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518

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SB 518

SPONSOR Rules

BILL TITLE relating to eligibility for weatherization

DATE REFERRED 3.12.90

HEARING SCHEDULED

FISCAL NOTE PREPARED

SPONSOR CONTACTED

INTERESTED PARTIES CONTACTED

SIH INC
WEATHERIZATION

650 21st Ave FBX 99701

452-5323

OTHER

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/12/90

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
INTO OFFICE: _____

State Affairs Committee considered SB 518

Income eligibility for certain housing weatherization programs.

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Ge Adams

Jan Furb

Pat Sanchez do pass

Chair: Signature and Recommendation

SB 518, Eligibility for weatherization

TELECONFERENCE; Robert Maxwell, FBX

TO TESTIFY;

Senator Coghill

Steve Baden: DCRA/Energy Programs

Robert Maxwell: Director: S.I.H. Inc. Weatherization via teleconference.

NOTES;

Coghill drafted this at the request of SIH Weatherization. They were somewhat heartbroken to find out that it would not mean MORE MONEY but still feel the bill is good and should move. I didn't encourage him to pursue his idea that we should consider an amendment to include "nold harmless" provisions.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: "An Act..income eligibility for certain housing weatherization."
 Sponsor: Rules Committee
 Requestor: _____

Agency Affected: Community & Regional Affairs
 BRU: Energy Programs
 Components: Energy Conservation

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) There is no fiscal effect for FY 90 or 91. Bill would extend coverage of eligibility of weatherization assistance. Its effects on the federal weatherization program would be limited by federal law & program regulations. Since the FY 91 budget request would not meet demand for weatherization assistance, the addition of eligible families will not have a fiscal impact.

Prepared by: *Carol Carroll*
 Division: Administrative Services

Phone: 465-4708
 Date: 3/13/90

40. Approved by Commissioner: *Chas. R. ...*
 Agency: Department of Community & Regional Affairs

Date: 13 March 90

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Senator John B. (Jack) Coghill

Alaska State Legislature

Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862



A large, stylized handwritten signature in black ink, which appears to be "John B. Coghill".

SPONSOR STATEMENT FOR SB 518

WE INTRODUCED SB 518 BECAUSE WE WERE CONCERNED THAT A NUMBER OF INTERIOR SENIORS WERE DENIED ELIGIBILITY FOR THE DCRA WEATHERIZATION PROGRAM. FIXED INCOME SENIORS WITH LONGEVITY BONUSES, PERMANENT FUND CHECKS, AND SOCIAL SECURITY CHECKS HAVE GONE OVER THE ELIGIBILITY REQUIREMENT OF DCRA FOR WEATHERIZATION.

SB 518 WOULD INSTRUCT DCRA NOT TO COUNT LONGEVITY BONUSES AND PERMANENT FUND CHECKS AS INCOME WHEN DETERMINING ELIGIBILITY FOR WEATHERIZATION PROGRAMS. THE PASSAGE OF SB 518 WOULD ADDRESS A SERIOUS WRONG BY ENSURING THAT LOW INCOME SENIORS AREN'T DENIED ACCESS TO WEATHERIZATION SIMPLY BECAUSE THEY RECEIVE PERMANENT FUND CHECKS AND LONGEVITY BONUSES.

THE LEGISLATURE NEVER INTENDED FOR THIS TO BE THE CASE, AND WE SHOULD CLOSE THE LOOPHOLE. I STRONGLY URGE THE PASSAGE OF SB 518.



850 21st. Ave. • Fairbanks, Alaska 99701 • (907) 452-5323

S.I.H. INC. WEATHERIZATION

RECEIVED

APR 20 1990



March 20, 1990

Senator John B. Coghill
Alaska State Legislature
P.O. BOX V (MS 3100)
Juneau, Alaska 99811

Dear Senator Coghill:

Right now there are Alaskans at or near federal low income guidelines that are being cheated. The existing situation deprives many deserving elderly Alaskan residents of the opportunity to reduce their fuel costs, and live in a more comfortable dwelling. This situation would not exist if they did not receive Permanent Fund Dividends and/or Longevity Bonuses. A similar problem is created for low income households with large numbers of Permanent Fund Dividend recipients. You and your colleagues are the only people who can rectify this situation.

