

HOUSE FINANCE COMMITTEE
March 24, 2009
8:40 a.m.

8:40:52 AM

CALL TO ORDER

Co-Chair Hawker called the House Finance Committee meeting to order at 8:40 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Co-Chair
Representative Bill Stoltze, Co-Chair
Representative Bill Thomas, Jr., Vice-Chair
Representative Allan Austerman
Representative Harry Crawford
Representative Anna Fairclough
Representative Reggie Joule
Representative Mike Kelly

MEMBERS ABSENT

Representative Richard Foster
Representative Les Gara
Representative Woodie Salmon

ALSO PRESENT

Larry Persily, Staff, Co-Chair Mike Hawker; Karen Rehfeld, Director, Office of Management and Budget, Office of the Governor; Jo Ellen Hanrahan, Analyst, Office of Budget and Management.

PRESENT VIA TELECONFERENCE

None

SUMMARY

HCR 13 Certifying that the State of Alaska requests and will use any funds provided to the state, a state agency, a municipality, or a political subdivision of the state under the American Recovery and Reinvestment Act of 2009.

HCR 13 was REPORTED out of Committee with a "no recommendation" and with a new zero fiscal note by the Legislature.

HB 199 "An Act making supplemental appropriations and capital appropriations; amending appropriations; and providing for an effective date."

HB 199 was heard and HELD in Committee for further consideration.

#hcr13

HOUSE CONCURRENT RESOLUTION NO. 13

Certifying that the State of Alaska requests and will use any funds provided to the state, a state agency, a municipality, or a political subdivision of the state under the American Recovery and Reinvestment Act of 2009.

[8:41:07 AM](#)

LARRY PERSILY, STAFF, CO-CHAIR MIKE HAWKER, explained that HCR 13 is an option available to individual states under section 1607 of the American Recovery and Reinvestment Act (economic stimulus program). Governors have 45 days from the date the Act was enacted or until April 3, 2009 to certify that their state will participate in the economic stimulus program and will use these funds to create jobs and promote economic growth. The legislature can decide by concurrent resolution to participate in the program if its governor declines to participate. The concurrent resolution would be sent to the United States Office of Management and Budget. There is no specific deadline for legislative action. However, the receipt of a legislative resolution (in lieu of action by the governor) would have to be timely in order to meet application deadlines for appropriation of specific funds. A resolution is not a pledge, promise, commitment or contract to accept funds, participate in any specific programs, or to adhere to any of the requirements. A resolution is merely the first step in a process that notifies the federal government that the state wants to participate in federal economic stimulus programs. The state reserves judgment as to participation in each program; a resolution is non-binding and does not commit the state. Mr. Persily compared HCR 13 to a reservation at a restaurant, which only provides a place at the table.

[8:43:43 AM](#)

Co-Chair Hawker asked if the resolution is binding on the executive branch. Mr. Persily pointed to a legal opinion by the Congressional Research Service, which indicated that there is nothing in the stimulus bill that overrules state law or is intended to interfere with the relation between the executive and legislative branches or administration of state governments. The Congressional Research Service report concluded that there is nothing to prohibit the governor from vetoing a legislative appropriation. The executive and legislative branches will have to work out state participation in each program.

Co-Chair Hawker concluded that nothing trumps the constitutional authority established in either the executive or legislative branches of state government. Mr. Persily affirmed and noted that section 1607 was included to allow legislative action in the event that a state governor did not act.

HCR 13 was HEARD and HELD in Committee for further consideration.

[8:47:06 AM](#)

#hb199

HOUSE BILL NO. 199

"An Act making supplemental appropriations and capital appropriations; amending appropriations; and providing for an effective date."

KAREN REHFELD, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR introduced her staff. She reviewed documents in the bill packet.

Co-Chair Hawker listed the items in the bill packet: a supplemental spreadsheet of items included in the bill and another spreadsheet of items not included. Ms. Rehfeld informed of additional included documents known as "change records."

[8:49:05 AM](#)

Ms. Rehfeld recalled the February 24, 2009 presentation of the Department of Transportation and Public Facilities Transportation (DOT) appropriation bill. She mentioned the submitted second appropriation bill containing the non transportation elements for economic stimulus. She noted the submitted amendments incorporating the federal reimbursement rate under Medicaid.

Ms. Rehfeld stated that the governor had not rejected any stimulus funds. The governor is interested in a dialogue with the committee, as well as with the public. She mentioned that there are a number of requirements in the law including significant federal government oversight.

