

**SB**

**145**

<TARGET><BILL>SB 145</BILL><SUBJECT>SB  
145</SUBJECT><COMM>HFIN29</COMM></TARGET>

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# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	SB 145
Fiscal Note Number:	2
(S) Publish Date:	1/19/2016

Identifier: DOR-PFD-10-9-16  
 Title: DAY CARE ASSISTANCE & CHILD CARE GRANTS  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Revenue  
 Appropriation: Taxation and Treasury  
 Allocation: Permanent Fund Dividend Division  
 OMB Component Number: 981

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>								
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Initial Version
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Prepared By:	Sara Race, Division Director	Phone:	(907)465-4785
Division:	Permanent Fund Dividend Division	Date:	10/09/2015 12:00 AM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	10/15/15
Agency:	Department of Revenue		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

**Analysis**

The proposed Health and Social Services garnishment to collect benefit overpayments of day care assistance and child care grants will be filed directly with the Permanent Fund Dividend Division. The drafted legislation meets the existing criteria outlined in AS 43.23.065(b)(6), therefore, no regulation changes are required. Expanding the types of garnishments served by state agencies on PFD applicants will have no budgetary impact on the PFD Division.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	SB 145
Fiscal Note Number:	3
(S) Publish Date:	2/3/2016

Identifier: SB145-DHSS-CCB-1-26-2016  
 Title: DAY CARE ASSISTANCE & CHILD CARE GRANTS  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Senate HSS

Department: Department of Health and Social Services  
 Appropriation: Public Assistance  
 Allocation: Child Care Benefits  
 OMB Component Number: 1897

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2017 Request	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>	<b>FY 2017</b>	<b>FY 2017</b>					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1002 Fed Rcpts	(500.0)		(500.0)	(500.0)	(500.0)	(500.0)	(500.0)
1005 GF/Prgm	500.0		500.0	500.0	500.0	500.0	500.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed? n/a

**Why this fiscal note differs from previous version:**

Not applicable; initial version.

Prepared By:	Sean O'Brien, Director	Phone:	(907)465-5847
Division:	Public Assistance	Date:	01/26/2016 02:00 PM
Approved By:	Sana Efird, Asst. Commissioner, Finance and Management Services	Date:	01/26/16
Agency:	Health and Social Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

**Analysis**

This legislation provides necessary authority for the Child Care Program Office to recover overpayments or misspent funds through garnishment of Permanent Fund Dividends from participants in the Child Care Assistance and Child Care Grant Programs. This change strengthens the integrity of the Child Care Assistance and Child Care Grant Programs, and aligns Child Care programs' overpayment recovery with that of other public assistance programs.

The fiscal impact of this proposed legislation is neutral. Costs for identifying overpayments and fraudulent activity are incorporated into the division's existing operational budget.

The division identified \$331,578 in calculated overpayments and incorrect payment claims for State Fiscal Year 2015. This legislation adds PFD garnishment as a mechanism for recovering overpayments and fraudulent claims and the division anticipates that this tool will increase the division's ability to identify and capture funding, bringing total annual receipts to an estimated \$500,000.

The division is requesting the general fund program receipt authority to collect Permanent Fund Dividend garnishment revenues associated with the projected amount included in this fiscal note, and can relinquish an equal amount in federal receipts. No increase in administrative costs is anticipated to make this change.