The Low Income Weatherization Assistance Program is funded with federal Department of Energy monies. Eligible clients must meet the federal low income guidelines which include Permanent Fund Dividends and Longevity Bonuses as income. This situation deprives the recipient of an eight or nine hundred dollar dividend from receiving an average eighteen hundred dollars in weatherization and reduced heating costs. While the State has its own guidelines and regulations in effect, these guidelines do not count the Permanent Fund Dividend of Longevity Bonuses as income. However, there are no State funds set aside to serve those who are put above the federal low income guidelines by receipt of Permanent Fund Dividends.

The problem with any "hold harmless" of course is trying to determine the cost. Annual funding of the Weatherization Assistance Program can never hope to weatherize all potentially eligible clients and dwellings in the state during one year. Those who are not weatherized one year will probably receive the service in a following year. Funds allocated to weatherize those disenfranchised by receipt of the Permanent Fund Dividend should follow the same logic.

Senator Coghill
March 20, 1990
Page 2

A percentage of the number of dwellings funded annually for weatherization would seem to be an equitable way of determining the cost. The total number of dwellings that can be served statewide is determined by the total funding allocation for that year. This process is completed well before the annual amount for Permanent Fund Dividends is determined. Our experience in Fairbanks is that the number of applicants who meet the profile described above would be equal to approximately 12% of our annual allocation.

In my conversations with the other agencies that provide weatherization assistance throughout the state, they feel that this percentage would at least allow them to address the needs of the majority of elderly applicants who are put above the income ceiling by receipt of the Permanent Fund Dividend. During an average funding year this 12% would equal approximately \$500,000.00: at current funding this figure would be much less. Surely, a very small amount from each Permanent Fund Dividend would correct a very unfair situation.

Applicants who discover that they are not eligible for weatherization because they received Permanent Fund Dividends become extremely frustrated. This is magnified when the applicant is elderly, his dwelling desperately needs weatherization and he has no where else to go to receive this help. We all know how expensive it is to heat homes in Alaska, imagine having a fixed income, increasing fuel costs and having to choose between receiving weatherization or a Permanent Fund Dividend check. Is it right for us to force someone to make that choice? I think not, I hope you will agree with me. Thank you for your time and attention to this matter.

Sincerely,



Robert A. Maxwell
Executive Director

WEATHERIZATION PROGRAM PROFILE

The Low Income Weatherization Program provides:

Greater Comfort in The Home
Reduced Heating and Utility Bills
Jobs for Suppliers and Contractors

Each dwelling receives a professional assessment of its energy use. Measures are implemented to save energy, and the residents are educated in home energy conservation.

The dwellings receive improvements and reductions in energy use.

The Elderly and Handicapped are priority clients.

More money is left for the clients to purchase needed items other than heat.

FAIRBANKS LOW INCOME WEATHERIZATION FUNDING HISTORY

1985 - 1986	209 Dwellings *
1986 - 1987	200 Dwellings
1987 - 1988	175 Dwellings
1988 - 1989	231 Dwellings
1989 - 1990	278 Dwellings
1990 - 1991	58 Dwellings

* During the fy85 funding year the average per home was \$2,300 vs. \$1,850 this year, in fy85 funding for the Fairbanks was 88% State, this year it is 88% Federal. In fy85 the jobs created in Fairbanks from weatherization came to more than 35, this year they will amount to less than 8.

Automation and computer programs to track client records have drastically reduced the overhead costs of the organizations providing weatherization.

This results in more program funds reaching the client and the dwelling, more money spent on materials and installation.

Greater insights into buildings and their problems have recently become available from the availability of technical tools such as blower doors and infrared cameras.

Study: Weatherization may be better than gas pipeline

THE ASSOCIATED PRESS

FAIRBANKS - A federal-state weatherization program for Railbelt homes could be less expensive and more efficient than a proposed gas pipeline from Wasilla to Fairbanks, a state study concludes.

The weatherization program would cost about a quarter of the pipeline's cost, save homeowners an additional \$100 annually in heating costs and provide as many or more jobs over a longer period of time, the House Research Agency report says.

The study of the Enstar Natural Gas Co. pipeline proposal was prepared for Rep. Sam Cotten, D-Eagle River.

The report also says regulations governing the Alaska Public Utilities Commission prohibit the panel from granting unreasonable cost preferences to any of a public utility's customers. It is doubtful natural gas could be sold in Fairbanks at the same price as in Anchorage, the

report says.

The study also questions Enstar's estimate of how many Fairbanks residential, commercial and utility customers would convert from heating oil and coal to natural gas if the line were built.

Enstar has estimated that Fairbanks residents, businesses and utilities would use as much as 19.9 billion cubic feet of gas by 1994. But the House study concludes Enstar's figures are too high. It pegged the amount at 4.9 billion cubic feet beginning in 1994.

