

SB

340

Alaska State Legislature

Session Office:
State Capitol, Room 103
Juneau, AK 99801-1182
Phone: (907) 465-4949
Fax: (907) 465-4979



District Office:
P.O. Box 142
Eagle River, AK 99577
Phone: (907) 694-4949
Fax: (907) 694-4948

Senate Rules Committee

Senator Randy Phillips, Chair

Memorandum

To: Representative John Coghill, Chair
House State Affairs Committee

From: Senator Randy Phillips

Subject: CSSB 340 (FIN) - Hold Harmless Provisions of PFD Program
Bill Hearing Request

Date: 4/18/02

Please schedule SB 340, "An Act relating to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits" at your earliest convenience.

Thank you for your consideration of my request.

Senator John Cowdery, Vice-Chair
Senator Rick Halford, Senator Gene Therriault, Senator Johnny Ellis
Senator_Randy_Phillips@legis.state.ak.us

Alaska State Legislature

Session Office:
State Capitol, Room 103
Juneau, AK 99801-1182
Phone: (907) 465-4949
Fax: (907) 465-4979



District Office:
P.O. Box 142
Eagle River, AK 99577
Phone: (907) 694-4949
Fax: (907) 694-4948

Senate Rules Committee

Senator Randy Phillips, Chair

CSSB 340 (FIN) "An Act relating to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits; and providing for an effective date."

Sponsor Statement

CSSB 340 (FIN), "An Act relating to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits; and providing for an effective date" seeks to repeal a "hold harmless" provision that directs state agencies or any of its subdivisions not to consider a permanent fund dividend when determining eligibility for a public assistance program that is based on financial need.

CSSB 340 (FIN) does not affect the "hold harmless" provision for persons receiving state adult public assistance, federal supplemental security income (SSI), or Medicaid. These programs provide benefits for needy children, seniors, the blind, and disabled.

CSSB 340 (FIN) is a fiscally responsible measure estimated to save the state \$4.5 million* in fiscal year 2003.

**It is the intent of the sponsor to transfer savings from the "hold harmless" program to Medicaid.*

Senator John Cowdery, Vice-Chair
Senator Rick Halford, Senator Gene Therriault, Senator Johnny Ellis
Senator_Randy_Phillips@legis.state.ak.us

Alaska State Legislature

Session Office:

State Capitol, Room 103
Juneau, AK 99801-1182
Phone: (907) 465-4949
Fax: (907) 465-4979



District Office:

P.O. Box 142
Eagle River, AK 99577
Phone: (907) 694-4949
Fax: (907) 694-4948

Senate Rules Committee

Senator Randy Phillips, Chair

CSSB 340 (FIN) "An Act relating to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits; and providing for an effective date."

Sectional Analysis

Sec. 1. Exempts from public notice requirements applicable to other appropriations from the dividend fund appropriations for medical assistance under AS 47.07 to the extent the amount does not exceed what would have been paid under AS 43.23.075, "hold harmless," as the statute read on June 29, 2002.

Sec. 2. Requires DHSS to consider a permanent fund dividend as income in determining eligibility for a public assistance program. Permits an individual who is denied assistance under the state adult public assistance program, Medicaid, or under federal supplemental security income program solely because of the receipt of a permanent fund dividend to receive the same level of assistance as that individual would have received under either program. The two programs provide benefits to needy children, aged, blind, and disabled individuals.

Sec. 3. Requires a permanent fund dividend to be considered as income for purposes of benefit programs administered by a state instrumentality or a municipality.

Sec. 4. The effective date is July 1, 2002.

Distributed by: Senator Randy Phillips (4/12/02)

PFD HOLD HARMLESS (Fiscal Impact)

Program	Cost - existing law	Under CSSB 340 FIN
SSI	\$2,986,800	Remains
Adult Public Assistance*	\$3,612,300	Remains
Medicaid	\$200,000	(FED) Eliminated**
Contractual Services	\$455,000	\$106,000 Remains***
AK Temp Assistance	\$4,143,700	Eliminated
Food Stamps	\$1,610,100	Eliminated
Total	\$13,007,900	\$6,904,200 (PFD HH)

*Needy seniors, blind, and disabled

General Fund

Program	Cost - existing law	Under CSSB 340 FIN
CSED#	(\$1,458,000)	\$0
Contractual Services PFD HH	\$0	\$349,700
General Relief Asst	\$72,400	\$0
Total	(\$1,385,600)	\$349,700 (GF)

Total Funds Available from PFD HH:	\$6,303,700
Estimated Loss in General Fund Dollars:	\$1,735,300
Difference:	\$4,568,400

**Under new federal law, Dividends will not be considered income by the federal government.

***According to the State Department of Health & Social Services, \$349,700 under Contractual Services (Food Stamps, Temp Asst) will be deleted from PFD HH and transferred to GF.

#CSED estimates a loss of \$1.4 million in revenue (FY03) under SB 340. Under existing law, CSED garnishes PFDs from clients on public assistance. Under SB 340, those monies would go directly to the custodial parent (not GF) if the parent were temporarily taken off public assistance.

DEPARTMENT OF HEALTH & SOCIAL SERVICES
DIVISION OF PUBLIC ASSISTANCE

Alaska Temporary Assistance Program - February 2002
Number of Families by Residence City

Residence City	Families	Residence City	Families
ALEKNAGIK	1	EAGLE RIVER	83
AMBLER	8	EKLUTNA	1
ANAKTUVUK PASS	2	EKWOK	2
ANCHOR POINT	24	ELIM	10
ANCHORAGE	3077	FAIRBANKS	336
ANDERSON	10	FALSE PASS	1
ANGOON	2	FORT RICHARDSON	1
ATKA	1	FT WAINWRIGHT	3
ATKASUK	1	GAKONA	3
AUKE BAY	1	GAMBELL	27
BARROW	22	GIRDWOOD	3
BETHEL	3	GLENNALLEN	4
BIG LAKE	52	GOLOVIN	1
BIRCH CREEK	1	GUSTAVUS	2
BREVIK MISSION	14	HAINES	26
BUCKLAND	12	HEALY	4
CANDLE	1	HOMER	70
CANTWELL	1	HOONAH	1
CENTRAL	3	HOPE	2
CHENEGA	1	HOUSTON	31
CHICKALOON	5	HUSLIA	1
CHIGNIK LAGOON	1	HYDABURG	1
CHIGNIK LAKE	2	HYDER	3
CHITINA	5	ILIAMNA	2
CHUGIAK	42	JUNEAU	150
CLAM GULCH	4	KAKE	3
CLARKS POINT	3	KAKTOVIK	1
COFFMAN COVE	2	KARLUK	1
COOPER LANDING	1	KASILOF	14
COPPER CENTER	16	KENAI	152
CORDOVA	15	KETCHIKAN	130
CRAIG	13	KIANA	6
DEERING	3	KING COVE	5
DELTA JUNCTION	68	KIVALINA	4
DILLINGHAM	25	KLAWOCK	7
DIOMEDE	5	KOBUK	2
DOT LAKE	1	KODIAK	92
DOUGLAS	15	KOKHANOK	5
DUTCH HARBOR	1	KOLIGANEK	8
EAGLE	5	KOTLIK	1

