

HOUSE FINANCE COMMITTEE
FIRST SPECIAL SESSION
May 20, 2021
1:33 p.m.

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CALL TO ORDER

Co-Chair Foster called the House Finance Committee meeting to order at 1:33 p.m.

MEMBERS PRESENT

Representative Neal Foster, Co-Chair
Representative Kelly Merrick, Co-Chair
Representative Dan Ortiz, Vice-Chair
Representative Bryce Edgmon
Representative DeLena Johnson
Representative Andy Josephson
Representative Bart LeBon
Representative Steve Thompson
Representative Adam Wool

MEMBERS ABSENT

Representative Ben Carpenter
Representative Sara Rasmussen

ALSO PRESENT

Neil Steininger, Director, Office of Management and Budget, Office of the Governor; Paloma Harbour, Fiscal Management Practices Analyst, Office of Management and Budget, Office of the Governor.

SUMMARY

PRESENTATION: AMERICAN RESCUE PLAN ACT GUIDELINES BY THE OFFICE OF MANAGEMENT and BUDGET

Co-Chair Foster reviewed the agenda for the meeting.

^PRESENTATION: AMERICAN RESCUE PLAN ACT GUIDELINES BY THE OFFICE OF MANAGEMENT and BUDGET

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NEIL STEININGER, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, introduced the PowerPoint Presentation: "House Finance US Treasury Fiscal Relief Guidance Overview" (copy on file). He began by reviewing the presentation agenda on slide 2:

Agenda

- Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) Allocations to Alaska
- American Rescue Plan (ARP) Act Language on Eligible Uses & Restrictions
- Treasury Preliminary Guidance (Interim Final Rule) on Eligible Uses & Restrictions
 - Covered period
 - Broad use categories with eligible use examples
 - Specific stated restrictions
 - Reporting requirements
- Follow-up Questions / Next Steps
- Capital Project Funds
- Tribal Government Funds

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Mr. Steininger continued to slide 3 to review the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) allocations to Alaska. He reported there was \$1.25 billion in discretionary funding coming to Alaska through the American Rescue Plan Act (ARPA). The slide included an attachment, "Alaska CSLFRF Allocations 5.10.2021" (copy on file) that provided additional detail. He noted the money coming to Alaska was slightly lower than initial estimates released when ARPA had passed at the federal level; the guidance released on May 10 slightly reduced the amount going directly to the state and redistributed funds to other census areas, non-entitlement units, and metropolitan cities. The slide indicated which items required an appropriation by the legislature and which items would flow to the entity without legislative or state action.

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Mr. Steininger examined the uses and restrictions language of the ARPA CSLFRF on slide 4. The slide listed the four main categories for allowable spending and the two primary

restrictions included in ARPA language. He would review allowable uses on slide 5 and information included in the interim final rule released on May 10. He read the information on slide 4:

ARP CSLFRF Uses and Restrictions Language

The American Rescue Plan specified that these funds can be used to cover expenses –

- A. to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts;
- B. to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers performing such essential work;
- C. for the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year; and
- D. to make necessary investments in water, sewer, or broadband infrastructure.

Restrictions include –

- A. direct or indirect offsets to a reduction in net tax revenue resulting from changing law, regulation, or administrative interpretation during the covered period that reduces or delays the imposition of any tax or tax increase;
- B. deposits into any pension fund.

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Mr. Steininger discussed the covered period/period of performance on slide 5 titled "Treasury Guidance - Interim Final Rule (IFR)." The initial expenditure period had been March 3, 2021, through December 31, 2024; however, the interim final rule included information allowed additional a project/grant closeout period through December 31, 2026. The change allowed additional flexibility for spending. The updated guidance clarified that payments were intended to be used prospectively for costs into the future and economic recovery. He noted that essential workers could receive retrospective premium pay for prior work as well as prospective premium pay for current or ongoing work.

Additionally, COVID-19 revenue loss estimates were retrospective and prospective (revenue lost during the pandemic and revenue that may be lost in the future as a result of the pandemic).

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Co-Chair Foster wondered about the first bullet point indicating covered costs began on March 3, 2021. He thought coverage of costs incurred began March of 2020.

Mr. Steininger clarified that the period beginning March 23, 2020, fell under the Coronavirus Relief Fund (CRF), or Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

Co-Chair Foster stated his understanding that CARES Act covered the initial period, and ARPA covered the later period.