[8:51:08 AM](#)

Ms. Rehfeld turned to a handout entitled "American Recovery and Reinvestment Act (ARRA)" (copy on file). She informed that ARRA is a very complex piece of legislation. The bill totals over \$787 billion with a portion of \$288 billion designated for tax relief and the remaining portions designated for a number of programs in the budget. She

highlighted several areas targeted by the federal government including tax relief, state and local fiscal relief, infrastructure, protection of vulnerable citizens, health care, education and energy.

Ms. Rehfeld noted the objectives of the legislation. The objectives include the preservation of jobs and the creation of new jobs while stabilizing state and local economies. The reinvestment piece concerns infrastructure, with long term goals of addressing energy and research.

Ms. Rehfeld detailed the timelines revealed for the programs. The federal government desires that twenty percent of the stimulus funds be spent between now and October of 2009, an additional 30 percent spent by October 2010, and 80 percent of the dollars spent by October of 2011.

Ms. Rehfeld mentioned the primary distribution measures incorporated into the stimulus act. The first two formula areas and demand programs will come to the committee in the form of request for appropriation authority. Existing formulas such as the highway transportation program and Medicaid do not require new administrative structures. Demand programs are caseload or workload driven. The competitive grants do not have requests included, because it is unknown which agencies will compete for the grants. The automatic disbursements and federal agencies include appropriations that are directed to federal agencies.

[8:54:21 AM](#)

Ms. Rehfeld mentioned unprecedented accountability. She noted that the Act contains specific appropriations for inspector general activity in each one of the federal agencies along with a board, application timelines for obligations of funds, tracking and reporting requirements, and certifications and assurances required for the programs.

[8:55:01 AM](#)

Co-Chair Hawker discussed the one required certification date of April 3, 2009. He inquired about other deadlines. Ms. Rehfeld agreed that there were a number of timelines mandating that state agencies submit pre-applications for funds. The department is working to meet preliminary timelines. Following the decision regarding the acceptance of funds, the department will have necessary applications completed.

[8:56:43 AM](#)

Ms. Rehfeld addressed the governor certification deadline of April 3, 2009. She noted that this requirement certifies that the individual states will apply for and utilize the

funds to create jobs and promote economic growth. She opined that the governor has remained consistent about her concerns about the stimulus package, even before it was signed into law. The governor believed that it was important for the public and the legislature to analyze the bill and answer some of the large looming questions.

Ms. Rehfeld reported on other certifications and timelines already addressed. She noted that the administration has remained proactive in these areas. She explained the process of meeting these certifications. She noted that a delegation to the commissioner of transportation was signed as there are assurances in the law requiring that any projects funded by the stimulus dollars meet the federal highway program requirements providing an appropriate use of taxpayer's dollars. She noted the specific assurances in the energy program as part of the policy discussion planned for this presentation.

[8:59:08 AM](#)

Co-Chair Hawker pointed out the interpretive differences in the energy policy. He hoped to dispel myths regarding interpretive differences of energy assurances. Ms. Rehfeld agreed to discuss the challenges regarding energy assurances.

[8:59:45 AM](#)

Ms. Rehfeld referred to the graph on Slide 10 to explain the estimated allocation for state government of \$930.5 million. These are the only items identified to date from those preliminary allocations from the federal agencies. The capital bills equal 55 percent of the proposal. The Medicaid portion equals approximately 14 percent of the total proposal.

Representative Austerman asked if the 14 percent portion of Medicaid came from FY 09 budget. Ms. Rehfeld explained that the portion arrived from the FY09 and FY10 supplemental operating budgets. She explained that the federal participation rate will increase and the general fund participation lessening over FY09, FY10, and a portion of FY11.

Representative Austerman asked if the same criteria apply to this bill as the capital transportation, where you cannot supplement general funds. Ms. Rehfeld reported that there are many requirements stated in ARRA. The Medicaid portion was part of the state fiscal stabilization component included in the act to help states dealing with budget shortfalls and areas the federal government was extending or increasing their participation rate.

[9:02:01 AM](#)

Ms. Rehfeld noted that the total ARRA request to date is \$642.0 million with \$262.9 for transportation (HB 154/SB 123), \$251.5 for non-DOT economic stimulus (SB 161), and \$128.5 for Medicaid FY09 and FY10 amendments.

