

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 00 / 2

10466 HOUSE STATE AFFAIRS

Nelson / Del / _____
Last Name First Name M.I.

Ext 209
-800-770-4488 day phone _____ pm phone

Address: _____

(STAFF INITIAL/DATE)	
_____	phone call _____
_____	letter sent _____
_____	data base _____

ISSUE: SB 206 Disability License DATE: _____

NOTES/COMMENTS: Access Alaska

Agency Contact: _____

RESULTS: _____


FOLLOW UP: _____



SENATOR DAVE DONLEY
ALASKA STATE LEGISLATURE

MEMORANDUM

To: Representative John Coghill, Chair
House State Affairs Committee

From: Senator Dave Donley 

Date: March 4, 2002

Re: Committee Substitute for Senate Bill 206 (TRA)

I request that Committee Substitute for Senate Bill 206 (TRA) "An Act relating to registration plates and parking permits for persons with disabilities and to illegal use of parking spaces for persons with disabilities," be scheduled for a hearing in the House Transportation Committee at your earliest convenience.

This legislation helps insure the availability of priority parking for truly disabled Alaskans and is intended to prevent many of the instances of abuse that currently exist in our state's disabled parking system. In addition, CSSB 206 (TRA) improves the issuing process for disabled parking permits and cracks down on individuals convicted of illegally parking in disabled parking areas or convicted of misusing disabled parking permits.

Thank you in advance for your consideration of this request. If you or your staff should have any questions, please contact me or Jos Govaars of my staff at 2705.

DD/jg

Co-Chair: Senate Finance Committee
Vice-Chair: Senate Judiciary Committee

Member: Legislative Budget and Audit Committee • Legislative Council

SB

297

GARY WILKEN

SENATOR
West Fairbanks

Interim:
1851 Fox Ave.
Fairbanks, Alaska 99701
Tel: (907) 451-1347
Fax: (907) 456-8163

Alaska State Legislature

Senate

During Session:
State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator_Gary_Wilken@legis.state.ak.us

MEMORANDUM

DATE: March 14, 2002

TO: Representative John Coghill, Chair
House State Affairs Committee

FROM: Gary Wilken
Senator, West Fairbanks

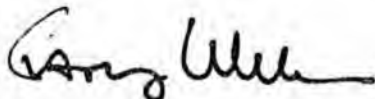
RE: Hearing Request for SB 297

I'm writing to respectfully request that Senate Bill 297 be scheduled for a hearing before the House State Affairs committee, pending its referral, as soon as conveniently possible.

SB 297, "An Act moving employees of the Alaska mental health trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service." is submitted at the request of the Alaska Mental Health Trust Authority. It will improve AMHT's ability to attract and retain key staff in their lands management unit.

Please help the AMHT see this beneficial legislation continue onward through the Legislative process.

Thank you for your consideration.



GARY WILKEN

SENATOR
West Fairbanks

Interim:
1851 Fox Ave.
Fairbanks, Alaska 99701
Tel: (907) 451-4347
Fax: (907) 456-8163



During Session:
State Capitol Building
Juneau, Alaska 99801-1182
Tel: 451-5501 (from Fbks)
Tel: (907) 465-3709 (outside Fbks)
Fax: (907) 465-4714
Website: www.garywilken.com
E-Mail: Senator_Gary_Wilken@legis.state.ak.us

Senate Bill 297

Sponsor Statement

“An Act moving employees of the Alaska Mental Health Trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service.”

Senate Bill 297 was introduced at the request of the Mental Health Trust Authority. It places employees of the Mental Health Trust Authority lands unit into exempt service.

The Mental Health Trust Land Unit is located in the Department of Natural Resources. Its sole purpose is to manage Alaska Mental Health Trust land on behalf of the Alaska Mental Health Trust Authority. Its operating costs are funded entirely by income generated from the cash and land assets of the Trust, not by general funds.

The Unit maintains a core operating staff of nine. This legislation will provide the MHTA with the means of retaining trained staff that are being solicited by, and relocating to, other agencies offering better compensation packages not afforded by the current “partially exempt” status of MHTA lands unit employees. Additionally, it will align the Unit with the management framework of the Trust Authority staff, which was converted to fully exempt status for similar reasons last year.

Please support this legislation and thereby allow the AMHTA to more efficiently manage their personnel structure, to reward performance, and establish a long-term fix for their efforts to recruit, train, and retain key staff.