Mr. Steininger agreed.

Representative Josephson thought that one of the state's better and more creative arguments was a slight dip in oil severance tax in FY 19 and FY 20. He asked if the argument in terms of the delta with the state's current revenue had gone away.

Mr. Steininger replied that the revenue loss estimates could be looked at retrospectively, but the expenditure justified through that revenue loss would be prospective. He clarified that the state could count the revenue loss to use funds for future expenditures.

Vice-Chair Ortiz asked whether the same would hold true for retrospective revenue losses in municipalities.

Mr. Steininger agreed.

Representative Edgmon asked whether more had been learned about the state's certification process. He asked if it applied to the state receiving funds, but not any eligibility aspect.

Mr. Steininger answered that the 60-day certification was the allowable time period on the Treasury website for the

Division of Finance certify and enable the receipt of funds.

PALOMA HARBOUR, FISCAL MANAGEMENT PRACTICES ANALYST, OFFICE OF MANAGEMENT AND BUDGET, OFFICE OF THE GOVERNOR, added that Treasury had opened the certification portal on May 10, 2021. The state had submitted its certification and had received the state funding on May 17, 2021. She relayed that that money could not be spent until it was appropriated. She related that the portal had been opened for boroughs and metropolitan cities to receive their funding. She said that when the administration had submitted its certification for the state funding, Treasury assumed that the certification would also be applied to the nonentitlement unit funding and for census areas, but the funding would not been distributed until additional guidance had been released.

Representative Edgmon remarked that the House Finance Committee had heard and passed a bill on allowing for creativity with short-term financing mechanisms. He imagined the state could not invest the federal money in short-term instruments.

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Ms. Harbour reviewed the IFR eligible uses on slide 6:

Treasury Guidance - IFT Eligible Uses

- A. to respond to the public health emergency - support the public health response
- Covid -19 Mitigation and Containment
 - Medical Expenses
 - Behavioral Healthcare
 - Public Health & Safety Staff
 - o More narrowly defined than CARES Act

Ms. Harbour explained that the guidance was preliminary, but the hope was it would not change substantively and would be a good framework for developing programs. She mentioned that the guidance gave non-exclusive examples and allowed for the recipients to determine similar examples for which to use the funds. She noted that the uses were more narrowly defined than the CARES Act, which meant that supported payroll documentation was needed to ensure that

healthcare workers who claimed their time were primarily Covid-19 related work.

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Ms. Harbour continued his review of IFR eligible uses on slide 7:

Treasury Guidance - IFR Eligible Uses

A. or its negative economic impacts- requires written support of COVID-19 impact

- Workers & Families
- Small Businesses
- Public Sector
 - Deposits to UI Trust Funds is called out as allowable under this provision
- Impacted Industries
 - Industries other than tourism, travel and hospitality require COVIS impact analysis

Ms. Harbour noted that the state had to collect the information for necessary supporting documentation. She shared that the replenishment of the UI Trust Fund, up to the pre-Covid level, would be allowed and would be up to approximately \$200 million.

Representative Wool spoke to the topic of negative economic impacts related to COVID and the subsequent ripple effect. He noted that some businesses were in financial trouble pre-Covid.

Ms. Harbour related that when the grant programs were established, it was necessary to have reasons for why the businesses had been targeted for relief. She said that for small business relief it was necessary to have documentation showing the revenue loss due to Covid.

Vice-Chair Ortiz asked whether he was correct that businesses directly related to tourism would need to submit evidence of economic loss.

Ms. Harbour agreed. She shared that the guidance specified the state should not overly support certain impacted areas. The impact should be measured and then that specific impact would be addressed.

Vice-Chair Ortiz asked about areas where economic loss was not documented but investment had been required to address COVID-19. He referenced the fish processing industry, which could not document loss but could document investments made to be "COVID safe."

Ms. Harbour answered that those costs could be offset using the funds.

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Representative Josephson noticed there had been bipartisan support on the other body for a proposal to give a financial incentive to individuals returning to work. He wondered whether the UI Trust Fund could be used for those payments.

Ms. Harbour answered there were very strict rules on the use of the UI Trust Fund. She added that if it were a program for unemployed workers in an effort to get them reemployed, the funds could possibly be used.

Representative Wool asked whether the restrictions could keep the state from spending all the available funds for business support.

Ms. Harbour asked for clarification on the question.

Representative Wool restated his question.

