communities that operate their own airports.

[11:33:52 AM](#)

Vice-Chair Stoltze asked if it equals \$7 per person and would come out the original dividend.

Mr. Burnett clarified that under the original bill \$10.7 million dollars of hold harmless was a general fund appropriation that would not have come out of the dividend.

Vice-Chair Stoltze asked if there is a list of airports that would receive the funding for lost revenues.

Mr. Burnett related that Juneau, Ketchikan, Kenai, Anchorage, Kodiak, Soldotna, and Palmer qualify for the funding.

[11:36:03 AM](#)

Co-Chair Chenault asked why these were the only ones included.

Mr. Burnett reported that the bill addresses municipality-owned airports, not state-owned airports.

[11:36:57 AM](#)

Representative Hawker requested the new fiscal note showing \$400,000 hold harmless.

[11:37:55 AM](#)

Representative Gara mentioned the Renewable Energy Fund adopted last year, with many new applications needing review. He asked about additional staff authorization.

Co-Chair Meyer said that question would be answered on Monday.

[11:39:10 AM](#)

HB 4003 was heard and HELD in Committee for further consideration.

RECESS: [11:39:45 AM](#)

RECONVENE: [1:08:37 PM](#)

The following statewide testimony was taken in log note format. Handouts will be on file with the House Finance Committee through the 25th Legislative Session, contact 465-6814. After the 25th Legislative Session they will be available through the Legislative Library at 465-3808.

#HB4002

#HB4003

HB4002-RESOURCE REBATE PROGRAM FOR RESIDENTS

HB4003-APPROP: ENERGY RELIEF/REBATE/FUEL TAX

TIME	SPEAKER	DISCUSSION
1:08:37 PM	JULIE KITKA, PRESIDENT, ALASKA FEDERATION OF NATIVES	Provided members with written testimony (copy on file). She related that this is a very historic period due to financial problems in the U.S. economy, as well as to high energy costs. The state has a responsibility to provide affordable energy to Alaskans and to provide energy to the Lower 48. Every major institution in the Native community is concerned about the energy problem. The Native community is interested in having the solutions

		<p>accountable, to incentivize communities, and expand the private sector. A new shift in thinking needs to take place. Energy relief is a first step. State resources must also be invested for the future. She cautioned that actions that are taken do not create a backlash. She spoke in favor of stabilizing energy costs, a cash rebate, and a multi-year approach to energy prices. She believed high energy costs are here to stay. Ms. Kitka looked at restructuring as an opportunity and the need for smart investing on behalf of state government. She stressed providing immediate relief. Ms. Kitka pointed out that all cost-of-living prices have increased. She spoke in support of funding for Power Cost Equalization (PCE). She recommended that rural utilities be stabilized. She spoke in behalf of the Denali Commission's energy needs. She testified in support of the family fuel subsidy and in favor of funding alternative energy projects in order to encourage economic development. She also stated support for funding higher education institutions so that they can proceed with research on energy issues. She thanked the committee for their work.</p>
1:31:38 PM	Co-Chair Meyer	Asked if those opinions were from the Alaska Federation of Natives.
1:32:24 PM	Ms. Kitka	Explained where her statements came from the Alaska Federation of Natives (AFN) energy group.
1:32:46 PM	Vice-Chair Stoltze	Talked about the need for an early energy relief payment.
1:33:49 PM	JERRY BURNETT, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF REVENUE	Explained the recommendations for payment of the rebate and the possibility for an earlier payment.
1:35:04 PM	Vice-Chair Stoltze	Thought there might be a way to facilitate an earlier payment.
1:35:42 PM	Mr. Burnett	Observed that it may be possible to issue a separate resource rebate check a few weeks before the permanent fund dividend is issued.

