

SB

340

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

FILED LIST
APR 03 2002
SENATE FINANCE

DATE: 2/22/02

FURTHER.

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 9 April 2002

Finance Committee considered SENATE BILL NO. 340
SB 340 HOLD HARMLESS PROVISIONS OF PFD PROGRAM

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

and recommends:

- be replaced with _____ CS SB 340 (FIN)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

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

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

	Department	Date	Fiscal	Zero	FN#
1.	REV - PFD	2/11/02		✓	
2.	REV - COED	3/2/02	(1458.3)		
3.	H455 - PTFP	4/3/02	(3235.9)		
4.	H455 - Tribal Post.	4/3/02	(907.8)		
5.	H455 - Public Post. F. & B. Excs	4/3/02		✓	
6.	H455 - General Relief	4/3/02	(72.4)		
7.	H455 - Public Post. PFD Hold Harmless	4/3/02	(6,303.5)		
[] APPROPRIATION - no fiscal note					
8.	H455 - Medical Post.	4/3/02	(200.0)		

Department	Date	Fiscal	Zero	FN#

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Lylee Neen</i>	✓			
<i>Tommy Lee</i>	✓			
<i>[Signature]</i>		X		
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

APR 03 2002

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 340
() Publish Date: _____

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						
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CHANGE IN REVENUES ()						
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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: _____
 Bill Version: SB 340
 () Publish Date: _____

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
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.

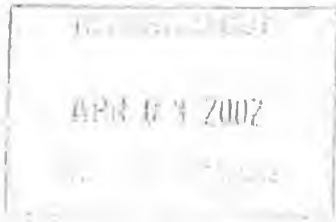
In the case of this legislation, that would mean that any collections during the months that a custodial parent is temporarily off public assistance would go first to the custodial parent to pay any debt owed to him or her. Then, only if there is any money left over after the parent is paid, would any 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: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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						
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CHANGE IN REVENUES (0)						
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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

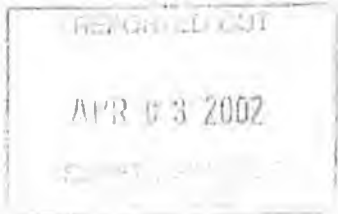
Full-time						
Part-time						
Temporary						

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: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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						
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CHANGE IN REVENUES (0)						
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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

APR 03 2002

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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						
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CHANGE IN REVENUES (0)						
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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 #

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

RECEIVED
APR 03 2007

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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						
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CHANGE IN REVENUES (0)						
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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						
Other (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: Emer 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

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 x 85% = \$72,352

REPORTED OUT
 APR 03 2002
 DEWETTE HANWELL

FISCAL NOTE

STATE OF ALASKA
 2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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						
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CHANGE IN REVENUES (0)						
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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 #

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

REPORTED OUT
 APR 03 2002
 STATE OF ALASKA

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CS SB 340 (FIN)
 () Publish Date: _____

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 & Cl'ns	(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						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (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

22-LS1361VL
Cook
3/27/02

CS FOR SENATE BILL NO. 340()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to public notice of information relating to permanent fund dividends,
2 and to treatment of permanent fund dividends for purposes of determining eligibility for
3 certain benefits; and providing for an effective date."

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

5 * Section 1. AS 43.23.028 is amended by adding a new subsection to read:

6 (c) The notice requirements of (a)(3) of this section do not apply to an
7 appropriation from the dividend fund for medical assistance under AS 47.07 to the
8 extent that the amount appropriated for medical assistance under AS 47.07 for a fiscal
9 year does not exceed the amount that would have been paid during the previous fiscal
10 year to individuals under AS 43.23.075 as that statute read on June 29, 2002.