Ms. Harbour answered that a program could be established for small business, and if the demand was not there in the fiscal year, the legislature could reappropriate the funds. She said that the state had 4 years, until December 31, 2024, to spend all the money.

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Ms. Harbour turned to slide 8, a continuation of the IFR eligible uses:

Treasury Guidance - IFR Eligible Uses

- A.or its negative economic impacts: equity-focused services to those "hardest hit" by COVID

- Addressing Health Disparities
- Investing in Housing & Neighborhoods
- Addressing Educational Disparities
- Promoting Healthy Childhood Environments

Ms. Harbour stated that a non-exclusive list had been provided of additional services that could be provided to more impacted individuals (low income and minority groups) that would be presumed to be eligible. She relayed that the individuals had been defined by using data from the U.S. Census. She relayed that the qualified census tract had 50 percent of households with incomes below 60 percent of the area medium gross income or had a poverty rate of 25 percent or more.

Vice-Chair Ortiz asked about the guidelines as they pertained to rural communities in Alaska.

Ms. Harbour answered that the majority of the state's rural communities were considered qualified census tracts.

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Ms. Harbour discussed the IFR eligible uses related to responding to workers performing essential work on slide 9:

Treasury Guidance - IFR Eligible Uses

B. to respond to workers performing essential work

Example professions eligible for premium pay:

- Staff at nursing homes, hospitals, and home care settings
- Workers at farms, food production facilities, grocery stores, and restaurants
- Janitors and sanitation workers
- Truck drivers, transit staff, and warehouse workers
- Public health and safety staff
- Childcare workers, educators, and school staff,
- Social service and human services staff
 - Essential work involves regular in-person interactions or physical handling of items that were also handled by others

- o Recipients have discretion to designate additional sectors

Premium pay should prioritize low- and moderate-income workers, who face the greatest mismatch between employment-related health risks and compensation.

Representative Wool contended that those that worked in restaurants should be considered low-income.

Ms. Harbour agreed. She explained that if the premium pay did not take the employee above 150 percent of their average wage for Alaska, it would be allowed. Over the average wage would require further justification.

Representative Wool asked whether teachers would qualify for premium pay. He understood that if they qualified, they would have to meet the same average wage qualifications.

Ms. Harbour replied in in the affirmative. She added that the pay could go above the average wage but would require additional justification.

Representative Wool asked whether there would have to be a premium pay allocation in place that entities would apply to, or whether there would have to be a budget allocation for premium pay. He had not seen one in a budget.

Ms. Harbour answered that it would depend on how the state set up the programs. She said that if a program was set up specifically targeted to premium pay, it would take a specific appropriation. She furthered that the program could look not only at revenue loss, but also at Covid-19 expenses and other loss of revenue, when submitting a request for reimbursement.

Representative Josephson pointed to the text in blue at the bottom of slide 9 about premium pay. He wondered whether people could qualify retroactively.

Ms. Harbour answered in the affirmative.

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Representative Josephson stated that employers were arguing that UI benefits were affecting their ability to retain

staff, while employees argued that working wages were too low. He wondered whether the retroactivity could satisfy both parties.

Ms. Harbour responded that the guidance specified that compensation should be prioritized for low-wage workers that performed essential work, and that retroactive work during the covered period of time, as well as prospective work, should be considered.

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Mr. Steininger turned to slide 10:

Treasury Guidance - IFR Eligible Uses

C. for the provision of government services to the extent of the reduction in revenue:

- Provide continuity of vital government services by filling budget shortfalls
- Revenue loss is calculated relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- Recipients may re-calculate revenue loss at multiple points during the program, supporting those entities that experience revenue loss with a lag
- Once a reduction in revenue is identified, recipients have broad latitude to use these funds to support government services (with some exceptions, described later)

Source: The above text is from a Treasury presentation on the IFR.

He pointed to the graph on the bottom right of the slide and explained that it depicted the concept of "counterfactual revenue trend." He stated that the base year revenue was used to calculate the trends prior and into the future. He stated that the concept would allow the state to credit the difference between actual revenue and the counterfactual trendline in the state's favor when the ARP dollars were used for general government services unrelated to Covid-19 response.