A handwritten signature in black ink, appearing to read "Gary Wilken", is located at the bottom left of the page.

Senate Bill 297

An Act moving employees of the Alaska mental health trust land unit of the Department of Natural Resources from the partially exempt service to the exempt service.

SECTIONAL ANALYSIS

Prepared by Tim Lamkin, staff to Senator Gary Wilken
For the precise impact of the bill, please refer to the actual bill text.

Section	Statute	Existing	Changes
1	AS 39.25.110 (37) Exempt Service	Paragraphs (1) to (36) list positions of state service that are exempt from the provisions of the State Personnel Act.	Adds a new exemption as paragraph (37), employees of the Alaska mental health land unit established under AS 44.37.050
2	AS 44.37.050 Duties of department with respect to management of mental health trust land	(1994) Established a separate unit within DNR with sole responsibility of managing Mental Health land.	Establishes that employees of this unit are exempt under AS 39.25.110
3	AS 39.25.120(c)(17) Partially Exempt Service	Includes employees of MHT land unit as partially exempt from the provisions of the State Personnel Act.	Repeals that employees of this unit are partially exempt.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 297
 (S) Publish Date: 3/1/02
 Dept. Affected: Natural Resources
 BRU: Resource Development
 Component: Mental Health Lands Admin
 Componer. Number: 1635

Revision Date/Time (Note if correction): _____
 Title: Mental Health Trust Land Unit Employees
 Sponsor: Senator Wilken
 Requester: (S) STA

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 2003	FY 2004	FY2005	FY 2006	FY 2007	FY 2008
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1092 Mental Health Trust Auth Author Rec	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: none
 Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)
 Any additional costs that result from implementation of this legislation will be absorbed in the existing budget.

Prepared by: Stephen C. Planchon, Executive Director Phone 907-269-8656
 Division: Mental Health Trust Land Office Date/Time 25-Feb-02
 Approved by: Pat Pourchot Date 27-Feb-02
 Agency: Natural Resources

RATIONALE USED LAST YEAR

550 West 7th Avenue, Suite 1820
Anchorage, AK 99501
Main line: (907) 269-7960
FAX: (907) 269-7966
Internet:
mhta@mhta.revenue.state.ak.us

The TRUST

The Alaska Mental Health Trust Authority

February 27, 2001

Senator Lyda Green, Chair
Senate Health, Education and Social Services Committee
State Capitol
Juneau, Alaska 99801-1182

Re: SB 112

Dear Senator Green,

This letter is in support of SB 112 that would place the employees of the Alaska Mental Health Trust Authority in the exempt service and establish a minimum salary for the Long Term Care Ombudsman.

Through oversight, the legislation creating the Alaska Mental Health Trust Authority (the Trust) made no provision regarding the category of service of either the Executive Director of the Authority or the staff. Therefore, all positions were deemed to be in the classified service by default. This has created a number of problems for the Trust and continues to be a barrier to the efficient operation of the agency.


At the time the initial Board of Trustees was appointed in 1995, it was forced to petition the State Personnel Board to have the Executive Director position established as partially exempt. Without this action, the Trustees would have been seriously restricted in their ability to hire an appropriate person for this critical position. Subsequently, due to the large assets of the Trust (over \$300 million and 1,000,000 acres of land) and the fiduciary duty owed to the beneficiaries, the Trust was forced to budget for a State Investment Officer position, which is already exempt by law, as a means of securing the services of someone they could be assured over time would adequately monitor the management of Trust assets by the Permanent Fund Corporation and the Department of Natural Resources. The remaining four staff are still in the classified service. This eclectic mix of employee positions in such a small office has been cumbersome and confusing at best.

The Trust is a state corporation similar in nature and function to the other boards, commissions and authorities whose employees are in the exempt service under AS 39.25.110 (11). These include, the Alaska Industrial Development and Export Authority, the Alaska Permanent Fund Corporation, the Alaska Aerospace Development Corporation, the Alaska Commission on Postsecondary Education and the Alaska Commercial Fisheries Entry Commission. The function of the Trust in developing a plan for the state and granting endowment income is extremely similar to that of the Alaska Science and Technology Foundation which is also in the exempt service under AS 39.25.110 (25). Finally, the fiduciary duty owed to the beneficiaries by the Trust requires that employees perform at the highest levels of competency and that any action that jeopardizes the assets or management of the Trust can be immediately addressed

