

SB

203

<TARGET><BILL>SB 203</BILL><SUBJECT>SB
203</SUBJECT><COMM>SFIN27</COMM></TARGET>

SENATE FINANCE COMMITTEE REPORT First Committee of Referral

DATE: 2/17/12

FURTHER:

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

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 203

SB 203-ENERGY ASSISTANCE PROGRAM & VOUCHERS

"An Act establishing an energy assistance program in the Department of Revenue to issue an energy voucher to Alaska permanent fund dividend recipients; and relating to the analysis and recommendation of an energy assistance program by the governor."

and recommends:

- be replaced with CS SB203 (FIN) [] Same Title New Title
- [] adopt previous CS _____ (_____) [] Same Title [] New Title
- [] attached amendment(s)
- [] adopt _____ Letter of Intent
- [] further referral to _____ Committee

Dept Abbr.	
ADM	LEG
CED	LAW
COR	LWF
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
Rev	✓			
Rev	✓			
Adm.	✓			

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

[] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do NOT PASS	No REC	AMEND
	Thomas	✓			
	EGAN	X			
	ORSON	✓			
	ELLIS	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CS SB 203 (FIN)
Fiscal Note Number _____
() Publish Date _____

Identifier (file name) SB203CS(FIN)-DOR-PFD-03-28-12 Dept. Affected Revenue
Title Energy Assistance Program & Voucher Appropriation Tax & Treasury
Allocation Permanent Fund Dividend
Sponsor Senators Thomas, Paskvan, Hoffman, Wagoner, Ellis
Requester Senate Finance OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	72.9							
Travel								
Services	218.6							
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	291.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)						
1002	Federal Receipts							
1003	GF Match							
1004	GF	291.5						
1050	PFD Fund (DGF)							
1037	GF/MH (UGF)	0.0						
1178	temp code (UGF)							
TOTAL		291.5	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS								
Full-time								
Part-time								
Temporary	2							

CHANGE IN REVENUES								

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (If initial version, please note as such)

Updated for CS in Senate Finance version M.

Prepared by Deborah M. Bitney
Division Permanent Fund Dividend
Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 465-4785
Date/Time 3-28-12 5:00pm
Date 3/29/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CS SB 203 (FIN)

Analysis

PFD expects this fiscal note to change as more clarification and information is provided to the Department of Revenue. Note corrected fund source.

The bill creates an energy benefit by means of a voucher for Adults who are determined eligible for the 2012 PFD. The bill proposes the energy benefit to be distributed no later than December 1, 2012. The bill also tasks the Governor with determining how to make the program permanent through the PFD Division.

PFD expects increased appeals of ineligible applicants because of the value of the benefit added to dividend eligibility, a situation similar to that of the 2008 Resource Rebate at which time the Informal Appeals unit received approximately 900 additional appeals by applicants who were ineligible as a matter of law. Additional appeals staff, Range 12 PFD Tech II is needed to render informal appeals decisions within the statutorily designated time frame of 180 days.

Additionally, approximately 100 additional Formal level appeals were heard by Administrative Law Judges with Office of Administrative Hearings in which the divisions decision the applicant was ineligible was upheld. OAH RSA expected in the amount of \$113.6.

As the value and benefit of the annual dividend program increases, so does the potential for fraud. \$105.K is requested to hire a firm that would assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 203 (FIN)
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB203CS (FIN)-DOR-AHFC-04-03-12 Dept. Affected _____ Revenue _____
 Title Energy Assistance Program & Vouchers Appropriation Alaska Housing Finance Corp.
 Allocation AHFC Operations
 Sponsor Senator Thomas
 Requester Senate Finance Committee OMB Component Number 110

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY14	FY15	FY16	FY17
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	1,495.0		742.5	448.5	448.5	299.0	299.0
Travel	50.0		25.0	15.0	5.0	5.0	5.0
Services	13,195.0		763.5	460.0	460.0	313.4	313.4
Commodities							
Capital Outlay	10.0						
Grants, Benefits							
Miscellaneous	250.0						
TOTAL OPERATING	15,000.0	0.0	1,531.0	923.5	913.5	617.4	617.4

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1061	CIP Rcpts (Other)	15,000.0	1,531.0	923.5	913.5	617.4	617.4
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		15,000.0	0.0	1,531.0	923.5	617.4	617.4

POSITIONS

Full-time	10	5	3	3	2	2
Part-time						
Temporary						

CHANGE IN REVENUES

--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** 465,000.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Reflects changes to personal services in FY15-FY18.

Prepared by Stacy Schubert, Director Governmental Relations & Public Affairs
 Division Alaska Housing Finance Corporation
 Approved by Dan Fauske, Alaska Housing Finance Corporation
Department of Revenue

Phone 907-301-4556
 Date/Time 4/3/12 1:30 PM
 Date 4/3/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 203 (FIN)

Analysis

This bill requires Alaska Housing Finance Corporation (AHFC) to issue an energy voucher to each adult eligible for the permanent fund dividend in 2012. The energy voucher would be redeemable for 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. The voucher would be redeemable with a qualified energy distributor.

AHFC would be required to specify a date in 2012 for which each qualified distributor shall submit its retail prices for the fuel or energy source, and to issue payment for the published price of fuel on a certain date to a qualified distributor upon receipt of a voucher.

The energy distributor would credit the full amount to the recipient's account upon receipt of payment by AHFC. The energy voucher must be issued to eligible recipients not more than 30 days following the issuance of 2012 permanent fund dividend, and is valid for four months from date of issuance. The voucher is nontransferable except under specific circumstances including:

By a tenant to a landlord for rent deduction if the tenant does not pay directly for energy use or is unable to access an eligible distributor;

By an individual who is unable to access an eligible distributor. The individual may receive a check for \$250 from AHFC; or

If the voucher recipient dies before the voucher is issued or redeemed, it may be transferred to a personal representative or successor.

AHFC would be required to work closely with Department of Revenue (PFD division) to access qualified recipient information to develop and implement the voucher program with appropriate controls.

Section 2 of this bill directs the Office of the Governor to provide a report to the legislature before October 1, 2012 that analyzes and recommends an energy assistance program to be implemented in the fiscal year ending June 30, 2014.

Fund Amount:

In developing this fiscal note, there is an assumption that capital funds will be appropriated. A complete and accurate fiscal impact will be dependent on a number of factors which are presently unknown and include:

The date specified and agreed on by AHFC of the reimbursable price for the energy provided in each community; and

The number of participating distributors, number of Alaskans eligible to receive the voucher, and number of vouchers reimbursed for a negotiated rent reduction or a \$250 check.

Given the above-mentioned uncertainty, AHFC estimates cost impact of this bill will range from \$325,000,000 to \$465,000,000.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 203 (FIN)

Analysis Continued

Administrative Costs:

AHFC recognizes that it will not be possible to ramp up staff capacity to achieve the objectives described in the bill within the time constraints established in the bill; therefore, AHFC intends to contract the majority of the work to obtain services, including, but not limited to:

- Establish dedicated program database for tracking, administration and management of voucher recipients and distributors;
- Create and establish dedicated website with online claim filing capabilities;
- Establish and maintain toll-free telephone number at call center for customer support;
- Develop and implement an outreach program, including possible grassroots campaign to reach Alaska residents;
- Provide direct mail notice to Alaska residents and potentially qualified distributors regarding the program;
- Receive and process distributor requests for qualification;
- Establish procedures to qualify distributors for participation in the program;
- Maintain list of qualified distributors;
- Receive and process distributor claims for reimbursement;
- Create and issue personalized, nontransferable uniquely numbered vouchers to Alaska residents;
- Issue reimbursement checks to distributors who submit valid claims for reimbursement;
- Track voucher redemption;
- Handle replacement voucher requests, as needed;
- Process claims for a \$250 check in lieu of the voucher and determine eligibility, as required;
- Issue \$250, as needed, to eligible recipients, as required ;
- Create and issue 1099s for recipients, as required.
- Receive and process administrative mail from distributors and/or Alaska residents;
- Providing reporting of status of the administrative activities; and
- Maintain a record of all program contacts and responses thereto.

This fiscal note is based on the bill language that establishes the "voucher program" as a one year program. Given the scope and nature of utilization of contract services, extensive ramp-up will be required. Some elements for appeal processes extend up to six years, and there will be costs for the ramp down and dismantling of the program.

This estimate is based upon the possible requirements of AHFC as established in the bill. AHFC staff will be required to manage the necessary contract(s). Additional staff and expenses include administration, information systems, human resources, audit, and accounting support, computers and office space and systems, communications and travel.

Furthermore, as one of the state's largest landlords, AHFC's public housing division will be required to respond to tenant inquiries as it relates to the negotiation allowed under Section 1 (g) of the bill.

Total estimated operating costs for FY13 are \$15 million. This amount is listed as CIP Receipts as it will come from the capital appropriation.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SB203
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB203-DOA-OAH-3-8-12
 Title Energy Assistance Program & Vouchers
 Sponsor Senator Thomas
 Requester Senate Finance
 Dept. Affected Administration
 Appropriation Centralized Administrative Services
 Allocation Office of Administrative Hearings
 OMB Component Number 2771

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13					
Personal Services	113.6						
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	113.6	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1007	I/A Rcpts (Other)	113.6					
TOTAL		113.6	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary						

CHANGE IN REVENUES

--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Terry L. Thurbon, Chief Administrative Law Judge
 Division Office of Administrative Hearings
 Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 465-1886
 Date/Time 3/8/12 1:50 PM
 Date 3/8/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB203

Analysis

This bill provides for issuance of energy vouchers to adults eligible for the 2012 Permanent Fund Dividend (PFD), and for the vouchers to be redeemed with qualified distributors of heating oil, natural gas and electricity. Applicants determined to be ineligible for the PFD are entitled to a formal hearing conducted by the office of administrative hearings. The department of revenue, PFD division, estimates an increase of 100 formal appeals. The bill contemplates that those would be concluded within 12 months after filing.

Under the bill, distributors determined not to be qualified also would be entitled to an administrative hearing. The department of revenue could, but is not required to, ask the office of administrative hearings to conduct the distributor appeal hearings as voluntary referrals pursuant to AS 44.64.030(b). The number of distributor appeals that would reach the formal appeal level and be heard by the office of administrative hearings could be quite small, or even non-existent if the department of revenue elected not to refer them to the office.

The bill also provides that the energy voucher not be considered income for financial needs-based assistance programs, unless so required by federal law. If disputes arise between assistance claimants and assistance program managers in the department of health and social services about whether the energy voucher is required by federal law to be treated as income, this could affect the complexity of some cases, or possibly lead to an unquantifiable increase in cases, reaching the formal hearing stage before the office of administrative hearings.

OAH does not anticipate that the resulting one-time, limited duration spike in caseload would increase the office's caseload beyond OAH's capacity to handle the additional cases at approved staffing levels that will be in place as of the July 1, 2012 effective date of Executive Order 116. OAH might need to act sooner than planned to fill an existing vacancy, or if the crush of time-sensitive PFD eligibility appeals so dictated, might need to bring on board a temporary ALJ to handle some of the cases. The cost to OAH of performing the services would be recovered from the affected departments through interagency receipts, based on the time commitment required for hearings and mediations. The \$113.6 figure corresponds to the department of revenue's estimate, based on 2008 Resource Rebate experience, of the increase in interagency receipts it would have to pay from the permanent fund to OAH for the anticipated increase of 100 cases. Whether OAH would in fact need to increase expenditures or need increased interagency receipts authority in that amount depends on unpredictable caseload dynamics.

CS FOR SENATE BILL NO. 203(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATORS THOMAS, Paskvan, Hoffman, Wagoner, Ellis, Olson, French, Kookesh, Egan

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing an energy assistance program in the Alaska Housing Finance**
2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
3 **relating to the analysis and recommendation of an energy assistance program by the**
4 **governor; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 ALASKA ENERGY VOUCHER. (a) To help residents meet the high cost of energy
9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each adult or
11 emancipated minor who

12 (1) in 2011, was permitted to apply for a permanent fund dividend on the
13 person's own behalf and who was determined by the Department of Revenue to be eligible for
14 the permanent fund dividend paid in 2012; or

1 (2) did not apply for the permanent fund dividend paid in 2012 but certifies,
2 on a form provided by the corporation that bears notice that false statements made in the form
3 are punishable by law, that the person was eligible for the permanent fund dividend paid in
4 2012 and is determined by the corporation to have otherwise been eligible for the permanent
5 fund dividend paid in 2012.

6 (b) An energy voucher issued under this section is redeemable for the monetary
7 equivalent of 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of
8 natural gas, the monetary equivalent of 31,000,000 British thermal units of hot water or steam
9 district heat, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
10 this subsection, the monetary equivalent of 250 gallons of heating oil, 35,000 cubic feet of
11 natural gas, 31,000,000 British thermal units of hot water or steam district heat, or 1,500
12 kilowatt-hours of electricity is the retail price of 250 gallons of heating oil, 35,000 cubic feet
13 of natural gas, 31,000,000 British thermal units of hot water or steam district heat, or 1,500
14 kilowatt-hours of electricity as approved for each distributor qualified under (e) of this
15 section. The corporation shall specify a date in 2012 for which each distributor that wants to
16 be qualified under (e) of this section shall submit the retail price of 250 gallons of heating oil,
17 the retail price of 35,000 cubic feet of natural gas, the retail price of 31,000,000 British
18 thermal units of hot water or steam district heat, or the retail price of 1,500 kilowatt-hours of
19 electricity, as applicable. On receipt of a voucher and eligible claim, the corporation shall
20 issue a payment to the qualified distributor of the monetary amount determined under this
21 subsection using the retail price approved by the corporation under (e) of this section for a
22 qualified distributor for the applicable type of energy, district heat, or fuel. On receipt of the
23 payment from the corporation, a qualified distributor shall credit the full amount of the
24 payment to the account that services the primary physical residence of the recipient of the
25 voucher. A payment made under this section may not be used for costs unassociated with the
26 purchase of the energy, district heat, or fuel, may not be transferred between customer
27 accounts, and may not be paid out in cash. If an account with a remaining balance from a
28 payment made under this section is closed, a qualified distributor shall return the balance of
29 the account attributable to the energy voucher to the corporation.