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Mr. Steininger relayed the preliminary estimates of Alaska's lost revenues on slide 11. The gross adjusted estimate at the top of the slide showed the percentage trendline between FY 16 and FY 20, with a 3-year average post Covid-19 growth rate of 12.2 percent. He noted OMB had removed certain types of revenues, some of the revenues were called out to exclude including investment revenue. He stated that for the purpose of the calculation deposits from the permanent fund into the ERA was removed along with the POMV draw from the ERA. He stressed it was difficult to take the numbers on the slide and tie them back to any resource book from the Alaska Department of Revenue. Actual revenue, using the spring forecast was significantly lower than the counterfactual revenue, resulting in a large revenue loss in FY 20. He said that the numbers indicated that the large revenue loss estimate would allow the state to use any amount of the ARPA to offset the general fund.

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Representative Wool did not see a unit divisor on the slide. He noted the 26 percent increase for FY 18. He wondered what revenue source the numbers came from.

Mr. Steininger answered that the numbers were based on the Census Bureau definition of revenue. He said that the revenue was a mix of various revenue sources in the Revenue Sources Book, but it did not include some revenue federal and state investment revenues. He stressed that the takeaway was that the percentage escalation growth rate was high and allowed the state to claim a large amount of revenue loss.

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Representative Wool asked whether a previous negative year would create a downward slope, eliminating the state from eligibility for reimbursement. He wondered what caused the 26 percent gain in FY 18.

Mr. Steininger answered that he would leave revenue trends to the Department of Revenue. He agreed that in FY 18 there was an increase in revenue.

Representative Wool was curious to know what had caused the increase and whether it was POMV revenue.

Mr. Steininger reiterated that POMV had been excluded from the calculation.

Representative Josephson thought that the slide reflected that the state could replace UGF dollars with federal resources.

Mr. Steininger agreed. The capacity for the revenue offset was enough that the entire amount could be used. He added that competing with the general fund was using the funds to get economic relief out into communities.

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Mr. Steininger continued to slide 12:

Treasury Guidance - IFR Eligible Uses

C. for the provision of government services to the extent of the reduction in revenue:

- Can Include
- Maintenance or building of infrastructure, including roads
- Modernization of cybersecurity, including hardware, software and protection of critical infrastructure
- Health services
- Environmental remediation
- School or educational services
- Provision of police, fire and other public safety services
- Would not include
- Interest or principal on any outstanding debt instrument (debt service)
- Settlements or judgments
- Reserves of rainy day funds

Mr. Steininger stressed that the use of revenue offset must be tied to a specific cost in the state budget, and appropriated accordingly, for proper tracking.

Ms. Harbour clarified that the list on slide 12 was nonexclusive.

Representative Johnson looked at police, fire, and public safety on slide 12. She asked whether it also included the Department of Corrections.

Mr. Steininger replied that the department would fall under "other public safety services."

Representative Johnson asked whether modernization of cybersecurity included the planning of modernization programs.

Mr. Steininger stated that he was not sure that the planning phase would be covered under eligibility.

Ms. Harbour noted that costs to effect implementation were covered, so the planning of how to approach cybersecurity could be covered.

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Ms. Harbour turned to slide 13:

Treasury Guidance - IFR Eligible Uses

D. to make necessary investments in water, sewer, or broadband infrastructure:

Water and Sewer Infrastructure

- Includes improvements to infrastructure, such as building or upgrading facilities and transmission, distribution, and storage systems
- Eligible uses aligned to Environmental Protection Agency project categories across the:
 - Clean Water State Revolving Fund
 - Drinking Water State Revolving Fund

Broadband Infrastructure

- Focus on households and businesses without a wireline connection capable of reliably delivering 25 Mbps download/ 3 Mbps upload
- Fund projects that deliver reliable service
 - Minimum 100 Mbps download/ 100 Mbps upload speeds unless impracticable
- Complement broadband investments made through the separate Capital Projects Fund.

Ms. Harbour explained that an eligible project had to result in an upload, and download, speed of 100 Mbps. She said in instances where those service speeds could not be met due to geography, topography, or excessive cost - a

download of 100Mbps, with an upload of 10 or 20 Mbps would be acceptable.

Co-Chair Foster stated that the ARPA funds were non-flexible and the CSLFRF money was more flexible. He understood that there was \$112 million in ARPA funds that were required to go to broadband.

Mr. Steininger agreed.

Co-Chair Foster asked whether there was a mandated amount for water and sewer and whether funds for that could come from the CSLFRF money.

Mr. Steininger agreed.

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Representative Josephson understood that the water and sewer funds were in the ARPA funds.

