

HUR57

HOUSE COMMITTEE REPORT

file

(11)

Date Referred: February 28, 1992

FURTHER REFERRALS:

Date of Committee Action: 3/2/92

The FINANCE Committee considered:

HJR 57

HOUSE JOINT RESOLUTION NO. 57

"INCOME" FOR HUD RENTAL ASSISTANCE

Requesting the Secretary of Housing and Urban Development to omit Alaska permanent fund dividends and Alaska longevity bonus payments from gross income for purposes of making rent calculations applicable to certain housing assistance programs.

- RECOMMENDATIONS:
- be replaced with \_\_\_\_\_ (S HJR 57 (STA))  the same title
  - a new title
  - have attached amendments(s)
  - do pass
  - do not pass
  - no recommendations
  - individual recommendations
  - additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date)

fiscal impact \_\_\_\_\_  fiscal note(s) \_\_\_\_\_

zero fiscal note \_\_\_\_\_ 2  zero fiscal note(s) Admin. <sup>2/28/92</sup>; Commerce <sup>2/13/92</sup>

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>A. Ulmer</i> Ulmer	✓	<i>Tamara Barnes</i> Barnes		X	
<i>Mike Navarre</i> NAVARRE	✓	<i>Phillips</i> Phillips		✓	
<i>Mark Boyer</i> Boyer	X	<i>Larson</i> Larson		Ⓞ	
<i>Kipinen</i> Kipinen	✓	<del>_____</del>			
<i>Jacko</i> JACKO	✓				
<i>Mallean</i> MALLEAN	X				

*Mike Navarre* NAVARRE  
*E. P. Mallean* MALLEAN  
 CHAIRMAN'S SIGNATURE

CS FOR HOUSE JOINT RESOLUTION NO. 57 (STATE AFFAIRS)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES BOYER, Ulmer, Gruenberg, Hudson, B.Davis, Parnell

A RESOLUTION

1 Requesting the Secretary of Housing and Urban Development to omit the Alaska permanent  
2 fund dividend and the Alaska longevity bonus from gross income for purposes of making  
3 payment calculations applicable to certain housing assistance programs.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 WHEREAS, for purposes of eligibility of its housing assistance programs, the United States  
6 Department of Housing and Urban Development calculates monthly payments on the annual adjusted  
7 gross income of the individual or family making application; and

8 WHEREAS, for the benefit of its residents, the State of Alaska sponsors and supports two unique  
9 programs, the Alaska permanent fund dividend program and the longevity bonus program; and

10 WHEREAS the amount received from both sources is currently regarded as income by the  
11 United States Department of Housing and Urban Development as the agency determines annual adjusted  
12 gross income for rent calculations; and

13 WHEREAS the amount of the permanent fund dividend, paid annually to state residents, has  
14 varied, based upon the earnings of the permanent fund dividend account, from a low of \$331 to a high  
15 of \$1,000, averaging \$670 since inception; and

16 WHEREAS the dividend is paid in one check, typically received by the applicant within the last

1 three-month period of the calendar year; and

2 WHEREAS the longevity bonus, payable to state residents 65 years of age and older, was  
3 instituted by the legislature to encourage and assist senior citizens to remain in Alaska during retirement;  
4 and

5 WHEREAS receipt of the longevity bonus, now \$250 a month payable monthly, in combination  
6 with income from other sources, may place senior citizens above the income limits for housing  
7 assistance; and

8 WHEREAS some senior citizens may choose to forego applying for the longevity bonus in order  
9 to stay within the income limits for housing assistance; and

10 WHEREAS the practice of the Department of Housing and Urban Development of treating the  
11 receipts of these two programs as income is inconsistent with its efforts and the efforts of the state to  
12 assure that the state's low-income residents secure and maintain the benefits of decent housing and self-  
13 sufficiency through eventual homeownership and with the state's interest and efforts to allow senior  
14 citizens to maintain themselves in their own homes rather than relocating to communal residences and  
15 institutions; and

16 WHEREAS the omission of the amounts received under the state's two programs from the  
17 definition of adjusted gross income for purposes of payment calculations would enable more citizens to  
18 benefit from the department's housing initiatives;

19 BE IT RESOLVED by the Alaska State Legislature that the Secretary of the United States  
20 Department of Housing and Urban Development is respectfully requested to approve as a waiver the  
21 Alaska permanent fund dividend program and the longevity bonus program in determining annual  
22 adjusted gross income for purposes of payment calculations for the department's housing assistance  
23 programs.

