

HB

108

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/7/95

FURTHER:

DATE TURNED INTO OFFICE: 4-21-95

The Finance Committee considered HOUSE BILL NO. 108

"An Act relating to claims on permanent fund dividends for defaulted public assistance overpayments."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Hein</i>	✓	<i>Paul F. Zharoff</i>	✓		
<i>Ross & Reed</i>	✓				
<i>Wendell Douglas</i>	✓				
<i>Ken Sharp</i>	✓				
Co-Chair: <i>[Signature]</i>	✓				
Co-Chair: <i>Rich Halford</i>	✓				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

#1	DOR	1/25/95	0	
#2	DHSS (Pub. Assis)	2/6/95	0	3.4 rev.
#3	DHSS (AFDC)	2/6/95	0	16.5 rev.

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 3
Bill Version: HB 108
(H) Publish Date: 3/9/95

Revision Date: _____
Title: An Act relating to claims on PFD's for defaulted public assistance overpayments
Sponsor: Toobey
Requestor: House JUD

Dept. Affected: Health and Social Services
BRU: Assistance Payments
Component: AFDC
COMPONENT SERIAL NO. 220
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	16.5	27.5	30.2	27.5	27.5	24.7
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	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 any current year (FY95) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHMENT

Prepared by: Jim Dalman, Acting Director
Division: Division of Public Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 02/02/95
Date: 2/6/95

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ANALYSIS (cont.):

HB 108 amends existing statutes to provide authority for the Department of Health and Social Services to collect delinquent public assistance overpayment debts by administrative garnishment of Permanent Fund dividends. This legislation results in increased debt collection by the Division of Public Assistance.

AFDC benefits are 50 percent state/50 percent federally funded. When the State recovers AFDC overpayments, it returns the federal share to the federal government and retains the state share.

Assumptions:

- All revenues are collections against prior years' costs
- The state retains 50 percent of AFDC collections as General Fund receipts
- 50 percent of AFDC collections are returned directly to the federal government
- Average claim collection via PFD garnishment = \$550
- Collections will rise in the first 3 years, then decline as backlog of delinquent claims is cleared.

Calculations:

	FY96	FY97	FY98	FY99	FY00	FY01
Claims collections	60	100	110	100	100	90
Total collected	33.0	55.0	60.5	55.0	55.0	49.5
Increased GF Receipts	16.5	27.5	30.2	27.5	27.5	24.7

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

No. 2
Bill Version: HB 108
(H) Publish Date: 3/9/95

Revision Date: _____
Title: An Act relating to claims on PFD's for defaulted public assistance overpayments
Sponsor: Toohy
Requestor: House JUD

Dept. Affected: Health and Social Services
BRU: Public Assistance Admin
Component: Public Assistance Admin
COMPONENT SERIAL NO. 233
See also (SN#): _____

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGES IN REVENUES	3.4	8.1	11.2	9.0	9.0	8.1
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other (please specify)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	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 any current year (FY95) cost: 50.0

ANALYSIS: (Attach a separate page if necessary)

SEE ATTACHMENT

Prepared by: Jim Dalman, Acting Director
Division: Division of Public Assistance
Approved by Commissioner: Karen Perdue, Commissioner
Agency: Department of Health & Social Services

Phone: 465-2680
Date: 02/02/95
Date: 2/6/95

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ANALYSIS (cont.):

HB 108 amends existing statutes to provide authority for the Department of Health and Social Services to collect delinquent public assistance overpayment debts by administrative garnishment of Permanent Fund dividends. This legislation results in increased debt collection by the Division of Public Assistance.

Food Stamp Program overpayment collections generate revenue to the State. Although food stamps are 100 percent federally funded, states are allowed to retain collection incentives of 10 percent of recoveries of overpayments caused by inadvertent household error and 25 percent of recoveries of payments caused by recipient fraud. These recovery incentives will increase to 25 and 50 percent respectively in October, 1995.