30 (c) The energy voucher

31 (1) must be numbered and state the name of the person to whom the voucher

1 is issued;

2 (2) must require the recipient of the voucher to sign, and date, and certify, on a
3 form bearing notice that false statements made in the form are punishable by law, that the
4 recipient of the voucher is complying with all the requirements of the voucher, including the
5 requirement that the voucher amount be used to supply heating oil, natural gas, district heat,
6 or electricity to the voucher recipient's primary physical residence in the state;

7 (3) is nontransferable and may not be sold, transferred, or traded for any other
8 compensation, except as provided in (g) and (l) of this section;

9 (4) is redeemable only at a distributor qualified under (e) of this section and
10 may not be split among multiple distributors;

11 (5) is not valid for submission to a distributor more than four months after the
12 date the energy voucher is issued;

13 (6) is valid for heating oil, natural gas, district heat, or electricity delivered to
14 the voucher recipient's primary physical residence in the state; and

15 (7) shall be issued by the corporation not more than 30 days following the
16 issuance in 2012 of the permanent fund dividend.

17 (d) A distributor qualified under (e) of this section shall, within 30 days after
18 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
19 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
20 of this section to the qualified distributor for an energy voucher not later than 20 days after
21 receiving an eligible claim from a qualified distributor. Submitted claims must include

22 (1) the number of the voucher;

23 (2) the name of the recipient, as stated on the voucher; and

24 (3) the address or other identifying information requested by the corporation
25 listed on the heating oil, natural gas, district heat, or electricity account that the voucher will
26 credit.

27 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
28 redeem vouchers. A distributor of oil, natural gas, district heat, or electricity is qualified if the
29 distributor

30 (1) is licensed to do business in the state;

31 (2) is regularly engaged in the business of distributing oil, natural gas, district

1 heat, or electricity;

2 (3) submits a retail price of oil, natural gas, district heat, or electricity, as
3 applicable, for the quantities described in (a) of this section, submits all evidence for that
4 retail price requested by the corporation, and responds to inquiries of the corporation related
5 to that retail price, and the corporation finds that retail price is representative of the price
6 charged under similar circumstances; and

7 (4) meets other eligibility requirements that the corporation may adopt under
8 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

9 (f) In determining the eligibility of an individual under a public assistance program, a
10 heating assistance program, or a veterans' benefits program in which eligibility for assistance
11 is based on financial need, the state may not consider an energy voucher as income or
12 resources received by the recipient or by a member of the recipient's household. An individual
13 whose

14 (1) supplemental security income benefit payment under 42 U.S.C. 1381 -
15 1383f is reduced solely because of the receipt of energy assistance under this section is
16 entitled to receive from the state, for a period not to exceed 12 months, the same level of
17 benefit payment as the individual would have received under 42 U.S.C. 1381 - 1383f had
18 energy assistance not been received under this section; or

19 (2) nutrition assistance or benefits under 42 U.S.C. 1786 (Special
20 Supplemental Nutrition Program for Women, Infants, and Children) or 7 U.S.C. 612c
21 (Commodity Supplemental Food Program) are reduced solely because of the receipt of energy
22 assistance under this section is entitled to receive, notwithstanding the assistance limit in
23 AS 47.25.130(a), cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance),
24 for a period not to exceed 12 months, in the same amount as the individual would have
25 received under 42 U.S.C. 1786 (Special Supplemental Nutrition Program for Women, Infants,
26 and Children) or 7 U.S.C. 612c (Commodity Supplemental Food Program) had energy
27 assistance not been received under this section.

28 (g) A recipient of an energy voucher who does not pay directly for the heating oil,
29 natural gas, district heat, or electricity used in the recipient's primary physical residence or
30 who does not have reasonable access to a qualified distributor of the type of fuel, district heat,
31 or electricity used in the recipient's primary physical residence in the state may certify that

1 fact on a form provided by the corporation bearing notice that false statements made in the
2 form are punishable by law, and may exchange the voucher with the corporation

3 (1) if applicable, for a replacement voucher in the name of the landlord or
4 owner of the recipient's primary physical residence in the state, the value of which may,
5 subject to negotiations between the landlord and tenant, be deducted from rent; or

6 (2) upon certification that the \$250 will be used toward rent, energy, or
7 heating costs at the recipient's primary physical residence in the state, for a check for \$250 in
8 the name of the recipient of the energy voucher.

9 (h) Except as provided in (j) of this section or as may be provided by regulations
10 adopted by the corporation, an energy voucher issued under this section is not valid unless it
11 is signed and dated by the individual named on the face of the voucher.

12 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
13 until the landlord certifies on a form provided by the corporation bearing notice that false
14 statements made in the form are punishable by law that the amount of the voucher will be
15 used to provide energy or heat to the primary physical residence of the original recipient of
16 the voucher and certifies to the amount that the landlord will apply against the rent of the
17 original recipient of the voucher.

18 (j) Certification or signature on an energy voucher or other certification under this
19 section required of an individual who is disabled or incapacitated may be signed or certified
20 by the individual's legal guardian or other authorized representative. An individual may
21 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
22 the United States who is serving on active duty outside of the United States if the individual
23 has a power of attorney from the member of the armed forces that, in specific or general
24 terms, authorizes the individual to redeem the voucher.

25 (k) An individual who is disabled or incapacitated may not maintain a claim against
26 the state or an officer or employee of the state based on the manner in which the guardian or
27 authorized representative other than a public agency of the state managed or disposed of an
28 energy voucher received on behalf of the disabled or incapacitated individual.

29 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
30 issued or redeemed, the energy voucher may be transferred to a personal representative of the
31 estate or to a successor claiming personal property under AS 13.16.680.

1 (m) In addition to any criminal penalties imposed by state law, if an individual or
2 qualified distributor is convicted of a crime in connection with a false statement made in a
3 certification required under this section, in a submission for a reimbursement under (d) of this
4 section, or in connection with forging an energy voucher, and the conviction is not reversed,
5 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
6 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
7 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
8 monetary amount received from the voucher, and the individual is not eligible for a future
9 permanent fund dividend.

10 (n) If an individual is aggrieved by a decision of the Department of Revenue with
11 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
12 voucher under (a)(1) of this section, the individual may request that the department review its
13 decision under AS 43.23.015(g).

14 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
15 Finance Corporation with respect to the individual's authority to claim an energy voucher on
16 behalf of another, or reimbursement of a distributor, or other decision under (a)(2), (e), (g), or
17 (m) of this section, the individual or distributor may request that the corporation review its
18 decision. Within 12 months after an administrative appeal under this subsection is filed, the
19 corporation shall provide the individual or distributor with a final written decision. If the
20 individual or distributor is aggrieved by the final written decision of the corporation, the
21 individual or distributor may appeal that decision to the superior court in accordance with
22 AS 44.62.560. An appeal to the court under this subsection does not entitle the aggrieved
23 individual or distributor to a trial de novo. The appeal shall be based on the record of the
24 administrative proceeding from which appeal is taken, and the scope of appeal is limited to
25 matters contained in the record of the administrative proceeding.

26 (p) If the corporation determines that an energy voucher or a cash payment made in
27 exchange for a voucher should not have been issued to an individual or a reimbursement
28 should not have been made to a distributor, the state may use all collection procedures or
29 remedies available under AS 43 to recover the energy voucher or the cash value of the
30 voucher that was improperly issued or for which reimbursement was improperly made.
31 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper

1 reimbursement shall be sent to the individual or distributor, as applicable, within

2 (1) three years after the energy voucher was issued if the notice is sent to an
3 individual; or

4 (2) three years after the distributor received reimbursement if the notice is sent
5 to a distributor.

6 (q) The three-year time limit under (p) of this section for the corporation to send
7 notice of an improperly issued voucher or an improper reimbursement is extended to six years
8 if the corporation determines that the individual or distributor

9 (1) exercised gross negligence or reckless disregard with respect to a material
10 fact in connection with a false statement on the energy voucher or submission for
11 reimbursement; or

12 (2) forged an energy voucher.

13 (r) If notice is not sent within the time required under (p) or (q) of this section,
14 administrative or judicial proceedings may not be commenced for recovery of an improperly
15 issued energy voucher or improper reimbursement.

16 (s) An energy voucher, account credit, or cash payment provided under this section is
17 exempt from garnishment, levy, or execution by a private party or the state.

18 (t) To the extent allowed by federal law and notwithstanding other state law that may
19 be to the contrary, the department shall, on request of the corporation, electronically provide
20 the corporation with information about applicants who the department has determined are
21 eligible for the permanent fund dividend paid in 2012. Information requested by the
22 corporation under this subsection may include the name of the applicant, the physical and
23 mailing address of the applicant, the date of birth of the applicant, the social security number
24 of the applicant, and any other information necessary to execute the energy voucher program.
25 Information from the department may be used by the corporation only for the purpose of
26 executing the energy voucher program created under this section.

27 (u) In this section,

28 (1) "corporation" means the Alaska Housing Finance Corporation created
29 under AS 18.56;

30 (2) "department" means the Department of Revenue;

31 (3) "disabled" means physically or mentally unable to sign an energy voucher

1 or make a certification required in this section because of serious emotional disturbance,
 2 visual, orthopedic, or other health impairment, or developmental disability that is attributable
 3 to mental retardation, cerebral palsy, epilepsy, autism, or other cause;

4 (4) "incapacitated" means the ability to receive and evaluate information or to
 5 communicate decisions is impaired for reasons other than minority to the extent that the
 6 person lacks the ability to provide the essential requirements for the person's physical health
 7 or safety without court-ordered assistance.

8 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
 9 read:

10 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
 11 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
 12 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
 13 energy assistance options in (b) of this section, and analyze alternate options to those
 14 proposed in (b) of this section for providing energy assistance to Alaskans and, before
 15 October 1, 2012, the governor shall provide a report to the legislature making a
 16 recommendation for an energy assistance program to be implemented in the fiscal year ending
 17 June 30, 2014, that

18 (1) correlates the amount of assistance to the local cost of residential heating,
 19 taking into consideration the price of fuel and heating degree days in each community;

20 (2) is implemented based on crude oil price or heating oil price;

21 (3) has total funding based on state revenue;

22 (4) minimizes administrative costs;

23 (5) makes participation of fuel distributors voluntary;

24 (6) includes a hold harmless provision for recipients of public assistance and
 25 veterans' benefits; and

26 (7) includes penalties for fraud, including ineligibility for a future permanent
 27 fund dividend.

28 (b) The governor shall analyze the following options and may analyze alternate
 29 options to provide energy assistance to Alaskans:

30 (1) a fuel price reduction program with the following features:

31 (A) state reimbursement to a heating oil or natural gas distributor of a

1 portion of the wholesale purchase price of fuel that the distributor sold to heat
2 residential structures;

3 (B) an amount of reimbursement necessary to reduce the wholesale
4 purchase price of a distributor by a specified amount or to a specified price;

5 (C) a limit on the amount of fuel that a person may purchase and for
6 which a distributor received a state reimbursement; and

7 (2) an individual account program with the following features:

8 (A) application on a permanent fund dividend application for energy
9 assistance in the form of a state payment to the applicant's account with a fuel
10 distributor or electric utility;

11 (B) assistance based on heating degree days and the cost of energy in
12 the community;

13 (C) electronic selection of

14 (i) a fuel distributor or electric utility to receive the individual's
15 energy assistance payment; and

16 (ii) an optional amount from the applicant's dividend to be
17 deposited in the individual's account with a fuel distributor or electric utility;

18 (D) a statewide base amount to be sent with the applicant's permanent
19 fund dividend for an applicant for energy assistance who fails to select a fuel
20 distributor or electric utility to receive the individual's energy assistance payment.

21 (c) The governor's report to the legislature under (a) of this section shall evaluate

22 (1) the estimated cost of the program for the first five years;

23 (2) the cost of administering the program compared to the assistance provided;

24 (3) whether the program provides the highest level of assistance to the
25 individuals with the highest heating costs; and

26 (4) whether the program can be structured so that energy assistance is not
27 subject to federal taxation.

28 (d) In this section, "heating degree days" means the average temperature for a day
29 minus the reference temperature of 65 degrees Fahrenheit.

30 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.

2 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt
3 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska
4 energy voucher program in sec. 1 of this Act without making written findings under
5 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to
6 implement this Act and for the immediate preservation of public health and general welfare.
7 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including
8 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.

9 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

Adopted 4/4/12

27-LS1363\E
Nauman
4/3/12

CS FOR SENATE BILL NO. 203()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATORS THOMAS, Paskvan, Hoffman, Wagoner, Ellis, Olson, French, Kookesh, Egan

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing an energy assistance program in the Alaska Housing Finance**
2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
3 **relating to the analysis and recommendation of an energy assistance program by the**
4 **governor; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **ALASKA ENERGY VOUCHER.** (a) To help residents meet the high cost of energy
9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each adult or
11 emancipated minor who

12 (1) in 2011, was permitted to apply for a permanent fund dividend on the
13 person's own behalf and who was determined by the Department of Revenue to be eligible for
14 the permanent fund dividend paid in 2012; or

1 (2) did not apply for the permanent fund dividend paid in 2012 but certifies,
2 on a form provided by the corporation that bears notice that false statements made in the form
3 are punishable by law, that the person was eligible for the permanent fund dividend paid in
4 2012 and is determined by the corporation to have otherwise been eligible for the permanent
5 fund dividend paid in 2012.