The Trustees have agreed to accept responsibility for administering the Office of the Long Term Care Ombudsman. The Long Term Care Ombudsman is responsible for protecting the welfare of some of our most vulnerable Alaskans. Residents in the Pioneer Homes, nursing homes and community based assisted living homes often cannot speak for themselves. To mediate disputes and protect these individuals, the Long Term Care Ombudsman has extraordinary powers including the authority to subpoena confidential records and pursue legal actions if necessary. The Trustees believe that establishing a minimum salary for the Long Term Care Ombudsman is essential to ensure that a qualified individual can be found for this vitally important position. This position, as well as all others in the office, would remain in the classified service to protect them from any political pressure.

On behalf of the Trustees and the beneficiaries, thank you for considering SB 112. Please let me know if I can be of any further assistance.

Sincerely,


Jeff Jesse
Executive Director

Cc: Board of Trustees

NOT
GERMANE
TO SB 297

that must be
hievment of
rogram. That
istance under
y who are not
ne period for
unless each
ide under AS
lf- sufficiency

1996; am § 3

ild support

l by § 15, ch. 54,

Hess Bill
SB 112
PASSED
28 APRIL 01

aska Mental
: within the
sive mental
established
l under the
nent of the
or an agent
reasonable
n of alleged
in death or

bodily injury to a person or accidental damage to or destruction of property if the board member, agent, or employee, at the time of the occurrence, was acting under the direction of the authority within the course or scope of the duties of the board member, agent, or employee;

(5) shall exercise the powers granted to it under AS 37.14.041, subject to the limitations imposed by AS 37.14.045; and

(6) shall administer the office of the long term care ombudsman established in AS 47.62.010.

(d) The provisions of AS 44.62.330 — 44.62.630 do not apply to the Alaska Mental Health Trust Authority. (§ 26 ch 66 SLA 1991; am § 23 ch 5 FSSLA 1994; am E.O. No. 102 §§ 6, 7 (2001))

Effect of amendments. — The 2001 amendment, effective March 10, 2001, added the language beginning "and to administer" to the end of subsection (b); and added paragraph (c)(6) and made related stylistic changes.

Sec. 47.30.026. Officers and staff. (a) The board shall annually elect a presiding officer and other officers it considers necessary from among its membership.

(b) The board shall employ a chief executive officer who shall be selected by the board. The chief executive officer shall be compensated at no less than range 26 of the pay plan for state employees under AS 39.27.011(a). The chief executive officer may

(1) hire additional employees;

(2) appoint hearing officers to perform the responsibilities set out in AS 47.30.031(b)(5); and

(3) contract for the services of consultants and others.

(c) The chief executive officer is directly responsible to the board.

(d) The chief executive officer and employees hired under this section are in the exempt service under AS 39.25.110. (§ 26 ch 66 SLA 1991; am § 2 ch 15 SLA 2001)

Effect of amendments. — The 2001 amendment, effective April 28, 2001, added subsection (d).

Article 5. Community Mental Health Services Act.

Section

540. Eligible local community entities

590. Patient rights and the confidential nature of records and information

Sec. 47.30.540. Eligible local community entities. (a) A city or borough government or other political subdivision of the state, a nonprofit corporation, or a combination of these, is eligible to receive funds and administer local programs under AS 47.30.520 — 47.30.620. In order to ensure equitable access to funds and programs through the state, the department shall determine appropriate geographical areas to be served by local programs in consultation with representatives of the geographical areas in question.

(b) An entity designated by the department to receive money under AS 47.30.520 — 47.30.620 shall ensure a broad base of community support as evidenced by a governing board reasonably representative of the professional, civic, and citizen groups in the community and including persons with mental disorders or family members of persons with mental disorders. No more than two members, or 40 percent of the membership, whichever is greater, may be providers of services under the program. ... order to receive money under AS 47.30.520 — 47.30.620, a local community entity shall agree

(1) to give priority to mental health programs and services consistent with the priorities set out in AS 47.30.056 and that provide the maximum services for the least expenditure of money from the mental health trust settlement income account;



ALASKA MENTAL HEALTH TRUST

TRUST LAND OFFICE

Mental Health Trust Land Disposals:

Year 2001 Land Sale
Years 1999 and 2000 Land Sale

Year 2001 Cook Inlet
Oil & Gas Lease Offering

THE TRUST

The Alaska Mental Health Trust was established by Congress in 1956. The 1956 law included a grant of one million acres of land to be used to generate revenues to meet the expenses of mental health programs in Alaska. In the mid-1980s, a citizen lawsuit was filed, claiming mismanagement of these lands. In 1994, the Alaska Superior Court and Alaska Legislature took actions which effectively settled the litigation. The settlement created the Alaska Mental Health Trust Authority, whose responsibility is to ensure the creation of a comprehensive, integrated mental health program for Alaska.

