

SENATE FINANCE COMMITTEE
April 3, 2009
1:04 p.m.

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CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 1:04 p.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair
Senator Bert Stedman, Co-Chair
Senator Charlie Huggins, Vice-Chair
Senator Johnny Ellis
Senator Donny Olson
Senator Joe Thomas

MEMBERS ABSENT

None

ALSO PRESENT

Jay Livey, Staff, Senator Lyman Hoffman; JoEllen Hanrahan, Senior Policy Analyst, Office of Budget and Management, Office of the Governor; Larry Persily, Staff, House Finance Committee; Guy Bell, Assistant Commissioner and Director, Division of Administrative Services, Department of Labor and Workforce Development; Eric Swanson, Director, Division of Administrative Services, Department of Administration; Amanda Ryder, Director, Division of Administrative Services, Department of Commerce, Community and Economic Development; Les Morse, Deputy Commissioner, Office of the Commissioner, Department of Education and Early Development.

PRESENT VIA TELECONFERENCE

None.

SUMMARY

SB 88 POWER COST EQUALIZATION

SB 88 was REPORTED out of Committee with a "do pass" recommendation and with attached new fiscal note by the Department of Commerce, Community and Economic Development.

SB 161 APPROPS: NON-TRANSPORTATION STIMULUS

SB 161 was HEARD and HELD in Committee for further consideration.

#sb88

SENATE BILL NO. 88

"An Act repealing certain provisions relating to modifying the factors that apply to calculate the amount of power cost equalization; providing for an effective date by repealing the effective date of sec. 3, ch. 2, 4SSLA 2008; and providing for an effective date."

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Co-Chair Stedman gave an overview of history of the legislation.

JAY LIVEY, STAFF, SENATOR LYMAN HOFFMAN, provided an overview of the provisions of the Power Cost Equalization (PCE) program. The program makes electricity affordable to Alaskans. The law stipulates that up to 500 kWh per month is eligible for PCE assistance. The program is administered by both the Alaska Energy Authority (AEA) and the Regulatory Commission of Alaska (RCA); RCA takes information from utilities companies and establishes the PCE rate according to statute.

Mr. Livey explained that the bottom of the rate range is established by averaging the cost of electricity in Juneau, Anchorage, and Fairbanks; the top of the range is established in statute. The assistance provided by PCE is 95 percent. During the special session, a law was passed that established the top rate at \$1.00 per kWh for one year. If SB 88 did not pass, the one-year change would revert back to the statutory top rate of \$0.52 per kWh and lower rate of 12.3 cents/kWh. Citizens in villages would pay full cost for kWh above \$0.52. The current rate in many villages is approximately \$0.65 to \$0.75. Therefore, PCE would make a significant difference in energy bills for rural Alaskans. If SB 88 passes, the upper rate of \$1.00/kWh would become permanent and provide more dependable assistance in rural Alaska.

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Co-Chair Stedman noted that the program applied to the first 500 kWh, the usage amount for basic electric needs such as lights and electric appliances, and only a little bit of heating cost. Mr. Livey agreed.

Co-Chair Hoffman MOVED to report SB 88 out of Committee with individual recommendations and the accompanying fiscal note.

SB 88 was REPORTED out of Committee with a "do pass" recommendation and with attached new fiscal note by the Department of Commerce, Community and Economic Development.

#sb161

SENATE BILL NO. 161

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

Co-Chair Stedman introduced SB 161 as appropriating non-transportation federal stimulus funds.

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JOELLEN HANRAHAN, SENIOR POLICY ANALYST, OFFICE OF BUDGET AND MANAGEMENT, OFFICE OF THE GOVERNOR, noted that the legislation included operating items that could increase the operating budget.

DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (DLWD)

GUY BELL, ASSISTANT COMMISSIONER AND DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT (DLWD), spoke to DLWD items in the legislation.

Item 19 Employment Training Services

These funds will be used to hire an additional 8 full time, front-line service delivery staff to assist with the increased volume of labor exchange customers and unemployment insurance claimants. Six Employment Security Specialist II positions (qualified in case management) will provide job search assistance, labor market information, case management, and other reemployment services in the job centers. Two Community Development Specialist positions will provide career support and training services to unemployment insurance claimants who need training to upgrade skills in order to obtain employment. Funding will also be used to support salary and benefit costs of existing staff, travel for trainers, enhancements to the Alaska Labor Exchange System (ALEXsys) and equipment replacement and upgrade to support the federal Stimulus effort. These efforts include continuing to provide front-line employment and reemployment services, and career support and training services, to an increased volume of labor exchange customers. The outcome will be to increase the number of customers receiving staff assisted services by approximately 2,250.