The study also found that conversion to natural gas in Fairbanks would displace about 21 million gallons (490,000 barrels) of fuel oil now consumed annually.

That would increase competition among Mapco Alaska Petroleum Co., PetroStar Fuel, and Tesoro Alaska Petroleum, the study states. While that might lower heating oil costs in the short run, it could eventually drive one of

the competitors out of the market, causing a loss of jobs.

While agreeing that conversion to natural gas would save the average household \$263 a year on heating fuel, the House study states weatherization would save consumers even more.

The current weatherization program, funded almost entirely by the federal government and administered by the state Department of Community and Regional Affairs, provides up to \$1,600 per household for caulking, weatherstripping, insulation, insulated doors and window improvements.

Such an investment reduces annual residential heating costs by about 22 percent, the state agency said.

But with an additional \$700 per house to improve heating systems, the agency estimated the average residence would save up to 30 percent on heating.

The department estimated there were 22,300

unweatherized homes along the Railbelt in Fairbanks, North Pole, Nenana, Healy, Cantwell, Talkeetna, Willow, Houston, and Anderson-Clear.

At \$2,300 per house, the department and the House study estimated a total weatherization cost of \$51.3 million, versus \$220 million for Enstar's gas line and associated distribution system.

They also estimated weatherization would save each residence an average \$376 per year in heating costs.

The study also concludes weatherization could provide as many jobs in the Fairbanks area as the gas line.

The House study states the construction of the distribution system would provide the equivalent of 70 year-round jobs for one year. But weatherization would create approximately 260 year-round construction jobs for a two-year period, and would use locally available labor and building supplies, the study says.

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot
RE: Monday, April 23 Committee Hearing
DATE: April 21, 1990

On Wednesday, April 23 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SB 206, An Act relating to intrastate competition in telecommunications; continuing the existence of the APUC; and providing for an effective date.
Rescheduled to Wednesday, April 25
CSHB 405, Public Access to public information.
Rescheduled to Wednesday, April 25

CS HB 268 (jud), An Act relating to the Commission on Judicial Conduct and to the Alaska Supreme Court's power to discipline judges. The major provisions of this bill, sponsored by Representative Gruenberg, are:

- .the Judicial Conduct Commission would be required to hold a public hearing if it finds probable cause to proceed on an allegation of judicial misconduct. Currently, the public remains uninformed until the matter is resolved.
- .removal of unconstitutional language which allowed the Commission to reprimand judges, clarification that only the Supreme Court can sanction judges.
- .clarification that the hearing on the charges and the majority and minority report of the Commission are public.

Further Referral: Judiciary House Vote: 39 Yeas 0 Nays

SB 518, An Act relating to income eligibility for certain housing weatherization programs. Sponsored by the Rules Committee, at the request of Senator Coghill, this bill would restrict the Department of Community and Regional Affairs from considering the value of the longevity bonus or permanent fund dividends in determining eligibility for weatherization assistance. DCRA currently contracts on a community by community basis, therefore this bill would increase the number of eligible participants in a given community but due to budget constraints, the total number of people served will not increase. No further committee referral.

SB 547, An Act relating to address information required for voter registration and providing for an effective date. This bill was developed at the request of Division of Elections as a response to the Baird vs. State court decision, in which the court decided against the countability of votes cast

by voters with insufficient addresses. According to the Division of Elections, that court decision has the potential to disenfranchise between 19,000 and 25,000 rural voters in the upcoming Primary and General Elections. SB 547 clarifies the rules on which Division of Elections will determine the sufficiency of address information. No further committee referral.

SB 452. An Act repealing limitations on the Older Alaskans Commissions relating to the longevity bonus program and the Alaska Pioneers Home. Sponsored by Senator Rodey, this bill expands the powers of the OAC by repealing the statute which denies them the authority to investigate, review or undertake any responsibility for the longevity bonus program or the Pioneers' Homes. There is no fiscal impact. No further committee referral.

CS HB 244 (Fin) am. An Act relating to the frequency and content of certain state agency reports; relating to the frequency and contents of the report to the legislature on the housing assistance revolving fund; eliminating an annual oil and gas reporting and analysis requirement; and eliminating the long-term energy plan preparation and revision requirements. Sponsored by the House Finance Committee, this bill changes many state agency report requirements from an annual to a biennial basis and eliminates the annual oil and gas reporting/analysis requirement and the annual long-term energy plan. Further Committee Referral: Finance House Vote: 40 Yeas 0 Nays