6 (b) An energy voucher issued under this section is redeemable for the monetary
7 equivalent of 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of
8 natural gas, the monetary equivalent of 31,000,000 British thermal units of hot water or steam
9 district heat, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
10 this subsection, the monetary equivalent of 250 gallons of heating oil, 35,000 cubic feet of
11 natural gas, 31,000,000 British thermal units of hot water or steam district heat, or 1,500
12 kilowatt-hours of electricity is the retail price of 250 gallons of heating oil, 35,000 cubic feet
13 of natural gas, 31,000,000 British thermal units of hot water or steam district heat, or 1,500
14 kilowatt-hours of electricity as approved for each distributor qualified under (e) of this
15 section. The corporation shall specify a date in 2012 for which each distributor that wants to
16 be qualified under (e) of this section shall submit the retail price of 250 gallons of heating oil,
17 the retail price of 35,000 cubic feet of natural gas, the retail price of 31,000,000 British
18 thermal units of hot water or steam district heat, or the retail price of 1,500 kilowatt-hours of
19 electricity, as applicable. On receipt of a voucher and eligible claim, the corporation shall
20 issue a payment to the qualified distributor of the monetary amount determined under this
21 subsection using the retail price approved by the corporation under (e) of this section for a
22 qualified distributor for the applicable type of energy, district heat, or fuel. On receipt of the
23 payment from the corporation, a qualified distributor shall credit the full amount of the
24 payment to the account that services the primary physical residence of the recipient of the
25 voucher. A payment made under this section may not be used for costs unassociated with the
26 purchase of the energy, district heat, or fuel, may not be transferred between customer
27 accounts, and may not be paid out in cash. If an account with a remaining balance from a
28 payment made under this section is closed, a qualified distributor shall return the balance of
29 the account attributable to the energy voucher to the corporation.

30 (c) The energy voucher

31 (1) must be numbered and state the name of the person to whom the voucher

1 is issued;

2 (2) must require the recipient of the voucher to sign, and date, and certify, on a
3 form bearing notice that false statements made in the form are punishable by law, that the
4 recipient of the voucher is complying with all the requirements of the voucher, including the
5 requirement that the voucher amount be used to supply heating oil, natural gas, district heat,
6 or electricity to the voucher recipient's primary physical residence in the state;

7 (3) is nontransferable and may not be sold, transferred, or traded for any other
8 compensation, except as provided in (g) and (l) of this section;

9 (4) is redeemable only at a distributor qualified under (e) of this section and
10 may not be split among multiple distributors;

11 (5) is not valid for submission to a distributor more than four months after the
12 date the energy voucher is issued;

13 (6) is valid for heating oil, natural gas, district heat, or electricity delivered to
14 the voucher recipient's primary physical residence in the state; and

15 (7) shall be issued by the corporation not more than 30 days following the
16 issuance in 2012 of the permanent fund dividend.

17 (d) A distributor qualified under (e) of this section shall, within 30 days after
18 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
19 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
20 of this section to the qualified distributor for an energy voucher not later than 20 days after
21 receiving an eligible claim from a qualified distributor. Submitted claims must include

22 (1) the number of the voucher;

23 (2) the name of the recipient, as stated on the voucher; and

24 (3) the address or other identifying information requested by the corporation
25 listed on the heating oil, natural gas, district heat, or electricity account that the voucher will
26 credit.

27 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
28 redeem vouchers. A distributor of oil, natural gas, district heat, or electricity is qualified if the
29 distributor

30 (1) is licensed to do business in the state;

31 (2) is regularly engaged in the business of distributing oil, natural gas, district

1 heat, or electricity;

2 (3) submits a retail price of oil, natural gas, district heat, or electricity, as
3 applicable, for the quantities described in (a) of this section, submits all evidence for that
4 retail price requested by the corporation, and responds to inquiries of the corporation related
5 to that retail price, and the corporation finds that retail price is representative of the price
6 charged under similar circumstances; and

7 (4) meets other eligibility requirements that the corporation may adopt under
8 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

9 (f) In determining the eligibility of an individual under a public assistance program, a
10 heating assistance program, or a veterans' benefits program in which eligibility for assistance
11 is based on financial need, the state may not consider an energy voucher as income or
12 resources received by the recipient or by a member of the recipient's household. An individual
13 whose

14 (1) supplemental security income benefit payment under 42 U.S.C. 1381 -
15 1383f is reduced solely because of the receipt of energy assistance under this section is
16 entitled to receive from the state, for a period not to exceed 12 months, the same level of
17 benefit payment as the individual would have received under 42 U.S.C. 1381 - 1383f had
18 energy assistance not been received under this section; or

19 (2) nutrition assistance or benefits under 42 U.S.C. 1786 (Special
20 Supplemental Nutrition Program for Women, Infants, and Children) or 7 U.S.C. 612c
21 (Commodity Supplemental Food Program) are reduced solely because of the receipt of energy
22 assistance under this section is entitled to receive, notwithstanding the assistance limit in
23 AS 47.25.130(a), cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance),
24 for a period not to exceed 12 months, in the same amount as the individual would have
25 received under 42 U.S.C. 1786 (Special Supplemental Nutrition Program for Women, Infants,
26 and Children) or 7 U.S.C. 612c (Commodity Supplemental Food Program) had energy
27 assistance not been received under this section.

28 (g) A recipient of an energy voucher who does not pay directly for the heating oil,
29 natural gas, district heat, or electricity used in the recipient's primary physical residence or
30 who does not have reasonable access to a qualified distributor of the type of fuel, district heat,
31 or electricity used in the recipient's primary physical residence in the state may certify that

1 fact on a form provided by the corporation bearing notice that false statements made in the
2 form are punishable by law, and may exchange the voucher with the corporation

3 (1) if applicable, for a replacement voucher in the name of the landlord or
4 owner of the recipient's primary physical residence in the state, the value of which may,
5 subject to negotiations between the landlord and tenant, be deducted from rent; or

6 (2) upon certification that the \$250 will be used toward rent, energy, or
7 heating costs at the recipient's primary physical residence in the state, for a check for \$250 in
8 the name of the recipient of the energy voucher.

9 (h) Except as provided in (j) of this section or as may be provided by regulations
10 adopted by the corporation, an energy voucher issued under this section is not valid unless it
11 is signed and dated by the individual named on the face of the voucher.

12 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
13 until the landlord certifies on a form provided by the corporation bearing notice that false
14 statements made in the form are punishable by law that the amount of the voucher will be
15 used to provide energy or heat to the primary physical residence of the original recipient of
16 the voucher and certifies to the amount that the landlord will apply against the rent of the
17 original recipient of the voucher.

18 (j) Certification or signature on an energy voucher or other certification under this
19 section required of an individual who is disabled or incapacitated may be signed or certified
20 by the individual's legal guardian or other authorized representative. An individual may
21 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
22 the United States who is serving on active duty outside of the United States if the individual
23 has a power of attorney from the member of the armed forces that, in specific or general
24 terms, authorizes the individual to redeem the voucher.

25 (k) An individual who is disabled or incapacitated may not maintain a claim against
26 the state or an officer or employee of the state based on the manner in which the guardian or
27 authorized representative other than a public agency of the state managed or disposed of an
28 energy voucher received on behalf of the disabled or incapacitated individual.

29 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
30 issued or redeemed, the energy voucher may be transferred to a personal representative of the
31 estate or to a successor claiming personal property under AS 13.16.680.

1 (m) In addition to any criminal penalties imposed by state law, if an individual or
2 qualified distributor is convicted of a crime in connection with a false statement made in a
3 certification required under this section, in a submission for a reimbursement under (d) of this
4 section, or in connection with forging an energy voucher, and the conviction is not reversed,
5 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
6 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
7 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
8 monetary amount received from the voucher, and the individual is not eligible for a future
9 permanent fund dividend.

10 (n) If an individual is aggrieved by a decision of the Department of Revenue with
11 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
12 voucher under (a)(1) of this section, the individual may request that the department review its
13 decision under AS 43.23.015(g).

14 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
15 Finance Corporation with respect to the individual's authority to claim an energy voucher on
16 behalf of another, or reimbursement of a distributor, or other decision under (a)(2), (e), (g), or
17 (m) of this section, the individual or distributor may request that the corporation review its
18 decision. Within 12 months after an administrative appeal under this subsection is filed, the
19 corporation shall provide the individual or distributor with a final written decision. If the
20 individual or distributor is aggrieved by the final written decision of the corporation, the
21 individual or distributor may appeal that decision to the superior court in accordance with
22 AS 44.62.560. An appeal to the court under this subsection does not entitle the aggrieved
23 individual or distributor to a trial de novo. The appeal shall be based on the record of the
24 administrative proceeding from which appeal is taken, and the scope of appeal is limited to
25 matters contained in the record of the administrative proceeding.

26 (p) If the corporation determines that an energy voucher or a cash payment made in
27 exchange for a voucher should not have been issued to an individual or a reimbursement
28 should not have been made to a distributor, the state may use all collection procedures or
29 remedies available under AS 43 to recover the energy voucher or the cash value of the
30 voucher that was improperly issued or for which reimbursement was improperly made.
31 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper

1 reimbursement shall be sent to the individual or distributor, as applicable, within

2 (1) three years after the energy voucher was issued if the notice is sent to an
3 individual; or

4 (2) three years after the distributor received reimbursement if the notice is sent
5 to a distributor.

6 (q) The three-year time limit under (p) of this section for the corporation to send
7 notice of an improperly issued voucher or an improper reimbursement is extended to six years
8 if the corporation determines that the individual or distributor

9 (1) exercised gross negligence or reckless disregard with respect to a material
10 fact in connection with a false statement on the energy voucher or submission for
11 reimbursement; or

12 (2) forged an energy voucher.

13 (r) If notice is not sent within the time required under (p) or (q) of this section,
14 administrative or judicial proceedings may not be commenced for recovery of an improperly
15 issued energy voucher or improper reimbursement.

16 (s) An energy voucher, account credit, or cash payment provided under this section is
17 exempt from garnishment, levy, or execution by a private party or the state.

18 (t) To the extent allowed by federal law and notwithstanding other state law that may
19 be to the contrary, the department shall, on request of the corporation, electronically provide
20 the corporation with information about applicants who the department has determined are
21 eligible for the permanent fund dividend paid in 2012. Information requested by the
22 corporation under this subsection may include the name of the applicant, the physical and
23 mailing address of the applicant, the date of birth of the applicant, the social security number
24 of the applicant, and any other information necessary to execute the energy voucher program.
25 Information from the department may be used by the corporation only for the purpose of
26 executing the energy voucher program created under this section.

27 (u) In this section,

28 (1) "corporation" means the Alaska Housing Finance Corporation created
29 under AS 18.56;

30 (2) "department" means the Department of Revenue;

31 (3) "disabled" means physically or mentally unable to sign an energy voucher

1 or make a certification required in this section because of serious emotional disturbance,
2 visual, orthopedic, or other health impairment, or developmental disability that is attributable
3 to mental retardation, cerebral palsy, epilepsy, autism, or other cause;

4 (4) "incapacitated" means the ability to receive and evaluate information or to
5 communicate decisions is impaired for reasons other than minority to the extent that the
6 person lacks the ability to provide the essential requirements for the person's physical health
7 or safety without court-ordered assistance.

8 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
11 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
12 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
13 energy assistance options in (b) of this section, and analyze alternate options to those
14 proposed in (b) of this section for providing energy assistance to Alaskans and, before
15 October 1, 2012, the governor shall provide a report to the legislature making a
16 recommendation for an energy assistance program to be implemented in the fiscal year ending
17 June 30, 2014, that

18 (1) correlates the amount of assistance to the local cost of residential heating,
19 taking into consideration the price of fuel and heating degree days in each community;

20 (2) is implemented based on crude oil price or heating oil price;

21 (3) has total funding based on state revenue;

22 (4) minimizes administrative costs;

23 (5) makes participation of fuel distributors voluntary;

24 (6) includes a hold harmless provision for recipients of public assistance and
25 veterans' benefits; and

26 (7) includes penalties for fraud, including ineligibility for a future permanent
27 fund dividend.

28 (b) The governor shall analyze the following options and may analyze alternate
29 options to provide energy assistance to Alaskans:

30 (1) a fuel price reduction program with the following features:

31 (A) state reimbursement to a heating oil or natural gas distributor of a

1 portion of the wholesale purchase price of fuel that the distributor sold to heat
2 residential structures;

3 (B) an amount of reimbursement necessary to reduce the wholesale
4 purchase price of a distributor by a specified amount or to a specified price;

5 (C) a limit on the amount of fuel that a person may purchase and for
6 which a distributor received a state reimbursement; and

7 (2) an individual account program with the following features:

8 (A) application on a permanent fund dividend application for energy
9 assistance in the form of a state payment to the applicant's account with a fuel
10 distributor or electric utility;

11 (B) assistance based on heating degree days and the cost of energy in
12 the community;

13 (C) electronic selection of

14 (i) a fuel distributor or electric utility to receive the individual's
15 energy assistance payment; and

16 (ii) an optional amount from the applicant's dividend to be
17 deposited in the individual's account with a fuel distributor or electric utility;

18 (D) a statewide base amount to be sent with the applicant's permanent
19 fund dividend for an applicant for energy assistance who fails to select a fuel
20 distributor or electric utility to receive the individual's energy assistance payment.

21 (c) The governor's report to the legislature under (a) of this section shall evaluate

22 (1) the estimated cost of the program for the first five years;

23 (2) the cost of administering the program compared to the assistance provided;

24 (3) whether the program provides the highest level of assistance to the
25 individuals with the highest heating costs; and

26 (4) whether the program can be structured so that energy assistance is not
27 subject to federal taxation.

28 (d) In this section, "heating degree days" means the average temperature for a day
29 minus the reference temperature of 65 degrees Fahrenheit.

30 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
31 read:

1 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.

2 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt
3 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska
4 energy voucher program in sec. 1 of this Act without making written findings under
5 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to
6 implement this Act and for the immediate preservation of public health and general welfare.
7 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including
8 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.