11 * Sec. 2. AS 43.23.075 is amended to read:

12 Sec. 43.23.075. Eligibility for public assistance. (a) Subject to (b) of this
13 section and except for medical assistance under AS 47.07, in [IN] determining the
14 eligibility of an individual under a public assistance program administered by the

1 Department of Health and Social Services in which eligibility for assistance is based
2 on financial need, the Department of Health and Social Services shall [MAY NOT]
3 consider a permanent fund dividend as income or resources received by the recipient
4 of public assistance or by a member of the recipient's household. In determining the
5 eligibility of an individual for assistance under AS 47.07, the Department of
6 Health and Social Services may not consider a permanent fund dividend as
7 income or a resource unless required to do so by federal law or regulation
8 [UNLESS REQUIRED TO DO SO BY FEDERAL LAW OR REGULATION]. The
9 Department of Health and Social Services shall notify all recipients of public
10 assistance of the effects of receiving a permanent fund dividend.

11 (b) An individual who is denied [MEDICAL] assistance under AS 47.07
12 (medical assistance), AS 47.25.430 - 47.25.615 (adult public assistance), or 42
13 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security
14 Income) [42 U.S.C. 1396 - 1396p (SOCIAL SECURITY ACT, TITLE XIX)] solely
15 because of the receipt of a permanent fund dividend by the individual or by a member
16 of the individual's household is eligible for state-funded [MEDICAL] assistance under
17 AS 47.25.120 - 47.25.300 (general relief assistance program). The individual is
18 entitled to receive, for a period not to exceed four months, the same level of
19 [MEDICAL] assistance as the individual would have received under AS 47.07
20 (medical assistance), AS 47.25.430 - 47.25.615 (adult public assistance), or 42
21 U.S.C. 1381 - 1383c (Title XVI, Social Security Act, Supplemental Security
22 Income) [42 U.S.C. 1396 - 1396p (SOCIAL SECURITY ACT, TITLE XIX)] had
23 there been no permanent fund dividend program.

24 (c) Subject to (b) of this section, an [AN] individual who is denied assistance
25 solely because permanent fund dividends received by the individual or by a member of
26 the individual's household are counted as income or resources [UNDER FEDERAL
27 LAW OR REGULATION] is not eligible for cash assistance under AS 47.25.120 -
28 47.25.300 (general relief assistance program). [NOTWITHSTANDING THE LIMIT
29 IN AS 47.25.130, THE INDIVIDUAL IS ENTITLED TO RECEIVE, FOR A
30 PERIOD NOT TO EXCEED FOUR MONTHS, THE SAME AMOUNT AS THE
31 INDIVIDUAL WOULD HAVE RECEIVED UNDER OTHER PUBLIC

1 ASSISTANCE PROGRAMS HAD THERE BEEN NO PERMANENT FUND
2 DIVIDEND PROGRAM.]

3 * Sec. 3. AS 43.23.085 is amended to read:

4 Sec. 43.23.085. Eligibility for state programs. A program administered by
5 the state or any of its instrumentalities or municipalities, the eligibility for which is
6 based on financial need, shall treat [MAY NOT CONSIDER] a permanent fund
7 dividend as income or resources [UNLESS REQUIRED TO DO SO BY FEDERAL
8 LAW OR REGULATION].

9 * Sec. 4. This Act takes effect July 1, 2002.

Distributed by: Senator Randy Phillips

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:	\$6,103,700
Estimated Loss in General Fund Dollars:	\$1,735,300
Difference:	\$4,368,400