24 COPIES of this resolution shall be sent to the Honorable Jack Kemp, Secretary of the U.S.  
25 Department of Housing and Urban Development; and to the Honorable Ted Stevens and the Honorable  
26 Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the  
27 Alaska delegation in Congress.

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Bill Version: CSHJR 57(HES)

(H) Publish Date: 2/13/92

Revision Date: \_\_\_\_\_ Department Affected: DCSN  
 Title: REMOVE TO HUD SECRETARY TO BRU: Alaska State Housing Authority  
 exclude permanent fund & longevity bonus  
 Component: \_\_\_\_\_  
 Sponsor: Representative Boyce  
 Requestor: Representative Boyce COMPONENT SERIAL NO. 

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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
FUND SOURCE:						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)

The amount of subsidy received by ASHA would remain the same, in spite of the passage of this bill. Rents are based on the Fair Market Rent or other formula, and this amount would remain the same. Tenants pay 30% of their adjusted gross income, so the amount they pay would be adjusted, but HUD would then be required to pay the difference.

Prepared By: Sherric Binnonds Phone: 562-2813  
 Division: Alaska State Housing Authority Date: 2/6/92  
 Approved by Commissioner: [Signature]  
 Agency: Commissioner of Housing Date: 2.10.92

Distribution (by number): Leg. Fin., Legislative Services, Requestor, OMB/OAR, Gov. Legn. Off., A Impacted Agency(ies).

Rev 10/7/91

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FISCAL NOTE

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

BILL NO. CS HJR 57 (HES)

*published*

Revision Date: February 20, 1992  
Title: Omitting PFD & Longevity Bonus from income calculations for HUD Rental Assistance  
Sponsor: Representative Bover  
Requestor: House Health, Education & Social Services

Department Affected: Administration  
BRU: Division of Pioneers' Benefits  
Component: Longevity Bonus Program

COMPONENT

0	0	2	6
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) The resolution itself would have zero fiscal impact. However if HUD did change their method of calculation, it would have a fiscal impact.

See attached page 2 for analysis.

Prepared by: Dennis L. DeWitt *[Signature]*  
Division: Pioneers' Benefits

Phone: 465-4400

Date: February 20, 1992

Approved by Commissioner: Nancy Bear Usera *[Signature]*  
Agency: Administration

Date: 2/28/92

Distribution (by preparer): Legislative Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Ofc., & Impacted Agency(ies).

FISCAL NOTE HJR57  
Longevity Bonus  
page 2 of 2

The resolution requests a waiver from the Federal Government to eliminate the use of the Longevity Bonus and the Permanent Fund Dividend from gross income in the rent calculation for housing assistance. If the federal method of calculation was changed, the following impact is expected.

Alaska Housing Authority estimates they have 635 families with a member over 65 years of age, of which 94% are receiving the Longevity Bonus. The other 6% (or 38 families) are not receiving the Longevity Bonus.

Therefore the fiscal note was calculated on the maximum number of persons who would qualify from statistics available.

From the statistics in the "1990 census of Population and Housing, STF 1A", it was estimated that 38 households equal 60 persons. An additional 60 persons over 65 years of age would apply for the Longevity Bonus if the bonus no longer counted as income in determining the housing assistance eligibility. Sixty persons at \$3,000 a year equals \$180,000 per year. The fiscal note includes the estimated population increase for each additional year.

Alaska Housing Authority estimates that about 63 individuals would qualify under the bill, which supports the Division's calculations.

Fiscal Year	Number of People	Total Cost
93	60	\$180,000.00
94	63	\$189,000.00
95	66	\$198,000.00
96	69	\$207,000.00
97	72	\$216,000.00
98	75	\$225,000.00

## Alaska State Legislature

REPRESENTATIVE  
MARK BOYER  
—  
VICE-CHAIRMAN  
HOUSE FINANCE COMMITTEE

FAIRBANKS  
—  
1098 LAKEVIEW TERRACE  
FAIRBANKS, ALASKA 99701  
(907) 456-6473

## House of Representatives

JUNEAU  
—  
P.O. BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3466

## MEMORANDUM

TO: House Finance Members  
FROM: Rep. Mark Boyer *MB*  
DATE: February 27, 1992  
RE: HJR 57, "income" for HUD housing assistance

HJR 57 is on Monday, March 2nd's consent calendar. It has zero fiscal notes from the Dept. of Administration and the Dept. of Commerce and Economic Development.