Ms. Rehfeld discussed the pie chart on Slide 12 highlighting the requests before the committee. She noted that transportation represents 42 percent of the items requested. Water and sewer projects under the Department of Environmental Conservation (DEC) represent eleven percent of the items requested. A research vessel funded through the stimulus act for the University from the National Science Foundation equals 18 percent of the total.

Co-Chair Hawker asked about the 18 percent dedicated to University. Ms. Rehfeld reported that the 18 percent would be directed entirely to the research vessel.

Co-Chair Hawker noted that the project has been underway since 2005. Ms. Rehfeld concurred.

Representative Austerman asked if the percentage is an earmark in the bill specifically for the vessel. Ms. Rehfeld stated that the percentage was not technically an earmark.

Co-Chair Hawker asked if the vessel is identified as a dedicated application of the science funds or is it within the latitude of the science foundation to pick and choose and they prioritized the research vessel. Ms. Rehfeld responded the latter.

[9:05:27 AM](#)

Vice-Chair Thomas wondered why the funds are requested by the legislature if the research vessel is funded by another agency. Ms. Rehfeld explained that the funding must be authorized by the legislature.

Co-Chair Stoltze recalled a previous research vessel of the University's that was since sold. He cautioned about such purchases. Co-Chair Hawker pointed out that each component can be rejected or accepted.

[9:08:00 AM](#)

Ms. Rehfeld discussed policy issues equaling \$73.2 million of the pending items before the committee. These policy issues encompass statewide policy and code changes that affect individuals and/or businesses, statute changes that impact the way a state agency does business, and permanent increased liability for the state and employers.

Ms. Rehfeld continued with operating and capital issues totaling \$214.4 million. She highlighted the onetime nature of the funds, the necessity of managing expectations, and opportunities to benefit Alaska, but will not increase long term costs to the state.

Ms. Rehfeld discussed the governor assurances energy. She explained that additional information is now available about the programs. She listed the program amounts as \$28.6 million for the state energy program, \$18.5 for the weatherization program, and \$8.5 million for energy efficiency grants. She did not know if all three programs are subject to the assurances. She explained that the department is attempting to sort out the requirements and future costs.

[9:11:08 AM](#)

Co-Chair Hawker asked if Ms. Rehfeld has received advice from DOE as to whether the assurances are limited to the State Energy Program.

[9:11:49 AM](#)

JO ELLEN HANRAHAN, ANALYST, OFFICE OF BUDGET AND MANAGEMENT, reported that the assurance applied to all three programs. She informed that OMB is awaiting a legal response. Co-Chair Hawker added that his office has spoken to program leaders and he believes there is a distinct difference between the programs. He expected to see ongoing clarity. Ms. Hanrahan agreed and is seeking written guidance from the department.

[9:14:05 AM](#)

Representative Joule commented on the energy assurances. He asked about prior conversations with Alaska Housing Finance Corporation (AHFC). Ms. Rehfeld reported that the department has communicated with AHFC. She emphasized the importance of written advice regarding the energy code.

Representative Joule asked about a potential timeline for the written request. Ms. Rehfeld replied that the administration is engaged in obtaining the written guidance.

[9:16:03 AM](#)

Representative Austerman asked about the May 12 date. Ms. Rehfeld informed that she was advised that the March 23 deadline was not important, but the May 12, 2009 guideline must be adhered to.

Co-Chair Hawker commented that once the guidance is received regarding the applicable topics, the interpretation must be made regarding constraints and compliance requirements. It

has been characterized that Alaska would have to adopt a statewide building code. He maintained that the state already has a building code. He voiced concerned about the myth and stated that it is not true.

Ms. Rehfeld maintained that the requirement is a statewide energy building code, which is specific to energy requirements. She opined that the debate is about the application of the energy code on a statewide basis. The public debate on energy building code includes cost versus potential savings to homeowners, cost to enforce at state and local levels, local control concerns, and cost to the state to continue funding renovation programs for buildings that are not built to energy efficiency standards.

Co-Chair Hawker wanted to dispel the myth that this entire component of the stimulus package is contingent upon adopting a statewide building code. Ms. Rehfeld believed that significant decisions must be made prior to the acceptance of the energy dollars on a statewide basis. Co-Chair Hawker wanted to be very clear about what the constraints are.

Co-Chair Stoltze thought the myth had repercussions in his district. He expressed interest in dispelling the myth.

[9:19:29 AM](#)

Ms. Rehfeld noted that the Unemployment Insurance (UI) statute change requires policy discussion. The change including an estimated increase in the number of individuals that are potentially eligible for UI would result in: \$2 million annual impact on UI trust fund, \$10 per worker cost to the employer, and .03% employer rate increase. Co-Chair Hawker asked if the \$2 million impact to the trust fund was on the state, a single employer, or the universal aspect of the statutory changes.