\$4,304,700

Mr. Bell added that the department intended to delete the eight positions once the stimulus funds are depleted.

Co-Chair Stedman discussed the number of full-time state employees and emphasized the importance of keeping track of the new positions. Mr. Bell reiterated the department's intent to delete the positions once the funds were gone. He added that the department had gone from 241 to 220 full-time positions in the division. The division, which is largely federally funded, tends to shrink when the economy is good. Service levels increase when more people are looking for work.

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Co-Chair Stedman asked for more information regarding the vacant positions. Mr. Bell stated that the department preferred to reduce through attrition, though one year it had to lay off 20 individuals in addition to attrition reductions.

LARRY PERSILY, STAFF, HOUSE FINANCE COMMITTEE, stated that the House Finance Committee (HFIN) had no problems with the item. The committee considered the eight positions necessary because of rising unemployment. He emphasized that the positions were fully covered by the stimulus funds.

Mr. Bell continued with the next item.

Item 20 Employment Training Services

Funding will support additional training and employment opportunities for unemployed low-income seniors. Grantees will expand the number of Senior Community Service Employment Program (SCSEP) participants assigned to community service work, especially in those growth industries emphasized in the Recovery Act (e.g., health care, child care, education, green jobs, energy efficiency and environmental services) and in expanded public service activities that utilize Recovery Act funds. The funds will be used to provide high quality job training, on-the-job training and employment assistance to an estimated 80 low income older workers and will assist employers that are faced with the challenges of today's workplace.

\$507,300

Mr. Bell detailed that the program was for individuals over 55 years of age who meet criteria such as being low-income. The intention of the funding is that the workers would transition from subsidized employment to non-subsidized employment. The program requires a ten percent state match; existing funds have been identified in the state training and employment program for the match.

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Mr. Bell presented the next item.

Item 21 Unemployment Insurance

Funds will be used to upgrade computers on the department's annual replacement schedule, UI tax and benefit program enhancements, software and associated data processing costs, and office equipment. The funds will support a UI claim center phone call routing software package along with licensing and installation charges. They will also purchase a Tax auditing software package; web based Quality Control audit software; software to record and retrieve claim center calls for staff performance review; software for managing UI workflow and documentation processes; and computer enhancements to existing Employment Security Division on-line systems integration.

\$1,115,700

Mr. Bell stated that the department intended to use the funds for short-term improvements or improvements to technology to increase the efficiency of unemployment insurance (UI) services.

Co-Chair Stedman queried the item's relationship to SB 170, another piece of legislation that modifies the UI statutes. Mr. Bell answered that the funding in item 21 is not connected with the funding that would be available if SB 170 were enacted.

Mr. Persily noted that HFIN had no problems with the item and saw it as a good one-time use of the federal stimulus money.

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Mr. Bell continued with the next item.

Item 22 Business Services

Additional funding will be utilized to increase workforce development training opportunities in the Workforce Investment Act programs for Adult \$1,679.5, Dislocated Worker \$3,546.4, and Youth \$3,936.1. It will be used for personal services to support existing staff engaged in Stimulus related activities, travel to monitor grantees, commodities and contractual services for normal office and staff related costs, and contractual services and grant funds to provide training. It is estimated to provide training

opportunities to an additional 729 Adult, 733
Dislocated Worker and 1,681 Youth participants.
\$9,161,900

Mr. Bell explained that the basic purpose of the item is to offer training opportunities to unemployed and under-employed Alaskans and to enhance their skills and make them more marketable. The youth funding in particular would focus on summer job opportunities for low-income, at-risk youth; adult funds would target low-income adults. The funding is available for a period of two years; DLWD intends to offer short-duration training that would make people more employable after the program.

Co-Chair Stedman affirmed that the program would return to existing levels after the two years. Mr. Bell noted that the department receives influxes of federal programming for different short-term purposes, such as when the falling prices of salmon resulted in an increase of unemployed fishermen. The department is accustomed to responding to such circumstances and then returning to the status quo.