9 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

ADOPTED 3/27/12

27-LS1363\D
Nauman
3/26/12

CS FOR SENATE BILL NO. 203()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATORS THOMAS, Paskvan, Hoffman, Wagoner, Ellis, Olson, French, Kookesh, Egan

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing an energy assistance program in the Alaska Housing Finance**
2 **Corporation to issue an energy voucher to Alaska permanent fund dividend recipients;**
3 **relating to the analysis and recommendation of an energy assistance program by the**
4 **governor; and providing for an effective date."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 **ALASKA ENERGY VOUCHER.** (a) To help residents meet the high cost of energy
9 in the state in 2011, the Alaska Housing Finance Corporation shall establish a program under
10 which the corporation will issue not more than one energy voucher to each person who, in
11 2011, was an adult or an emancipated minor who was permitted to apply for a permanent fund
12 dividend on the person's own behalf and who was determined by the Department of Revenue
13 to be eligible for the permanent fund dividend paid in 2012.

14 (b) An energy voucher issued under this section is redeemable for the monetary

1 equivalent of 250 gallons of heating oil, the monetary equivalent of 35,000 cubic feet of
2 natural gas, or the monetary equivalent of 1,500 kilowatt-hours of electricity. For purposes of
3 this subsection, the monetary equivalent of 250 gallons of heating oil, 35,000 cubic feet of
4 natural gas, or 1,500 kilowatt-hours of electricity is the retail price of 250 gallons of heating
5 oil, 35,000 cubic feet of natural gas, or 1,500 kilowatt-hours of electricity as approved for
6 each distributor qualified under (e) of this section. The corporation shall specify a date in
7 2012 for which each distributor that wants to be qualified under (e) of this section shall
8 submit the retail price of 250 gallons of heating oil, the retail price of 35,000 cubic feet of
9 natural gas, or the retail price of 1,500 kilowatt-hours of electricity, as applicable. On receipt
10 of a voucher and eligible claim, the corporation shall issue a payment to the qualified
11 distributor of the monetary amount determined under this subsection using the retail price
12 approved by the corporation under (e) of this section for a qualified distributor for the
13 applicable type of energy or fuel. On receipt of the payment from the state, a qualified
14 distributor shall credit the full amount of the payment to the account that services the principal
15 residence of the recipient of the voucher. A payment made under this section may not be used
16 for costs unassociated with the purchase of the energy or fuel, may not be transferred between
17 customer accounts, and may not be paid out in cash. If an account with a remaining balance
18 from a payment made under this section is closed, a qualified distributor shall return the
19 balance of the account attributable to the energy voucher to the state.

20 (c) The energy voucher

21 (1) shall be numbered and state the name of the person to whom the voucher is
22 issued;

23 (2) must require the recipient of the voucher to sign, and date, and certify, on a
24 form bearing notice that false statements made in the form are punishable by law, that the
25 recipient of the voucher is complying with all the requirements of the voucher, including the
26 requirement that the voucher amount be used to supply heating oil, natural gas, or electricity
27 to the voucher recipient's primary residence in the state;

28 (3) is nontransferable and may not be sold, transferred, or traded for any other
29 compensation, except as provided in (g) and (l) of this section;

30 (4) is redeemable only at a distributor qualified under (e) of this section and
31 may not be split among multiple distributors;

1 (5) is not valid for submission to a distributor more than four months after the
2 date the energy voucher is issued;

3 (6) is valid for heating oil, natural gas, or electricity delivered to the voucher
4 recipient's primary residence in the state; and

5 (7) shall be issued by the corporation not more than 30 days following the
6 issuance in 2012 of the permanent fund dividend.

7 (d) A distributor qualified under (e) of this section shall, within 30 days after
8 accepting the voucher, issue a document acknowledging receipt of the voucher to the person
9 exchanging the voucher. The corporation shall issue the amount determined under (b) and (e)
10 of this section to the qualified distributor for an energy voucher not later than 20 days after
11 receiving an eligible claim from a qualified distributor. Submitted claims must include

12 (1) the number of the voucher;

13 (2) the name of the recipient, as stated on the voucher; and

14 (3) the address or other identifying information requested by the corporation
15 listed on the heating oil, natural gas, or electricity account that the voucher will credit.

16 (e) The corporation shall maintain a list of qualified distributors eligible to accept and
17 redeem vouchers. A distributor of oil, natural gas, or electricity is qualified if the distributor

18 (1) is licensed to do business in the state;

19 (2) is regularly engaged in the business of distributing oil, natural gas, or
20 electricity;

21 (3) submits a retail price of oil, natural gas, or electricity, as applicable, for the
22 quantities described in (a) of this section, submits all evidence for that retail price requested
23 by the corporation, and responds to inquiries of the corporation related to that retail price, and
24 the corporation finds that retail price is representative of the price charged under similar
25 circumstances; and

26 (4) meets other eligibility requirements that the corporation may adopt under
27 AS 18.56.088 or emergency regulations adopted under sec. 3 of this Act.

28 (f) In determining the eligibility of an individual under a public assistance program, a
29 heating assistance program, or a veterans' benefits program in which eligibility for assistance
30 is based on financial need, the state may not consider an energy voucher as income or
31 resources received by the recipient or by a member of the recipient's household.

1 (g) A recipient of an energy voucher who does not pay directly for the heating oil,
2 natural gas, or electricity used in the recipient's residence or who does not have reasonable
3 access to a qualified distributor of the type of fuel or electricity used in the recipient's
4 residence in the state may certify that fact on a form provided by the corporation bearing
5 notice that false statements made in the form are punishable by law, and may exchange the
6 voucher with the corporation

7 (1) if applicable, for a replacement voucher in the name of the landlord or
8 owner of the residence in the state in which the recipient resides, the value of which may,
9 subject to negotiations between the landlord and tenant, be deducted from rent; or

10 (2) upon certification that the \$250 will be used toward rent, energy, or
11 heating costs at the recipient's primary residence in the state, for a check for \$250 in the name
12 of the recipient of the energy voucher.

13 (h) Except as provided in (j) of this section or as may be provided by regulations
14 adopted by the corporation, an energy voucher issued under this section is not valid unless it
15 is signed and dated by the individual named on the face of the voucher.

16 (i) A replacement voucher issued to a landlord under (g) of this section is not valid
17 until the landlord certifies on a form provided by the corporation bearing notice that false
18 statements made in the form are punishable by law that the amount of the voucher will be
19 used to provide energy or heat to the primary residence of the original recipient of the voucher
20 and certifies to the amount that the landlord will apply against the rent of the original recipient
21 of the voucher.

22 (j) Certification or signature on an energy voucher or other certification under this
23 section required of an individual who is disabled or incompetent may be signed or certified by
24 the individual's legal guardian or other authorized representative. An individual may
25 complete, sign, and redeem an energy voucher on behalf of a member of the armed forces of
26 the United States who is serving on active duty outside of the United States if the individual
27 has a power of attorney from the member of the armed forces that, in specific or general
28 terms, authorizes the individual to redeem the voucher.

29 (k) An individual who is disabled or incompetent may not maintain a claim against
30 the state or an officer or employee of the state based on the manner in which the guardian or
31 authorized representative other than a public agency of the state managed or disposed of an

1 energy voucher received on behalf of the disabled or incompetent individual.

2 (l) If a person is eligible for an energy voucher but dies before the energy voucher is
3 issued or redeemed, the energy voucher may be transferred to a personal representative of the
4 estate or to a successor claiming personal property under AS 13.16.680.

5 (m) In addition to any criminal penalties imposed by state law, if an individual or
6 qualified distributor is convicted of a crime in connection with a false statement made in a
7 certification required under this section, in a submission for a reimbursement under (d) of this
8 section, or in connection with forging an energy voucher, and the conviction is not reversed,
9 vacated, or set aside, or if an individual or qualified distributor is found by the Alaska
10 Housing Finance Corporation to have bought, sold, traded, or otherwise violated the terms of
11 the voucher, that individual or qualified distributor forfeits the energy voucher, or the
12 monetary amount received from the voucher, and the individual is not eligible for a future
13 permanent fund dividend.

14 (n) If an individual is aggrieved by a decision of the Department of Revenue with
15 respect to the individual's eligibility for a permanent fund dividend, and thus an energy
16 voucher, the individual may request that the department review its decision under
17 AS 43.23.015(g).

18 (o) If an individual or distributor is aggrieved by a decision of the Alaska Housing
19 Finance Corporation with respect to the individual's authority to claim an energy voucher on
20 behalf of another, or reimbursement of a distributor, or other decision under (e), (g), or (m) of
21 this section, the individual or distributor may request that the corporation review its decision.
22 Within 12 months after an administrative appeal under this subsection is filed, the corporation
23 shall provide the individual or distributor with a final written decision. If the individual or
24 distributor is aggrieved by the final written decision of the corporation, the individual or
25 distributor may appeal that decision to the superior court in accordance with AS 44.62.560.
26 An appeal to the court under this subsection does not entitle the aggrieved individual or
27 distributor to a trial de novo. The appeal shall be based on the record of the administrative
28 proceeding from which appeal is taken, and the scope of appeal is limited to matters contained
29 in the record of the administrative proceeding.

30 (p) If the corporation determines that an energy voucher or a cash payment made in
31 exchange for a voucher should not have been issued to an individual or a reimbursement

1 should not have been made to a distributor, the state may use all collection procedures or
2 remedies available under AS 43 to recover the energy voucher or the cash value of the
3 voucher that was improperly issued or for which reimbursement was improperly made.
4 Except as provided in (q) of this section, a notice of an improperly issued voucher or improper
5 reimbursement shall be sent to the individual or distributor, as applicable, within

6 (1) three years after the energy voucher was issued if the notice is sent to an
7 individual; or

8 (2) three years after the distributor received reimbursement if the notice is sent
9 to a distributor.

10 (q) The three-year time limit under (p) of this section for the corporation to send
11 notice of an improperly issued voucher or an improper reimbursement is extended to six years
12 if the corporation determines that the individual or distributor

13 (1) exercised gross negligence or reckless disregard with respect to a material
14 fact in connection with a false statement on the energy voucher or submission for
15 reimbursement; or

16 (2) forged an energy voucher.

17 (r) If notice is not sent within the time required under (p) or (q) of this section,
18 administrative or judicial proceedings may not be commenced for recovery of an improperly
19 issued energy voucher or improper reimbursement.

20 (s) An energy voucher, account credit, or cash payment provided under this section is
21 exempt from garnishment, levy, or execution by a private party or the state.

22 (t) To the extent allowed by federal law and notwithstanding other state law that may
23 be to the contrary, the department shall, on request of the corporation, electronically provide
24 the corporation with information about applicants who the department has determined are
25 eligible for the permanent fund dividend paid in 2012. Information requested by the
26 corporation under this subsection may include the name of the applicant, the address of the
27 applicant, the date of birth of the applicant, the social security number of the applicant, and
28 any other information necessary to execute the energy voucher program. Information from the
29 department may be used by the corporation only for the purpose of executing the energy
30 voucher program created under this section.

31 (u) In this section,

1 (1) "corporation" means the Alaska Housing Finance Corporation created
2 under AS 18.56;

3 (2) "department" means the Department of Revenue;

4 (3) "disabled" means physically or mentally unable to sign an energy voucher
5 or make a certification required in this section because of serious emotional disturbance,
6 visual, orthopedic, or other health impairment, or developmental disability that is attributable
7 to mental retardation, cerebral palsy, epilepsy, autism, or other cause; "disabled" does not
8 mean "incompetent."

9 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 ANALYSIS AND RECOMMENDATION OF AN ENERGY ASSISTANCE
12 PROGRAM. (a) The governor shall take public testimony, consider the recommendations
13 from organizations involved in providing energy or energy assistance to Alaskans, analyze the
14 energy assistance options in (b) of this section, and analyze alternate options to those
15 proposed in (b) of this section for providing energy assistance to Alaskans and, before
16 October 1, 2012, the governor shall provide a report to the legislature making a
17 recommendation for an energy assistance program to be implemented in the fiscal year ending
18 June 30, 2014, that

19 (1) correlates the amount of assistance to the local cost of residential heating,
20 taking into consideration the price of fuel and heating degree days in each community;

21 (2) is implemented based on crude oil price or heating oil price;

22 (3) has total funding based on state revenue;

23 (4) minimizes administrative costs;

24 (5) makes participation of fuel distributors voluntary;

25 (6) includes a hold harmless provision for recipients of public assistance and
26 veterans' benefits; and

27 (7) includes penalties for fraud, including ineligibility for a future permanent
28 fund dividend.

29 (b) The governor shall analyze the following options and may analyze alternate
30 options to provide energy assistance to Alaskans:

31 (1) a fuel price reduction program with the following features:

1 (A) state reimbursement to a heating oil or natural gas distributor of a
2 portion of the wholesale purchase price of fuel that the distributor sold to heat
3 residential structures;

4 (B) an amount of reimbursement necessary to reduce the wholesale
5 purchase price of a distributor by a specified amount or to a specified price;

6 (C) a limit on the amount of fuel that a person may purchase and for
7 which a distributor received a state reimbursement; and

8 (2) an individual account program with the following features:

9 (A) application on a permanent fund dividend application for energy
10 assistance in the form of a state payment to the applicant's account with a fuel
11 distributor or electric utility;

12 (B) assistance based on heating degree days and the cost of energy in
13 the community;

14 (C) electronic selection of

15 (i) a fuel distributor or electric utility to receive the individual's
16 energy assistance payment; and

17 (ii) an optional amount from the applicant's dividend to be
18 deposited in the individual's account with a fuel distributor or electric utility;

19 (D) a statewide base amount to be sent with the applicant's permanent
20 fund dividend for an applicant for energy assistance who fails to select a fuel
21 distributor or electric utility to receive the individual's energy assistance payment.