Ms. Hanrahan reported the \$2 million impact on the UI trust fund creates a liability for the state and employers that affects the calculation of the employer rate. Co-Chair Hawker asked who the employer rate affects. Ms. Hanrahan answered all employers subject to UI taxes.

[9:21:47 AM](#)

Co-Chair Hawker summarized that the \$10 per worker rate is the estimated cost to the employer based on the \$2 million amount. He asked if UI rates are expected to increase or decrease this year. Ms. Hanrahan stated that the UI rates would decrease even with the addition of the incentive money because of changes to the law that shifted some tax share from the employer to the employee. The reductions are implemented in 2009 and 2010. The employer rates will

continue to decrease even with the addition of the stimulus funds.

[9:23:14 AM](#)

Co-Chair Stoltze requested a comprehensive list of the legislation necessary to complete the application process. Ms. Rehfeld reported that three areas were identified as requiring legislation: statewide area code, UI base change, and environmental conservation funding would require granting authority.

Co-Chair Stoltze asked if the legislature would be tasked with the issues. Ms. Rehfeld acknowledged that there is a great deal to accomplish in a short amount of time. She noted that the debate about the acceptance of the funds was the priority today.

[9:25:41 AM](#)

Representative Crawford questioned the \$2 million match. He wondered what the benefit from the federal government for the match would be. Ms. Rehfeld explained that the impact of changing the base rate would be in the unemployment payments out of the UI trust fund. The \$2 million is an estimate of the requirement.

[9:26:47 AM](#)

Ms. Hanrahan clarified that \$15.6 million was available for modernization of the UI system. Representative Crawford concluded that if employers come up with \$2 million over the next year, the state receives \$15.6 million in additional funds from the federal government. Ms. Hanrahan explained that the change would be permanent and estimated a \$2 million annual impact on the UI Trust fund resulting in a permanent increase in employer taxes. Representative Crawford assumed that there would be more leeway regarding the benefits. He recalled raising unemployment benefits in Alaska recently. He did not see how the increase could be permanent. Ms. Hanrahan thought that DOL could answer the question.

[9:29:19 AM](#)

Representative Fairclough asked about the decline in the UI employer and employee benefits. Ms. Rehfeld deferred to Mr. Bell in DOL. Co-Chair Hawker suggested placing the question on hold as this hearing is simply an overview.

[9:30:11 AM](#)

Ms. Rehfeld referred to the pie chart on Slide 18 and focused on the education stabilization funds estimated at

\$93 million. The ARRA items are pending discussion. The largest chunk is available for education funding, divided into two pieces. The money would be available to school districts based on Title I qualifications. A subpart of the stabilization fund was not allocated to any specific project. The governor has not rejected, only put forth \$20 million. She listed requirements the governor and sub recipients would have to certify to the use of these funds.

[9:33:24 AM](#)

Ms. Rehfeld spoke of allocations for special education funds, technology grants and the arts in addition to those currently in the FY10 budget. Co-Chair Hawker returned to the topic of education fiscal stabilization funds. He noted that one portion of the issue is the "mandatory toward education" fund, which is not included in the proposal. The second portion is the fiscal stabilization fund at 18.2 percent, which has been included. He wondered if they can be split or must all be used.

Ms. Rehfeld agreed that if the decision was to accept the \$20 million instead of the \$93 million. She expected that the state would have to work with the United States Department of Education to further understand the requirements. The bigger question is asking school districts how they intend to manage the money.

[9:36:10 AM](#)

Representative Austerman asked about the administration's hesitancy to receive the \$78.5 million for education. Ms. Rehfeld responded that the programs included in the 27% or \$78 million represent existing ongoing federal education funding. She noted talk of doubling the allocation that annually goes through to school districts. She expected that the school districts could report on the intentions to use the funds, as well as the plan for the future when the funds are no longer available.

Representative Austerman asked if the programs are formula driven and would cost the state additional money. Ms. Rehfeld explained that the formulas exist on the federal level and do not impact state funding. The question is how to manage the expectation at the end of two years. Future implications must be clarified. Co-Chair Hawker reminded that the topic is better suited for a future conversation.