Residence City	Families	Residence City	Families
KOTZEBUE	29	SHUNGNAK	4
KOYUK	11	SITKA	33
LEVELOCK	2	SLANA	3
LIVENGOOD	1	SOLDOTNA	114
MANOKOTAK	16	SOUTH NAKNEK	1
MCGRATH	2	ST MICHAEL	17
MENTASTA LAKE	2	ST PAUL ISLAND	4
METLAKATLA	62	STEBBINS	35
MOOSE PASS	2	STERLING	33
NAKNEK	4	SUTTON	14
NANWALEK	1	TAKOTNA	1
NELSON LAGOON	1	TALKEETNA	15
NENANA	5	TATITLEK	1
NEW STUYAHOK	22	TELLER	7
NEWHALEN	1	THORNE BAY	9
NIKISKI	39	TOGIAK	29
NIKOLAEVSK	3	TOK	17
NINILCHIK	7	TRAPPER CREEK	4
NOATAK	8	TYONEK	5
NOME	46	UNALAKLEET	9
NONDALTON	7	UNALASKA	1
NOORVIK	13	VALDEZ	23
NORTH POLE	83	WAINWRIGHT	2
NUQSUT	2	WALES	3
OLD HARBOR	3	WASILLA	451
PALMER	216	WHALE PASS	2
PEDRO BAY	2	WHITE MOUNTAIN	6
PERRYVILLE	3	WHITTIER	4
PETERS CREEK	4	WILLOW	37
PETERSBURG	18	WRANGELL	15
POINT BAKER	4	YAKUTAT	3
POINT HOPE	8		
PORT GRAHAM	1		
PORT HEIDEN	1		
PORT PROTECTION	1		
SAINT GEORGE	2		
SALCHA	5		
SAND POINT	7		
SAVOONGA	41		
SELAWIK	36		
SELDOVIA	1		
SEWARD	56		
SHAKTOOLIK	6		
SHISHMAREF	21		

Residence City	Families	Residence City	Families
KOTZEBUE	29	SHUNGNAK	4
KOYUK	11	SITKA	33
LEVELOCK	2	SLANA	3
LIVENGOOD	1	SOLDOTNA	114
MANOKOTAK	16	SOUTH NAKNEK	1
MCGRATH	2	ST MICHAEL	17
MENTASTA LAKE	2	ST PAUL ISLAND	4
METLAKATLA	62	STEBBINS	35
MOOSE PASS	2	STERLING	33
NAKNEK	4	SUTTON	14
NANWALEK	1	TAKOTNA	1
NELSON LAGOON	1	TALKEETNA	15
NENANA	5	TATITLEK	1
NEW STUYAHOK	22	TELLER	7
NEWHALEN	1	THORNE BAY	9
NIKISKI	39	TOGIAK	29
NIKOLAEVSK	3	TOK	17
NINILCHIK	7	TRAPPER CREEK	4
NOATAK	8	TYONEK	5
NOME	46	UNALAKLEET	9
NONDALTON	7	UNALASKA	1
NOORVIK	13	VALDEZ	23
NORTH POLE	83	WAINWRIGHT	2
NUIQSUT	2	WALES	3
OLD HARBOR	3	WASILLA	451
PALMER	216	WHALE PASS	2
PEDRO BAY	2	WHITE MOUNTAIN	6
PERRYVILLE	3	WHITTIER	4
PETERS CREEK	4	WILLOW	37
PETERSBURG	18	WRANGELL	15
POINT BAKER	4	YAKUTAT	3
POINT HOPE	8		
PORT GRAHAM	1		
PORT HEIDEN	1		
PORT PROTECTION	1		
SAINT GEORGE	2		
SALCHA	5		
SAND POINT	7		
SAVOONGA	41		
SELAWIK	36		
SELDOVIA	1		
SEWARD	56		
SHAKTOOLIK	6		
SHISHMAREF	21		

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 340
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): 3/11/2002 Dept. Affected: Revenue
 Title: Hold-Harmless Provisions of PFD Program BRU: Revenue Operations
 Component: Permanent Fund Dividend
 Sponsor: Senate Rules Committee
 Requester: Senate Finance Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would amend certain statutory provisions that allow the use of Permanent Fund dividend funds to provide public assistance benefits for some public assistance recipients who otherwise would lose their benefits in the month they receive the annual dividend and their income exceeds the level allowed for public assistance.

The cost of this provision, called the Hold-Harmless Provision, was \$27.34 per dividend recipient in 2001, in that the use of dividend funds reduces the amount of money available for distribution under the dividend program. The elimination of the Hold-Harmless Provision under this legislation for all public assistance recipients except for SSI and adult public assistance recipients would increase the dividend to eligible Alaskans by approximately \$16 unless the money were appropriated to another purpose. The amount will vary each year, depending on the amount of the dividend and the number of public assistance recipients covered by the provision.

We do not expect this bill will affect the Permanent Fund Dividend Division's operating budget.

Prepared by: Nanci A. Jones, Director Phone 465-2323
 Division: Permanent Fund Dividend Division Date/Time 3/11/02 12:05 PM
 Approved by: Larry Persily, Deputy Commissioner Date 3/11/2002
 Agency: Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 340
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Hold-Harmless Provisions BRU Child Support Enforcement
of PFD Program Component Child Support Enforcement
 Sponsor Senate Rules Committee
 Requester Senate Finance Component No. 111

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	(1,458.3)	(1,314.6)	(1,222.1)	(1,345.4)	(1,550.8)	(1,701.4)
-------------------------------	------------------	------------------	------------------	------------------	------------------	------------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Page 2.

Prepared by: Barbara Miklos, Director Phone 269-6800
 Division Child Support Enforcement Division Date/Time 3/2/02 11:57 AM
 Approved by: Larry Persily, Deputy Commissioner Date 03/02/2002
 Agency Department of Revenue

**SB 340 #2
Department of Revenue
Child Support Enforcement Division**

Approximately 5,100 custodial parents would temporarily lose their public assistance benefits each October under this legislation. While a parent receives public assistance, the state retains for the general fund any child support collections owed to the parent for current support and past arrears (the custodial parent temporarily assigns those arrears to the state as partial reimbursement to the state for the cost of public assistance). But when a parent goes off public assistance, the state loses the right to keep those payments and that money instead goes to the custodial parent.