**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.

distributed by: DTHSS
4/3/02

Residence City

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid ALEKNAGIK	1	.0	.0	.0
AMBLER	8	.1	.1	.1
ANAKTUVUK PASS	2	.0	.0	.2
ANCHOR POINT	24	.4	.4	.5
ANCHORAGE	3077	48.3	48.3	48.8
ANDERSON	10	.2	.2	49.0
ANGOON	2	.0	.0	49.0
ATKA	1	.0	.0	49.0
ATKASUK	1	.0	.0	49.0
AUKE BAY	1	.0	.0	49.1
BARROW	22	.3	.3	49.4
BETHEL	3	.0	.0	49.4
BIG LAKE	52	.8	.8	50.3
BIRCH CREEK	1	.0	.0	50.3
BREVIK MISSION	14	.2	.2	50.5
BUCKLAND	12	.2	.2	50.7
CANDLE	1	.0	.0	50.7
CANTWELL	1	.0	.0	50.7
CENTRAL	3	.0	.0	50.8
CHENEGA	1	.0	.0	50.8
CHICKALOON	5	.1	.1	50.9
CHIGNIK LAGOON	1	.0	.0	50.9
CHIGNIK LAKE	2	.0	.0	50.9
CHITINA	5	.1	.1	51.0
CHUGIAK	42	.7	.7	51.6
CLAM GULCH	4	.1	.1	51.7
CLARKS POINT	3	.0	.0	51.7
COFFMAN COVE	2	.0	.0	51.8
COOPER LANDING	1	.0	.0	51.8
COPPER CENTER	16	.3	.3	52.0
CORDOVA	15	.2	.2	52.3
CRAIG	13	.2	.2	52.5
DEERING	3	.0	.0	52.5
DELTA JUNCTION	68	1.1	1.1	53.6
DILLINGHAM	25	.4	.4	54.0
DIOMEDE	5	.1	.1	54.1
DOT LAKE	1	.0	.0	54.1
DOUGLAS	15	.2	.2	54.3
DUTCH HARBOR	1	.0	.0	54.3
EAGLE	5	.1	.1	54.4
EAGLE RIVER	83	1.3	1.3	55.7
EKLUTNA	1	.0	.0	55.7
EKWOK	2	.0	.0	55.8
ELIM	10	.2	.2	55.9
FAIRBANKS	336	5.3	5.3	61.2
FALSE PASS	1	.0	.0	61.2
FORT RICHARDSON	1	.0	.0	61.2
FT WAINWRIGHT	3	.0	.0	61.3
GAKONA	3	.0	.0	61.3
GAMBELL	27	.4	.4	61.7
GIRDWOOD	3	.0	.0	61.8
GLENNALLEN	4	.1	.1	61.9
GOLOVIN	1	.0	.0	61.9
GUSTAVUS	2	.0	.0	61.9
HAINES	26	.4	.4	62.3

ATAP
February 2002

Residence City

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid HEALY	4	.1	.1	62.4
HOMER	70	1.1	1.1	63.5
HOONAH	1	.0	.0	63.5
HOPE	2	.0	.0	63.5
HOUSTON	31	.5	.5	64.0
HUSLIA	1	.0	.0	64.0
HYDABURG	1	.0	.0	64.0
HYDER	3	.0	.0	64.1
ILIAMNA	2	.0	.0	64.1
JUNEAU	150	2.4	2.4	66.5
KAKE	3	.0	.0	66.5
KAKTOVIK	1	.0	.0	66.5
KARLUK	1	.0	.0	66.5
KASILOF	14	.2	.2	66.8
KENAI	152	2.4	2.4	69.1
KETCHIKAN	130	2.0	2.0	71.2
KIANA	6	.1	.1	71.3
KING COVE	5	.1	.1	71.4
KIVALINA	4	.1	.1	71.4
KLAWOCK	7	.1	.1	71.5
KOBUK	2	.0	.0	71.6
KODIAK	92	1.4	1.4	73.0
KOKHANOK	5	.1	.1	73.1
KOLIGANEK	8	.1	.1	73.2
KOTLIK	1	.0	.0	73.2
KOTZEBUE	29	.5	.5	73.7
KOYUK	11	.2	.2	73.9
LEVELOCK	2	.0	.0	73.9
LIVENGOOD	1	.0	.0	73.9
MANOKOTAK	16	.3	.3	74.1
MCGRATH	2	.0	.0	74.2
MENTASTA LAKE	2	.0	.0	74.2
METLAKATLA	62	1.0	1.0	75.2
MOOSE PASS	2	.0	.0	75.2
NAKNEK	4	.1	.1	75.3
NANWALEK	1	.0	.0	75.3
NELSON LAGOON	1	.0	.0	75.3
NENANA	5	.1	.1	75.4
NEW STUYAHOK	22	.3	.3	75.7
NEWHALEN	1	.0	.0	75.7
NIKISKI	39	.6	.6	76.4
NIKOLAEVSK	3	.0	.0	76.4
NINILCHIK	7	.1	.1	76.5
NOATAK	8	.1	.1	76.6
NOME	46	.7	.7	77.4
NONDALTON	7	.1	.1	77.5
NOORVIK	13	.2	.2	77.7
NORTH POLE	83	1.3	1.3	79.0
NUIQSUT	2	.0	.0	79.0
OLD HARBOR	3	.0	.0	79.1
PALMER	216	3.4	3.4	82.4
PEDRO BAY	2	.0	.0	82.5
PERRYVILLE	3	.0	.0	82.5
PETERS CREEK	4	.1	.1	82.6
PETERSBURG	18	.3	.3	82.9