[9:38:34 AM](#)

Ms. Rehfeld continued to discuss the pie chart and revenue portion. Child support enforcement is an area that is somewhat similar to Medicaid where the state can count federal incentive payments as match under child support

helping relieve general fund pressure on the state. In the case of FY10 budget the administration arrived at a \$1.9 million general fund increment to continue to operate the child support enforcement division. This item was not rolled into the operating budget.

Co-Chair Hawker noted that there are several similar programs. Ms. Rehfeld reported that most items would be included in the regular budget process.

[9:42:12 AM](#)

Ms. Rehfeld talked about items in the Department of Labor (DOL) such as employment services and independent living services. The Department of Health and Social Services (DHSS) encompasses approximately 3 percent. She listed the items. The health and social services portion exists in addition to that currently in the operating budget.

Ms. Rehfeld addressed one concern about future expectations that the state will begin to fund these items in two years when the federal money is spent. Co-Chair Hawker shared the concern about the long term consequences that the acceptance of the federal funds might have.

[9:44:25 AM](#)

Ms. Rehfeld listed items in the Department of Public Safety. The department would be applying for competitive projects. The discussion is about continuing general fund support for the additional troopers. Co-Chair Hawker responded that the state will increase the number of public safety officers in the next five years to meet Alaska's needs.

[9:45:57 AM](#)

Ms. Rehfeld reported on the Department of Commerce (DOC) additions. She talked about Department of Environmental Conservation (DEC) and the \$2 million available for diesel emission program. The DOT has received funds but does not have granting authority. Ms. Rehfeld mentioned the \$1.5 million for the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Co-Chair Hawker asked for a definition of COBRA. Ms. Rehfeld explained that COBRA provides for people who have been laid off and require health insurance. She noted that the federal government has offered to provide a portion of the program funding. She mentioned additional funds available for the violent crimes compensation board.

[9:48:09 AM](#)

Ms. Rehfeld summarized that the onetime nature of these funds is the priority for discussion. She noted that if the funds are used for salaries, layoffs may be delayed but not prevented. She stated that the expansion of services will abruptly end. She noted that public safety capacity increases will create on-going position costs. She stated that permanent changes in programs may create expectations for continuing programs once the federal funds are no longer available.

[9:49:06 AM](#)

Ms. Rehfeld highlighted that significant responsibility is incumbent upon the state for pass through funds as well. She commented on the discussion about making funds available to various sub-grantees through agencies, they should be held to the same assurances that the state must make. All of these assurances are attached to the governor. Decisions to receive these funds along with moving them to the correct recipients, must meet the same assurances, allowing Alaska to report proper use of the funds including tracking of expenditures and reporting requirements.

[9:50:26 AM](#)

Representative Joule asked about accountability and the impacts of spending the money.

Ms. Rehfeld replied that budget preparation must be result driven. She asked if the state is fully utilizing the federal funds that are currently available. She asked if the state is ready and willing to accept these as onetime funds or will there be an expectation that the state will backfill the hole when federal funds are gone. She insisted that the public understand the decisions made by the administration and the legislature. She welcomed discussion about the potential opportunities for funds targeted one time for the benefit of Alaska.

[9:52:46 AM](#)

Representative Joule concurred that the public must be fully informed. He wondered if the state would provide the information regarding the money available to non-profits or other entities.

Ms. Rehfeld recommended ample discussion for sources of information for individuals and other organizations wishing to apply for funds available from federal agencies. She mentioned the OMB website as a source of information.

[9:54:44 AM](#)

Co-Chair Hawker stated that his office has received an ongoing stream of inquiries for stimulus fund information. He commended OMB for their heavy work load.

[9:56:16 AM](#)

Representative Joule commented that another agency or organization such as the Denali Commission might be determined as the necessary "clearing house." Ms. Rehfeld agreed with Representative Joule's suggestion. She referred to the ARRA Web Site at Alaska.gov/Recovery as a source for Alaska Federal Economic Stimulus Information including links to Federal Recovery.Gov web site, grant information, Alaska legislation, and department fact sheets.

Co-Chair Hawker wished to discuss the possible uses of the federal funds without incurring long term costs. He recognized that much discussion was necessary. He expressed interest in utilizing the funds without incurring long term costs or unreasonable public expectations. He shared the anxiety over incurring unsustainable long term commitments.

Ms. Rehfeld agreed that the committee process will reveal opportunities to benefit from ARRA. The overall discussion centers on whether ARRA was designed to preserve and create jobs.

Co-Chair Hawker commented that the history of the package dictates that the stimulus package relieve the financial burden for the states. He wished to avoid the false impression that if the stimulus package does not create a new job then it is not part of the federal intent.