In the case of this legislation, that would mean that any collections during the months that a custodial parent is temporarily off public assistance would go first to the custodial parent to pay any debt owed to him or her. Then, only if there is any money left over after the parent is paid, would any money go to the general fund to repay the state for any past public assistance debt.

The Child Support Division garnishees a significant amount of money from Permanent Fund dividends each October, and under this legislation much of that money would be paid to custodial parents instead of being retained by the state if the parents were still on public assistance that month.

In Fiscal 2002, for example, the child support division collected \$1.9 million from the Permanent Fund dividends of non-custodial parents and deposited that money into the general fund to reimburse the state for public assistance benefits paid out that year and in past years. Under SB 340, that amount of retained collections would be reduced because the state would not be entitled to retain any of the child support collected from dividend garnishments until the parent had been paid in full for any arrears owed to him or her.

For determining the state revenue loss under this legislation, the Child Support Division used the projected amount of each year's Permanent Fund dividend to determine how much money would go to parents instead of the general fund.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CS SB 340 (FIN)
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Public Assistance
 Component: ATAP
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 220

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)
Miscellaneous						
TOTAL OPERATING	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)
TOTAL	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)	(3,235.9)

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSSB 340 would eliminate the PFD Hold Harmless program for families receiving Alaska Temporary Assistance (ATAP) benefits. The Department would be required to count the PFD as income in determining eligibility for ATAP. Approximately 5,100 families will lose ATAP benefits for the month they receive the PFD, and for any month in which receipt of the PFD puts them over the programs resource (asset) limit.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 04/03/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CS SB 340 (FIN)
 (s) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Public Assistance
 Component: Tribal Assistance
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 2336

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)
Miscellaneous						
TOTAL OPERATING	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)
TOTAL	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)	(907.8)

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Through Alaska Native Family Assistance Grants, the Department currently provides a fair and equitable proportion of state appropriations to support the operation of Native Family Assistance Programs. These programs are currently being administered by three Native organizations that provide temporary assistance benefits to approximately 1,400 Native families. CSSB 340 (FIN) will result in the elimination of \$907.8 in PFD-HH revenue and therefore reduce the amount of state funding available for Alaska Native Family Assistance Grants.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 04/02/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: CS SB 340 (FIN)
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Public Assistance Admin
 Component: Public Assistance Field Svcs
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 236

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
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						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	349.7	349.7	349.7	349.7	349.7	349.7
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts	(349.7)	(349.7)	(349.7)	(349.7)	(349.7)	(349.7)
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation repeals Permanent Fund Dividend Hold Harmless (PFD-HH) protection for individuals who lose eligibility for Alaska Temporary Assistance Program, Food Stamp, and General Relief Assistance, when they receive their dividends. This legislation also repeals the authority to use PFD-HH funds to pay for the administration of the PFD-HH program for recipients of Alaska Temporary Assistance Program, Food Stamp, and General Relief Assistance. This results in \$349.7 in fund source replacement from PFD-HH to GF for the extensive case work needed. This includes counseling clients on the use of PFD and the effects on benefits, processing dividend-related case changes such as monitoring receipt of and spend down of PFD's, closing all Temporary Assistance and Food Stamp cases for at least one month, and processing re-applications.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 04/03/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE # 5

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS SB 340 (FIN)

ANALYSIS CONTINUATION

Adult Public Assistance and Supplemental Security Income (SSI) recipients will continue to have their PFD held harmless and the administration of their PFD-HH eligibility would continue to be funded by PFD-HH expenditures.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: CS SB 340 (FIN) #6
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Public Assistance
 Component: General Relief Assistance
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 221

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)
Miscellaneous						
TOTAL OPERATING	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)
1005 GF/Program Receipts						
1037 GF/Mental Health						
Othe (Specify Type--do not abbrevia						
TOTAL	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)	(72.4)

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSSB 340 would eliminate the PFD Hold Harmless program for individuals receiving General Relief Assistance (GRA). The Department would be required to count the PFD as income in determining eligibility for GRA.

Currently, about 75% of GRA program expenditures are used to pay for indigent funeral and burial expenses. The remainder is used primarily for emergency utility costs or rental assistance for very low-income individuals to prevent evictions. Payments are always made to vendors on behalf of needy households.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 04/03/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE # 6

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS SB 340 (FIN) #

ANALYSIS CONTINUATION

Assumptions:

125 households/month qualify for GRA to prevent evictions or pay for emergency utility costs at an average cost of \$160 per household.

37 households/month qualify for GRA burial assistance at an average cost of \$1,760 per household.

About 85% of these households receive the PFD in October, causing them to be ineligible for GRA that month.

Calculations:

125 x \$160	=\$20,000
37 x \$1,760	=\$65,120
TOTAL	=\$85,120

$\$85,120 \times 85\% = \$72,352$

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: CS SB 340 (FIN)
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): 4/3/2002 5:02 pm Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Public Assistance
 Component: PFD Hold Harmless
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 225

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual	(349.7)	(349.7)	(349.7)	(349.7)	(349.7)	(349.7)
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(5,953.8)	(5,953.8)	(5,953.8)	(5,953.8)	(5,953.8)	(5,953.8)
Miscellaneous						
TOTAL OPERATING	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1050 PFD Fund	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)
TOTAL	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)	(6,303.5)

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Since 1982, the PFD Hold Harmless program (PFD-HH) has been used to replace public assistance benefits for individuals who would otherwise be denied because federal rules required that their PFD be treated as income or resources. PFD-HH replacement payments are limited to four months each year. CSSB 340 eliminates the PFD Hold Harmless program protection for individuals who lose eligibility for ATAP, Food Stamps, and General Relief Assistance when they receive the PFD.

This legislation does not affect Adult Public Assistance (APA) and federal Supplemental Security Income (SSI) benefits. The Department will continue to replace lost APA and SSI benefits with PFD-HH as allowed in current law.

Prepared by: Jim Nordlund Phone 465-5835
 Division: Public Assistance Date/Time 04/03/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office

FISCAL NOTE # 7

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS SB 340 (FIN)

ANALYSIS CONTINUATION

This legislation also repeals the authority to use PFD-HH contractual funds to pay for the administration of the PFD-HH program for recipients of ATAP, Food Stamps, and General Relief. The cost of processing dividend related case changes for these programs would shift to the General Fund. Under this legislation, expenditures to administer the PFD-HH program for APA and SSI would continue to be funded through the PFD-HH program.