Residence City

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid POINT BAKER	4	.1	.1	82.9
POINT HOPE	8	.1	.1	83.1
PORT GRAHAM	1	.0	.0	83.1
PORT HEIDEN	1	.0	.0	83.1
PORT PROTECTION	1	.0	.0	83.1
SAINT GEORGE	2	.0	.0	83.1
SALCHA	5	.1	.1	83.2
SAND POINT	7	.1	.1	83.3
SAVOONGA	41	.6	.6	84.0
SELAWIK	36	.6	.6	84.5
SELDOVIA	1	.0	.0	84.5
SEWARD	56	.9	.9	85.4
SHAKTOOLIK	6	.1	.1	85.5
SHISHMAREF	21	.3	.3	85.9
SHUNGNAK	4	.1	.1	85.9
SITKA	33	.5	.5	86.4
SLANA	3	.0	.0	86.5
SOLDOTNA	114	1.8	1.8	88.3
SOUTH NAKNEK	1	.0	.0	88.3
ST MICHAEL	17	.3	.3	88.5
ST PAUL ISLAND	4	.1	.1	88.6
STEBBINS	35	.5	.5	89.2
STERLING	33	.5	.5	89.7
SUTTON	14	.2	.2	89.9
TAKOTNA	1	.0	.0	89.9
TALKEETNA	15	.2	.2	90.1
TATITLEK	1	.0	.0	90.2
TELLER	7	.1	.1	90.3
THORNE BAY	9	.1	.1	90.4
TOGIAK	29	.5	.5	90.9
TOK	17	.3	.3	91.1
TRAPPER CREEK	4	.1	.1	91.2
TYONEK	5	.1	.1	91.3
UNALAKLEET	9	.1	.1	91.4
UNALASKA	1	.0	.0	91.4
VALDEZ	23	.4	.4	91.8
WAINWRIGHT	2	.0	.0	91.8
WALES	3	.0	.0	91.9
WASILLA	451	7.1	7.1	98.9
WHALE PASS	2	.0	.0	99.0
WHITE MOUNTAIN	6	.1	.1	99.1
WHITTIER	4	.1	.1	99.1
WILLOW	37	.6	.6	99.7
WRANGELL	15	.2	.2	100.0
YAKUTAT	3	.0	.0	100.0
Total	6375	100.0	100.0	

Impacts of Counting PFD for Medicaid

Impacts to Clients

Aged, Blind and Disabled recipients who do not receive SSI payments would be ineligible for Medicaid in the month of receipt, including:

- Over 5,000 APA recipients who do not receive SSI, including over 1,000 Home and Community-Based Services waiver recipients.
- Over 800 Home and Community-Based Services waiver recipients and Medicaid nursing home residents who do not receive APA.
- Over 100 people on the Working Disabled Buy-In.

Many low income families and children would also lose their Medicaid for a month.

- Over 6,000 adults on Family Medicaid (income standard is approximately 70 % of the federal poverty level).
- Almost 4,000 children on Family Medicaid or Denali KidCare whose application or renewal was due in the month of PFD receipt (about one-sixth of such cases—this number might drop in subsequent years as review cycles changed).
- The families hurt worst by this loss of Medicaid coverage would be the families with the greatest need for health care.

Impacts to Providers

Nursing home residents, home and community-based waiver clients and other non-SSI Medicaid recipients with high monthly medical expenses would not be able to pay all of their monthly health care bills with the PFD.

Nursing Homes: Nursing homes would not receive Medicaid payment for about 70 percent of their residents in October. In 2001, this would have been about \$4.2 million.