Mr. Persily reported that HFIN had spent a fair amount of time discussing the youth summer employment program, and was satisfied that the program would make good use of the one-time boost in funding.

Mr. Bell continued with the next item.

Item 23 Client Services

Funding will provide vocational rehabilitation services and grants to disabled individuals. These services include assessment for determining eligibility for services, job development, orientation and mobility services, and supported employment services.

\$1,800,000

Mr. Bell explained that the Division of Vocational Rehabilitation will focus on enhancing job preparedness for disabled individuals and would also improve technology used by both staff and customers.

Mr. Persily noted that no state match was required with the item.

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Mr. Bell discussed the next item.

Item 24 Employment and Training Services

The ARRA [American Recovery and Reinvestment Act] reauthorized and permanently expanded the Trade

Adjustment Assistance program. Eligibility was expanded to include workers in the services sector. The funds will be utilized to support salary and benefit costs of existing staff to provide employment and case management services to increased participants to include comprehensive and specialized assessment of skill levels and service needs; development of an individual employment plan; information on how to apply for financial aid; information on training available in local and regional areas; short-term prevocational services; individual career counseling; employment statistics information; and information relating to local occupations that are in demand and the earnings potential of such occupations. In addition, the Trade Adjustment Assistance database will need to be upgraded as mandated by new federal regulations. The estimated outcome is 115 participants will utilize Trade Adjustment Assistance program benefits such as job search activities, relocation benefits, training, health care tax credits and trade readjustment allowance benefits.

\$350,000

Mr. Bell pointed out that there was no state match requirement. The program was expanded in the stimulus act to provide assistance to people who are unemployed because of competition created by foreign trade. The program was expanded to include the service sector as well to allow communities to apply for funding. He noted that the department is waiting for more guidance related to the program.

Mr. Persily reported that HFIN had no issues with the appropriation and noted that the program was an existing one.

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Mr. Bell turned to the department's last item.

Item 25 Independent Living Rehabilitation

These funds will be granted to the four Centers for Independent Living (CILs) to support activities that lead to competitive employment, independent living and business ownership by Alaskans with disabilities. Activities include providing home accessibility modifications, adaptive equipment and/or services that allow people to remain in their homes and communities. Funds will also be used to expand independent living services statewide, including rural and remote areas of the state, by encouraging partnerships, collaborative efforts, training and outreach.

The funds will also support operations of the State Independent Living Council (SILC), examining the State Plan for Independent Living resource plan to determine if it needs to be updated.

\$246,200

Mr. Bell detailed that the purpose of the program was to assist individuals with severe disabilities to live independently. The department administers grants with multiple entities in Alaska that provide the services.

Mr. Persily reported that HFIN had learned a lot more about labor programs.

Mr. Bell directed attention to another item not on the list related to SB 170. He explained an ARRA provision that gives incentive to modernize UI systems. States need to meet various conditions to receive the funds. The total amount available to Alaska would be \$15.6 million. If the conditions of the provision were met, the funds would be deposited in the Alaska UI trust. The Department of Law has determined that one statutory change would need to be made to Alaska law in order to pursue the funding, to add an alternate base period in qualifying individuals for UI.

Co-Chair Stedman asked if DLWD supported SB 170. Mr. Bell stated that the department did not have a position on the bill.

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Co-Chair Stedman asked if the department would have a position. Mr. Bell replied that he would get back to the committee.

Senator Huggins asked if SB 170 would cost employers more money. Mr. Bell reported that the department had calculated that there would be a relative increase to employers, but the analysis was not complete.

Mr. Persily added that there would be a cost to employers of approximately \$10 per worker if the legislature were to take the take the entire \$15.6 million and appropriate it out immediately to improvements in the unemployment and job center programs. Rates would still go down, but would go down less. Keeping the funds in the trust where they would earn interest would negate the need for employer taxes to unemployment. The HFIN CS to HB 199 (the equivalent to SB 170) did not make appropriations; with passage of the legislation, the \$15 million will flow directly into the trust and start earning money. At a later date, the legislature could appropriate out of the fund. In the meantime, the fund would be protected.

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Ms. Hanrahan warned the committee that the operating budget increase would be sizeable, at least \$15 million, but that services would be expanded. The number of people receiving unemployment would be increased. She pointed out that the services would end abruptly when the money is gone in two years. Funding for the trade adjustment program is scheduled to end in two years, although the law will not change.