22 (c) The governor's report to the legislature under (a) of this section shall evaluate

23 (1) the estimated cost of the program for the first five years;

24 (2) the cost of administering the program compared to the assistance provided;

25 (3) whether the program provides the highest level of assistance to the
26 individuals with the highest heating costs; and

27 (4) whether the program can be structured so that energy assistance is not
28 subject to federal taxation.

29 (d) In this section, "heating degree days" means the average temperature for a day
30 minus the reference temperature of 65 degrees Fahrenheit.

31 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:
2 EMERGENCY REGULATION AND PROCUREMENT PROVISIONS.
3 Notwithstanding AS 18.56.088, the Alaska Housing Finance Corporation may adopt
4 emergency regulations under AS 44.62.250 and 44.62.260 necessary to implement the Alaska
5 energy voucher program in sec. 1 of this Act without making written findings under
6 AS 44.62.250. The legislature finds that the adoption of emergency regulations is necessary to
7 implement this Act and for the immediate preservation of public health and general welfare.
8 In addition, the Alaska Housing Finance Corporation is exempt from AS 36.30, including
9 AS 36.30.015(f), for the purposes of implementing the Alaska energy voucher program.
10 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).



April 4, 2012

The Honorable Senator Bert Stedman
AK State Capitol, Room #516
Juneau, AK 99801

Dear Senator Stedman:

Thank you for allowing Alaska Housing Finance Corporation (AHFC) the opportunity to share information about Senate Bill 203, the energy assistance program and vouchers bill. As you are aware since the bill was first heard in the Senate Finance committee on Feb. 23, a number of significant changes have been adopted, most notably in our opinion, naming AHFC as the administrator of the program.

Our staff appreciates the ability to provide technical assistance to the bill sponsor and his staff. We have undertaken a significant effort to evaluate language in the bill, identify resources currently available to AHFC and those that would be required to implement SB 203 in the timeframe established in the bill.

AHFC recognizes the high cost of fuel plaguing rural areas and the Interior of our state. It is not the prerogative of AHFC to either support or oppose legislation so my intent is simply to provide you information about the challenge that AHFC is being asked to assume. Should SB203 proceed into law, AHFC will be required to issue vouchers within 30 days to each adult who was eligible for a Permanent Fund Dividend (PFD) in 2011. We will rely on PFD's data to determine eligibility into the program.

Should the Governor sign the bill into law by July 1, 2012, AHFC will have approximately three months to ready the program to include establishing a standard agreement or MOU with approximately 300 energy distributors-suppliers. AHFC will be responsible to print and issue individually numbered vouchers to 450,000 to 550,000 Alaskans with the vast majority of vouchers going out in November but additional vouchers to follow as PFD eligibility is determined. Each eligible recipient may choose to redeem their voucher for oil, natural gas, or electricity in their service area. Where distributors/suppliers choose not to participate in the program or where recipients do not have an account with a distributor, the recipient may choose instead to redeem his/her voucher for \$250 and apply funds toward rent relief.

Further, SB 203 allows for a negotiation between a landlord and tenant. To illustrate three points:

- 1) In the case of an eligible recipient who happens to be a renter in Fairbanks, the renter could choose to split the value of the voucher 50/50 with his landlord. Should the landlord agree to the trade and for discussion purposes, the value of the voucher was \$1,200. Under scenario, the renter would receive a rent reduction of \$600, and the landlord would benefit from an additional \$600 in energy relief.
- 2) Because AHFC will be required to provide 1099s for income that exceeds \$600, tax counsel advises that both the tenant and the landlord in the scenario presented should receive 1099s and it is likely that the check will qualify as a taxable event.
- 3) If the renter in the scenario presented was a recipient of one of AHFC's Housing Choice Vouchers, a program funded by the federal department of Housing & Urban Development, the IRS would likely consider the event taxable; however, AHFC would consider the payment a one-time event not countable as family income so there would be no negative impact to the family relative to AHFC housing.

The bill specifies that AHFC will choose a date in 2012 for which to determine a fuel price, and because the recipient will have up to four months from time of issuance to redeem their voucher, again for illustration purposes, the practical effect is for a community whose oil price is \$4.00/gallon on Jan. 15, the date AHFC selects under this hypothetical scenario, the cash value for this voucher would be \$1,000. The distributor would credit the individual's account at time of receipt. If that voucher was redeemed on Dec. 1, 2012 and fuel prices were \$5.00/gallon, the practical effect is that the consumer would receive 200 gallons of fuel. If, on the other hand, the price of fuel dropped to \$3.00/gallon, the consumer would receive 333 gallons of fuel.

Upon delivery of the fuel or credit to an individual's account, AHFC would reimburse the distributor for the full value of the voucher. The bill requires AHFC to reimburse the distributor within 20 days of receiving eligible claims.

A few additional noteworthy points:

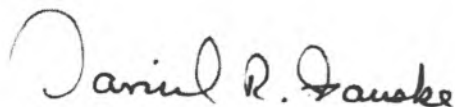
- For those individuals who choose to use their voucher to pay for electricity and are engaged in the PCE program, the value of the voucher will be applied post-PCE.
- AHFC does not have the current resources in-house to develop, manage and substantially dismantle this program in one year as is required in the bill. As a result, we have submitted a fiscal note that accounts for 10 full-time positions in the first year and ratcheting down to just two positions in the final year of the program. In the beginning, the majority of these positions will be dedicated to I.S. infrastructure development, contract administration with vendors AHFC engages, internal audit functions and appeals, and customer service and administrative support largely dedicated to our own clients in public housing and those who benefit from the Housing Choice Voucher program. Toward the end of the program in FY17 and FY18, we envision the primary duties of AHFC staff will be continued contract compliance and audit.
- My staff has been actively engaged in conversations with contractors who may be able to support the project as required in SB 203 and we will seek to bring those onboard as soon as possible under the authority granted to AHFC in Sec. 3 that allows for emergency regulation and procurement provisions. A detailed description of the duties we expect to contract is provided on page two of the fiscal note provided.

Finally, costs included in the fiscal note account for \$310 million-\$450 million in fuel reimbursement. The largest variable in this range is the number of Alaskans who might be eligible to participate, followed by the wide differential in actual cost of fuel by source.

Combined, operations, contract and fuel costs are estimated not to exceed \$465,000,000 in FY13.

We appreciate the tremendous trust the legislature has placed in our leadership at Alaska Housing Finance Corporation and your confidence in our ability to execute significant projects. Please contact me if you have questions or concerns; I have staff standing by in your committee to answer questions the committee may pose.

Sincerely,



Daniel R. Fauske
CEO/Executive Director

Cc: Governor Sean Parnell
Senator Lyman Hoffman, Co-Chair, Senate Finance
Senator Joe Thomas, SB 203 Sponsor

Senate Bill 203: Energy Relief for Alaskans

Work draft CS 27-LS1363\D

Purpose: To provide Alaskans with relief from the effects of high energy costs and create a program to help residents deal with high energy costs during the transition to an affordable energy source.

Section 1: The state will send a voucher to every adult PFD recipient in the fall of 2012. This can be redeemed at a fuel distributor or utility of your choice for the value of 250 gallons of heating oil, 350 CCF of natural gas, or for 1,500 KWH of electricity.

- The recipient decides whether to use the voucher for heating oil or natural gas or electricity, then gives the voucher to the distributor of their choice. If the recipient does not already have an account with the distributor, they open an account.
- Distributors send the vouchers to the state and submit claims for payment that list the voucher number, name of voucher owner, the delivery address and other information.
- Upon receipt of a claim from a distributor, the state sends payment to the distributor to be credited to the voucher recipient's account.
- The amount of the state payment will be calculated by multiplying the quantity of fuel provided by the voucher, by the distributor's retail price on a specific date in 2012.
- The credit may be used only for energy at the recipient's primary residence in Alaska, and may not be transferred to another account or paid in cash to the account holder.
- The credit may be used to pay a recipient's debt with the distributor.
- Each voucher may only be used at one distributor.
- Distributors can decide whether to deliver fuel immediately after they receive a voucher, or to wait until they receive payment from the state.
- The credit remains in the account until it is spent on energy delivered to the recipient's home.
- If the account is closed before all the credit is used, the distributor sends the balance back to the state.
- Vouchers state the recipient's name, may not be sold or transferred, and require signature by both the recipient and the distributor.
- Recipients who certify that they do not pay directly for heating oil, natural gas or electricity at their primary residence may return their vouchers to the state and receive either: a replacement voucher in the name of their landlord, or a check for \$250. Individuals may also qualify for \$250 if they do not have a qualified distributor in their community.
- Participation by distributors is voluntary, and interested businesses can apply to be added to the list of qualified distributors.
- The program will be administered by the Alaska Housing Finance Corporation (AHFC).

Section 2: The Governor must evaluate options and make a recommendation for the best energy relief program that can be instituted in 2013 and beyond.

This recommendation is due October 1, 2012. This analysis must include an evaluation of a "fuel price reduction" program, an "individual account" program, and alternate options.

Section 3: AHFC may adopt emergency regulations and is exempt from procurement law for the purpose of implementing the energy voucher program rapidly.

Section 4: This legislation takes effect immediately.

SB 203: Energy Relief

Summary of Changes Contained in draft Committee Substitute 27-LS1363\D

1. Purpose (page 1, line 8)

Clarifies that the purpose of the energy voucher program is to provide Alaskans with relief from the effects of high 2011 energy costs, which correlates with the residency period for the permanent fund dividend paid in 2012.

2. AHFC administers voucher program (page 1, line 9 and throughout)

Substitutes Alaska Housing Finance Corporation for Department of Revenue as the state agency responsible for administering Section 1 of the bill, the energy voucher program.

3. Specific date for fuel price calculation and crediting consumer's energy account (page 2, lines 6-19)

Directs AHFC to calculate the price of the energy for which each voucher is redeemed based on the distributor's retail price on a specific date or dates in 2012 selected by AHFC. Upon receipt of a claim from a distributor, AHFC will send payment to the distributor to be credited to the voucher recipient's energy account. The credit may be used for new deliveries of energy or to pay arrears. The credit may only be used for energy purchases and associated taxes, and may not be transferred to another account or paid in cash to the account holder. If an account with a voucher credit balance is closed, the distributor must submit the balance to the state.

4. Amounts and types of fuel (page 1, line 14)

The voucher is redeemable for the monetary equivalent of 250 gallons of heating oil, 350 CCF of natural gas or 1,500 KWH of electricity. The amounts were selected with the objective of providing approximately 2 months of energy based on estimates of average statewide residential consumption. A \$250 cash option has been provided to residents who do not purchase electricity, oil or gas for their primary residence, or do not have access to a qualified distributor, to assist them in purchasing alternative fuels or paying their rent. A renter whose heat and electricity are included in rent has the alternative of requesting reissuance of the voucher to their landlord in exchange for a rent reduction.

5. Voucher issuance and expiration (page 3, line 1 and line 7)

AHFC will issue the voucher no more than 30 days after the Department of Revenue issues the individual's PFD. The voucher must be redeemed with a distributor, or returned to AHFC for the \$250 payment or reissuance to a landlord, within 4 months of issuance. The distributor must issue a receipt for the voucher to the recipient, and must submit a claim to AHFC within 30 days.

6. **Location of fuel delivery (page 2, line 23)**
The voucher recipient must sign and date a certification that the account into which the voucher reimbursement will be deposited is for energy delivered to their primary residence in Alaska.
7. **Reissuance of voucher to landlord (page 4, line 16)**
The request for reissuance of a voucher to a landlord must state the amount of the mutually agreed-upon rent reduction, and be signed by both parties, as well as certify that the reissued voucher will be used for energy at the original recipient's primary residence in Alaska.
8. **Eligibility for \$250 (page 4, line 3 and line 10)**
Applicants for the \$250 payment must certify they will use the money for rent or energy at their primary residence in Alaska. Eligibility for the \$250 payment is expanded to include voucher recipients who certify that they do not have reasonable access to a qualified distributor in the Alaska community where their primary residence is located.
9. **Qualified distributors (page 3, line 21)**
As part of the application process, distributors must submit the retail price they charged on the date specified by AHFC, along with any information required by AHFC to verify that price. AHFC may require information or evidence related to the price and must determine that the price is representative of the price charged under similar circumstances.
10. **Qualified PFD recipients (page 1, line 10)**
States that a voucher will be issued to each person who was an adult or emancipated minor in 2011 and was determined by the Department of Revenue to be eligible for the PFD paid in 2012.
11. **Garnishment (page 6, line 20)**
States that vouchers, account credits and cash payments cannot be garnished by the state or a private party.
12. **AHFC emergency regulation authority and exemption from procurement rules (page 9, lines 2-9)**
Grants AHFC the authority to adopt emergency regulations and exempts AHFC from procurement laws to enable the agency to implement the program rapidly.
13. **Appeals of AHFC decisions (page 5, lines 14-29)**
States that the existing Department of Revenue appeal process for PFD denial is the appeal process for denial of a voucher. The bill also creates an AHFC appeal process for challenging AHFC decisions about distributor qualifications, voucher claims, and payments, and violations of the laws governing the voucher program.