Resident payments in October would fall far short of the Medicaid payments (the average monthly cost of nursing home care in Alaska is over \$8,000/month. It would take most residents several months to pay off the balance; some would not be able to.

Home and Community-Based Services: Assisted living homes, personal care agencies, respite providers and other home and community-based service agencies would all lose Medicaid revenue for October with little chance that clients could reimburse them fully for services provided.

Unlike the situation with nursing homes, Medicaid recipients who use home and community-based services need their monthly income to pay for room and board expenses. Few individuals who used significant amount of home and community-based services would be able to repay their providers in subsequent months.

In October of 2001, for individuals who would not have been eligible if the PFD were counted, Medicaid paid over \$1.8 million to assisted living homes and residential habilitation providers, over \$700,000 for chore and respite services, over \$500,000 for personal care services, and over \$400,000 to chore and transportation providers. Like nursing homes, these providers are largely serve Medicaid recipients.

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 \$6 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 Thernault, Senator Johnny Ellis
Senator_Randy_Phillips@legis.state.ak.us

Alaska State Legislature

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Juneau, AK 99801-1182
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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.

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

Distributed by: Senator Randy Phillips

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	Remains
Contractual Services#	\$455,000	Remains
AK Temp Assistance	\$4,143,700	Eliminated
Food Stamps	\$1,610,100	Eliminated
Total	\$13,007,900	\$7,254,100 (PFD HH)

*Needy seniors, blind, and disabled

#Under SB 340, cost savings may be realized for lower contractual needs

Total Estimated Savings \$5,753,800

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



District Office:
P.O. Box 14
Eagle River, AK 99577
Phone: (907) 694-4944
Fax: (907) 694-4944

Senate Rules Committee

Senator Randy Phillips, Chair

SB 340 "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

SB 340, "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.

SB 340 does not affect the "hold harmless" provision for persons receiving state adult public assistance or federal supplemental security income. These two programs provide benefits for needy seniors, the blind, and disabled.

SB 340 is a fiscally responsible measure estimated to save the state \$6 million in fiscal year 2003.

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

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Fax: (907) 465-4979



District Office:
P.O. Box 14
Eagle River, AK 99577
Phone: (907) 694-4949
Fax: (907) 694-4944

Senate Rules Committee

Senator Randy Phillips, Chair

SB 340 "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. Permits an individual who is denied assistance under the state adult public assistance program or under the 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 aged, blind, and disabled individuals.

Sec. 2. Repeals a "hold harmless" provision that directs the Department of Health and Social Services not to consider a permanent fund dividend when determining eligibility for a public assistance program administered by the department that is based in financial need. Repeals a "hold harmless" provision that permits an individual who is denied assistance under a program because a permanent fund dividend must be considered in determining eligibility under federal law or regulation to receive the same level of assistance. Repeals a requirement forbidding a program based on need administered by the state or any of its subdivisions or municipalities from considering a permanent fund dividend in determining eligibility unless required to do so by federal law or regulation.

Sec. 3. The effective date is July 1, 2002

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

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 25, 2002

SUBJECT: Hold harmless provisions of the permanent fund dividend program
(Work Order No. 22-LS1361)

TO: Senator Randy Phillips

FROM: Tamara Brandt Cook *TBC*
Director

Here is a draft prepared in response to your request to eliminate the PFD "hold harmless" provisions except for mentally and physically handicapped. This draft takes the approach of keeping hold harmless in place only for recipients of Supplemental Security Income under the Social Security Act and for recipients of state adult public assistance, the two programs primarily designed to provide assistance to physically or mentally disabled people. However, those two assistance programs do not perfectly fit your request because certain poverty level minors, pregnant women, and seniors, as well as disabled persons, receive benefits. So, the approach taken in this draft covers some persons that you did not wish to include in the hold harmless provision. These persons can be carved out as exceptions to coverage, but this would make your bill a bit more complicated and inevitably focus attention on the policy issue of whether they should be excluded. Consequently, for purposes of this draft, I have not limited coverage to only disabled persons covered under those two programs. Please let me know if you would like the limit added.

