

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

February 3, 2011

8:04 a.m.

**MEMBERS PRESENT**

Representative Cathy Engstrom Munoz, Chair  
Representative Neal Foster, Vice Chair  
Representative Alan Austerman  
Representative Alan Dick  
Representative Dan Saddler  
Representative Sharon Cissna  
Representative Berta Gardner

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

HOUSE BILL NO. 65

"An Act making regional Native housing authorities eligible to receive grants through the Alaska Housing Finance Corporation from the senior citizens housing development fund."

- MOVED OUT OF COMMITTEE

OVERVIEW(S): DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT

- HEARD

SERVE ALASKA

- HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 65

SHORT TITLE: SENIOR CITIZEN HOUSING DEV. FUND GRANTS

SPONSOR(S): REPRESENTATIVE(S) EDGMON, HERRON, FOSTER, JOULE

|          |     |                                 |
|----------|-----|---------------------------------|
| 01/18/11 | (H) | PREFILE RELEASED 1/7/11         |
| 01/18/11 | (H) | READ THE FIRST TIME - REFERRALS |
| 01/18/11 | (H) | CRA, FIN                        |
| 02/01/11 | (H) | CRA AT 8:00 AM BARNES 124       |

02/01/11 (H) Heard & Held  
02/01/11 (H) MINUTE(CRA)  
02/03/11 (H) CRA AT 8:00 AM BARNES 124

#### **WITNESS REGISTER**

TIM CLARK, Staff  
Representative Bryce Edgmon  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Presented HB 65 on behalf of the sponsor, Representative Edgmon.

SUSAN BELL, Commissioner  
Department of Commerce, Community & Economic Development (DCCED)  
Juneau, Alaska

**POSITION STATEMENT:** Provided an overview of the Department of Commerce, Community & Economic Development.

JOELLEN HANRAHAN, Director  
Division of Administrative Services  
Department of Commerce, Community & Economic Development  
Juneau, Alaska

**POSITION STATEMENT:** During DCCED overview, answered questions.

NITA MADSEN, Director  
Serve Alaska  
State Service Commission  
Anchorage, Alaska

**POSITION STATEMENT:** Provided a presentation on Serve Alaska.

#### **ACTION NARRATIVE**

[8:04:39 AM](#)

**CHAIR CATHY ENGSTROM MUNOZ** called the House Community and Regional Affairs Standing Committee meeting to order at 8:04 a.m. Representatives Munoz, Foster, Austerman, Gardner, and Dick were present at the call to order. Representatives Saddler and Cissna arrived as the meeting was in progress.

#### **HB 65-SENIOR CITIZEN HOUSING DEV. FUND GRANTS**

[8:04:55 AM](#)

CHAIR MUNOZ announced that the first order of business would be HOUSE BILL NO. 65, "An Act making regional Native housing authorities eligible to receive grants through the Alaska Housing Finance Corporation from the senior citizens housing development fund."

[8:05:34 AM](#)

TIM CLARK, Staff, Representative Bryce Edgmon, Alaska State Legislature, reminded the committee that HB 65 will benefit senior citizens by including rural housing authorities among the eligible entities for grants through the Alaska Housing Finance Corporation's (AHFC) Senior Citizens Housing Development Fund (SCHDF). Currently, the fund is only available to municipalities and 501(c)(3) and 501(c)(4) nonprofits. He recalled that at the last meeting there was a question regarding examples of nonprofits that currently qualify for grants through SCHDF. Two of the three projects highlighted at the last hearing, which were partially funded through SCHDF, are the Fairbanks retirement home as well as the Mid-Valley senior citizens facility. Additional examples were specified in a memorandum recently provided to members. Those additional examples included the Palmer Senior Citizens Center Incorporated, Meadow Lake Community Council, Bristol Bay Housing Development Corporation, and Ninilchik Tribal Health, Culture and Heritage nonprofit.

[8:08:45 AM](#)

REPRESENTATIVE GARDNER moved to report HB 65 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

[8:09:21 AM](#)

The committee took a brief at-ease.

[8:10:37 AM](#)

REPRESENTATIVE GARDNER moved that the committee rescind its action in reporting HB 65 out of committee. There being no objection, HB 65 was before the committee.