TRUST BENEFICIARIES

Alaska Mental Health Trust beneficiaries include Alaskans with mental retardation or similar disabilities, mental illness, chronic alcoholism with psychosis, and Alzheimer's disease or related dementia.

TRUST LAND OFFICE

The 1994 settlement reconstituted the Alaska Mental Health Trust, and the related legislation transferred nearly one million acres of land to the Alaska Mental Health Trust Authority. It also required the creation of a separate unit within the Department of Natural Resources, the Trust Land Office. This office was established to manage the lands under contract to the Alaska

Mental Health Trust Authority. Trust Land Office activities are funded from Alaska Mental Health Trust income, not the General Fund.

TRUST LAND OFFICE MISSION

The mission of the TLO is twofold: (1) to protect and enhance the value of Alaska Mental Health Trust Lands; and (2) to maximize revenues from Trust Lands over time. Revenues generated from Trust Lands are used by the Alaska Mental Health Trust Authority to improve the lives and circumstances of Alaska Mental Health Trust beneficiaries.

TRUST LAND MANAGEMENT GUIDING PRINCIPLES

Trust Lands are managed solely in the best interest of the Alaska Mental Health Trust and its beneficiaries, recognizing the significant relationship of Trust land management to Alaskan communities.

Trust land management is conducted in accordance with the following principles:

- loyalty to the Trust and its beneficiaries;
- maximization of long-term revenue from Trust Land;
- protection and enhancement of Trust assets;
- encouragement of a diversity of revenue-generating activities on Trust Land; and
- accountability to the Trust and its beneficiaries.

TRUST LAND OPPORTUNITIES

- a wealth of natural resources including: commercial timber, hard rock minerals, coal, oil and natural gas;
- real estate opportunities uniquely situated for residential and commercial activities, including opportunities for development related to recreation and tourism;
- an enthusiastic Trust Land Office staff, dedicated to generating revenues from Mental Health Trust Land;
- a flexible, business-oriented decision making process that encourages creative and sensible projects;
- the knowledge that revenues generated from Mental Health Trust Lands go to improving the lives and circumstances of Trust beneficiaries.

INFORMATION

Maps and answers to general Mental Health Trust Land questions can be found at the Division of Land Public Information Offices of the Department of Natural Resources.

Public Information Offices:

- ✦ Northern Region, Fairbanks (907) 451-2705
- ✦ Southcentral Region, Anchorage (907) 269-8400
- ✦ Southeast Region, Juneau (907) 465-3400

- ✦ Trust Land Management Regulations: 11.AAC 99

Mental Health Trust Land Disposals

<u>Year 2001 Land Sale</u> <u>Years 1999 and 2000 Land Sale</u>	<u>Year 2001 Cook Inlet</u> <u>Oil & Gas Lease Offering</u>
--	--

Trust Land Office:

Robert B. Atwood Building
550 West 7th Avenue, Suite 1430
Anchorage, AK 99501
Tel: (907) 269-8658
Fax: (907) 269-8905

Questions about the use of revenues should be directed to the Alaska Mental Health Trust Authority office at (907) 269-7960.



Home Page

| [MHTLO Home Page](#) | [Dept. of Natural Resources Home Page](#) | [State of Alaska Home Page](#) |

Report any problems with this page to the [Webmaster](#)

[Copyright](#) | [Privacy](#) | [Disclaimer](#)

This page last updated July 2, 2001

S B

3 3 8

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: SB 338
(S) Publish Date: 4/2/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Law
Title "An Act making certain individuals convicted of BRU Civil Division
crimes ineligible for permanent fund dividends and ..." Component Collections and Support
Sponsor Senate Finance Committee
Requester Senate Finance Committee Component No. 2210

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 (GF/Prog Rcpts)	0.0	0.0	(*****)	(*****)	(*****)	(*****)
---	------------	------------	----------------	----------------	----------------	----------------

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)

The collections unit of the Department of Law is responsible for collecting civil and criminal judgments owed to the State of Alaska, and beginning in January 2002, restitution on behalf of victims of crimes. Criminal judgments include criminal fines, costs of incarceration, costs of appointed counsel, forfeited bonds, minor offense fines, and costs related to those fines. Civil judgments include cost and attorney fees awarded to the state in civil litigation, and APOC and OSHA penalties.