14. Penalties for violating the energy relief law (page 6, line 2)
Adds forfeiture of state payments and reimbursements related to the voucher program to the penalties for violating the laws governing the program.
15. Voucher recipients who cannot act on their own behalf (page 4, line 22 and page 7, line 4)
Amends language regarding signature of vouchers on behalf of impaired people, so it mirrors the PFD law regarding disabled and incompetent applicants.
16. AHFC access to PFD information (page 6, line 22)
Directs the Department of Revenue to provide in electronic format all information about Permanent Fund Dividend recipients that AHFC needs to administer the energy relief program, including social security numbers.
17. Public input into energy assistance program analysis and recommendation (page 7, line 12)
Amends section 2 of the bill by adding the requirement that, before issuing his report and recommendation, the governor takes public comment and considers recommendations from organizations involved in providing energy or energy assistance to Alaskans.
18. Immediate effective date (page 9, line 10)
Adds an immediate effective date to the bill and the title.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SB203
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB203-DOA-OAH-3-8-12 Dept. Affected Administration
 Title Energy Assistance Program & Vouchers Appropriation Centralized Administrative Services
 Allocation Office of Administrative Hearings
 Sponsor Senator Thomas
 Requester Senate Finance OMB Component Number 2771

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	113.6						
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	113.6	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1007	I/A Rcpts (Other)	113.6					
TOTAL		113.6	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES							

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Terry L. Thurbon, Chief Administrative Law Judge
 Division Office of Administrative Hearings
 Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 465-1886
 Date/Time 3/8/12 1:50 PM
 Date 3/8/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB203

Analysis

This bill provides for issuance of energy vouchers to adults eligible for the 2012 Permanent Fund Dividend (PFD), and for the vouchers to be redeemed with qualified distributors of heating oil, natural gas and electricity. Applicants determined to be ineligible for the PFD are entitled to a formal hearing conducted by the office of administrative hearings. The department of revenue, PFD division, estimates an increase of 100 formal appeals. The bill contemplates that those would be concluded within 12 months after filing.

Under the bill, distributors determined not to be qualified also would be entitled to an administrative hearing. The department of revenue could, but is not required to, ask the office of administrative hearings to conduct the distributor appeal hearings as voluntary referrals pursuant to AS 44.64.030(b). The number of distributor appeals that would reach the formal appeal level and be heard by the office of administrative hearings could be quite small, or even non-existent if the department of revenue elected not to refer them to the office.

The bill also provides that the energy voucher not be considered income for financial needs-based assistance programs, unless so required by federal law. If disputes arise between assistance claimants and assistance program managers in the department of health and social services about whether the energy voucher is required by federal law to be treated as income, this could affect the complexity of some cases, or possibly lead to an unquantifiable increase in cases, reaching the formal hearing stage before the office of administrative hearings.

OAH does not anticipate that the resulting one-time, limited duration spike in caseload would increase the office's caseload beyond OAH's capacity to handle the additional cases at approved staffing levels that will be in place as of the July 1, 2012 effective date of Executive Order 116. OAH might need to act sooner than planned to fill an existing vacancy, or if the crush of time-sensitive PFD eligibility appeals so dictated, might need to bring on board a temporary ALJ to handle some of the cases. The cost to OAH of performing the services would be recovered from the affected departments through interagency receipts, based on the time commitment required for hearings and mediations. The \$113.6 figure corresponds to the department of revenue's estimate, based on 2008 Resource Rebate experience, of the increase in interagency receipts it would have to pay from the permanent fund to OAH for the anticipated increase of 100 cases. Whether OAH would in fact need to increase expenditures or need increased interagency receipts authority in that amount depends on unpredictable caseload dynamics.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version SB 203
 Fiscal Note Number _____
 () Publish Date _____

Identifier (file name) SB203-DOR-PFD-02-28-12 Dept. Affected Revenue
 Title Energy Assistance Program & Voucher Appropriation Tax & Treasury
 Allocation Permanent Fund Dividend
 Sponsor Senators Thomas, Paskvan, Hoffman, Wagoner, Ellis
 Requester Senate Finance OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	72.9						
Travel							
Services	213.6						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	286.5	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)	286.5					
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		286.5	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time						
Part-time						
Temporary	2					

CHANGE IN REVENUES

--	--	--	--	--	--	--

Estimated **SUPPLEMENTAL (FY12) operating costs** _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated **CAPITAL (FY13) costs** _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial note.

Prepared by Deborah M. Bitney
 Division Permanent Fund Dividend
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 465-4785
 Date/Time 2/28/12 1:26pm
 Date 2/28/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. SB 203

Analysis

PFD expects this fiscal note to change as more clarification and information is provided to the Department of Revenue.

The bill creates an energy benefit by means of a voucher for Adults who are determined eligible for the 2012 PFD. The bill proposes the energy benefit to be distributed no later than December 1, 2012. The bill also tasks the Governor with determining how to make the program permanent through the PFD Division.

PFD expects increased appeals of ineligible applicants because of the value of the benefit added to dividend eligibility, a situation similar to that of the 2008 Resource Rebate at which time the Informal Appeals unit received approximately 900 appeals by applicants who were ineligible as a matter of law. Additional appeals staff, Range 12 PFD Tech II is needed to render informal appeals decisions within the statutorily designated time frame of 180 days.

Additionally, approximately 100 Formal level appeals were heard by Administrative Law Judges with Office of Administrative Hearings in which the divisions decision the applicant was ineligible was upheld. OAH RSA expected in the amount of \$113.6.

As the value and benefit of the annual dividend program increases, so does the potential for fraud. \$100.K is requested to hire a firm that would assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.

This fiscal note is written assuming distribution of the energy vouchers will be handled by AHFC, per the sponsor statement and conversations with the bill sponsor.

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

P.O. BOX 110693
JUNEAU, ALASKA 99811-0693
PHONE: (907) 465-3250
FAX: (907) 465-1398

March 13, 2012

The Honorable Lyman Hoffman, Co- Chair
Senate Finance Committee
Alaska State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman, Co-Chair
Senate Finance Committee
Alaska Capitol, Room 516
Juneau, AK 99801-1182

Subject: Support for SB 203, Energy Assistance Program & Vouchers

Dear Chair Hoffman and Chair Stedman:

The Alaska Commission on Aging (ACoA) is pleased to offer our support of SB 203, a bill to establish an energy assistance program that would issue an energy voucher to all Alaskan Permanent Fund Dividend recipients. SB 203 is an interim measure to help Alaskans manage their high utility bills until more affordable energy supplies come on line. SB 203 also requires the Executive Branch to evaluate and make recommendations for a cost efficient and effective energy assistance program to be instituted by FY2014. This legislation is sponsored by Senator Joe Thomas and co-sponsored by Senators Paskvan, Ellis, Olson, Egan, Wagoner, French, Kookesh and you, Senator Hoffman.

The price of heating fuel is expensive but especially hard felt by Alaskans on a fixed income. As the price of heating fuel increases, older Alaskans spend more of their fixed incomes on heating their homes, especially Elders who live in rural and remote communities where energy costs are the highest. During the winter, seniors often spend much of their day at home. Older adults typically experience cooler body temperatures than younger people. Many live in older and sometimes drafty homes that are less energy efficient and poorly insulated. In order to save money, some seniors turn down their thermostats way low and may even resort to closing off rooms during the winter or more dangerous practices such as using their kitchen stoves for heat. They also cut back on food and prescription medication expenditures, measures that can compromise their health and quality of life.

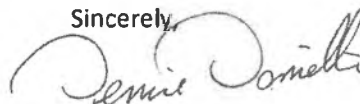
ACoA supports SB 203 and believes that this program will help all Alaskans with their heating bills, especially older Alaskans. Please feel free to contact Denise Daniello, ACoA's executive director, by phone (465-4879) or email (denise.daniello@alaska.gov) should you have questions or require additional information.

Sincerely,



Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,



Denise Daniello
ACoA Executive Director

Cc: Senator Ellis
Senator McGuire

Senator Egan
Senator Thomas

Senator Olson

City of Mountain Village
P.O. Box 32085
Mountain Village, Alaska 99632-0085
(907) 591-2929 or 2715
Fax (907) 591-2920

Resolution No. 12-02

A RESOLUTION of the City of Mountain Village to support Senate Bill 203-The Energy Voucher Bill

WHEREAS : the Council of the City of Mountain Village humbly request the Alaska Department of Revenue utilize the \$3.7 billion surplus revenue to provide vouchers to every Adult Permanent Fund Dividend recipient and also develop a program to help residents deal with high heating costs during the transition to more affordable energy supplies.

WHEREAS : the City of Mountain Village recognizes and are fully aware of the high cost of living for the residents in Rural Alaska.

NOW, THEREFORE, BE IT RESOLVED THAT : The City of Mountain Village respectfully request that the State of Alaska Department of Revenue provide immediate energy relief vouchers based on the local cost of home heating, price of fuel and average temperatures of the communities using the \$3.7 billion dollars of surplus generated from Alaska Permanent Fund Dividend Program.

CERTIFICATION

PASSED AND APPROVED BY A QUORUM OF City of Mountain Village this 13th day of March 2012, with a vote of 6 in favor, ___ against, ___ abstain, and 1 absent.

BY: [Signature]
Mayor

Attest: [Signature]
City Clerk

From: Fred Beans [<mailto:fred.beans@vmail.com>]

Sent: Friday, February 24, 2012 12:22 PM

To: Sen. Donny Olson

Cc: City of Mtn. Vil; atcadmin@oci.net; Paul Beans

Subject: SB 203

Honorable Senator Donald Olson,

The icy grip of old man winter is loosening and spring is close at hand. No doubt we will see him again.

My name is Frederick Beans, born and raised, for over a half a century, in Mountain Village. In my time, I've seen the decline of jobs, the hey days of Commercial Fishing is at its lowest, and I've also witnessed our People resorting to the handouts of the Government, not only that, but the increase of the price of a barrel of crude oil, of which the State of Alaska gets its revenue from. The price oil is on the rise, in part, due to the unrest in the Middle East, and I don't see it dropping any time in the future, which in turn is raising the cost of living, out here in the Bush. As the Mayor of Mountain Village, I sincerely and wholeheartedly support Senate Bill 203, of which you are a co-sponsor of. I feel the Bill is a stepping stone in relieving some of the hardships we are facing, and will be facing, in the future. I also hope a program, of this nature, will be developed, to aid us in living in this Great State of Alaska.

I will bring this before the City Council, at our next meeting, and, I will push for a resolution in support of SB 203. I will also encourage the other entities to do so. Thank You very much.

Sincerely Yours,

Fred P. Beans,

Mayor of Mountain Village.

From: D. Robbins [<mailto:d Robbins.r@gmail.com>]

Sent: Wednesday, March 21, 2012 4:08 PM

To: Sen. Lyman Hoffman; Sen. Joe Thomas

Cc: Sen. Donny Olson; Sen. Dennis Egan; Sen. Lesil McGuire; Sen. Johnny Ellis

Subject: RE: SB 203 Energy Assistance Program and Vouchers

Co-Chair Hoffman,
Co-Chair Thomas,
Committee members,

I hope you will find time to schedule a hearing soon for SB 203 *Energy Assistance Program and Vouchers*.

The bottom line with folks is staying warm and having food on the table. I saw some of my family going through a lot of stress last winter, and me for/with them, due to the costs running up for heating and utility bills. My (adult) kids were fortunate enough to be able to put the delivery costs on a credit card and hopefully pay it off over the summer. It is still a drag on the budgets and another year like the last one is going to really hurt. I live in my daughter's downstairs apartment, and am only indirectly hurt by this, but it is a big concern.

Some seniors and others who do not have as dependable jobs are beginning to have to choose to stay warm or have healthy food or other things like school clothes for their kids who just keep growing.

Please allow a public hearing and let people tell you about their situations. I fear there are many who are struggling and some are simply leaving Fairbanks.

Sincerely,

Doris Robbins

--

Doris Robbins

(907) 374-0597

1281 Overhill Dr.

Fairbanks AK 99709-6753

[drobbins.r@gmail.com](mailto:d Robbins.r@gmail.com)

-----Original Message-----

From: Poms@legis.state.ak.us [mailto:Poms@legis.state.ak.us]

Sent: Tuesday, February 21, 2012 9:20 AM

To: Grier Hopkins

Subject: New Pom:SB 203 Energy Assistance Program & Vouchers

Robert Pope
344 W Corral Ave

Soldotna 99669,

SB 203 is needed! The people of Alaska, especially in the bush communities, are suffering from high energy costs and need relief NOW, not in the future. If we get a pipeline built we can sunset this bill. Remember, the money you are spending belongs to the people of Alaska.

Catherine Reardon

From: pat pletnikoff <pat714swet@yahoo.com>
Sent: Friday, February 17, 2012 1:12 PM
To: Catherine Reardon
Cc: Patricia Walker
Subject: Energy Relief Plan

Hi: Please let Senator Thomas know we appreciate fully his efforts to help relieve energy costs to Alaskans. The group of Senators are absolutely correct in that relief is necessary. Our families here at St. George often must either heat their homes or cut down on grocery purchases. A hard choice for anyone. But, with the high unemployment situation facing our people, this proposed relief is welcome and justified. We are grateful for the efforts of the Senators. Thank you, Pat Pletnikoff, Mayor, City of St. George



**The Association of Village Council Presidents
Regional Housing Authority**
PO Box 767
405 Ptarmigan Road
Bethel, Alaska 99559
Ph 907-543-3121
Fax 907543-2270
www.avcphousing.org

March 12, 2012

Sen. Lyman Hoffman
Alaska State Senate
State Capitol Room 518
Juneau AK, 99801

Rep. Bob Herron
State House of Representatives
State Capitol, Room 411
Juneau, AK 99801-1182

RE: SB 203 Energy Relief Plan

Dear Sen. Hoffman and Rep. Herron,

After a short respite from the cold weather, our temperatures have dropped once again to the -20s at nights and our people continue to work at keeping their homes warmed with anything they could afford or find. The cost of trying to keep warm is still outrageous, to say the least.

The AVCP Regional Housing Authority (RHA) is in receipt of a press release and draft bill regarding SB 203. When the AVCP RHA Board of Commissioners met recently, they adopted a resolution, which is attached, supporting SB 203. The Commissioners believe the benefits from SB 203 will be very welcomed by us all in Alaska.

We recommend that SB 203 be amended to provide, if at all possible, the vouchers go to heads of families, and raise the vouchers to 500 gallons or 3,000 KWHs, and include wood vouchers as another option where available.