[10:00:10 AM](#)

Ms. Rehfeld referred to the ARRA web site Alaska.gov/Recovery. She offered to address individual agencies in regard to HB 199. Co-Chair Hawker wished to defer the detailed discussion to a future meeting.

[10:01:29 AM](#)

Representative Kelly commented on the various opinions regarding ARRA. He preferred jobs rather than welfare programs. He asked about potential consequences for denying the federal funds.

Co-Chair Hawker asked about surface transportation money being available for redistribution to other states. He asked if the redistribution concept applied to other programs. Ms. Rehfeld reported that there are other existing programs that fall into that category. She stated that she was unprepared to inform about specific programs whose funds are

available for redistribution. She noted that under existing programs, unused dollars are made available to other states.

[10:06:10 AM](#)

Co-Chair Hawker requested additional information.

Representative Kelly spoke of placeholders allowing Legislative Budget and Audit (LB&A) to add to the list of proposed programs for the stimulus funds, following the legislative session. He expressed concern about releasing the authority because it may be difficult for LB&A to deny requests leading to an increased operating budget.

[10:08:05 AM](#)

Co-Chair Hawker noted he has had discussions about the authority of LB&A. LB&A is a screening process and cannot appropriate funds. The legislature must appropriate the money first. If the legislature does not want to participate, they should not appropriate the funds. He agreed that the mechanism was undesirable.

Representative Kelly expressed concern about running out of time to vet all of the attractive uses for the funds. He stated that the public should understand as much as possible. He compared the stimulus plan to the introduction of credit card debt to an ailing family.

[10:11:36 AM](#)

Representative Austerman asked if the additional items in HB 199 would be rolled into a new Committee Substitute (CS). Co-Chair Hawker supposed that HB 199 would be the vehicle or the companion Senate bill. He emphasized the time factor.

HB 199 was heard and HELD in Committee for further consideration.

[10:12:58 AM](#)

#hcr13

HOUSE CONCURRENT RESOLUTION NO. 13

Certifying that the State of Alaska requests and will use any funds provided to the state, a state agency, a municipality, or a political subdivision of the state under the American Recovery and Reinvestment Act of 2009.

Co-Chair Hawker returned to HCR 13. The resolution would allow the legislature to certify that the funds would be used. He read from the bill. The resolution is a backstop resolution intended to be sympathetic to the governor's

bill. After April 3, 2009 a legislative effort would be necessary. He reiterated that the legislation does not obligate the legislature to accept funds. The legislature cannot mandate that the executive branch spend the funds. The legislature can only appropriate funds. He termed it "keeping our options open".

[10:15:59 AM](#)

Co-Chair Stoltze MOVED to ADOPT HCR 13 with individual recommendations and the accompanying fiscal note.

Co-Chair Hawker OBJECTED.

[10:16:31 AM](#) At-Ease:
[10:17:40 AM](#) Reconvened:

Co-Chair Hawker reviewed the question before the committee.

Representative Kelly commented that the resolution is necessary to continue the discussion. Representative Austerman echoed Representative Kelly's remarks. He noted concerns, but the resolution places the legislature in the role of discussing ARRA without committing the state.

[10:19:44 AM](#)

Representative Joule asked when the public will have an opportunity for public hearings. He labeled the public process as an important piece. Co-Chair Hawker agreed that a full public dialogue must occur. He noted that other policy issues compete with the economic issues.

[10:21:01 AM](#)

Vice-Chair Thomas stated that he was available for the discussion. He was cautious about displacing federal funds and obligating the state's general funds.

Co-Chair Hawker exemplified a paradox of the federal stimulus program. The program was allegedly founded on strengthening the states, but it has weakened states in some cases. He suggested that a careful look was warranted.

[10:24:10 AM](#)

Representative Fairclough reported on an email regarding funds that the governor denied. She wondered if intent language was necessary to ensure public understanding that the administration has made applications during the policy discussions. She stated that she was pleased to receive the email as the April 3, 2009 deadline would not confine the process.

10:25:22 AM

Co-Chair Hawker pointed out that state agencies have been directed to fully facilitate receipt funds available without making decisions to accept funds.

Co-Chair Hawker WITHDREW his objection.

HCR 13 was REPORTED out of Committee with a "do pass" recommendation and with a new zero fiscal note by the Legislature.

#

ADJOURNMENT

The meeting was adjourned at 10:26 AM.