Mr. Steininger answered that the water and sewer funds were in the discretionary CSLFRF category. He added that the broadband discussed on the slide was in the same category.

Ms. Harbour discussed the IFR restrictions listed on slide 14:

Treasury Guidance - IFR Restrictions

- A. Direct or indirect offsets to a reduction in net tax revenue:
 - Establishes a framework to determine the cost of changes in law, regulation, or interpretation that reduce tax revenue
 - Establishes a framework to identify and value the sources of funds that will offset any reduction in net tax revenue resulting from such changes
 - The framework prevents efforts to the funds to indirectly offset reductions in net tax revenue

- B. Deposits into any pension fund:
 - A "deposit" is defined as an extraordinary contribution to a pension fund
 - Recipients may use funds for routine payroll contributions to pensions for covered employees

C. Other restrictions on use:

- Non-Federal match for other Federal programs who bar the use of Federal funds to meet match
- Subject to Uniform Guidance including the cost principles and restrictions for selected items

Representative Josephson spoke of moving \$1 million from the ERA into the Alaska Retirement Management Board (ARM) account. He wondered whether the action would have affected the state's ability to show a reduction in net tax revenue.

Ms. Harbour clarified that the restriction was related to when state chose to reduce its revenue, such as offsetting fees. She said that funding could not be used to replenish fund lost from those offsets.

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Representative LeBon thought that the state was playing "catch up" on Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS). He wondered whether the "catch up" amount qualified for the funds.

Mr. Steininger replied that the restriction on deposits into pension funds would be restricted; however, the employer contribution, on top of payroll, would be allowable.

Representative LeBon believed that the investment return of the state's retirement funds during the current fiscal year had been robust, which had closed the unfunded liability gap considerably.

Mr. Steininger answered that it had been reported to him as well and once the ARM Board revised its projections in the fall the impact should be realized.

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Ms. Harbour advanced to the CSLFRF reporting requirements on slide 15:

Treasury Guidance - CSLFRF Reporting

IFR Reporting Requirements:

- State, Metropolitan Cities, Counties, and Tribal Governments Project and Expenditure reports
 - Interim Report due August 31, 2021
 - Quarterly through the end of the award period (December 31, 2026)
- State, Metropolitan Cities and Counties with a Population over 250,000 Recovery Plan Performance Report
 - Initial Report due August 31, 2021
 - Annually through the end of the award period on December 31, 2026
 - Must be posted on the public-facing website of the recipient
- Nonentitlement Units of Local Government
 - Annual Project and Expenditure reports until the end of the award period
 - Initial annual report must be submitted to Treasury by October 31, 2021

Ms. Harbour noted that Treasury would identify some mandatory indicators of performance and recipients could identify other key performance indicators they wanted included in their performance report. She shared that additional guidance was expected.

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Ms. Harbour continued to slide 16:

Next Steps / Follow-up

- The IFR is scheduled to be published in the Federal Register on May 17, 2021
- There will be a 60-day comment period to provide input
- Treasury will develop a Final Rule that will incorporate feedback
- State assumptions will have to be revisited based on the Final Rule
- Upon receipt, Alaska has 30 days to distribute pass-through funding
 - Cities will need to have a valid DUNS numbers
 - There will need to be signed agreements outlining requirements
 - A 30-day extension can be requested

Representative Edgmon referenced the final rule and assessment of the state's revenue. He noted that the last time the committee had discussed the issue the conversation of the PFD had arisen, he wondered whether interim guidelines had been determined.

Ms. Harbour believed the conversation had been specific to the maintenance of effort requirements and that the PFD did not impact the lost revenue estimates.

Representative Wool requested any updates on the maintenance of effort guidelines.

Ms. Harbour agreed to provide the updates.

Mr. Steininger provided a brief update. He said that there had been a deadline of May 17, 2021, to provide information to the US Department of Education. He said that the information had been submitted.

Representative Wool recalled that the university compact was part of the maintenance of effort conversation. He understood that any decrease in university funding would not affect the K-12 federal appropriation.

Mr. Steininger answered that it was roughly correct. He shared that the process would involve an application for a waiver and the determination of the waiver would be up to the U.S. DOE. He said that the state did not meet the maintenance of effort requirement and it remained to be seen how U.S. DOE interpreted conditions in the state.