Co-Chair Stedman concurred with concern about operating budget increases.

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DEPARTMENT OF ADMINISTRATION

ERIC SWANSON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF ADMINISTRATION, described the department's first item.

Item 1 Premium Assistance for COBRA Benefits

This provides for a federally funded subsidy for COBRA health insurance coverage to assistance eligible individuals (AEIs). AEI is defined as an individual who is involuntarily terminated from employment between September 1, 2008 and December 31, 2009, who elects to receive COBRA coverage and pays 35% of the premium due as of March 1, 2009. The employer pays the remaining 65% of the premium and is reimbursed by the federal government by withholding premiums paid from payroll taxes reported on the quarterly 941 employer tax form.

\$1,489,000

Mr. Swanson added that the program provides for a maximum coverage period of nine months, has specific beginning and ending dates, and would not continue after September 2010. The \$1,489,000 is the department's estimate of costs.

Co-Chair Stedman queried the mailing of information regarding the item. Mr. Swanson was not aware of a mailing and offered to get information.

Mr. Persily noted HFIN's understanding that under the stimulus act, the federal government would subsidize 65 percent of the COBRA premium for laid-off workers, and that the employer would initially pay the money to the insurance company, but immediately take a credit against payroll taxes. The net effect would be no cost to the state for the program. In addition, the program is federally required.

Mr. Swanson reported that the department concurred with HFIN's conclusions.

Mr. Swanson turned to item 2, \$149,000 for the Crime Victim Compensation Grant. The funding has been allocated to the state through ARRA and offers compensation to victims and survivors of criminal violence. He commented that the funding cannot be used to supplant existing funding. The grant is available for use until September 2012.

Mr. Persily reported that HFIN had no issue with the item.

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Senator Huggins confirmed that state money cannot be supplanted with federal money. He emphasized the importance that the ARRA funds are to stimulate and not supplant the budget.

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DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

AMANDA RYDER, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, turned attention to first item.

Item 3 Alaska State Community Services Commission

Funding will provide grants to existing AmeriCorps grantees for performing volunteer programs. \$1,500,000

Ms. Ryder explained that the grants would be awarded to non-profits to promote volunteer programs meeting critical community needs in education, public safety, health, and the environment. The grants could be used for activities like tutoring, mentoring youth, and assisting crime victims.

Co-Chair Stedman asked what would happen after the \$1.5 million was expended. Ms. Ryder assured the committee that the non-profits are aware of the one-time nature of the funding. She gave the example of a summer program that the Sitka School District would provide.

Mr. Persily said HFIN had no issues with the item.

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Senator Huggins asked for the grant number for AmeriCorps program. Ms. Ryder replied that the existing program is for approximately \$3 million in the operating budget; there are five sub-grantees. Only two sub-grantees are applying for a portion of the \$1.5 million; the other three decided not to apply. She noted that there may be other opportunities to apply for the funds at a later date.

Senator Huggins expressed concern that people were not aware of opportunities to apply. He questioned whether Alaskans would benefit from the clearinghouse nature of the funding. Ms. Ryder assured him that the five sub-grantees were very knowledgeable of the process, but have chosen not to apply for various reasons.

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Item 32 Community Development Block Grant Program

This program provides grants (not to exceed \$850,000) to municipalities for planning activities, infrastructure projects, and economic development activities which benefit low- to moderate-income individuals.

\$679,900

Ms. Ryder explained that the grants would be for municipalities to create suitable and affordable housing as well as economic opportunities for qualifying individuals. The program is an existing capital program to which funds were added.

Mr. Persily said that HFIN had no issues with the item.

Item 33 Community Services Block Grant Program

The CSBG program is designed to provide a range of services which assist low-income people to attain skills, knowledge and motivation necessary to achieve self-sufficiency. The program may also provide low-income people immediate life necessities such as food, shelter, medicine, etc. As authorized by federal Public Law 97-35, the U.S. Department of Health and Human Services (H&HS) has designated 950 Community Action Agencies (CAAs) -- all of whom may then receive federal funding that passes through their appropriate state agency. Within Alaska the federal H&HS has designated only one CAA. That entity is the non-profit corporation Rural Alaska Community Action Program, referred to as RurAL CAP.