A cord of wood is about \$500. A cord in the long run supplies more BTUs than an equivalent cost of heating fuel. A cord (2,500 lbs) provides 7,000 BTUs per lb. or 17,500,000 BTUs. One gal. of stove oil has 135,000 BTUs; thus, 17.5 million divided by 135,000, gets about 130 gals worth of heating oil. If fuel oil costs \$6.40 (Bethel price), it costs \$830 to buy that 130 gals versus \$500 for a cord of wood. Immediately, one has a \$330 savings buying wood, or buys more BTUs with that \$830 when using it all on wood.

Rural Alaska, as you know, always suffers the most when it comes to paying for heating

and electricity. You might have heard on KYUK radio or read in the Anchorage Daily News about some people in Bethel paying up to \$800-plus monthly bills this winter for their heating. In villages around Bethel, people were burning trash, wood from abandoned buildings, and icy green brush from riversides.

Other villages have their own stories:

Kotlik

In Kotlik, a tribal council worker says nearly all community households are coming to the tribal council and asking for LIHEAP and/or emergency assistance. There are only 150 jobs for the 600 population. Stove oil costs \$6.65 and gas is \$7.25. Therefore, people that get pay checks first buy stove oil and food, and worry about bills later. Even wood gathering is hard to do, due to the cost of gasoline.

Nunam Iqua (Sheldon's Point)

As in Kotlik, a few jobs are available in Nunam per a tribal council worker, so most people cannot afford to buy heating fuel. Lucky for the village, there is a sandbar near the village where people can get wood to burn if they are able to get it. But elders who have little help are calling upon the tribal council for energy assistance every day, and such assistance is backlogged to November; they are even asking for any CITGO assistance. Nunam is assigned 11 emergency energy vouchers, but those are currently exhausted. People are asking for loans or try to borrow money to buy needed items and heating fuel, or to pay bills. One community member racked up \$800 in electricity using an electric heater and oven when a toy stove broke down for a few days.

Hooper Bay

In Hooper Bay, the city manager says people in his village are "looking" for anything that will burn, whether cardboard, old shoes, clothing and any scrap of wood that becomes available. He said people are chain-sawing down unused city property buildings at night and taking the lumber home for wood. Still members in town have been coming all winter long to the city asking for any scraps of lumber that may become available. People are stealing wood from each other, the city manager said, and collecting and burning low-quality woods such as cottonwood gotten from the shoreline.

Nunapitchuk

A head of household from Nunapitchuk said he was getting tired of getting their stove oil stolen from their tank so they set an old bear trap below it. In the middle of one night they finally caught a thief, who howled loudly and made a ruckus when caught. But, by the time they went out to go check the trap, the villain had escaped loose. The head of household said they have less stove oil stolen now.

Examples of stove oil and gas costs in Y-K Delta villages:

Mumtram Pikkai, Inc., Goodnews Bay, AK.

\$ 5.31 heating, \$ 6.17 gas, plus 3% sales tax. This winter, Goodnews Bay is using up two years' supply of heating fuel. The village is very low on stove oil now, and will have to request for more stove oil from any local available supplies like the school. Price will

go up at the spring barge delivery.

Qanirtuug, Inc., Quinhagak, AK.

\$6.75 heating, \$ 6.82 gas, plus 3% sales tax. The supplier was out of stove oil in February, but bought some from the LKSD School and AVEC.

Nunapitchuk Ltd.

\$6.00 heating, \$6.85 gas, plus 4% sales tax.

City of Upper Kalskag.

\$6.50 for both heating and gas.

Iqfiiouaq Co. Inc., Eek, AK.

\$7.00 for both heating and gas, plus 2% sales tax. Stove oil might not last to this coming spring.

Akiachak Fuel Sales, Inc.

\$6.86 heating, \$ 6.90 gas. Plus 5% sales tax.

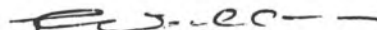
Kokarmiut Corp., Akiak, AK.

\$6.85 heating, \$ 6.80 gas.

In light of the above examples, AVCP Housing is very grateful that you, our representatives in Juneau, are trying to work on a plan to help rural Alaskans deal with their high energy costs. The Sarah Palin-era Energy Dividend was of great assistance when it was enacted and distributed – many rural Alaskans then received a very great benefit. But today, high energy costs are unrelenting and rural residents still need relief in this area, since there is rarely any kind of long-lasting relief for this, even for the wider population of Alaska. The lack of relief is resulting in a low-state of anarchy in a village like Hooper Bay, but since it's involving only wood, criminal matters aren't being brought up.

Therefore, thank you very much for your thoughtfulness in developing SB 203. On behalf of the AVCP RHA Board of Commissioners and staff, I thank you for your continued assistance to the Yukon-Kuskokwim Delta region, other rural Alaska areas, and the rest of the state and its people.

Sincerely,



Ron Hoffman
President/CEO

Cc: Sen. Joe Thomas, Fairbanks
Sen. Joe Paskan, Fairbanks
Sen. Tom Wagoner, Kenai
Sen. Johnny Ellis, Anchorage
Sen. Donny Olson, Golovin



The Association of
Village Council Presidents
Regional Housing Authority
(907) 543-3121 (800) 478-4687

Box 767
Bethel, AK 99559
(907) 543-3933(FAX)

BOARD OF COMMISSIONERS
ASSOCIATION OF VILLAGE COUNCIL PRESIDENTS
REGIONAL HOUSING AUTHORITY

RESOLUTION 12-05

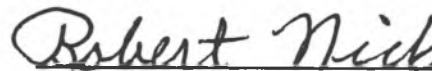
A RESOLUTION SUPPORTING SB 203, THE ALASKA ENERGY RELIEF PLAN

- WHEREAS;** Rural Alaskans were hit with one of the coldest weather spans in the winter of 2011-2012, causing a major hardship for struggling families (Alaska had an average 5.8°F between November-January, but dropped to the -20s and -30s for up to two weeks at a time); and
- WHEREAS;** The Alaska Senate is proposing to utilize a portion of the State's \$3.7 billion surplus to help Alaska families in coping with high energy prices via Senate Bill 203, and provide Alaskans with immediate energy relief through fuel vouchers and develop a program to help residents deal with high heating costs during the transition to more affordable energy supplies; and
- WHEREAS;** SB 203 would direct the Alaska Dept. of Revenue to send a voucher to every adult Permanent Fund Dividend recipient in the fall of 2012, which can be redeemed at the fuel distributor of their choice for either 250 gallons of heating oil, an equivalent amount of natural gas, or 1,500 KWH of electricity; and
- WHEREAS;** SB 203 calls for the State to evaluate several options for on-going energy relief and recommend by Oct. 1, 2012, the best or most viable program that can be put into effect for 2013 and beyond.

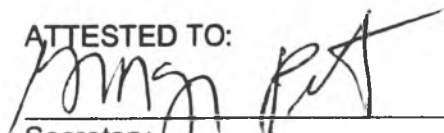
NOW, THEREFORE, BE IT RESOLVED That the AVCP RHA Board of Commissioners hereby supports SB 203, and wholeheartedly encourages the Alaska State Legislature to pass the bill as soon as possible and immediately send it to Gov. Sean Parnell for this signature.

CERTIFICATION

The foregoing resolution was passed by the Board of Commissioners of the Association of Village Council Presidents Regional Housing Authority in a duly called meeting where a quorum was present, this 13rd day of February, 2012, by a vote of 5 ayes, 0 nays and 0 abstaining.


Chairman

ATTESTED TO:


Secretary





Bristol Bay Native Corporation

Enriching Our Native Way of Life

111 West 16th Avenue, Suite 400 / Anchorage, Alaska 99501-5109 / (907) 278-3602 / Fax (907) 276-3924

February 24, 2012

The Honorable Joe Thomas
Alaska State Senate
State Capitol Room 514
Juneau, AK 99801

RE: Letter of Support for Senate Bill 203

Dear Senator Thomas,

Bristol Bay Native Corporation strongly supports Senate Bill 203, the creation of an energy voucher program.

The high and unstable price of energy is a serious issue for families and businesses in the Bristol Bay region, and immediate relief is severely needed. The average price of heating fuel is \$5.85 per gallon; the average price of electricity, based on PCE reports is \$0.5967 per kWh.

Energy assistance is very important as it provides immediate relief to low-income families. We recognize the need for assistance for all Alaskans as a necessary short-term solution to any energy plan set forth. We know the importance of energy efficiency and conservation, and alternative energy policies, programs and projects that help offset the need for fossil fuels.

We recognize SB 203 requests the executive branch to evaluate program options for energy assistance beyond the temporary voucher program. To that point, we respectfully recommend that rural entities such as regional corporations and non-profits be included in those discussions, analyses and recommendations to the fullest extent possible.

Bristol Bay Native Corporation appreciates your concern with the high cost of energy, and supports your efforts in finding solutions to continue to provide relief until a transition to more affordable energy supplies is realized.

Sincerely,

Jason Metrokin
President & CEO

Cc: The Honorable Gary Stevens
The Honorable Lyman Hoffman
The Honorable Bryce Edgmon
The Honorable Alan Austerman

BRISTOL BAY NATIVE ASSOCIATION

**P.O. BOX 310
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257**

Tuesday, February 22, 2012

Tribal Councils
Served by IBNA

Aleknagik

Chignik Bay

Chignik Lagoon

Chignik Lake

Clarks Point

Curyung

Egegik

Ekuk

Elkwok

Igiugig

Iliamna

Ivanof Bay

Kanatak

King Salmon

Kokhanok

Koliganek

Levelock

Manokotak

Naknek

New Stuyahok

Newhalen

Nondalton

Pedro Bay

Perryville

Pilot Point

Port Heiden

Postage Creek

South Naknek

Togiak

Twin Hills

Ugashik

**The Honorable Joe Thomas
Alaska State Senate
State Capitol Room 514
Juneau AK, 99801**

RE: Letter of Support for Senate Bill 203, "Energy Voucher"

Dear Mr. Thomas,

The Bristol Bay Native Association is writing to express support of Senate Bill 203, the creation of an energy voucher program.

The high and volatile price of energy is a serious issue for families and businesses in the Bristol Bay region, and immediate relief is severely needed. The average price of heating fuel is around \$5.85 per gallon; and the average price of electricity, based on PCE reports, is around .5967 per kWh.

We are very familiar with the importance of energy assistance and the immediate relief it provides to low-income families as the administrator of LIHEAP & AKHAP programs for the region. In general, we recognize the need for assistance for all Alaskans as a necessary short-term solution to any energy plan set forth. We also recognize the importance of energy efficiency and conservation, and alternative energy policies, programs and projects that help offset the need for fossil fuels.

We recognize SB 203 requests the executive branch to evaluate program options for energy assistance beyond the temporary voucher program. To that point, we respectfully recommend that rural entities such as regional non-profits be included in those discussions, analyses and recommendations to the fullest extent possible.

The Bristol Bay Native Association appreciates your concern with the high cost of energy, and supports your efforts in finding solutions to continue to provide relief until a transition to more affordable energy supplies is realized.

Sincerely,



**Ralph Andersen
President & Chief Executive Officer**

**Cc: Senator Gary Stevens
Senator Lyman Hoffman
Representative Bryce Edgmon
Representative Alan Austerman**



KAWERAK, INC. • P.O. Box 948 • Nome, AK 99762



TEL: (907) 443-5231 • FAX: (907) 443-4452



SERVING THE

VILLAGES OF:

BREVIG MISSION

COUNCIL

DIOMEDE

ELIM

GAMBELL

GOLOVIN

KING ISLAND

KOYUK

MARY'S IGLOO

NOME

SAVOONGA

SHAKTOOLIK

SHISHMAREF

SOLOMON

STEBBINS

ST. MICHAEL

TELLER

UNALAKLEET

WALES

WHITE MOUNTAIN

Co-Chair Senator Hoffman, Co-Chair Senator Stedman

Feb. 23, 2012

Senate Finance Committee

State Capitol Room 506

Juneau, AK 99801-1182

RE: Senate Bill 203

Honorable Co-Chair Hoffman, Honorable Co-Chair Stedman:

Kawerak, Inc., is a regional Native non-profit, serving 20 Tribes in the Bering Strait. Kawerak supports SB203 because it will provide badly needed heating assistance next winter, and will help the state move forward towards an assistance program that truly meets our needs.

This winter is particularly difficult. January 2012 was the coldest month on record. Heating degree days are 23% above average. At the same time fuel oil costs an average of \$6.33 / gallon across the region. Prices over \$7 are not uncommon.

Today, high energy costs, aggravated by low income and high unemployment, are increasing the burden in our already economically distressed communities. As energy prices rise, the amount of money available for household necessities dwindles, and the quality of life is suffering as a consequence. SB203 provides the security we need for the coming year.

Kawerak supports section two of SB 203 because it moves us forward towards a program that better meets our needs. It directs the Governor's office to evaluate different ways to provide heating assistance, and to make recommendations to the legislature next session.

Kawerak requests legislators pass SB203 this session. It helps insure residents will have the energy they need next winter, and puts us on the course towards a program that meets Alaska's energy needs in years to come.

Melanie Bahnke, Executive Vice-President

BRISTOL BAY NATIVE ASSOCIATION

**P.O. BOX 310
DILLINGHAM, ALASKA 99576
PHONE (907) 842-5257**

Tuesday, February 22, 2012

Tribal Councils
Served by BBNA:

Aleknagik

Chignik Bay

Chignik Lagoon

Chignik Lake

Clarks Point

Curyung

Egegik

Ekuk

Ekvok

Igiugig

Iliamna

Ivanof Bay

Kenatak

King Salmon

Kokhanok

Koliganek

Levelock

Manokotak

Naknek

New Stuyahok

Newhalen

Nondalton

Pedro Bay

Perryville

Pilot Point

Port Heiden

Portage Creek

South Naknek

Togiak

Twin Hills

Ugashik

The Honorable Joe Thomas
Alaska State Senate
State Capitol Room 514
Juneau AK, 99801

RE: Letter of Support for Senate Bill 203, "Energy Voucher"

Dear Mr. Thomas,

The Bristol Bay Native Association is writing to express support of Senate Bill 203, the creation of an energy voucher program.