[8:10:55 AM](#)

REPRESENTATIVE SADDLER moved to report HB 65 out of committee with individual recommendations and the accompanying fiscal notes. There being no objection, it was so ordered.

**Overview(s): Department of Commerce, Community & Economic Development**

[8:11:32 AM](#)

CHAIR MUNOZ announced that the next order of business would be an overview of the Department of Commerce, Community & Economic Development.

[8:12:05 AM](#)

SUSAN BELL, Commissioner, Department of Commerce, Community & Economic Development (DCCED), began her presentation by highlighting the mission of DCCED, which is to "promote a healthy economy, strong communities and protect consumers in Alaska." She then directed attention to page 2 of her presentation, which is an organizational chart of DCCED. The department houses six corporate agencies and six core agencies. The department works across departmental lines through a number of programs and provides access to capital, state grants and loans, as well as a number of development programs that can be utilized in order to diversify and strengthen the state's economy. She pointed out that DCCED markets Alaska and many Alaska products. Moreover, the department has a number of regulatory agencies and provides considerable assistance to local governments and unincorporated communities through grants and technical assistance. Commissioner Bell then informed the committee that DCCED has a total of 538 employees throughout the state and a total fiscal year (FY) 2012 budget request of \$204,178.4 million, the breakdown of which the pie chart on page 4 illustrates. Of that total request approximately 39 percent, \$80 million, is for economic growth; 26 percent, \$53,315.8 million is for sustainable energy; 19 percent, \$38,927.5, is for strong communities, and 16 percent, \$32,129.1 million, is for consumer protection. Commissioner Bell remarked that DCCED assist communities to achieve maximum local self-governance and foster volunteerism statewide through DCRA and Serve Alaska. She noted that the reductions in the budget request are largely from one-time grant items that were in the [Division] of Community & Regional Affairs (DCRA). She then informed the committee that the following two experienced people are leading two of the department's core entities: Sara Fisher-Goad is the new executive director of the Alaska Energy Authority (AEA) and

Scott Ruby, a 26-year veteran of DCRA, is DCRA's new director. Returning to sustainable energy, Commissioner Bell pointed out that the department is focused on the sustainability of energy systems, reducing the costs of energy, and achieving DCCED's statewide goals.

[8:18:33 AM](#)

REPRESENTATIVE AUSTERMAN, referring to page 5 of the presentation, highlighted the \$1.4 million reduction of general fund (GF) in power cost equalization (PCE) funding. He reminded members that the PCE fund that generates interest earnings, which help pay for the cost of PCE throughout the state. There is also an infusion of cash from the GF because the PCE fund doesn't generate enough interest earnings to pay for the basic services that are provided for under PCE. For many years, the legislature battled how much money to put into PCE from the GF, and thus it became a negotiating instrument during the final budget process. However, currently, the PCE payout to the communities is set and the interest earnings of the PCE fund are subtracted from that and the remainder is the GF. Currently, the system is set up so that the [aforementioned] is automatically paid for from the GF. Therefore, the \$1.4 million reduction is based upon last year's amount of funding the legislature put in from the GF to the PCE. This year the legislature will put in \$1.4 million less than it did last year.

[8:20:39 AM](#)

COMMISSIONER BELL continued her presentation by describing the priority programs referenced on page 6. With regard to consumer protection, she pointed out that four divisions address this mission in terms of licensing, regulating, and enforcing the state's statutes and regulations to protect the consumer while providing a stable business climate. With regard to PCE, Commissioner Bell informed the committee that the Regulatory Commission of Alaska (RCA) deals with the computation of the PCE funds and AEA distributes the PCE funds. She then turned to the department's economic development program, which has a mission to diversify and strengthen the state's industry sectors.

[8:22:21 AM](#)

REPRESENTATIVE DICK related that some of his constituents, who are entrepreneurs, have told him they find that they're competing against their own tax dollars, state programs, and

state entities. He inquired as to how he should direct such concerns.

COMMISSINER BELL encouraged those folks to contact DCCED, specifically the Division of Economic Development because the division may be able to provide market research or financing programs that may assist them. With regard to competition, she highlighted that the administration's legislation includes some additional revolving loan funds that specifically target small enterprises and self-employment.