The savings to the PFD-HH program is as follows:

Alaska Temporary Assistance Program:	\$3,235.9
Public Assistance Administration:	349.7
Tribal Assistance:	907.8
Medicaid	200.0

Food Stamp Benefits: an additional \$1,610.1 of PFD earnings will no longer be used for food stamp benefits.

TOTAL \$6,303.5

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CS SB 340 (FIN)
 (S) Publish Date: 4/10/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Health & Social Services
 Title: PERMANENT FUND DIVIDENDS AND ELIGIBILITY FOR PUBLIC ASSISTANCE BRU: Medical Assistance
 Component: Medicaid Services
 Sponsor: SENATE (RLS)
 Requestor: _____ Component Number: 2077

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
Miscellaneous						
TOTAL OPERATING	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES (0)						
---------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Othe (Specify Type--	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)
TOTAL	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)	(200.0)

Estimate of any current year (FY2002) cost: _____

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Historically, the Permanent Fund Dividend is not counted for the purposes of determining Medicaid eligibility for all but a few situations required by federal law and regulation. Recent changes to federal regulation allowed the Medicaid to stop counting the Permanent Fund Dividend altogether in determining eligibility. The state plan implementing this change was approved 2/12/02. As SB 340 does not require Medicaid to count the PFD, this would not reduce anticipated Medicaid expenditures.

The reductions shown above would occur regardless of the legislation, but are not yet reflected in the Medical Assistance budget.

Prepared by: Jon Sherwood Phone 465-5820
 Division: Medical Assistance Date/Time 04/03/2002
 Approved by: Elmer A. Lindstrom, Deputy Commissioner Date 04/03/2002
 Agency: Department of Health & Social Services

For distribution information, call the Governor's Legislative Office



Alaska State Legislature

Please enter into the record my testimony to the House STATE AFFAIRS
Committee name

Committee on Senate Bill 340, dated 5.2.02
Bill/Subject

I am concerned about any ~~other~~ ^(sp) repercussions if Senate Bill 340 is passed, to my children and my steady financial stability. I am supported totally by S.I.I disability & stipends from the state of Alaska. I am plugged into Oxygen Machines & etc totally on a nightly basis. I receive \$545.00 from SSI
362.00 APT
656.00 AFDC
and a total Medicaid waiver.

The dividends are imp^(sp)erative to my family. They are the additional funds needed to keep us afloat financially, so that needed things can be accomplished. I am insecure as to how this will affect my children's financial state aid & actually I need to feel that my budgets remain the same & the income needed to adhere tightly to said budgets will not be disturbed. I am opposed to Senate Bill 340 for these reasons!

Signed: Sharon Marie O Shea - Grantham
Testifier

Representing (Optional)
P.O. Box 873708 Uscilla, Ak, 99687
Address
9077357-7709
Phone number

Senator Ellis

5000 families will lose public assistance every Oct
10000 children will live in poverty longer
1400 trative families lose 1 million in PIA

40% of ATAP households will spend kids checks on
rent

18 million since 1997 savings from welfare reform

125 ^{general} GRelief Households will lose emergency rent relief

5 million impact on families living below poverty level
this will push many people on the edge of solvency
over the edge

"What would Jesus Do?" WWJD

Seen as yet another jab at Rural Alaska
Deny dividends to criminals and rightly so
Don't deny law abiding citizens a dividend

Keely

exempts on medicaid

591

Welfare benefits are highest in nation ^{up to} 3 times
the level of other states

Timber sales

Do Interior

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

CATHOLIC SOCIAL SERVICES

BEYOND SHELTER
3710 E. 20TH AVE., SUITE 1
ANCHORAGE, ALASKA 99508-3418
907-276-3046 • Fax 276-2472

April 29, 2002

House State Affairs Committee

Re: SB 340

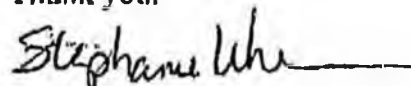
My name is Stephanie Wheeler, Program Director of the Beyond Shelter Program for Catholic Social Services. Since 1993, the Beyond Shelter program has assisted more than 700 households transition from homelessness to permanent independent living. We provide case management and other supportive services to assist these families to move toward self-sufficiency. Part of the supportive services includes life skills training in money management and budgeting for families to help individuals maintain housing and ensure they can pay for their other living expenses and necessities.

Most of the families we work with are currently receiving or at risk of needing public assistance. These families rely heavily on their Permanent Fund Dividend (PFD). The Permanent Fund Dividends provide essential financial support to help these families stabilize their housing situation, pay off medical bills, pay for child care so they can go to work, purchase a reliable vehicle, and buy other necessities like food and clothing (especially winter clothing which is essential to living in Alaska and also costly).

We cannot emphasize enough that you are playing with the lives of poor families and making them choose between PFD's or public assistance will make their challenging situations even more difficult. Those just barely maintaining housing will go homeless; those individuals who are working may end up losing a job because they can't afford to purchase a reliable vehicle or pay for childcare.

Please reconsider your support of SB 340. It is not only a matter of need for our most vulnerable population, but also a matter of being fair and just to every Alaskan in this community. All Alaskans should be entitled to the PFD and not have to choose between receiving public benefits or PFD's.

Thank you.



Stephanie Wheeler
Program Director



ALASKA CHAPTER

**NATIONAL ASSOCIATION OF SOCIAL WORKERS
ALASKA CHAPTER**

4161 Patterson Circle Anchorage, Alaska 99504-4680
907-332-NASW(6279) 1-800-478-NASW(6279) 907/332-6270 (fax)
e-mail: naswak@alaska.net www.naswak.org

Testimony to (H) State Affairs on SB 340

April 27, 2002

Good morning Chairman Coghill, members of the House State Affairs Committee, thank you for the opportunity to address you on SB 340. My name is Marie Lavigne, I am the Exec. Director of the National Association of Social Workers Alaska Chapter, a membership based organization representing over 500 professional social workers from across Alaska. NASW opposes SB 340.

SB 340 is an effort to end the Permanent Fund Dividend "Hold Harmless" Program. Since the Permanent Fund Dividend program began in 1982, recipients of public assistance benefits have been "held harmless" from losing their benefits during the month they receive their dividend. SB 340 would require the Department of Health and Social Services to count the PFD as income, making families who receive the PFD ineligible for their monthly benefit.

