

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 13
 Bill Version: HCS CSSB 4002(FIN)
 (H) Publish Date: 8/5/08
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: General Relief Assistance

ID(File name) SB4002HCSCS(FIN)-DHSS-GRA-08-05-08
 Title: ALASKA RESOURCE REBATE PROGRAM
 Sponsor: RULES BY REQUEST OF THE GOVERNOR
 Requester: HOUSE FINANCE

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	76.4						
Travel	10.0						
Contractual	49.5						
Supplies	20.3						
Equipment							
Land & Structures							
Grants & Claims	1,282.3						
Miscellaneous							
TOTAL OPERATING	1,438.5	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,438.5						
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	1,438.5	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary		2					

ANALYSIS: (Attach a separate page if necessary)

HCS CS SB (FIN) increases the 2008 Permanent Fund Dividend by \$1,200 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$1,200 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

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 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/05/2008
 Date 08/05/2008

ANALYSIS CONTINUATION

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate as income. Pension benefits will be reduced dollar for dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

Cost Assumptions

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$451.2 (376 x \$1,200).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.