

# 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 PFD Hold Harmless

Sponsor HOLM  
 Requester HOUSE (STA)

Component No. 225

**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	( 15,495.0)					
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>( 15,495.0)</b>	<b>0.0</b>	<b>0.0</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						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
1050 PFD Fund	( 15,495.0)					
Other(Specify Type-do not abbreviate)						
<b>TOTAL</b>	<b>( 15,495.0)</b>	<b>0.0</b>	<b>0.0</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)

The PFD Hold Harmless program (PFD-HH) replaces public assistance benefits lost because federal rules require that the PFD be counted as income for program eligibility purposes. HJR 31 eliminates PFD -HH protection for individuals who lose eligibility for ATAP, tribal assistance (NFAP), food stamps, APA and federal SSI benefits. These individuals and families would be ineligible for benefits in the month they receive the PFD. We assume recipients will continue to be ineligible for additional months because any PFD income retained must be counted as a resource. We assume APA and SSI recipients would lose benefits for three additional months, recipients of other programs will lose benefits for an additional 11 because of the \$20,000 supplemental payment.

see next page

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

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

Savings to the PFD-HH fund are as follows:

ATAP:	(\$2,935,900)
NFAP:	( 676,700)
FS:	(5,047,000)
APA:	(3,792,300)
SSI:	<u>(3,043,000)</u>
Total	(\$15,494,900)

PFD hold harmless revenue has been a revenue source for public assistance programs since 1982. Loss of this funding source will result in cost-shifting of \$6.4 million to the state GF. This funding switch is shown on the fiscal notes for the ATAP, APA and Tribal Assistance components. The SSI and Foodstamp costs previously paid by PFD Hold Harmless funding will revert to Federal benefit payments.