\$3,960,000

Ms. Ryder detailed that the funds used by RurAL CAP would provide energy burden reduction and Alaska foreclosure prevention. The energy burden reduction would be for weatherization in 25 rural communities that are not currently receiving weatherization funds. The foreclosure prevention funds will be used for financial counseling to traditional homeowners in Anchorage, Palmer, Wasilla, Kenai, Soldotna, and Homer. The goal is also to offer at-home credit counseling services to more than 1,000 Alaskans.

Co-Chair Stedman asked about funds to Southeast Alaska. Ms. Ryder replied that she would ask RurAL CAP how they planned to use the funds.

Mr. Persily reported that HFIN had discussed the plan with RurAL CAP and felt the money would be used well.

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DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

LES MORSE, DEPUTY COMMISSIONER, OFFICE OF THE COMMISSIONER, DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT (DEED), informed the committee that the first four items were current formula fund programs. The stimulus law does not change the programs, but provides additional funding.

Item 4 Student and School Achievement

ESEA [Elementary and Secondary Education Act] Title I-A Grants to LEAs and School Improvement Grants will help school districts mitigate the effect of the reduction in local revenues and State support for education by distributing funding to schools and school districts with a high percentage of students from low-income families, and by providing funding for academic assessment, LEA and school improvement.

\$40,000,000

Mr. Morse explained that Title I-A dollars are intended to improve academic achievement for low-income students. The funds are given to local school districts.

Item 5 Student and School Achievement

ESEA Title II-D Education Technology Grants will improve student achievement through the use of technology in elementary and secondary schools.

\$3,210,000

Mr. Morse detailed that Title II-D provides information technology dollars to improve student achievement.

Item 6 Student and School Achievement

McKinney Vento Homeless Assistance Grants to ensure that homeless children, including preschoolers and youth, have equal access to free and appropriate education.

\$328,000

Mr. Morse added that the assistance can be used to ensure that students who move to different homeless shelters are able to stay in one school and get tutorial assistance.

Item 7 Student and School Achievement

IDEA [Individual Disabilities Education Act] Part B (611 and 619) Grants to States, Preschool Grants to provide services to students with disabilities ages three through twenty-one who are enrolled in special education programs. The state will receive the allocation as a grant and pass-through to LEAs based on the number of children with disabilities who are receiving special education and related services. Funding will also be provided for services to children with disabilities ages three through five (and optionally to two-year olds who turn three during the school year). The state will receive the allocation as a grant and pass-through to LEAs based on population, including consideration for the number of children living in poverty.

\$34,300,000

Co-Chair Stedman asked what would happen when the money was expended. Mr. Morse replied that the programs would go back to their previous levels, although there are reporting requirements.

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Senator Thomas supported the grants for homeless kids and noted problems in keeping consistent school records. He asked if the grants would be used to keep records. Mr. Morse responded that the intent is to keep disruption to a minimum for homeless students, so keeping records would be appropriate use of the money.

Mr. Persily stated that HFIN had discussed whether the state could mandate by statute how the districts could use the money. The U.S. Department of Education has said that the states may not impose direction on school districts. The House Finance Committee put intent language in the CS advising districts to look for one-time expenditures with long-term gains, and not to expect the money to be replaced with general funds in the future.

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In response to a question by Senator Huggins, Mr. Morse explained that none of the items on the list were in the governor's proposal for stimulus funds.

Senator Huggins asked how DEED communicates the one-time nature of the funds to the school districts. Mr. Morse

replied that the districts are asked to sign off on clear assurances. The U.S. Department of Education used language that clearly described the one-time nature of the funding. School districts use grants frequently and understand the nature of the grants.

Senator Huggins wondered why the state would not want to receive the stimulus money for education. Ms. Hanrahan thought it was very important to accept the money. She emphasized that the services would abruptly end in two years unless the general fund was used to fund them. She wanted the public to understand that the money will delay but not prevent layoffs in the school systems. She stressed the need for public discussion and legislative oversight. The state has little control over how the districts spend the funds, although the state will be held fully accountable.

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Senator Huggins asked if the administration could adequately communicate the concerns to local school districts. Ms. Hanrahan replied that the communication process had already begun. The federal OMB office has realized the importance of the issue and recommended ladder assurances. She stressed the importance of close scrutiny.