Senate Bill 340 will impact recipients of ATAP, General Relief, and Food Stamps by making them *choose* between receiving their benefits or their Permanent Fund Dividend. The Permanent Fund Dividend is a benefit enjoyed by all Alaskans - why should recipients of public benefits for basic supports lose this money in order to receive their dividend?

Heralded as a cost savings needed to "fix" the fiscal gap, SB 340 is yet another attack on the poor. There are no savings to the state General Fund, as funding for the Hold Harmless program comes directly from the earnings of the Permanent Fund.

As professional social workers serving low income and working Alaskans who receive ATAP, General Relief and Food Stamps, we can assure you that the ripple effect this will cause is significant to the quality of life and resources available to recipients on Adult Public Assistance, General Relief and Food Stamps. Most importantly, it reverses progress toward self-sufficiency.

The impact of SB ³⁴⁰ on poor families in Alaska will be felt in a multitude of ways, as families use the PFD to buy things for their families that they can't afford during the rest of the year. Most low income families use the PFD purchase things that will help them become self-sufficient, including rent deposits, needed vehicle repairs, heating, clothing and shoes for their children, dental care, eyeglasses.

Let's get real. These families are not using their PFDs for trips to Hawaii or other luxuries many Alaskans come to expect each October - rather, they are waiting a year to buy the necessities they cannot afford while living on a limited monthly income. Why make them choose now between their PFD and monthly assistance check?

This bill is unfair, mean spirited and will accomplish nothing except singling out the poor for an unjust grab of their benefits for basic supports. On behalf of the National Association of Social Workers Alaska Chapter and the children and families our social worker members serve, we urge you to table SB 340 and get work on addressing the fiscal gap with new revenues, not more budget cuts on the backs of the poor.

Marie J. Lavigne, LMSW Executive Director NASW Alaska Chapter



Alaska State Legislature

Please enter into the record my testimony to the

State Affairs
committee name

Committee on

SB 340

bill # / subject

, dated

4-25-02

Stop the attack on the poor!

This Bill is mean-spirited legislation and will do nothing to help The Budget.

I am glad to pay \$2700 from my PFD for the hold harmless program. I know many families who use this money very wisely, allow children to be in sports, get snow tires or fix the vehicle and often it is the leg up to get off assistance. Don't punish everyone because a few mis-use the money. Don't punish the children and the poor.

Signed:

Katie Stafford
Testifier

Representing (optional)

PO 984, Soldotna AK 99669
Address

907-262-2286
Phone number



Alaska State Legislature

Please enter into the record my testimony to the State Affairs committee name

Committee on Senate Bill 340, dated 4/25/02
bill # / subject

Senate Bill 340 is a mean spirited piece of legislation designed to balance the budget on the backs of the poor. This legislation punishes children in poverty who already face major challenges in life due to the very nature of poverty. Poor families often use PFD money for participation fees for athletics, snow tires, winter clothing and other necessities of life. Please don't further punish children who already face the rigors of poverty.

Signed: Pat Truesde II
Testifier

Representing (optional)

PO Box 1452 Soldotna, AK 99669
Address

(907) 262-9231
Phone number

**PETITION for SB 340
Hold Harmless Provisions of PFD Program**

April 26, 2002

Dear Chair Representative John Coghill, fax: 907-465-3258
MEMBER: Representative Jeannette James, fax 907-465-2381
MEMBER: Representative Dr. Hugh Fate, fax 907-465-4976
MEMBER: Representative Gary Stevens, fax 907-465-3517
MEMBER: Representative Peggy Wilson, fax 907-465-3175
MEMBER: Representative Harry Crawford, fax 907-465-4565
MEMBER: Representative Joe Hayes, fax 907-465-2937

We the undersign strongly disapprove of SB 340, Hold Harmless Provision of Permanent Fund Program for the following reasons;

1. SB 340 would directly have a negative effect on established financial resources for the elderly who receive the PFD; it would effect their social security, adult public assistance and MEDICAIDE, their fixed incomes.
2. SB 340 would directly have a negative effect for the frail, handicap and vulnerable Alaskans whom rely on the PFD for other health, shelter, winter clothing and various medical supplies not provided by MEDICAIDE.
3. SB 340 would directly have a negative effect on ATAP/TANF families financial resources for other needs, i.e. past due shelter costs; heating and electrical bills; winter clothing, and food staples not covered by the Food Stamps program.

We strongly urge you to reconsider SB 340 and not pass the bill. Thank you and we look forward to hearing about your decision.

Sincerely, 

Freda M. Williams, 580 Longspur Loop; Fairbanks, Alaska 99709
(see signature page attached)

SB 840 Hold Harmless Provisions of PFD Program

"An Act relating to public notice of information relating to permanent fund dividends, and to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits."

April 26, 2002

SIGNATURE PAGE

NAME

ADDRESS

Archie Flanagan

PO Box 55774 Nankipole AK

Robert L. Schell

330 3rd Ave. Fairbanks AK.

Thomas Moore

415 3rd Ave Fairbanks AK

Steven J. Whitley

315 Wendell

Darryl Holliman

315 Wendell

Billy Washburn

98 N Turner St

Shawnti Hammon

107 2nd Ave FBKS

James Albert

William J. Johnson Sr. 5242

John Road

Wilbur J. Nicholas

by the B. Jones

123 2nd Ave FBKS

Charles D. Evans Jr.

3205 Nerka Ct. Soldotna AK 99669

Donat H. Rasmussen

1118 3rd Ave FBKS 99701

SB 340 Hold Harmless Provisions of PFD Program

"An Act relating to public notice of information relating to permanent fund dividends, and to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits."

April 26, 2002
SIGNATURE PAGE

NAME	ADDRESS
KAY Chong	69 College Rd FBKS 99201
Amy Komon	PO Box 84903 Pranks, AK 99708
Eric Lindahl	385 Colby Rd #8 FBKS 99709
Steph Steiner	4902 Amherst FBKS 99708
Jim Anu. Muelin	PO Box 82051 FBK AK 99708
Jimmy	2014 Samvik FBK AK 99701
Barney	182 21st Ave WAB Parkville AK 99707
Craig Cole	1920 Meunier Ln FAIRBANKS AK 99709
Anne Giv. Honey	1510 27th Ave, FBKS AK 99701
Shirley Collins	PO Box 58339 FBKS AK 99711
Marilyn Reynolds	2394 Luma Way NP AK 99705
Josephine Malomula	POB 61339 AK 99706
Kathleen Folens	1868 Tunnel Rd NP, AK 99705
Rachel Indovina	100 B Street #11 Fairbanks, AK 99701
Cheryl Douglas	123 Ketchikan Ave #3 Fairbanks AK 99701
Sammye Grapin	PO Box 75239 FBKS, AK 99707
Claudia G. Dumentieff	102 ANTONIE AVE FBKS AK 99701
Caroleen Barker	1204 28th Ave FBKS AK 99701
Colbert Enall	Alberta FBKS Box 12 Fort Yukon 99740
Donna Turner	75334 FBKS AK 99707
WANDA LEE	2108 Blueberry St Fair AK 99701

SB 340 Hold Harmless Provisions of PFD Program

"An Act relating to public notice of information relating to permanent fund dividends, and to treatment of permanent fund dividends for purposes of determining eligibility for certain benefits."