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version:	SB 145
Fiscal Note Number:	2
(S) Publish Date:	1/19/2016

Identifier: DOR-PFD-10-9-16  
 Title: DAY CARE ASSISTANCE & CHILD CARE GRANTS  
 Sponsor: RLS BY REQUEST OF THE GOVERNOR  
 Requester: Governor

Department: Department of Revenue  
 Appropriation: Taxation and Treasury  
 Allocation: Permanent Fund Dividend Division  
 OMB Component Number: 981

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>								
Personal Services								
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**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
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**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
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**Why this fiscal note differs from previous version:**

Initial Version
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Prepared By:	Sara Race, Division Director	Phone:	(907)465-4785
Division:	Permanent Fund Dividend Division	Date:	10/09/2015 12:00 AM
Approved By:	Jerry Burnett, Deputy Commissioner	Date:	10/15/15
Agency:	Department of Revenue		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

**Analysis**

The proposed Health and Social Services garnishment to collect benefit overpayments of day care assistance and child care grants will be filed directly with the Permanent Fund Dividend Division. The drafted legislation meets the existing criteria outlined in AS 43.23.065(b)(6), therefore, no regulation changes are required. Expanding the types of garnishments served by state agencies on PFD applicants will have no budgetary impact on the PFD Division.

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Governor Bill Walker  
STATE OF ALASKA

January 18, 2016

The Honorable Kevin Meyer  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the recovery of overpayments of day care assistance and child care grants. The bill would add day care assistance and child care grants to the list of public assistance programs whose established overpayments can be recovered by garnishing an individual's permanent fund dividend.

Under existing AS 47.05.080, many of the programs that provide assistance benefits to individuals are provided with the ability to recover benefit overpayments by garnishing the benefit recipient's permanent fund dividend. That section allows established overpayment claims to be filed directly with the Department of Revenue and does not make them subject to the exemptions under AS 43.23.065(a) (permanent fund dividends) or AS 09.38 (Alaska Exemptions Act). Before the Department of Health and Social Services seeks to garnish the permanent fund dividend of a benefit recipient, the overpayment claim must be established either through a hearing or after an individual has had a chance for a hearing, but did not contest the overpayment claim. A separate provision in AS 43.23.068 establishes a procedure for garnishing a permanent fund dividend to recover a benefit overpayment that includes notice to the benefit recipient and an opportunity to request a hearing on whether a mistake was made.

The ability to garnish a benefit recipient's permanent fund dividend to recover overpayments under AS 47.05.080 exists for most public assistance programs including medical assistance, general relief, adult public assistance, food stamps, and Alaska temporary assistance. The bill would add the day care assistance and child care grants programs to the other public assistance programs that already have the ability to use the direct garnishment of a permanent fund dividend to recover benefit overpayments. This would make recovery of these already-established liabilities to the State much easier to recover from recipients who do not enter into voluntary repayment plans. This change also would align the day care assistance and child care grant programs with other public assistance programs.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink that reads "Bill Walker".

Bill Walker  
Governor

SENATE BILL NO. 145



CS SB 145 Sectional Analysis

Prepared by the Alaska Department of Health and Social Services

April 4, 2016

SB 145, "An Act relating to the recovery of overpayments for public assistance programs; and providing for an effective date."

Sectional Analysis:

Section 1

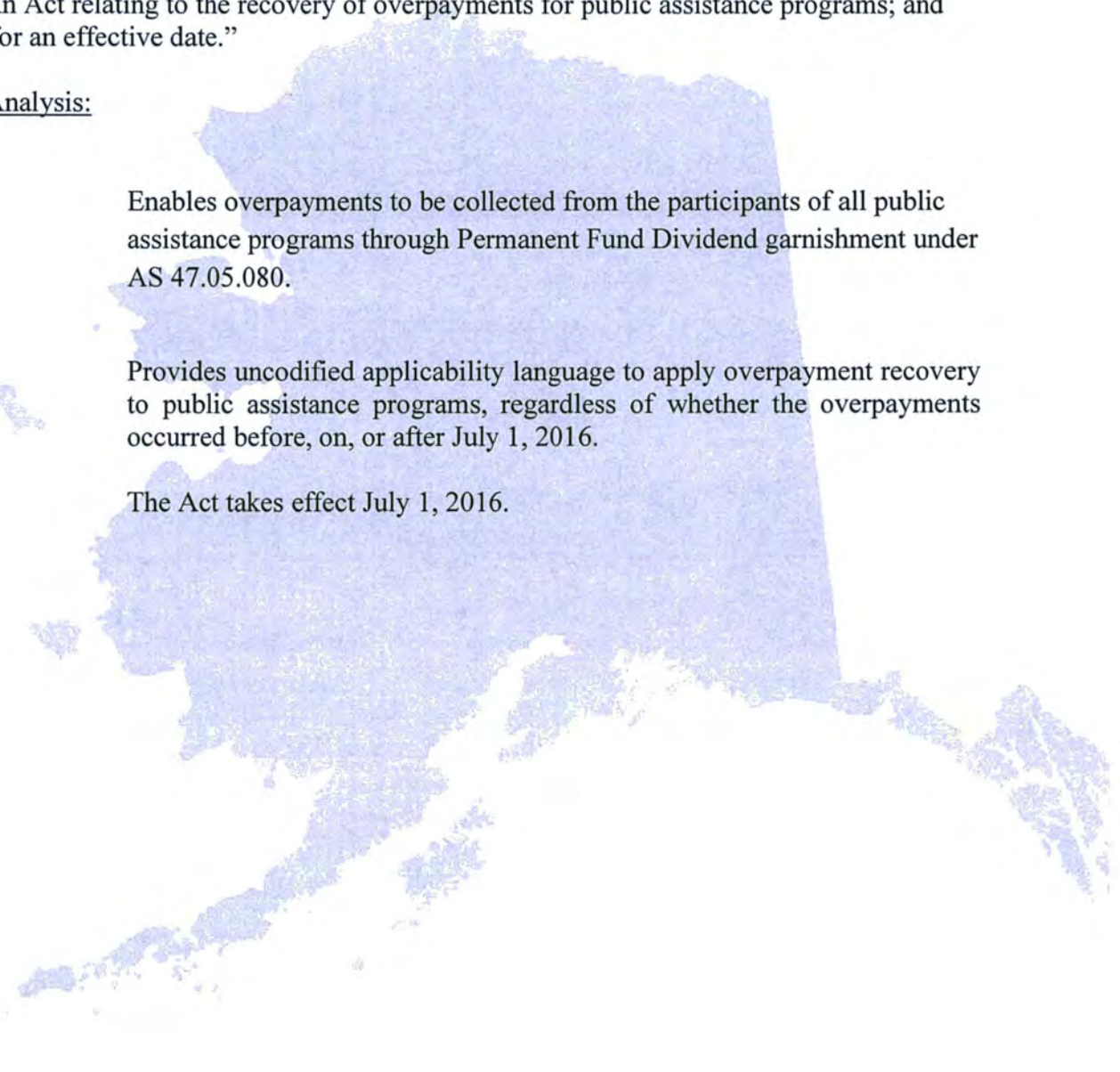
Enables overpayments to be collected from the participants of all public assistance programs through Permanent Fund Dividend garnishment under AS 47.05.080.

Section 2

Provides uncodified applicability language to apply overpayment recovery to public assistance programs, regardless of whether the overpayments occurred before, on, or after July 1, 2016.

Section 3

The Act takes effect July 1, 2016.





CS SB 145 Summary of Changes

Prepared by the Alaska Department of Health and Social Services

April 4, 2016

SB 145, "An Act relating to the recovery of overpayments for public assistance programs; and providing for an effective date."

Summary of Changes between original version (A) and current version (W):

Section 1

This section originally added only day care assistance and child care grants to those public assistance programs for which Permanent Fund Dividend garnishments could occur under AS 47.05.080(a). In Version W, PFD garnishments may be collected for overpayments from participants of all public assistance programs.

Section 2

This section originally provided uncodified applicability language to apply overpayment recovery to day care assistance and child care grants, regardless of whether the overpayments occurred before, on, or after July 1, 2016. In Version W, the ability of the Department of Health and Social Services to recover benefit overpayments for all public assistance programs administered by the Department applies whether the overpayment occurred before, on, or after July 1, 2016.