Assumptions:

- All revenues are collected against prior years' costs
- Average state retention rate = 15 percent in FY96
- Average state retention rate = 30 percent in FY97 through FY01
- State retentions are applied as GF receipts
- Balance after state retention is returned directly to the federal government
- State portion of recoveries is applied against prior years' costs for Public Assistance Administration
- Collections will rise in the first 3 years, then decline as backlog of existing claims is cleared

Collections:

	FY96	FY97	FY98	FY99	FY00	FY01
Claims collections	75	90	125	100	100	90
Total Collected	22.5	27.0	37.5	30.0	30.0	27.5
Increased GF Receipts	3.4	8.1	11.2	9.0	9.0	8.1

FISCAL NOTE

No. 1
 Bill Version: HB 108
 (H) Publish Date: 2/23/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____ Dept. Affected: Department of Revenue
 Title: Use PFD's to Recover Welfare Payments BRU: Permanent Fund Dividend Division
 Component: Permanent Fund Dividend Division
 Sponsor: Representatives TOOHEY, Bunde
 Requester: House Judiciary COMPONENT SERIAL NO. 981

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

FUND SOURCE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF.MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

POSITIONS	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This legislation would establish a procedure for serving attachments against dividends that is virtually identical to the process currently in place under AS 43.23.067 for the Alaska Commission on Postsecondary Education. Accordingly, the Division does not anticipate any significant additional costs to implement this legislation if enacted.

Prepared by: Thomas C. Williams, Director *Thomas Williams* Phone: 465-2323
 Division: Permanent Fund Dividend Division Date: 1/25/95
 Approved by Commissioner: *[Signature]* Date: 1/25/95
 Agency: Department of Revenue

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LEGISLATIVE COMMITTEE REPORT

DATE: 3/20/95

FURTHER: Finance

DATE TURNED INTO OFFICE: 4-7-95

John

HESS Committee considered HOUSE BILL NO. 108

"An Act relating to claims on permanent fund dividends for defaulted public assistance overpayments."

Dist. 1/2/95

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical change
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Mike Miller</i>	<input checked="" type="checkbox"/>	<i>Andrew E. Selo</i>	<input checked="" type="checkbox"/>		
<i>Karen A. Leman</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>Lyle Green</i>	<input checked="" type="checkbox"/>				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

Department	Date	Zero	Fiscal
<i>H88</i>	<i>2/2/95</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>H88</i>	<i>2/6/95</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>DOR - PFDIS</i>	<i>1/25/95</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

03/15/95

HOUSE JOURNAL

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ABSENT: BROWN

AND SO, AMENDMENT NO. 1 WAS NOT ADOPTED.

REPRESENTATIVE VEZEY MOVED AND ASKED UNANIMOUS CONSENT THAT HB 108 BE CONSIDERED ENGROSSED, ADVANCED TO THIRD READING AND PLACED ON FINAL PASSAGE. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

HB 108 WAS READ THE THIRD TIME.

THE QUESTION BEING: "SHALL HB 108 PASS THE HOUSE?" THE ROLL WAS TAKEN WITH THE FOLLOWING RESULT:

HB 108
THIRD READING
FINAL PASSAGE

YEAS: 36 NAYS: 1 EXCUSED: 2 ABSENT: 1

YEAS: AUSTERMAN, BRICE, BUNDE, DAVIES, B.DAVIS, G.DAVIS, ELTON, FINKELSTEIN, FOSTER, GREEN, GRUSSENDORF, HANLEY, IVAN, JAMES, KELLY, KOHRING, KOTT, KUBINA, MACKIE, MARTIN, MASEK, MOSES, MULDER, NAVARRE, OGAN, PARNELL, PHILLIPS, PORTER, ROBINSON, ROKEBERG, SANDERS, THERRIAULT, TOOHEY, VEZEY, WILLIAMS, WILLIS

03/15/95

HOUSE JOURNAL

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HB 108

NAYS: MACLEAN

EXCUSED: BARNES, NICHOLIA

ABSENT: BROWN

AND SO, HB 108 PASSED THE HOUSE.

REPRESENTATIVE KUBINA GAVE NOTICE OF RECONSIDERATION OF HIS VOTE ON HB 108.

SELECTION=>

PF1	PF2	PF3	PF4	PF5	PF6	PF7	PF8	PF9	PF10	PF11	PF12
HELP		EXIT	MENU		PRINT	BWD	FWD		FIRST	LAST	QUIT