April 26, 2002
SIGNATURE PAGE

NAME	ADDRESS
HAROLD SEMAKEN	Box 8321 Fairbanks, AK 99708
Patricia Bassett	PO Box 72013 Fairbanks, AK 99707
Janette Holt	998 Clear St NP AK 99705
Thurmond Wood	Box 73095 Fairbanks 99707
Mark H. Williams	1127 6th Ave Apt #11 Fair AK. 99701
John H. Big Joe Jr.	126 2nd Apt #5 Fbks AK 99701
William J. ...	1313 2nd Ave Apt #4 Fair AK. 99701
William Miller	12 Glacier Apt 8 Fbks, AK 99701
Phoebe M. ...	294th Apt, Fbks AK 99701
Mary A. ...	Box 71813 Fairbanks, AK 99707
Jeremy G. Schuele	1230 Airport Way 99701
Donald ...	1230 Airport Way 99701
Kan ...	P.O. Box 82973 Fairbanks, AK 99708
Alvin C ...	325 Cindy Dr Fairbanks AK 99701
John ...	1647 Wall Rd North Pole 99705
Charles ...	Box 30095 PFD to Family de Same -
Gene ...	Box 71015 Fbks PFD to ...
Christine ...	109 2nd Ave
Liz ...	410 Wedgwood Apt 15 Fairbanks AK 99701
Angie ...	PO Box 58580 99711 Fairbanks
Young ...	69 College Rd Fbks 99701

SB 940 Hold Harmless Provisions of PFD Program
"An Act relating to public notice of information relating to permanent fund dividends,
and to treatment of permanent fund dividends for purposes of determining eligibility for
certain benefits."

April 26, 2002
SIGNATURE PAGE

NAME	ADDRESS
Norman Joseph	Kenai AK
Shelley James	Fairbanks AK
John Lee	FAIRBANKS AK
Linda Bolt	Fairbanks
Leland Leavitt	Fairbanks
Walter Roberts	Kenai AK
Joseph Peter	F/V
Frank Nunogak	FBKS
Nora Ann Taalak	Fbks
Thomas Tom	FBKS
Wallace Lee	TTL
David Albert	Fairbanks, AK
Dennis Erick	FRKS
Edward Tait	Box 81088 Kenai AK 99781
John Christensen	Box 2157 Anderson 99744
Alma Lee	1706 27th Ave Fairbanks, AK 99701
Frank Jones	6010 Montasta Lake, Ak. 99780
Joseph Frank	Kenai AK 99781
Darryl Sam	FBKS AK 99701
Philip W. A	FBKS AK 99701
Darwin Smith	UCC AK 99781



Alaska State Legislature

Please enter into the record my testimony to the HSTA
committee name

Committee on S - 340, dated 4-27-02
bill # / subject

I oppose S 340. This bill is mean spirited. It attacks those who get the most benefit from the PFD. It attacks those who are least able to defend themselves. Are we, the people, expected to respect anyone who would dream up this kind of nastiness?

Is the next step in helping our less affluent citizens a one way (nonrefundable -nontransferable) ticket out of the state in lieu of their assistance check?

No, I am not on public assistance. I am, and have been, full time employed for many years.

Signed: *William R. Parker*
Testifier

Representing (optional)
35367 Rabbit Run Rd, Soldotna, AK, 99677
Address

907 262-7077
Phone number

Distributed by: Senator Randy Phillips (4/25/02)

PFD HOLD HARMLESS (Fiscal Impact)

Program	Cost - existing law	Under CSSB 340 FIN
SSI	\$2,986,800	Remains
Adult Public Assistance*	\$3,612,300	Remains
Medicaid	\$200,000	(FED) Eliminated**
Contractual Services	\$455,000	\$106,000 Remains***
AK Temp Assistance	\$4,143,700	Eliminated
Food Stamps	\$1,610,100	Eliminated
Total	\$13,007,900	\$6,904,200 (PFD HH)

*Needy seniors, blind, and disabled

General Fund

Program	Cost - existing law	Under CSSB 340 FIN
CSED#	(\$1,458,000)	\$0
Contractual Services PFD HH	\$0	\$349,700
General Relief Asst	\$72,400	\$0
Total	(\$1,385,600)	\$349,700 (GF)

Total Funds Available from PFD HH:	\$6,303,700
Estimated Loss in General Fund Dollars:	\$1,735,300
Difference:	\$4,568,400

**Under new federal law, Dividends will not be considered income by the federal government.

***According to the State Department of Health & Social Services, \$349,700 under Contractual Services (Food Stamps, Temp Asst) will be deleted from PFD HH and transferred to GF.

#CSED estimates a loss of \$1.4 million in revenue (FY03) under SB 340. Under existing law, CSED garnishes PFDs from clients on public assistance. Under SB 340, those monies would go directly to the custodial parent (not GF) if the parent were temporarily taken off public assistance.

NOTE: According to the Deputy Director of Revenue (Larry Persily) roughly 5,700 to 6,000 families have their PFD and/or child support collections either partially or wholly garnished to cover the cost of ATAP. *(Revenue is working on the complete breakdown)* For any month a person/family is taken off ATAP due to the receipt of the PFD they will receive the child support payment that would ordinarily been garnished, and if applicable, would not have their PFD garnished.

Repealing PFD Hold Harmless - What's it Mean?

- ❖ **Poor Alaskan families will be poorer.** Over 5000 families will lose their ATAP every October – this means 10,000 children will be living even further below the poverty line than they are now.

- ❖ **Another 1400 Native families**, many living in costly rural areas, **will lose** nearly a million in funding from their Native Family Assistance programs.

