

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHJR 31(W&M)
 (H) Publish Date: 2/19/04

Revision Date/Time (Note if correction): _____ Department: **Labor and Workforce Development**
 Title: Const Am: Permanent Fund RDU: **Office of the Commissioner**
 Component: **Commissioner's Office**
 Sponsor: Representative Holm
 Requester: House W&M Component Number: 340

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: None
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Adoption of this resolution will have no fiscal impact on the department's operating budget. However, it will affect eligibility for various programs operated by the department. See the attached analysis.

Prepared by: Guy Bell, Director Phone 465-2720
 Division: Administrative Services Division Date/Time 2/17/04 3:13 PM
 Approved by: Greg O'Clary, Commissioner Date 2/17/2004
 Agency: Department of Labor and Workforce Development

FISCAL NOTE #1

STATE OF ALASKA
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BILL VERSION: CSHJR 31(W&M)

ANALYSIS: (continued)

Division of Vocational Rehabilitation

The Division of Vocational Rehabilitation has an economic needs test for specific types of vocational rehabilitation services—such as vocational training. The division never envisioned this scenario and has not built data elements to easily retrieve this information. This is our best estimate available on short notice. Higher accuracy could be obtained with a statistically valid review of individual records if desired.

Currently 2,016 individuals with disabilities received a type of service that requires an economic needs test. The average annual expenditure per individual served in this category is \$2,500. 80 of those receiving services were single with means of support at application, thus a \$25,000 payment would raise their income above \$27,000, the division's income threshold (250% of the federal poverty level). It is estimated the 80 individuals would need to contribute \$2,500 of their \$25,000 Permanent Fund Dividend to purchase their vocational rehabilitation services, a total cost impact to those individuals of \$200,000 (80 x \$2,500).

Division of Employment Security

A one-time payment would negatively affect Alaskans' income level for eligibility under the federal Workforce Investment Act and Trade Act training programs and supportive services payments.

It would negatively affect the number of older workers we could serve under the Senior Community Service Employment Program (the income threshold is 125% of the poverty level). These programs help low-income persons and this one-time payment would put many of them over the top for eligibility. Potential loss of federal funds of up to \$1.7 million for one year.

For the federal employment and training programs under the Workforce Investment Act PL 105-220, (WIA) income guidelines are applied in several different ways with respect to program eligibility, participation, and in determining overall funding allocation to the state. There is significant variance by program in income guidelines. State or Local boards (in Alaska this is the Alaska Workforce Investment Board, or AWIB) are given broad discretion in determining a "priority of service" for individuals entering the Adult program. The state and the AWIB do not have any discretion under the youth program. Low income is a requirement under WIA, Sec. 101 13 (B).

The total dollar impact? (Estimated)

Statewide Adult program federal Allocation:..... Loss of up to; \$1,028,575
Statewide Youth federal Program Allocation:.....Loss of up to; \$3,222,244
Dislocated Worker Program Allocation:..... No impact \$ 0

Total loss of federal funds:.....Loss of up to; \$ 4,250,819

Total impact to clients to be served: (estimated)

Adult clients:.....Loss of services for up to 228 Alaskan Adults
Youth clients:.....Loss of services for up to 784 Alaskan Youth (ages 14 through 21)
Dislocated Worker:.....No impact on Dislocated Worker clients

Total loss of services to individuals.....Loss of service to 1,012 Alaskans

Under Section 132 (a) (1) (B) (ii) (III) Formula; 33 1/3 percent of the State's allotment shall be determined by the relative number of disadvantaged adults in each state, compared to the total number of disadvantaged adults in all states.

If every eligible Alaskan Adult were to receive \$25,000, then Alaska's relative number of disadvantaged Adults would potentially be the lowest of all the states and reduce Alaska's Adult funding by as much as 33 1/3%. (Alaska's FY 04 allocation of \$3,088,814 would potentially be reduced by one third, or \$1,028,575 under the federal allocation formula.) In 2003 Alaska served 686 Adult clients. If Alaska's adult funding were reduced by 33 1/3%, then we would serve potentially one third or 228 fewer Alaskans.

Alaska could still serve the adult population if the AWIB were to adopt a liberal policy that disregards the \$25,000 dividend payment in determining "priority of service."

Only Alaskan youth who are not eligible for the PFD and meet the low-income criteria could potentially qualify for the youth program. Alaska could face the loss of the entire Youth program allocation of \$3,222,284, if sufficient eligible clients cannot be identified and served.