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Mr. Steininger talked about CSLFRF capital projects funds on slide 17:

ARP - CSLFRF Capital Projects Funds

Anticipated Alaska Allocation: \$112.3 million

- American Rescue Plan allowable use language: to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID-19)

- Current Treasury website allowable use language: allows for investment in high-quality broadband as well as other connectivity infrastructure, devices, and equipment it also provides flexibility for each state, territory, and Tribal government to make other investments in critical community hubs or other capital assets that provide access jointly to work, education, and health monitoring must demonstrate that they meet the critical connectivity needs highlighted and amplified by the COVID-19 pandemic
- Applicants will be required to provide a plan describing how they intend to use allocated funds Treasury will begin to accept applications for review in the summer of 2021 and will issue guidance before that date

Mr. Steininger related that, currently, there was not direct guidance on use of the funds and the state would need to put together an application that described what the funds would be used for.

Representative Edgmon asked whether there was any sense of needing to develop a plan for the fund. He wondered about applying the tribal money that was potentially coming to the state.

Mr. Steininger replied in the affirmative. He spoke of partnership opportunities that may be available between all entities receiving Covid-19 money. He thought the collaboration could provide opportunities to make the funds go further across communities in the state.

Representative Edgmon stated there was a great need for water, sewer, and broadband in Alaska. He thought it would be a great opportunity to leverage the funds if possible.

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Representative Wool looked at language on slide 17 that applicants would be required to submit a plan to acquire funds. He wondered whether the applicants would be applying to the state, or would the state be applying to the federal government.

Mr. Steininger responded that the guidelines for application were not yet public. He understood that the

state would be applying, but that that could change with new guidelines.

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Ms. Harbour discussed slide 18 related to CSLFRF tribal government funds:

ARP - CSLFRF Tribal Government Funds

- \$1 billion to be distributed equally at \$1.7 million per Tribe ~\$400 million to Alaska Tribes
- \$19 billion to be distributed based on pro-rata enrollment (65%) and employment (35%)
- Two Payments
 - First payment will include the \$1.7 million and the enrollment portion of the \$19B
 - Second payment will include the employment portion of the \$19B
 - Treasury expects the second payment to be made soon after Tribal governments confirm their 2019 employment numbers previously submitted to Treasury in 2020
- Upcoming Deadlines
 - The deadline to complete the first submission is May 24, 2021, at 11:59 PM PST
 - The deadline for confirming or amending a Tribal government's 2019 employment numbers is June 7, 2021, at 11:59 PM PST

Representative Josephson referenced the State Small Business Credit Initiative and wondered whether it was a Covid-19 related initiative. He wondered which entity would be overseeing the funds and whether a plan had been developed for criteria for distribution.

Ms. Harbour was familiar with the plan. She believed that the Department of Commerce Community and Economic Development (DCCED) was working with the Alaska Development Team (ADT) on a plan for the program. She did not know the status.

Representative Wool asked what "employment" meant as related to the 35 percent of \$19 billion listed on slide 18.

Ms. Harbour referenced attachment 3 in members packets "Coronavirus State and Local Fiscal Recovery Funds Allocations to Tribal Governments" dated May 10, 2021 (copy on file). She lamented that "employment" was not clearly defined in the document. She noted that the document stated, "Treasury considers employment data from 2019."

Representative Wool understood from the document that the "employment" was of the tribal organization itself and not of a particular village.

Representative Wool thought that the funds going to tribes was an advantage to the state. He wondered what the rules were surrounding the distribution of tribal funds according to village population size.

Vice-Chair Ortiz asked about the May 24th deadline. He wondered whether the information presented to the legislature was also being distributed to tribal entities so they could meet the deadlines.

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Ms. Harbour replied that Treasury was putting the word out and that OMB was working with AML and AFN to get information distributed.

Vice-Chair Ortiz clarified that he did not mean to imply that the administration was responsible for the distribution of information. He was trying to determine whether the issue of information distribution was a problem.

Ms. Harbour believed it was a very real issue. She highlighted the tight turnaround times.

Co-Chair Foster thanked the presenters for the clarity on the use of the ARPA funds. He discussed housekeeping for the following days.

Vice-Chair Ortiz understood that the committee would not meet on the weekend. He wondered whether there would be a meeting the coming Monday.

Co-Chair Foster answered that nothing was planned at present.

Co-Chair Foster believed the first conference committee may be the coming Monday, but it was not certain.

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ADJOURNMENT

2:47:04 PM

The meeting was adjourned at 2:47 p.m.