

# FISCAL NOTE

**STATE OF ALASKA**  
**2004 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: \_\_\_\_\_  
 ( ) Publish Date: \_\_\_\_\_  
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): \_\_\_\_\_  
 Title CONSTITUTIONAL AMENDMENT ON  
PERMANENT FUND

RDU Public Assistance  
 Component Child Care Benefits

Sponsor HOLM  
 Requester HOUSE (STA)

Component No. 1897

**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	( 24,399.0)	16,266.0	8,133.0			
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>( 24,399.0)</b>	<b>16,266.0</b>	<b>8,133.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES (0)</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts	( 19,197.0)	11,064.0	8,133.0			
1003 GF Match	( 4,519.1)	4,519.1				
1004 GF	( 682.9)	682.9				
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>( 24,399.0)</b>	<b>16,266.0</b>	<b>8,133.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2004) cost: \_\_\_\_\_  
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

HJR 31 proposes an amendment to the Alaska State Constitution to provide a one time \$20,000 supplemental PFD payment, then eliminates the PFD program. The bill also eliminates the PFD hold harmless protection for individuals and families receiving public assistance benefits. The department would be required to count the PFD as income when determining eligibility for childcare assistance. Approximately 3,570 families now receiving assistance will either lose benefits or have an increased copay.

The financial summary above shows the projected one-time savings in FY2005. FY2006 reflects that this amount would have to be added back in FY2006, partially offset by continued savings. In FY2007, the funding to replace FY2006 savings would have to be added back into the budget. This would bring the program back to the base funding level with no further changes to that base funding in FY2008-2010. This is detailed on page 2.

Prepared by: Angela Salerno  
 Division Public Assistance  
 Approved by: Joel S. Gilbertson, Commissioner  
 Agency Department of Health and Social Services

Phone 465-3200  
 Date/Time 03/18/2004  
 Date 03/18/2004

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**ANALYSIS CONTINUATION**

	FY2005	FY2006	FY2007	Total
<u>One-time Child Care Assistance Savings</u>				
Month PFD Received (October)				
Family ineligible over income for approximately one year October-June 05	(24,399.0)			
Months following Receipt (Jul-Sept 05)	-	(8,133.0)	-	
Total One-time Savings	(24,399.0)	(8,133.0)		(32,532.0)
 <u>Restore Child Care Assistance</u>				
One year later no new PFD and most families have spent the PFD				
Months eligibility returns (Oct-June06)				
Restore one-time savings		24,399.0		
Months eligibility returns (Jul-Sep)				
Restore one-time savings	-	-	8,133.0	
Formula ATAP funding restored	-	24,399.0	8,133.0	32,532.0