

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CSSB 4002(FIN)
 (S) Publish Dat: 8/3/08
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: PFD Hold Harmless

ID(File name) SB4002CS(FIN)-DHSS-PFDHH-08-03-08
 Title ALASKA RESOURCE REBATE PROGRAM
 Sponsor SENATE FINANCE
 Requester SENATE FINANCE

Component No. 225

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		400.0					
Miscellaneous							
TOTAL OPERATING	0.0	400.0	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							
1037 GF/Mental Health							
Other(PFD Hold Harmless)		400.0					
Other(Specify Type-do not abbreviate)							
TOTAL	0.0	400.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

CSSB 4002\T (with amendments) increases the 2008 Permanent Fund Dividend by \$500 to provide residents of the state with an Alaska resource rebate. The increase of \$500 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

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

Phone 465-5847
 Date/Time 08/02/2008
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ANALYSIS CONTINUATION

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$500 in the PFD.

The department does not expect the \$500 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$500. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$500 received by program participants will be spent on additional expenses such as increased energy costs.

Assumptions:

In FY09, the department expects that the \$500 added to the 2008 PFD would affect 1,000 Food Stamp households. The average PFD HH payment for Food Stamps is \$400/month. 1,000 households x \$400 = \$400,000