REPRESENTATIVE DICK clarified that he's referring to businesses that have existed for decades and now find themselves competing with government programs. For example, in one case an entrepreneur built teacher housing, but then the government was able to provide housing for the teachers and now the entrepreneur's housing sits vacant.

COMMISSIONER BELL suggested that perhaps the department and the state should think more about how to attract more business and visitor traffic and how that can strengthen the economy. She acknowledged that the example crosses departmental lines and that the department should be aware of that.

[8:24:57 AM](#)

REPRESENTATIVE CISSNA remarked that she has seen DCCED programs that have worked in the communities that she has visited. Furthermore, the department and the division have been helpful in helping people understand the law and work through it to work through the system into a leadership position. However, she highlighted the lack of oversight such that the state isn't really doing a good job in ensuring that what's built fits in the community in which it's constructed.

COMMISSIONER BELL opined that some of what Representative Cissna is describing is a function of state funded, federally funded, and privately funded [projects]. She expressed the importance of departments, subcabinets, commissions, and other entities engaging in the simpler aspects of projects and needs.

[8:29:09 AM](#)

REPRESENTATIVE GARDNER turned attention to the Alaska Seafood Marketing Institute (ASMI) and the Alaska Travel Industry Association (ATIA). She viewed ASMI and ATIA as parallel agencies in many respects because both organizations promote

Alaska resources and businesses for both the large corporate organizations and the smaller organizations. However, one entity is a state agency and the other is a private entity. She inquired as to the advantages and disadvantages of separately addressing fisheries versus tourism.

COMMISSIONER BELL expressed the need to recognize that the state has tried various marketing models with tourism. She recalled that over her 20 years of direct engagement in tourism management and marketing she has seen the use of those various models. She mentioned models including one in which the tourism marketing was directly administered and developed by the Division of Tourism and another model in which it was a public:private partnership. She noted that in the course of the last decade, ASMI has restructured in terms of the size and composition of its board and engagement from the legislature. She offered that it would be valuable to have a side-by-side comparison between ATIA and ASMI to review their organizational structure and funding.

[8:32:59 AM](#)

REPRESENTATIVE DICK emphasized his interest in economic development in the Bush and would like to share ideas with the department.

[8:33:41 AM](#)

REPRESENTATIVE SADDLER mentioned that he had just attended a meeting in which the Alaska Aerospace Corporation executives said they support the movement, per EO 115, of the corporation from DCCED to the Department of Military & Veterans' Affairs. He asked if the department supports the aforementioned move. He further asked what impact such a move would have on DCCED.

COMMISSIONER BELL answered that DCCED supports the move. She mentioned that the Alaska Aerospace Corporation has been publicly pursuing a contract with Lockheed Martin Corporation for the missile defense program at Fort Greely. Upon review, DCCED recognized that the clientele of the Alaska Aerospace Corporation is primarily military. Furthermore, even when the corporation is servicing a commercial client, it works with organizations that are military like in structure and accustomed to working with the military. The DCCED also recognized that part of the corporation's sustainability plan is to help find a continuing source of federal funding. Commissioner Bell remarked that this move will help align the Alaska Aerospace

Corporation with the military structure and provide it access that will be beneficial. Still, whether it's through a continued board seat or engagement, DCCED wants to be sure the corporation is viewed as a growing sector and economy. She highlighted that [the aerospace industry] has high wage jobs that are high technical jobs. Recent independent studies from several firms have noted the direct employment in Anchorage and Kodiak as well as the 260 businesses in Alaska that provide goods and services and secondary impact. Furthermore, the total direct and indirect employment exceeded 200 jobs, she related. Commissioner Bell said that's the exact kind of sector DCCED wants to grow and strengthen.

[8:36:55 AM](#)

COMMISSIONER BELL turned to the Division of Community & Regional Affairs (DCRA), which is an important aspect of DCCED achieving its mission. She reminded the committee that DCRA staff is engaged on a daily basis with local governments. For instance, DCRA provides technical assistance on accounting, having lawful elections, understanding municipal code, and understanding the impact of state law and regulations on communities. Commissioner Bell opined that DCRA is proactive with training, responsive to issues that arise, and touch a lot of communities through the local government assistance programs. Furthermore, DCRA administers the Rural Utility Business Advisory (RUBA) program that focuses on water and wastewater systems and their sustainability.