Section 3

No changes.

CONFIDENTIAL & DELIBERATIVE PROCESS



State of Alaska  
Office of the Governor  
29<sup>th</sup> Alaska State Legislature – 2016 Bill Analysis

**Bill Number//Law Log:** CSSB147(HSS)      **Bill Sponsor:** Rules by Request of the Governor

**Bill Short Title:** Senior Benefits Program Eligibility

**Department:** Health and Social Services

**Division:** Division of Public Assistance

**Prepared By:** Sean O'Brien

**Date:** 2/3/2016

**SUMMARY**

**Other Agencies Affected by Bill:** n/a

**Constituent Group(s) Affected by Bill:** Low Income Seniors

**Support for the Bill:** Seniors, senior advocacy groups, Alaska Commission on Aging, American Association of Retired Persons

**Opposition of the Bill:** Unknown

**Fiscal Impact:** Fiscal Note Attached

**BULLET POINTS – WHAT DOES THIS BILL DO?**

- **CS SB147(HSS) version “W”** adds an additional qualifying criterion to the eligibility requirements for the Senior Benefits Program. Version A referenced 8 U.S.C. 1641 that outlines qualified alien eligibility.
- This version adds reference to 8 U.S.C. 1613, which explains the five- year waiting period that must be met for qualified aliens.
- Aligns Senior Benefits with other Public Assistance Programs.
- Streamlines administration of benefits.

## CONFIDENTIAL & DELIBERATIVE PROCESS

### BILL ANALYSIS

#### Bill Analysis:

- This bill would require that, in order to qualify for Senior Benefits, an individual must be either a citizen of the United States or a qualified alien under 8 U.S.C. 1641, in addition to meeting existing age, state residency, financial and program application criteria.
- It also requires an individual to meet the requirements of 8 U.S.C. 1613, which states that a qualified alien must have been in the United States for five years before receiving public assistance benefits. This statutory change brings the Senior Benefits program into alignment with other public assistance programs. The revised language limits program eligibility to those individuals who are in the country legally.
- Background: When the Senior Benefits Program was initially designed, it used many of the same eligibility criteria as the Alaska's Adult Public Assistance program. As a result, all Adult Public Assistance recipients are also eligible Senior Benefits. However, when the Senior Benefits Payment Program was designed, the Adult Public Assistance program's United States citizen and qualified alien requirement was overlooked. This proposed statutory change would more closely align the two programs. Since the Division of Public Assistance administers both programs, the change would make the Senior Benefits Payment Program easier to administer.
- Addition of this criterion is projected to reduce total program payments by \$43,200.

### DETAILED SECTIONAL ANALYSIS

Section 1: Establishes that a beneficiary of the Senior Benefits program be a citizen of the United States or a qualified alien under both 8 U.S.C. 1641 and 8 U.S.C. 1613, consistent with other Alaska public assistance programs.

Section 2: Provides that the Act takes effect July 1, 2016.

### PROPOSED AMENDMENTS//SUGGESTIONS

Amendments: None, the department agrees with the language proposed.

### TRANSMITTAL LETTER (For Open Law Logs/Green Sheets)

Recommended Position:  Support  Oppose  Amend

#### Explanation of Recommendation:

This bill is necessary to allow the department to align the Senior Benefits Program eligibility requirements with other public assistance programs. This will streamline administrative processes and, in a fiscally responsible manner, provide continued assistance to eligible seniors.

**CONFIDENTIAL & DELIBERATIVE PROCESS**

Note that the Senior Benefits program is scheduled to sunset on June 30, 2018. The Administration may receive questions during hearings on this bill as to whether it supports the continuation of the program after FY2018, considering the State's budget challenges.

Commissioner's Signature \_\_\_\_\_ SW for Commissioner Davidson \_\_\_\_\_ Date: \_\_\_\_\_ 2/8/2016 \_\_\_\_\_