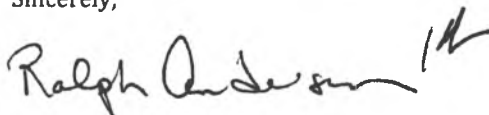
The high and volatile price of energy is a serious issue for families and businesses in the Bristol Bay region, and immediate relief is severely needed. The average price of heating fuel is around \$5.85 per gallon; and the average price of electricity, based on PCE reports, is around .5967 per kWh.

We are very familiar with the importance of energy assistance and the immediate relief it provides to low-income families as the administrator of LIHEAP & AKHAP programs for the region. In general, we recognize the need for assistance for all Alaskans as a necessary short-term solution to any energy plan set forth. We also recognize the importance of energy efficiency and conservation, and alternative energy policies, programs and projects that help offset the need for fossil fuels.

We recognize SB 203 requests the executive branch to evaluate program options for energy assistance beyond the temporary voucher program. To that point, we respectfully recommend that rural entities such as regional non-profits be included in those discussions, analyses and recommendations to the fullest extent possible.

The Bristol Bay Native Association appreciates your concern with the high cost of energy, and supports your efforts in finding solutions to continue to provide relief until a transition to more affordable energy supplies is realized.

Sincerely,



Ralph Andersen
President & Chief Executive Officer

Cc: Senator Gary Stevens
Senator Lyman Hoffman
Representative Bryce Edgmon
Representative Alan Austerman

ALASKA STATE LEGISLATURE



SENATOR JOE THOMAS

Senate Bill 203:

“An Act establishing an energy assistance program in the Department of Revenue to issue an energy voucher to Alaska permanent fund dividend recipients; and relating to the analysis and recommendation of an energy assistance program by the governor.”

Alaskans are struggling to heat their homes in the face of high energy costs. This crisis is under-cutting families and stifling local economies, particularly in communities with the harshest climates and highest fuel costs.

Senate Bill 203 provides Alaskans with energy relief through fuel vouchers this fall, and develops a program to help residents deal with high heating costs during the transition to more affordable energy supplies.

SB 203 directs the Alaska Department of Revenue to send a voucher to every adult Permanent Fund Dividend recipient in the fall of 2012, which can be redeemed at the fuel distributor or utility of their choice for either 250 gallons of heating oil, an equivalent amount of natural gas, or 1,500 KWH of electricity. By providing an equal amount of fuel to each adult, the voucher system accounts for the disparate cost of different fuels and prices in different locations.

Renters and others who certify that they do not pay directly for home heating oil, natural gas or electricity may request the reissuance of their voucher in the name of their landlord or a \$250 cash payment.

The second section of the bill requires the governor to analyze two specific options for energy relief in FY14 and beyond: a “fuel price reduction program” and an “individual account program.” The executive branch may also analyze alternatives to those options before making a recommendation. The analysis and recommendation are due back to the legislature by October 1, 2012.

The program recommended by the state must correlate the amount of assistance to the local cost of residential heating, taking into consideration the price of fuel and “heating degree days” in each community, as well as satisfy other requirements designed to ensure an efficient and equitable program.

SB 203 will provide needed relief this year, and develop a program to help families in the future. I ask for your support.

Senate Bill 203 : Energy Relief for Alaskans

Purpose: to provide Alaskans with immediate energy relief and create a program to help residents deal with high energy costs during the transition to more-affordable energy supplies.

Section 1: State sends a voucher to every adult PFD recipient in the fall of 2012, which can be redeemed at a fuel distributor or utility for 250 gallons of heating oil, or for the natural gas BTU equivalent, or for 1,500 KWH of electricity.

- Fuel distributors apply to be added to the list of qualified distributors.
- Vouchers are numbered, state the recipient's name and are non-transferable.
- Vouchers may be redeemed at any qualified fuel distributor in the state.
- Fuel may be delivered to any address in the state.
- Recipients who certify that they do not pay directly for home heating oil, natural gas or electricity may return their vouchers to the department and receive either: a replacement voucher in the name of their landlord, or a check for \$250.
- Distributors submit claims for reimbursement to the state that list voucher numbers, names of voucher owners, fuel delivery addresses and the retail price of fuel on the delivery date.
- The program will be administered by the Department of Revenue/AHFC

Section 2: Executive branch evaluates options and makes a recommendation for an energy assistance program for Alaskans in 2013 and beyond.

The analysis and recommendation are due October 1, 2012. The analysis will include evaluation of a "fuel price reduction" program, an "individual account" program and alternate options, as well as a recommendation for the best program that can be instituted in FY14:

Fuel price reduction option:

The state makes payments to fuel distributors to lower the price they charge Alaskans for residential heating fuel.

Distributors of heating oil and natural gas submit to the state proof of the wholesale purchase price for the fuel they distribute, and the state reimburses those distributors the amount necessary to effectively reduce that wholesale price a specified amount or to a specified price. Distributors receive this reimbursement for all fuel they sell in the state for residential heating. The executive branch analysis will include consideration of the limiting the number of gallons each Alaskan may purchase at the reduced rate.

---more---

Individual account option:

Alaskans apply through the annual PFD process and qualify for an amount of money to be deposited by the state in an account in their name at a fuel distributor or electric utility of their choice in their community. The amount of assistance varies depending on energy costs and heating degree days in each community.

The Permanent Fund Division creates an electronic system similar to “pick-click-give” through which applicants may select a fuel distributor or utility. Individuals who do not select a fuel distributor or utility receive a standard, statewide “base” amount of assistance in the form of a check to their PFD mailing addresses. The executive branch analysis will consider allowing Alaskans to deposit a portion of their PFD’s into their fuel accounts, in addition to their energy assistance.

The executive branch analysis of the options and its recommended program must include evaluation of the following:

1. Whether the program can be structured so the resulting energy assistance will not be subject to federal taxation.
2. The estimated cost of the program in FY14 and for the following 4 years.
3. The cost of administering the program relative to the assistance provided to Alaskans.
4. The extent to which the program provides the most assistance to those Alaskans who have the highest heating costs.

The recommended program must include the following:

- Amount of assistance correlated to the cost of home heating in different communities.
- Program triggered by ANS crude oil price or a heating oil price, and total program funding level dependent on state revenue.
- Penalties for fraud similar to PFD provisions, including loss of future PFD’s.
- Voluntary participation by fuel distributors.
- Administrative costs kept to a minimum.

AkWarm FUEL COST SURVEY - JANUARY 2012

Name	#1 Oil Price per gallon
Akiachak	\$6.89
Akiak	\$6.85
Akutan	\$3.80
Alakanuk	\$6.45
Alatna	\$7.00
Anaktuvuk Pass	\$1.55
Anchor Point	\$3.85
Anchorage	\$3.78
Anderson	\$4.22
Angoon	\$5.36
Aniak	\$5.87
Anvik	\$5.25
Arctic Village	\$10.00
Atka	\$7.43
Atmautluak	\$5.56
Atkasuk	\$1.40
Auke Bay	\$4.35
Barrow	\$1.00
Beaver	
Bethel	\$6.13
Betties	\$7.45
Big Lake	\$3.80
Bird Creek	\$3.78
Brevig Mission	\$4.88
Buckland	\$7.42
Cantwell	\$4.25
Chalkyitsik	\$6.75
Cheformak	\$7.14
Chena Hot Springs	\$4.25
Chenega	\$6.00
Chickaloon	\$3.80
Chicken	\$4.50
Chignik	\$3.65
Chignik Lake	\$5.32
Chistochina	\$4.06
Chitina	\$3.99
Chuathbaluk	\$6.80
Chugiak	\$3.80
Circle	\$5.50
Clam Gulch	\$3.80

Clark's Point	\$6.00
Clear	\$4.22
Coffman Cove	\$4.38
Cold Bay	\$5.39
Cooper Landing	\$4.01
Copper Center	\$4.06
Cordova	\$4.63
Craig	\$4.23
Crooked Creek	\$7.55
Deering	\$6.44
Delta Junction	\$3.96
Denali Nat'l Park	\$4.25
Dillingham	\$5.47
Dot Lake	\$4.15
Douglas	\$4.53
Dutch Harbor	\$3.64
Eagle	\$4.75
Eagle River	\$3.78
Eek	\$7.14
Egegik	\$5.05
Ekwok	\$6.75
Elfin Cove	\$5.02
Elim	
Emmonak	\$6.94
English Bay/Nanwal	\$5.77
Ester	\$3.93
Evansville	\$7.45
Fairbanks	\$3.93
False Pass	\$4.77
Fort Yukon	\$5.70
Gakona	\$4.10
Galena	\$5.39
Gambell	\$6.95
Girdwood	\$3.78
Glenallen	\$4.07
Golovin	\$5.00
Goodnews Bay	\$5.47
Grayling	\$5.00
Gulkana	\$4.06
Gustavus	\$5.00
Haines	\$4.52

Halibut Cove	\$4.64
Healy	\$4.24
Hollis	\$4.03
Holy Cross	\$6.87
Homer	\$4.12
Hoonah	\$4.77
Hooper Bay	\$7.37
Hope	\$4.00
Houston	\$3.88
Hughes	\$9.00
Huslia	\$6.00
Hydaburg	\$4.19
Igiugig	\$8.09
Iliamna	\$7.96
Indian	\$3.78
Juneau, Airport	\$4.53
Juneau, City of	\$4.53
Kake	\$5.75
Kaktovik	\$2.60
Kaltag	\$5.75
Karluk	\$5.00
Kasaan	\$4.25
Kasigluk	\$6.85
Kasilof	\$3.76
Kenai	\$3.76
Kenny Lake	\$4.06
Ketchikan	\$4.12
Kiana	\$7.00
King Cove	\$5.51
King Salmon	\$5.16
Kipnuk	\$6.13
Klawock	\$4.25
Klukwan	\$5.48
Kobuk	\$9.30
Kodiak	\$4.26
Kokhanok	\$8.02
Kongiganak	\$6.38
Kotlik	\$6.85
Kotzebue	\$6.28
Koyuk	\$6.63
Kwethluk	\$6.18
Kwigillingok	\$6.45
Larsen Bay	\$5.74
Levelock	\$4.90
Lime Village	\$7.61

Lower Kalskag	\$6.50
Manokotak	\$5.97
Marshall	\$6.73
McCarthy	\$4.50
McGrath	\$7.47
Mekoryok	\$5.47
Mentasta Lake	\$4.06
Metlakatla	\$3.98
Meyers Chuck	\$4.79
Minto	\$5.05
Moose Pass	\$3.83
Mountain Village	\$7.76
Naknek	\$5.16
Napaimute	\$7.00
Naukati	\$4.33
Nelson Lagoon	\$5.98
Nenana	\$4.28
New Stuyahok	\$6.55
Newhalen	\$7.31
Nikiski	\$3.66
Nikolaevsk	\$3.86
Nikolai	\$7.50
Ninilchik	\$3.66
Nome	\$5.83
Nondalton	\$7.00
Noorvik	\$6.00
North Pole	\$4.17
Northway	\$4.15
Nuiqsut	\$2.05
Nulato	\$5.70
Nunapitchuk	\$7.06
Nunum Iqua	\$6.76
Old Harbor	\$5.92
Oscarville	\$6.15
Ouzinkie	\$4.86
Palmer	\$3.91
Paxson	\$3.96
Pelican	\$5.15
Petersburg	\$4.27
Pilot Point	\$5.41
Pilot Station	\$7.32
Pitkas Point	\$6.03

Point Baker	\$5.30
Point Hope	\$1.69
Point Lay	\$1.45
Port Graham	\$5.20
Port Lions	\$5.13
Port Protection	\$5.26
Quinhagak	\$6.18
Ruby	\$5.30
Russian Mission	\$5.75
Saint George	\$5.76
Saint Mary's	\$6.85
Saint Michael	\$7.02
Saint Paul	\$5.62
Salcha	\$3.98
Sand Point	\$5.30
Savoonga	\$5.78
Saxman	\$4.24
Scammon Bay	\$7.48
Seldovia	\$5.51
Seward	\$3.98
Shishmaref	\$6.58
Shungnak	\$9.78
Sitka	\$4.35
Skagway	\$4.45
Slana	\$4.06
Sleetmute	\$7.35
Soldotna	\$4.03
South Naknek	\$5.16
Stebbins	\$7.20
Sterling	\$3.91
Stevens Village	\$6.76
Sutton	\$3.80
Talkeetna	\$3.80
Tanana	\$5.61
Tazlina	\$4.06
Teller	\$6.03
Thorne Bay	\$4.38
Togiak	\$5.97
Tok	\$4.05
Toksook Bay	\$7.45
Tonsina	\$4.20
Trapper Creek	\$3.80

Tuluksak	\$6.50
Tuntutuliak	\$6.80
Tununak	\$6.75
Unalakleet	\$6.62
Unalaska	\$4.67
Upper Kalskag	\$6.50
Valdez	\$4.30
Venetie	\$8.50
Wainwright	\$1.50
Wales	\$7.98
Ward Cove	\$3.98
Wasilla	\$3.88
Whale Pass	\$4.38
White Mountain	\$5.30
Whittier	\$3.99
Willow	\$3.80
Wrangell	\$4.78
Yakutat	\$5.17

NOTES:

1. Prices include city and borough sales tax, where applicable. If there is a varied cost structure, based on quantity, the price is for 200-400 gallons, delivered.
2. These prices are from one vendor in each community. In some communities, there may be other vendors with different prices.
3. In communities where fuel is barged in, prices are constant between deliveries. In communities on the highway system, prices are much more volatile and could change weekly.