[8:38:18 AM](#)

REPRESENTATIVE FOSTER remarked that local government assistance is very important in Western Alaska. He surmised that typically a community would request assistance, but he asked if the [division/department] might also recognize a community is having problems and initiate assistance. He further surmised that there are many requests for assistance, and therefore he inquired as to how those are prioritized.

COMMISSIONER BELL confirmed that the [division/department] is contacted by communities, the municipalities and local governments, as well as via citizen concerns to the governor's office or the department. The DCRA, she related, tries to be very responsive. In fact, the field offices work in the small communities in which they're located and the regional offices work for those in the small communities. She noted that DCRA travels a lot to provide training whether it is for local

government staff or elected officials or commissions. Further, DCRA monitors the health and sustainability of communities through various reports, such as the quarterly RUBA report and Lien Watch.

REPRESENTATIVE FOSTER inquired as to the percentage of help the DCRA provides to communities in contrast to the demand.

COMMISSIONER BELL responded that she could talk with DCRA staff regarding whether a response could be formulated. However, she highlighted that it's important to recognize that the [demand and response] is ongoing as is the turnover in elected officials and administrative staff. She maintained that the department has an ongoing commitment to ensure services are provided. She then highlighted that after the spike in fuel costs following 2008, fuel watch became a focus of the department in order to have an understanding of the various situations of communities in relation to fuel.

[8:44:05 AM](#)

REPRESENTATIVE SADDLER asked if RUBA has any oversight for power utilities, gas or electric.

COMMISSIONER BELL responded that the utilities [receive oversight] through the RCA and AEA.

[8:45:18 AM](#)

JOELLEN HANRAHAN, Director, Division of Administrative Services, Department of Commerce, Community & Economic Development, specified that [oversight] of power and electric programs is through AEA, which provides technical assistance on bulk fuel and power.

[8:45:51 AM](#)

REPRESENTATIVE CISSNA, recalling the 2008 extreme increase in fuel prices, remarked that there are "players" that one might not recognize, such as Homeland Security. However, Homeland Security comes in with millions right before complete disaster. Representative Cissna opined that there needs to be reporting of those disastrous situations in which the department is working with daily in order to see the various players in the situations. She expressed concern that the lack of access to wood for energy can result in burning other items that can be harmful when they're breathed in. Moreover, seniors are being

moved to other neighborhoods and thus the burden of cost is being shifted from one part of Alaska to another. The aforementioned is a large cost driver. She reiterated the need to chart these crises and to do so across departments.

COMMISSIONER BELL, regarding outmigration from rural Alaska, informed the committee that staff from within DCRA is working with various data to track the out migration and make recommendations. She acknowledged that federal resources are available when a situation turns to a disaster. The Climate Change Subcabinet and the Immediate Action Workgroup as well as DCRA staff has been very engaged with communities and others to determine how to provide services prior to reaching the disaster point. The aforementioned has resulted in reviewing infrastructure, relocation, and other things.

MS. HANRAHAN surmised that Representative Cissna is addressing the need for the state to perform regional planning for the future as well as regional assessments of the current situations. The aforementioned lends itself to more of a focus on interdepartmental and interagency collaboration with the federal government.

[8:52:49 AM](#)

COMMISSIONER BELL, returning to her overview, reviewed the breadth of functions of DCRA, including the administration of grants, community revenue sharing, and distribution of various funds such as payment in lieu of taxes, national forest receipts, and fisheries taxes. The DCRA also provides publications from the research section, the state assessor, support of the Local Boundary Commission, and the bulk fuel bridge loan. The DCRA is also engaged with communities in the national flood insurance program. Furthermore, work on the land transfer from Alaska Native Claims Settlement Act (ANCSA) corporations to the state is continuing. However, there are a number of challenges for DCRA, including high costs and lack of infrastructure. She echoed her earlier comments that there is an ongoing need to provide this technical assistance, which is a statutory requirement.