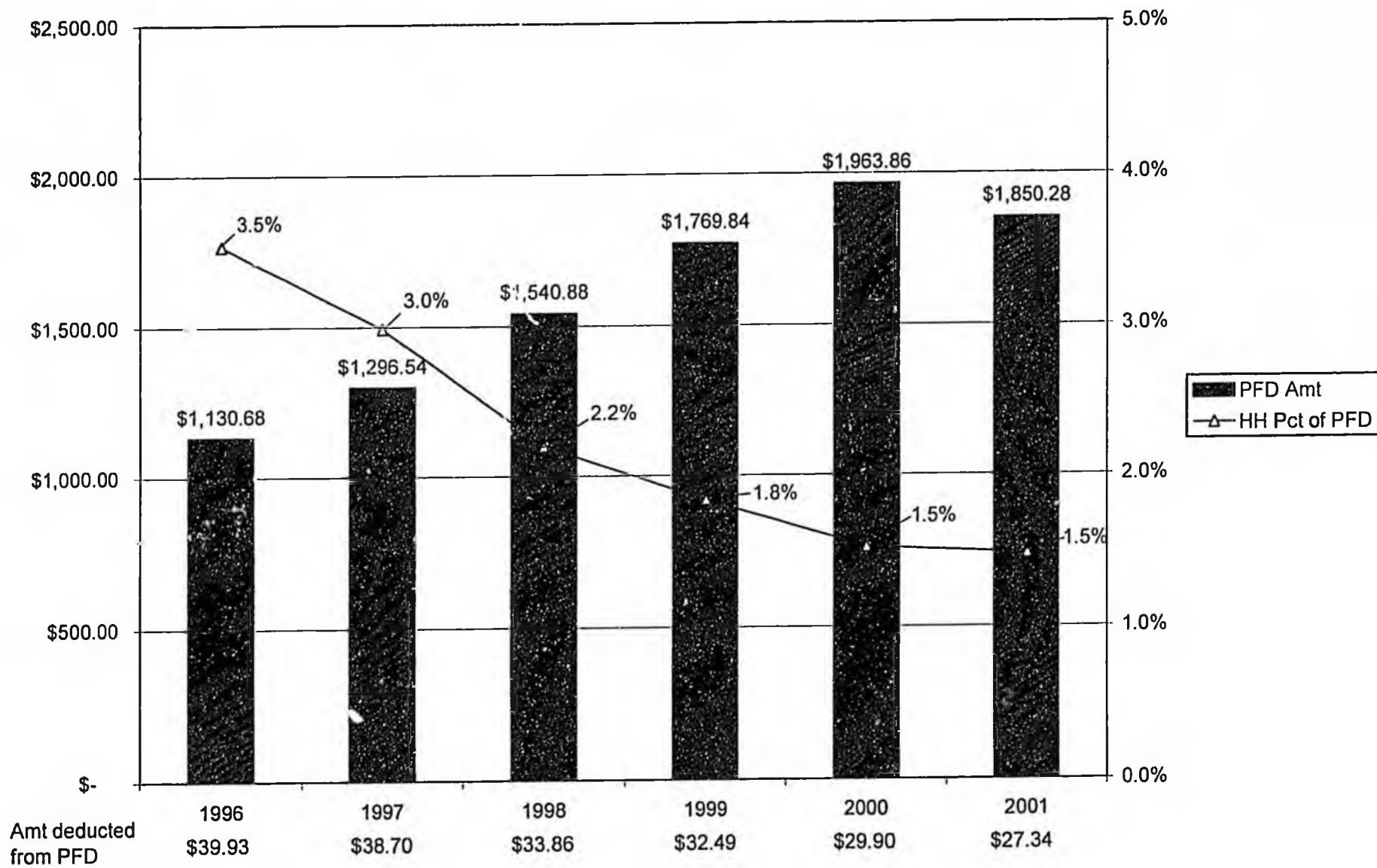
- ❖ **Poor families won't be using their PFD to help them get off welfare by:**
 - purchasing safe, reliable vehicles
 - paying debts
 - moving closer to family, support networks and work opportunities
 - paying for “extras” for their children – fees for school activities, advance tuition, a good bicycle, winter clothes, the types of “extras” that are really essentials for raising healthy children.

- ❖ **Nearly 40% of adults in ATAP household have all or part of their PFD garnisheed to pay old debts.** In these families, it's **the children's PFD that will pay for rent, lights, food and other basic needs.**

- ❖ **Welfare reform has already reduced PFD Hold Harmless expenditures by over \$18 million** since 1997. The ability to use their PFD toward self-sufficiency has contributed to this savings.

- ❖ **An unintended consequence is that not just ATAP, but 125 General Relief Assistance households, the “poorest of the poor” in Alaska, will lose** emergency rental and utility benefits when their PFD counts as income, whether or not it is garnisheed.

Permanent Fund Dividend Amount and Hold Harmless Percent of PFD



Annual Income and Expense Information for Temporary Assistance Family of Three

This budget summary includes receipt of 3 PFD checks and 11 months of Temporary Assistance & Food Stamps:

Annual Income

Temporary Assistance Income:	\$10,153.00 ¹
PFD:	<u>\$ 5,550.00²</u>
Total Annual Income:	\$15,703.00
FS Benefits:	<u>\$ 3,168.00</u>
	\$18,871.00

Annual Federal Poverty Level: \$18,780.00
(family of 3)

Annual Expenses for Basic Needs

Housing:	\$ 10,368.00 ³
Food:	\$ 6,288.00
Clothing:	\$ 1,452.00
Personal & Medical Svcs:	<u>\$ 288.00⁴</u>
Total Monthly Expenses:	\$ 18,396.00

Income Available for Other: \$ 475.00⁵ or \$40.00 per month⁶
Life Necessities

- 37% of Temporary Assistance Households have a PFD garnished to repay debts
- The average amount for a PFD garnishment in 2001 was \$648.00

¹ Maximum payment for family of 3 with no income

² PFD using 2001 amount of \$1850 for 3 people

³ Housing expenses are based on 1998 HUD Fair Market Rent Value for Anchorage, inflated by 5.6% in accordance with the Anch CPI over the last 4 years, and includes utilities except telephone

⁴ Medicaid co-payments and over the counter personal and medical supplies

⁵ Monthly income available for other basic needs such as family transportation, car insurance, children's school expenses, and medical expenses for adults that are not covered by Medicaid such as dental work and eyeglasses

⁶ Note: The "living allowance" for single individuals living in assisted living facilities is \$100 per month, and individuals living in nursing home and long-term care facilities receive a living allowance of \$75 per month



NATIONAL ASSOCIATION OF SOCIAL WORKERS ALASKA CHAPTER

4161 Patterson Circle Anchorage, Alaska 99504-4680
907-332-NASW(6279) 1-800-478-NASW(6279) 907/332-6270 (fax)
e-mail: naswak@alaska.net www.naswak.org

Testimony to (H) State Affairs on SB 340

April 25, 2002

Good morning Chairman Coghill, members of the House State Affairs Committee, thank you for the opportunity to address you on SB 340. My name is Marie Lavigne, I am the Exec. Director of the National Association of Social Workers Alaska Chapter, a membership based organization representing over 500 professional social workers from across Alaska. NASW opposes SB 340.