Currently the State of Alaska has "hold harmless" provisions for most need based programs so that recipients of permanent fund dividends and longevity bonuses do not lose benefits for which they would otherwise qualify. However, the U.S. Department of Housing and Urban Development (HUD) factors income from these sources into payment calculations for housing assistance. This affects approximately 8100 Alaskans in 3129 housing units throughout the state.

The Secretary of HUD has the authority to grant waivers (see attached). HJR 57 requests that the Secretary exercise this authority and "approve as a waiver the Alaska permanent fund dividend program and the longevity bonus program in determining annual adjusted gross income for purposes of payment calculations for [HUD's] housing assistance programs."

The Alaska State Housing Authority (ASHA) is the state agency that handles the HUD housing assistance programs. ASHA's Board passed resolutions supporting the exemption of permanent fund dividends and longevity bonuses from gross income for the purposes of rent calculations.

This resolution passed out of the Health, Education and Social Services Committee two weeks ago with all members recommending "do pass". It passed out of the House State Affairs Committee earlier this week with all members present recommending "do pass".

If you have any questions or concerns regarding this resolution, please contact me. I look forward to your support in passing this out of Finance on the consent calendar. Thank you.

FAIRBANKS 20B

**RESOLUTION REQUESTING THE SECRETARY OF HUD TO APPROVE A WAIVER OF THE PERMANENT FUND DIVIDEND CHECKS FROM CONSIDERATION IN GROSS INCOME FOR RENT CALCULATIONS**

**Resolution No. 379**

WHEREAS, the Alaska Permanent Fund Dividend (APFD) checks are considered income by the U.S. Department of Housing & Urban Development (HUD) in determining annual adjusted gross income for rent calculations; and

WHEREAS, the amount of the APFD varies, based upon the earnings of the APFD account; and

WHEREAS, the amount of the APFD checks has varied from a low of \$331 to a high of \$1,000, and has averaged \$670 since its inception in 1982; and

WHEREAS, income from the APFD arrives in one annual check, any time during the last three-month period of the year; and

WHEREAS, the APFD of every family member is currently included in determining the total adjusted annual income; and

WHEREAS, the total family's APFD may place families above qualification income limits for housing assistance; and

WHEREAS, monthly rental payments are based on the total adjusted income; and

WHEREAS, this causes seniors and low-income families to pay a high percentage of their income each month in order to compensate for this once-a-year payment; and

WHEREAS, it is the intention of HUD to provide opportunities for low-income residents to save money for homeownership, self-employment, or other self-sufficiency opportunities; and

WHEREAS, it is the intent of this resolution to provide greater opportunities to all low-income Alaskans to increase their quality of life.

NOW, THEREFORE, BE IT RESOLVED, that through support from residents, Alaska public and Indian housing authorities, and the Alaska Legislature, a campaign be waged to request the Secretary of HUD to grant a waiver of the Alaska Permanent Fund Dividend checks from inclusion in annual adjusted gross income for rent calculations.

Passed by the Board of the Alaska State Housing Authority this 11th day of October, 1991.

# ASSOCIATION OF ALASKA HOUSING AUTHORITIES

Entitled: Requesting the Secretary of HUD to approve a Waiver of the Permanent Fund Dividend Checks from consideration in gross income for rent calculations



## Resolutions 91-03

WHEREAS, the Alaska Permanent Fund Dividend (APFD) checks are considered income by the U.S. Department of Housing and Urban Development in determining annual adjusted gross income for rent calculations; and

WHEREAS, the amount of the APFD varies, based upon the earnings of the APFD account; and

WHEREAS, the amount of the APFD checks has varied from a low of \$331 to a high of \$1,000, and has averaged \$670 since its inception in 1982; and

WHEREAS, income from the APFD arrives in one annual check, sometime within the last three-month period of the year, and

WHEREAS, the APFD of every family member is currently included in determining the total adjusted annual income; and

WHEREAS, the total family's APFD may place many families above qualification income limits for housing assistance; and

WHEREAS, monthly rental payments are based on the total adjusted income; and

WHEREAS, this causes seniors and low-income families to pay a high percentage of their income each month in order to compensate for this once-a-year payment; and

WHEREAS, it is the intantion of HUD to provide opportunities for low-income residents to save money for homeownership, self-employment, or other self-sufficiency opportunities; and