COMMISSIONER BELL then moved on to the Alaska Energy Authority (AEA), which is charged with providing technical assistance and training to those throughout the state who are managing and operating energy systems and infrastructure. The AEA is also involved in power system upgrades and bulk fuel upgrades. While transitioning over time to more renewable energy sources and

lower cost energy, the infrastructure in communities needs to be sound. She related that AEA is working to ensure that existing systems are functional and that emerging technologies and renewable resources are being reviewed.

COMMISSIONER BELL moved on to the department's consumer protection entities. The Division of Banking and Securities license, charter, and examine banks. Through the division's consumer education and protection element, more than 200 mortgage licenses were provided. The division has also been increasingly involved with payday lenders and money transmitters. The division is a fee-supported program, like the department's other regulatory entities. Similarly, the Division of Insurance is focused on licensing and ensuring the financial solvency of insurance providers [in the state]. Since the Division of Insurance is involved in criminal investigations, the division has an increased involvement with the Department of Law. She noted that since the insurance products are increasing in their complexity, it takes a specialized staff to work in the division.

[8:57:46 AM](#)

COMMISSIONER BELL turned to the Division of Corporations, Business and Professional Licensing, which administers 40 professional licensing programs of which 20 are supported by boards and the remainder by the division. The division issues business licenses and corporations filing trademarks with the state also interact with this division. She pointed out that over the last year or so there has been a concerted effort to reduce response times, use more technology, and to ensure the division isn't creating any delays that would impact commerce. As with the department's other regulatory agencies, there is a consumer complaint process. More than 700 complaints were filed about professional licensing programs, which resulted in 556 new cases and 397 disciplinary actions. Commissioner Bell then moved on to the RCA, which she characterized as the fabric of the state's infrastructure. The RCA works with public utilities and pipeline carriers to review tariffs, filings, regulations, and establish the PCE rates that AEA distributes. This next year, the RCA faces an [increased] work load as there will be concurrent hearings on the Trans-Alaska Pipeline System (TAPS) with RCA and the Federal Energy Regulatory Commission (FERC).

[9:00:24 AM](#)

REPRESENTATIVE GARDNER asked whether Commissioner Bell is confident that the RCA has sufficient staff for these concurrent hearings.

COMMISSIONER BELL informed the committee that with regard to RCA's staffing overall, the department has requested assistance in reviewing the staffing and the compensation to ensure that the RCA is sustainable. With regard to the increasing workload of the RCA, Commissioner Bell expressed the need to speak with the chair of the RCA.

[9:01:35 AM](#)

COMMISSIONER BELL, noting that the committee already had an overview of the Division of Economic Development, reminded the committee that the focus of the Division of Economic Development is to review the state's role in terms of core economic development functions. Similar to many other states, regions, and countries, the division provides direct financing programs, marketing programs, and business and technical assistance to small businesses. Commissioner Bell opined that over recent years the department's economic development programs have diminished and the desire now is to make them robust and at the level of the DCRA focus. She directed attention to page 13 of the presentation, which provides a brief description of several of the Division of Economic Development programs. In addition to the Division of Economic Development, the Alaska Aerospace Corporation, Alaska Industrial Development and Export Authority (AIDEA), and ASMI have an economic development mission.

COMMISSIONER BELL, in conclusion, directed the committee's attention to pages 16-18, which relay varying views of DCCED's budget. Referring to page 16, she pointed out that of the \$204 million budget request for FY12, nearly 60 percent is for the corporate entities. The pie chart on page 17 illustrates the budget by line item while the graph on page 18 provides a brief comparison of the budget by fund source for FY11 versus FY12.

[9:04:29 AM](#)

CHAIR MUNOZ asked whether data is available with regard to the economic and social situation in each region of the state.

COMMISSIONER BELL relayed that she would like to follow up with the department's directors regarding what information is available and then offer it to the committee.

REPRESENTATIVE SADDLER inquired as to how many state charter banks are in the state.

COMMISSIONER BELL recalled that there were 38 examinations last year, but she wasn't sure how many banks exist and thus offered to provide that information later.

[9:05:41 AM](#)

REPRESENTATIVE GARDNER noted that ATIA is requesting \$20 million from the legislature. She then questioned what the State Tourism Office would do with that funding. She further questioned why the legislature wouldn't provide funding to ASMI since she views ASMI and ATIA as parallel organizations.