SB 340 is an effort to end the Permanent Fund Dividend "Hold Harmless" Program. Since the Permanent Fund Dividend program began in 1982, recipients of public assistance benefits have been "held harmless" from losing their benefits during the month they receive their dividend. SB 340 would require the Department of Health and Social Services to count the PFD as income, making families who receive the PFD ineligible for their monthly benefit.

Senate Bill 340 will impact recipients of ATAP, General Relief, and Food Stamps by making them *choose* between receiving their benefits or their Permanent Fund Dividend. The Permanent Fund Dividend is a benefit enjoyed by all Alaskans - why should recipients of public benefits for basic supports lose this money in order to receive their dividend?


Heralded as a cost savings needed to "fix" the fiscal gap, SB 340 is yet another attack on the poor. There are no savings to the state General Fund, as funding for the Hold Harmless program comes directly from the earnings of the Permanent Fund.

As professional social workers serving low income and working Alaskans who receive ATAP, General Relief and Food Stamps, we can assure you that the ripple effect this will cause is significant to the quality of life and resources available to recipients on Adult Public Assistance, General Relief and Food Stamps. Most importantly, it reverses progress toward self-sufficiency.

The impact of SB 240 on poor families in Alaska will be felt in a multitude of ways, as families use the PFD to buy things for their families that they can't afford during the rest of the year. Most low income families use the PFD purchase things that will help them become self-sufficient, including rent deposits, needed vehicle repairs, heating, clothing and shoes for their children, dental care, eyeglasses.

Let's get real. These families are not using their PFDs for trips to Hawaii or other luxuries many Alaskans come to expect each October - rather, they are waiting a year to buy the necessities they cannot afford while living on a limited monthly income. Why make them choose now between their PFD and monthly assistance check?

This bill is unfair, mean spirited and will accomplish nothing except singling out the poor for an unjust grab of their benefits for basic supports. On behalf of the National Association of Social Workers Alaska Chapter and the children and families our social worker members serve, we urge you to table SB 340 and get work on addressing the fiscal gap with new revenues, not more budget cuts on the backs of the poor.


Marie J. Lavigne, LMSW, Executive Director NASW Alaska Chapter



Alaska State Legislature

Please enter into the record my testimony to the State Affairs
committee name

Committee on Senate Bill 340, dated 4/25/02
bill # / subject

Senate Bill 340 is a mean spirited piece of legislation designed to balance the budget on the backs of the poor. This legislation punishes children in poverty who already face major challenges in life due to the very nature of poverty. Poor families often use PFD money for participation fees for athletics, snow tires, winter clothing and other necessities of life. Please don't further punish children who already face the rigors of poverty.

Signed: Pat Truesdell
Testifier

Representing (optional)

PO Box 1452 Soldotna, AK 99669
Address

(907) 262-9231
Phone number

Representative John Coghill
House State Affairs Committee
Juneau, AK

April 24, 2002

Dear Representative Coghill:

Senate Bill 340, revoking the "Hold Harmless" provision built into the Permanent Fund system, comes before the House via your committee. Please consider what this bill does before you consider approving it.

The bill is a mean-spirited attempt to appear to be solving the budget gap by "saving" money, which will then be moved from the Permanent Fund to foot other expenses of government. It is a sop thrown to those who feel the budget can be balanced by effecting economies in State government. It will not solve any budget problems, and it will be a severe blow to the poorest of the poor.

Some in the Legislature seem to think that the poor people of this State choose to be poor so they can rake in big bucks while sitting around sipping whatever. Yet, given the choice, how many of you would stop earning whatever you earn - just to be able to collect welfare benefits? Not much of a swap, you say, and you are right!

The bill is an embarrassment to any Alaskan who cares about Alaska for longer than the next two weeks. Any legislator who would squeeze a few nickels from our poorest citizens under the guise of financial responsibility cannot see beyond the end of his/her nose. Alaska can have a bright future, but only if people such as yourselves have the courage to admit that we have to pay the bills for a decent State, decent roads, decent schools, decent public services, decent public safety. We have had our free ride, and you need to have the backbone to take the risk of not being re-elected by short-sighted voters who refuse to face the realities.

Do **NOT** put the burden on those least able to bear it. Lincoln said that the role of governments is to do for people what they cannot do for themselves. This concept works well overall, even though there are some who take advantage of the system. Let us continue in that American tradition.

Thank you, and good luck on the courage front!

Sincerely,



Don and Toni McDermott
3510 Scarlet
Anchorage, AK 99517
fax:245-1539



Alaska State Legislature

Please enter into the record my testimony to the State Affairs
committee name

Committee on SB 340, dated 4-25-02
bill # / subject

Stop the attack on the poor!

This Bill is mean-spirited legislation and will do nothing to help the budget.

I am glad to pay \$2700 from my PFD for the hold harmless program. I know many families who use this money very wisely, allow children to be in sports, get snow tires or fix the vehicle and often it is the leg up to get off assistance. Don't punish everyone because a few mis-use the money. Don't punish the children and the poor.

Signed: Katie Stafford
Testifier

Representing (optional)

PO 984, Soldotna AK 99669
Address

907-262-2286
Phone number

Subject: Re: SB 340

Date: Fri, 19 Apr 2002 17:36:47 -0800

From: Kenai LIO <Kenai_LIO@legis.state.ak.us>

To: Rynnieva Moss <Rynnieva_Moss@legis.state.ak.us>

Thanks so much. Yes please let me know if SB340 will be up Saturday. I think we could have a crowd!

Thanks.

-A

Rynnieva Moss wrote:

> They can call in offnet at 888-263-1555. I'll turn in the paperwork. It
> is possible we won't get to HB 340 until Saturday. Let them know and I
> will try to keep you informed of the developments.

>

> Kenai LIO wrote:

>

> > Happy Friday Rynnieva. I have a few folks here in Kenai following SB340
> > and we'll ask to add to the HSTA tele on the 25th. However, I do have a
> > couple that are disabled and it is difficult for them to get to the LIO
> > . Would you consider letting them call in as an offnet? There are Mr.
> > Elmer Swartz and Mrs. Stella Swartz of Kenai, phone 283-6637. If you'd
> > rather, I 'll just have them submit written testimony.

> >

> > Thanks.

> >

> > -Alyson

> > Kenai LIO