Additionally, some disabled individuals receive benefits under programs that are designed to help the needy population at large and are not specifically focused on providing assistance to the disabled as a separate group. It is possible for a disabled person who does not qualify for assistance under the Supplemental Security Income or adult public assistance programs to qualify for a benefit under another type of program. Those disabled people who receive some benefits but are not also recipients under the Supplemental Security Income or adult public assistance programs are left out of this draft. Adding them in under AS 43.23.075(b) would actually expand coverage under that primary "hold harmless" provision of AS 43.23.075(b). I thought you probably do not want to do this, but if I am wrong, let me know and I will rework this draft.

Lastly, please be aware that there are two provisions of law that may or may not be considered part of the "hold harmless" package in the PFD program. These do not make additional money available to persons receiving benefits if federal funds are reduced, but, instead, to the extent permitted by federal law, protect recipients of benefits from a

Senator Randy Phillips
January 25, 2002
Page 2

decrease in those benefits that would otherwise result from receipt of a dividend and the consequent treatment of the dividend as income. AS 43.23.085 states in full:

Sec. 43.23.085. Eligibility for state programs.

A program administered by the state or any of its instrumentalities or municipalities, the eligibility for which is based on financial need, may not consider a permanent fund dividend as income or resources unless required to do so by federal law or regulation.

AS 43.23.075(a) essentially accomplishes the same thing as AS 43.23.085, but it is specific to public assistance programs administered by the Department of Health and Social Services.

Both of these provisions are simply repealed in this draft, so that, for purposes of all benefit programs based on income, other than the two programs identified in sec. 1 of the draft, the money a person receives from dividends will be taken into account for purposes of determining eligibility. If you decide to keep these provisions in effect, let me know and I will delete them from the repeal section of your draft. Another possible approach would be to keep the provisions, but limit them to cover only disabled persons who receive benefits and for whom disability is an eligibility factor. Let me know your thoughts on this.

TBC:med
02-055.med

Enclosure



Sec. 43.23.075. Eligibility for public assistance.

(a) In determining the eligibility of an individual under a public assistance program administered by the Department of Health and Social Services in which eligibility for assistance is based on financial need, the Department of Health and Social Services may not consider a permanent fund dividend as income or resources received by the recipient of public assistance or by a member of the recipient's household unless required to do so by federal law or regulation. The Department of Health and Social Services shall notify all recipients of public assistance of the effects of receiving a permanent fund dividend.

(b) An individual who is denied medical assistance under 42 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) solely because of the receipt of a permanent fund dividend by the individual or by a member of the individual's household is eligible for state-funded medical assistance under AS 47.25.120 - 47.25.300 (general relief assistance program). The individual is entitled to receive, for a period not to exceed four months, the same level of medical assistance as the individual would have received under 42 U.S.C. 1396 - 1396p (Social Security Act, Title XIX) had there been no permanent fund dividend program.

(c) An individual who is denied assistance solely because permanent fund dividends received by the individual or by a member of the individual's household are counted as income or resources under federal law or regulation is eligible for cash assistance under AS 47.25.120 - 47.25.300 (general relief assistance program). Notwithstanding the limit in AS 47.25.130, the individual is entitled to receive, for a period not to exceed four months, the same amount as the individual would have received under other public assistance programs had there been no permanent fund dividend program.

Sec. 43.23.080. Eligibility for state public assistance payments. [Repealed, Sec. 22 ch 102 SLA 1982].

Repealed or Renumbered

Sec. 43.23.085. Eligibility for state programs.

A program administered by the state or any of its instrumentalities or municipalities, the eligibility for which is based on financial need, may not consider a permanent fund dividend as income or resources unless required to do so by federal law or regulation.

Sec. 43.23.090. Tax exemption. [Repealed, Sec. 22 ch 102 SLA 1982].

Repealed or Renumbered

Sec. 43.23.095. Definitions.