1:35:58 PM	Representative Gara	Thanked Ms. Kitka for her testimony and invited her to return often.
1:36:22 PM	Ms. Kitka	Complimented the legislators for their accessibility.
1:37:05 PM	ROBERT KEITH, CHAIR, KAWERAK, INC., NOME	Spoke to the "urban/rural divide" comment. He recalled past use of that term. He complimented the legislature on their welcoming attitude. He described problems related to rising costs in his Native village of Elim. He noted a problem with the economic impact of a \$1200 rebate. He suggested using excess funds to mitigate fuel costs. He described energy summits in his area, wind generators, the SITCO program, and federal grant programs. He suggested having a technical clearing house for energy issues. He spoke in favor of PCE.
1:49:18 PM	Representative Joule	Inquired about the use of solar panels in the region.
1:49:57 PM	Mr. Keith	Reported that Bering Strait Native Corporation has installed a large solar panel, as have several other corporations.
1:52:18 PM	BARB NICKELS, DIRECTOR, BERING STRAIT DEVELOPMENT COUNCIL (ARDOR)	Reported that the Bering Strait Development Council supports SB 4002 and SB 4003. She spoke of rising fuel costs in the Bering Strait region and the hardships that creates for community members. She referred to the relationship between fuel costs and migration out of villages and the resulting implications on educational systems. She spoke in favor of a state economic development plan. She concluded that rural Alaskans want to help themselves, yet need the state's immediate assistance.
1:59:48 PM	Representative Gara	Thanked Ms. Nickels for her testimony.
2:00:23 PM	DAVID PELTO, PALMER	Testified against the bills, as written. He maintained that long-term investments are needed and the state should help only those in need. He spoke against the sense of entitlement many Alaskans have.
2:03:03 PM	JUDITH ANDEREGG, PALMER	Testified against funds for individuals in the form of an energy assistance rebate using PFD qualifications to determine residency.
2:07:24 PM	HOWARD DORSEY,	Testified in support of the resource

	KENAI	rebate program for residents. He spoke of ways that he could benefit from the rebate in home improvements and weatherization. He suggested that the money be dispersed sooner than later, as the fuel barges leave for remote villages in near future.
2:11:41 PM	MARGARET MANOUSOFF, ALASKA CONSERVATION SOLUTIONS, ANCHORAGE	Discussed documents she submitted on behalf of Alaska Conservation Solutions (copy on file.) She testified in opposition to the resource rebate program for several reasons; entitlement, tax, and equity issues, and social consequences. She maintained that common resources ought to be used for the common good. She suggested possible solutions to energy problems. She urged the state to make long-lasting investments.
2:21:50 PM	Representative Hawker	Asked for more information about Ms. Manousoff's organization.
2:22:53 PM	Ms. Manousoff	Explained her organization's history and focus on education about causes of global warming, including possible solutions.
2:24:02 PM	JERRY MCCUTCHEON, ANCHORAGE	Suggested using the energy assistance program qualifications (LIHEAP) to determine eligibility for energy relief. He requested that the money be paid to the individual rather than the vendor. He testified against fuel tax suspension.
2:27:34 PM	PAUL D. KENDALL, ANCHORAGE	Complimented Ms. Kitka's presentation. Testified against the Resource Rebate program for residents. He emphasized the need to stay focused on the issues. He suggested a daily television program by the Alaska Energy Authority. He stressed the need for clean air, alternative methods of electricity, and transportation.
2:40:19 PM	BI JERREL, KENAI	Testified in support of the Resource Rebate program for residents.
2:43:44 PM	EUGENE BOBLETT, SOLDOTNA	Testified in support of the Resource Rebate program for residents. He stressed his difficult economic situation as a senior with the rising cost of propane.
2:59:46 PM	TOM LOKOSH	Questioned the nexus between the rebate bill and the Governor's budget and how funds are allocated. He pointed out that none of the rebates allow for the person who rents. He thought that the

		LIHEAP formula should be used to determine qualification for the rebate. He suggested finding less expensive alternative energy sources rather than subsidizing in the form of PCE.
3:13:18 PM	Representative Nelson	Clarified a previous conversation with Representative Gara regarding the resource rebate.
3:14:40 PM	Mr. Lakosh	Commented on dispersing natural resources in the state.
3:15:32 PM	Representative Nelson	Explained the purpose of the special session and the allowable topics of discussion.
3:16:28 PM	GEORGIA WESTFALL	Shared her personal experience with high fuel costs "off the grid". She testified in favor of the resource rebate.
3:20:58 PM	LAURA SCHAEVITZ, ANCHORAGE	Testified in favor of the resource rebate. She spoke of the high cost of living. She opposed using the rebate to garnish wages.
3:28:28 PM	JUDITH MAGNUS, ANCHORAGE	Shared her experiences with higher cost of living expenses. She testified in favor of the resource rebate.
	<u>ADJOURNMENT</u>	The meeting was adjourned at 3:34 PM

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