

HOUSE FINANCE COMMITTEE
April 17, 2011
5:33 p.m.

5:33:30 PM

CALL TO ORDER

Co-Chair Stoltze called the House Finance Committee meeting to order at 5:33 p.m.

MEMBERS PRESENT

Representative Bill Stoltze, Co-Chair
Representative Bill Thomas Jr., Co-Chair
Representative Anna Fairclough, Vice-Chair
Representative Mia Costello
Representative Mike Doogan
Representative Bryce Edgmon
Representative Les Gara
Representative David Guttenberg
Representative Reggie Joule
Representative Mark Neuman
Representative Tammie Wilson

MEMBERS ABSENT

None

ALSO PRESENT

Jay Livey, Staff, Representative Hoffman.

SUMMARY

SB 102 AK AFFORDABLE HEATING PROGRAM PAYMENTS

SB 10 was REPORTED out of Committee with a "do pass" recommendation and with attached previously published fiscal note: FN1, DHS.

#sb102

SENATE BILL NO. 102

"An Act relating to certain payments made under the Alaska affordable heating program."

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Co-Chair Stoltze noted the bill's history in committee.

Vice-chair Fairclough MOVED Conceptual Amendment 1. She believed the legislation should be tied to the price of oil at \$150.00 per barrel for three months, from August through October.

Co-Chair Stoltze OBJECTED. He spoke against the amendment. He felt attaching a blackmail provisions to a bill was bad public policy.

Vice-chair Fairclough WITHDREW Conceptual Amendment 1.

Co-Chair Stoltze referred to previous discussion about the fiscal note. He queried previous concerns about the issue.

Co-Chair Thomas referred to a past discussion about consideration of contingency language to provide half the funding first and give later authorization if more money was needed.

Co-Chair Stoltze did not recall the discussion.

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Co-Chair Thomas asked about discussion concerning putting language into the operating or capital budgets to authorize the spending.

JAY LIVEY, STAFF, REPRESENTATIVE HOFFMAN, did not recall the discussion during the hearing for the legislation. He explained that the money for the program was in two places. One was federal money through the operating budget, and the other was through general funds in the operating budget. He pointed out that the bill would not affect the amount of money appropriated for the program, but would allow the department to prorate if there was not enough federal money available. The amount needed could also depend on the number of people applying and other factors.

Co-Chair Thomas asked what would happen if the federal funds did not come in. Mr. Livey responded that one of the reasons for the bill was to enable the department to figure out at the beginning of the year how many applicants there would be and much money was availalbe. The department could

then figure out how much money to continue paying individuals until the legislature could meet and appropriate more money or until additional federal funds came.

Mr. Livey emphasized that without the bill, the department would not be able to prorate the heating payments if federal funds were significantly reduced. The department would continue to pay benefits through November or December and the money would be gone. Recipients would then be cut off in January until more federal money came in or until the legislature met and acted on the issue. The bill would allow the department more flexibility in administering the program.

Co-Chair Stoltze added that there was additional uncertainty because of the unpredictability of fuel prices. Mr. Livey agreed that fuel prices were going up. In addition, there was still a lot of uncertainty about the federal budget.

Representative Wilson believed people could apply for the program in October and all the way through April. She asked whether the department would use the previous year's numbers to figure out how many people usually applied so that they would have money for people who did not begin the program until January or February.

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Mr. Livey replied that the department had to make an estimate each year about how many applications were expected. The program has been in place for long enough that the department had a good idea how many applications to expect; it was able to calculate approximately how much money was needed. He acknowledged that the program could run short of funds at the end of the year if the estimations were wrong, but generally the numbers were close.

Representative Edgmon MOVED to report SB 102 out of committee with individual recommendations and the accompanying fiscal note. There being NO OBJECTION, it was so ordered.

SB 10 was REPORTED out of Committee with a "do pass" recommendation and with attached previously published fiscal note: FN1, DHS.

Co-Chair Stoltze discussed scheduling.

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ADJOURNMENT

The meeting was adjourned at 11:45 PM.