

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 Tribal Assistance

Sponsor HOLM
 Requester HOUSE (STA)

Component No. 2336

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	(6,091.2)	4,062.0	2,029.2			
Miscellaneous						
TOTAL OPERATING	(6,091.2)	4,062.0	2,029.2	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match	(5,414.4)	3,385.2	2,029.2			
1004 GF		676.8				
1037 GF/Mental Health						
1007 Interagency Receipts	(676.8)					
Other(Specify Type-do not abbreviate)						
TOTAL	(6,091.2)	4,062.0	2,029.2	0.0	0.0	0.0

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 currently provides a fair and equitable portion of state TANF appropriations to support the operation of tribal TANF programs through distribution of Alaska Native Family Assistance Grants (NFAP). Approximately 1,000 families served by these programs will lose benefits in the month they receive the PFD. Because of the large supplemental PFD payment, we assume they would also lose eligibility for 11 additional months.

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 Agency Department of Health and Social Services

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

The fiscal note financial summary on page 1 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 in the table shown below.

In addition, the financial summary reflects that there is a switch in funding source from Interagency Receipts (from the PFD Hold Harmless component) to General Funds for benefit payments in FY2006 and all future years. PFD hold harmless revenue has been a funding source for public assistance programs since 1982. Ending the PFD program will also end the hold harmless program. When recipients regain eligibility, benefits once paid with PFD hold harmless money will be replaced by GF.

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	Total
<u>One-time Tribal Assistance Savings</u>				
Month PFD Received (October)				
Native Family ineligible over income	(676.8)			
Months following Receipt (Nov-Jun 05)				
Native family ineligible over resource	(5,414.4)			
Months following Receipt (Jul-Sept 05)				
	-	<u>(2,029.2)</u>	-	
Total One-time Savings	(6,091.2)	(2,029.2)		(8,120.4)
 <u>Restore ATAP Payments</u>				
One year later no new PFD and most families have spent the PFD				
Months eligibility returns (Oct-June06)				
Restore one-time savings		6,091.2		
Months eligibility returns (Jul-Sep)				
Restore one-time savings	-	-	<u>2,029.2</u>	
Formula Tribal Assistance restored	-	6,091.2	2,029.2	8,120.4