### Serve Alaska

[9:07:18 AM](#)

CHAIR MUNOZ announced that the final order of business would be an overview of Serve Alaska within DCCED.

[9:07:54 AM](#)

NITA MADSEN, Director, Serve Alaska, State Service Commission, began by informing the committee that the purpose of the State Service Commission is to engage Alaskans of all ages and backgrounds in community-based service and volunteerism. Ms. Madsen emphasized that the benefits of Serve Alaska are great in terms of the numbers listed in the report provided to the committee as well as how each life is touched. She explained that Serve Alaska is the conduit for receiving the national funding for community service. Serve Alaska sub grants that funding to local governments, tribal entities, nonprofit organizations, institutions of higher education, as well as departments and divisions of the state. Serve Alaska assists the aforementioned entities in their efforts to meet the local needs through the areas of education, public safety, environment, and other human needs. Serve Alaska manages AmeriCorps Programs and the Learn and Serve America Programs. The Learn and Serve America Programs combine classroom learning and community service activities to engage students in service through community partnerships to promote an ethic of service that would develop student leadership, skills, and character. The primary element of service learning, she highlighted, is that the projects are directly linked to the classroom

curriculum. The service projects provide students the opportunity to utilize their skills.

MS. MADSEN informed the committee that currently Serve Alaska has the following three grantees with the Learn and Serve America Programs funding: the Yup'ik School District, the Begich Middle School, and the LINKS Mat-Su Parent Resource Center. The Yup'ik School District funding is with the school of Akiak. The project with Akiak stems from the community's concern with the suicide rate and desire to decrease it. The project resulted in a garden project that encompassed the entire school. Ultimately, the project included a green house, raising rabbits, and composting. The project received a three-year grant and is in the second year of that grant. Ms. Madsen emphasized that everyone in the community has been involved in the project in some fashion. Furthermore, an AmeriCorps member helped engage the students over the summer to expand the project. Under the project, the high school students performed water testing in the community. The testing resulted in the entire community trying to determine how to improve the quality of the water, such as moving the dump site. The Akiak project is an example of how a little bit of funding can unite folks and support some creative solutions. In this particular case, the knowledge the elders brought and the new linkage to the youth is notable. The Begich Middle School program took on a composting project and now is doing an in-school green house. The LINKS Mat-Su Parent Resource Center is an alternative school for 7th to 12th graders that is working with a local senior center. The LINKS Mat-Su Parent Resource Center had a potato patch this summer and served meals at the local senior center. This project works with nutrition, math skills, and social skills. Again, she highlighted the linkage between the youth and the elders, particularly since it seems to mitigate the fear that some of the elders felt towards the youth and the youth learning how to be more patient.

[9:13:32 AM](#)

MS. MADSEN then turned to the AmeriCorps programs, which she surmised the committee already knows much about. Currently, there are five grantees in 63 communities around the state. The aforementioned is a bit of a moving target since AmeriCorps volunteers serve 300-1,700 hours in a year. She noted that those who serve less than 900 hours don't receive any remuneration. However, upon completion of their service all AmeriCorps members are eligible for an education award. AmeriCorps members range in age from 17-92. In fact, the

program is starting to see a lot of members who are starting a new career and wanting to give back. As an incentive, those members who have become an AmeriCorps member after the age of 50 are allowed to move their education award to their children, grand children, or foster children.

[9:14:51 AM](#)

MS. MADSEN moved on to RurAL Cap that has four programs, one of which is the Student Service Program, which is an education award only program that's linked with the state university's nursing and social work students who perform service projects around the community. The partnership is through the University of Alaska Anchorage and the University of Alaska Fairbanks. The Raven program is an energy program while Birch is a health-based program in the rural communities. The newest project is a middle school project with the Department of Education and Early Development (EED) in eight communities to help build school success early on in order to increase graduation rates.