In this chapter,

(1) "Alaska permanent fund" means the fund established by art. IX, Sec. 15 of the state constitution;

(2) "disabled" means physically or mentally unable to complete and sign an application due to a serious emotional disturbance, visual, orthopedic, or other health impairment, or developmental disability that is attributable to mental retardation, cerebral palsy, epilepsy, autism or other cause; "disabled" does not mean "incompetent";

Component Detail - FY 03 Operating Budget - Governor Structure

Numbers AND Language Sections!

Component: PFD Hold Harmless
BRU: Public Assistance

Agency: Department of Health and Social Services

	<u>01Actual</u>	<u>02 CC</u>	<u>02 Auth</u>	<u>02MgtPln</u>	<u>Adj Base</u>	<u>Gov</u>	<u>02MgtPln to Gov</u>	
Total	15,536.0	16,147.3	16,147.3	16,147.3	16,147.3	12,552.9	-3,139.4	-19.4 %
<u>Objects of Expenditure:</u>								
Personal Services	0.0	0.0	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	0.0	0.0 %
Contractual	481.7	481.7	481.7	481.7	481.7	455.0	-26.7	-5.5 %
Commodities	0.0	0.0	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	0.0	0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	15,054.3	15,665.6	15,665.6	15,665.6	15,665.6	12,552.9	-3,112.7	-19.9 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Sources:</u>								
1050 PFD Fund	15,536.0	16,147.3	16,147.3	16,147.3	16,147.3	13,007.9	-3,139.4	-19.4 %
<u>Positions:</u>								
Perm Full Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Perm Part Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %

HOLD HARMLESS

Program	Cost	Under SB 340
SSI	\$2,986,800	Remains
Adult Public Assistance*	\$3,612,300	Remains
Medicaid	\$200,000	Eliminated
Food Stamp	\$1,610,100	Eliminated
AK Temp Assistance	\$4,143,700	Eliminated
Contractual Services#	\$455,000	Remains
Total	\$13,007,900	\$7,054,100

*Needy seniors, blind, and disabled

#Under SB 340, cost savings may be realized for lower contractual needs

Total Estimated Savings \$5,953,800

provided by:
Senator Phillips

SB 340-HOLD HARMLESS PROVISIONS OF PFD PROGRAM
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: PEGGY BROWN Subject/Bill No: _____
ALASKA NETWORK ON DOMESTIC VIOLENCE & SEXUAL ASSAULT
Co./Dept./Title: (ANDUSA) / POLICY ANALYST Phone: 6-3650
Address: 130 SEWARD ST # 205 JUNO Zip: 99801

Do you wish to testify? ___ Yes No ___ Respond To Questions

NAME: Nancy Jones Subject/Bill No: _____
Co./Dept./Title: Revenue - PFD Phone: 2323
Address: 50B - 11th Floor Zip: _____

Do you wish to testify? ___ Yes ___ No Respond To Questions

NAME: Jim Nordlund Subject/Bill No: _____
Co./Dept./Title: DPA/DHSS Director Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes ___ No ___ Respond To Questions

NAME: Jon Skowood Subject/Bill No: _____
Co./Dept./Title: OMA/DHSS / Regulatory Policy Mgmt. Phone: _____
Address: _____ Zip: _____

Do you wish to testify? ___ Yes ___ No Respond To Questions

SB 340-HOLD HARMLESS PROVISIONS OF PFD PROGRAM
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Jon Sherwood Subject/Bill No: SB 340
Co./Dept./Title: Dir. of Medical Assistance Phone: 465-5820
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SITE: ANCHORAGE LIO

COMMITTEE: SFIN

DATE: 4-3-02

SUBJECT OF MEETING:

SB 340

UPDATE #:



P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

DO YOU WANT
TO TESTIFY?
Y or N

Daryl Nelson		Access Alaska	Y-SB 340
Email address:			
Susan Sullivan		Child Support	Y-SB 340
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

SITE: FAIRBANKS LIO

COMMITTEE: SFIN

DATE: 4/3/2002

SUBJECT OF MEETING:

SB 340

UPDATE # 1:



PLEASE SIGN IN

P R I N T YOUR NAME

DO YOU WANT

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?
Y or N

Nanci Jones		PFD Director	Y SB 340
Email address:			To Answer questions
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			