Senator Huggins opined that other states had started the process with worse financial situations. He thought the committee understood both the importance of keeping the operating budget reasonable and the importance of bridge funding. He thought people competent enough to understand the meaning of one-time funding. He asked if other states were wrestling with similar questions. Ms. Hanrahan thought other states had similar issues. She noted national conferences looking at ways to minimize risk.

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Co-Chair Stedman clarified the amount of the energy dividend as \$1,200.

Mr. Persily noted that the state receives approximately \$2.5 billion per year in federal money that is already in the budget; there are accountability, controls, and auditing on that money. The House Finance Committee did not think taking the stimulus funds would cause the school districts undue trouble. Intent language was placed in the HFIN CS requiring school districts that receive stimulus money to submit a letter to DEED signed by the school superintendent and school board president acknowledging the one-time and temporary nature of the funds.

Mr. Persily added that certain stimulus funds not expended will be returned for use by other states. The measure

applies to fiscal stabilization funds (item 8), transportation dollars, the special education funds, and some of the unemployment funds.

Co-Chair Hoffman wondered if unaccepted weatherization funds would be returned. Ms. Hanrahan reported that the energy money would not necessarily be re-allocated to another state, according to the attorney general's office. She did not know if the case was the same for the education money.

Co-Chair Hoffman asked whether other states could use rejected funds in the same category. Mr. Morse opined that there would be deadlines for accepting or obligating stimulus funds, at which point the funds would be redistributed to other states.

Co-Chair Hoffman queried the process by which the funds were re-distributed to other states. Mr. Persily replied that the formula used for the awarded funds would be used for re-distribution.

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Ms. Hanrahan offered to follow up with more information regarding re-distribution.

Item 8 Student and School Achievement

State Stabilization Funds (base) will be distributed by the department to LEAs based on their relative share of funding under Title I-A grants for 2009. LEAs may use the funds for activities authorized by ESEA, IDEA, Adult Family Literacy Act, Carl D. Perkins Career and Technology Act, or for the repair, modernization or renovation of public school facilities that is consistent with State law.

\$93,043,200

Mr. Morse explained that there were two parts to the fund. One part is included in the budget item; the other part not included for \$20.7 million was included in the governor's original request. Item 8 was originally designed to make sure the state fully restores the level of state support to school districts and institutions of higher education to meet the higher of the contributions to the systems in FY08 and FY09. If there is a gap in the funding and money remains, then the remainder of the dollars would be distributed to school districts according to the formula used for Title I funds. For example, if a district gets 19 percent of the state's Title I funds, it would get 19 percent of the \$93 million.

Mr. Morse added that school districts are given wide latitude regarding how the funds are used. He listed

examples, including repair, modernization, and renovation of public school facilities.

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Mr. Persily added that DEED had issued 100 pages of guidelines for application for the state stabilization funds, including that school districts can also use the funds for construction. The Secretary of the U.S. Department of Education confirmed that states cannot take just part B. States must take both or neither.

Item 9 Child Nutrition

Temporary Emergency Food Assistance Program will provide funding for the emergency food assistance program, allocated as a grant to the State distributing agency who then distributes to public or private nonprofit organizations that provide food and nutrition assistance to the needy.

\$100,000

Mr. Persily noted a conflict of interest because he served on the board of directors of the Food Bank of Alaska. He also reported that HFIN had put the item in the CS.

[2:09:07 PM](#)

Item 10 Child Nutrition

National School Lunch Program Grants provides funding to the state for National School Lunch Program equipment assistance in proportion to the State's administrative expense allocation. In turn, the state will provide competitive grants to school food authorities based on the need for equipment assistance in participating schools. Priority given to schools in which at least 50% of the students are eligible for free or reduced priced meals.

\$286,000

[2:10:00 PM](#)

Item 11 Alaska State Council on the Arts

National Endowment for the Arts Funding to provide an additional distribution to State Art Agencies. The Arts Council submitted an application for the additional funds by the March 13, 2009 deadline.

\$300,000

Mr. Morse detailed that the funds would go for grants to nonprofits, art organizations, or salaries to artist contracts. The art would be distributed through the council.

He noted that the council is aware of the one-time nature of the funding.

SB 161 was HEARD and HELD in Committee for further consideration.

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ADJOURNMENT

The meeting was adjourned at 2:10 PM.