MS. MADSEN related that Serve Alaska's Southeast Alaska Guidance Association (SAGA) Program is well known in Juneau, where it takes on a summer project in which it primarily works with disconnected youth. This program performs trail work, addresses invasive species, clears brush along the roadways, and helps local nonprofits construct playgrounds. One of the components of the program for these disconnected youth is the education component through which the youth are either completing their general equivalency diploma (GED) or obtaining their high school diploma. Many of the members [of SAGA] return home to their communities to complete their education or move on to a military career. The Vocational Technical Center in Seward has used its awards fairly consistently. Ms. Madsen noted that SAGA also has a single placement program called Connections, which works with youth in a variety of ways to help youth make healthy lifestyle choices. Therefore, the member as well as the community is receiving a benefit.

MS. MADSEN then turned to the Ninestar Program, which performs education employment services. In the last couple of years, the program has worked with prisoner re-entry programs and experienced much success with it. The program also helps folks move off the public assistance rolls through English as a second language and development of soft skills, such as how to go to work and find child care assistance. A new program is Joel's Place in Fairbanks for which homeless youth age 17-25 is its target population. These youth are learning skill-based

services and then utilizing those skills in the community. Joel's Place utilizes some of the same pieces of the SAGA Program that work with a lot of construction set skills as is the case with the Sitka program. She mentioned that houses are actually being built; these are houses that are affordable low-income houses. The SAGA Program in Sitka is obtaining certificates to assist them with construction and the participants are often being picked up by employers for their skills.

[9:18:53 AM](#)

MS. MADSEN expressed appreciation for last year's funding, but noted that there is a new position in the office and through the granting process new entities have applied. The hope is to expand Serve Alaska's portfolio of services. One of the recent program applicants is senior disabilities through DHSS. The program would place folks in rural communities to assist with their knowledge regarding Medicaid and how to access it. Also, the Sealife Seward Center has been a subset for AmeriCorps members for a number of years, but they are increasing their numbers to expand in the Seward area.

[9:20:14 AM](#)

MS. MADSEN, in response to Representative Gardner, indicated that sometimes how youth dress these days along with seniors' increasing knowledge about the existence of gangs have made seniors afraid of youth. She clarified that she was speaking of this in the urban environment more than in the rural environment. She noted that she also sits on the Commission of Aging from which she has gathered that seniors are afraid of the youth with regard to financial abuse because the seniors become the parents of the children.

REPRESENTATIVE FOSTER asked if Ms. Madsen has a map illustrating the locations of the volunteers around the state.

MS. MADSEN related that although the committee packet should include such a map, she could provide members a larger map as well as a summary sheet of the various volunteer programs. In further response to Representative Foster, Ms. Madsen explained that Serve Alaska only recently submitted an application and it's 28 percent more than Serve Alaska received in the prior year. There were six new applicants this year, of which four were moved forward for funding. She noted that there has been a lot of interest in increasing the number of [applicants] and the

[new] staff position will enable that to occur. She related that the funding agency has told Serve Alaska that existing staff is at maximized capacity on managing the grants and thus wouldn't consider Serve Alaska expandable until there is staff [to manage the grants]. The results of the funding will not be ready until the end of May. [This increase in funding] will add approximately 158 AmeriCorps member positions to the state.

[9:24:41 AM](#)

REPRESENTATIVE CISSNA, noting that she has seen AmeriCorps volunteers working and making a difference, expressed favor with the addition of adolescent volunteers with great energy. She then related her appreciation of the job of Serve Alaska.

REPRESENTATIVE SADDLER asked whether Serve Alaska expects future federal funding reductions.

MS. MADSEN responded that Serve Alaska is currently working off of a continuing resolution for the funding. Although there has been discussion of the funding being at the 2008 level of funding, it remains an unknown. She predicted that the [federal] funding will be slightly less for Serve Alaska because the funding last year was at the 2008 level. Therefore, Serve Alaska may have a greater opportunity for its funding to be approved, particularly since the [federal government] is seeking to increase its rural portfolio. In further response to Representative Saddler, Ms. Madsen agreed that there is the possibility of an increase in the future.

CHAIR MUNOZ inquired as to the amount of the education award.

MS. MADSEN explained the education award amount is the Pell grant amount, which is established in October. The amount is slightly over \$5,000 this year. She clarified that the grant is per year of service and is proportionate to the service hours. She indicated that the [\$5,000] is at the 1,700-hour level. In further response to Chair Munoz, Ms. Madsen confirmed that Serve Alaska does get information out to graduating seniors.

[9:28:41 AM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 9:28 a.m.