The unit's primary collection tool is the permanent fund dividend attachment. Historically, over 90 percent of the unit's collections each year are received through the attachment of defendants' permanent fund dividends. During FY 02 through January 31, 2002, the unit has collected \$3,198,282 of which \$2,938,837 was through the dividend attachment. Although the unit may use other collection tools, such as wage withholding or attachment of funds in

Prepared by: Joan M. Kasson Phone (907) 465-5370
Division: Attorney General's Office Date/Time 2/27/02 3:48 PM
Approved by: Kathryn Daughetee for Bruce M. Botelho, Attorney General Date 2/27/2002
Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 338 #5

ANALYSIS CONTINUATION

bank accounts, most of the judgments that the unit collects are simply not large enough to justify the cost of such collection actions. The cost of collection would exceed the amount collected. To succeed, the unit must be able to collect a high volume of relatively small judgments. The only cost-effective way to do this is through the electronic attachment process used for the permanent fund dividend attachment. As a practical matter, if the permanent fund dividend cannot be attached, most of these judgments would be uncollectible when the cost of collection is factored into the equation.

Because of the unit's reliance on the attachment of dividends, a bill that removes persons from eligibility for the permanent fund dividend will adversely affect the unit's collections. Senate Bill 338 creates several new categories of criminal defendants who are permanently or temporarily ineligible for dividends. Because approximately 85 percent of the unit's collection actions are against criminal defendants who would fall within one or more of these new categories, this bill will have a serious and substantial impact on collections.

For example, Senate Bill 338 makes persons who have been convicted of an unclassified felony (the most serious violent crimes, such as murder, sexual assault, robbery, etc.) permanently ineligible for dividends. Although this is probably a relatively small percentage of the judgments received by the unit for collection, the fines and other judgments in these cases tend to be larger. Thus, the removal of the permanent fund dividends in these cases would likely have a larger fiscal impact on the unit's collection than would otherwise be expected given the small number of cases. Fines in most of these cases would be uncollectible if Senate Bill 338 passes.

For the remaining defendants, the bill delays collection for a number of years either after sentencing or after the defendant is released from jail or prison. In these cases, the impact on collections will be attributable to the delay. The unit has found that the earlier the collection proceedings begin the more likely the judgment will be collected. Over time, defendants leave Alaska, die, are incarcerated for new crimes, or incur debts with a higher priority under the dividend priority scheme. Thus, debts that the unit could have collected during the first year or two after the defendant is released from jail may be uncollectible after the four, nine, or nineteen-year delay imposed by the bill.

It is extremely difficult to estimate the impact of this bill on the unit's collections. The impact will be masked initially because during the first several years after the bill takes effect, the unit will be collecting judgments that pre-date the bill's effective date. These earlier judgments will be unaffected by the bill's restrictions because the bill applies only to defendants convicted of crimes committed after December 31, 2002. As collections continue on older judgments, the effect of the bill will be limited. In addition, the current law precludes defendants from receiving a dividend while incarcerated. In these cases, the unit would be unable to collect the judgment until the defendant was released from jail anyway. Thus, the unit will not begin to feel the effect of the bill until these new defendants begin to be released from incarceration. At that point, we should see a sharp drop in collections, as the old judgments are paid off and the new judgments are not collectible because the defendants are ineligible for the dividend.

The only exceptions to this are the provisions which make (1) misdemeanants who are not incarcerated ineligible for the dividend for the year in which they were sentenced, and (2) first and second time misdemeanants who are incarcerated ineligible while incarcerated and for four years thereafter. These are persons who are eligible for a dividend under the current law. The impact of these provisions will be felt immediately by the unit. These are persons from whom we are usually able to collect during the first year after we receive the judgments from the court.

As illustrated in the above discussion, there are many variables that will affect the actual loss in collections related to this bill over time. There can be no doubt that the provisions of Senate Bill 338 will reduce the collections of criminal fines, restitution for crime victims, and other judgments owed to the state. The actual amount of the reduction, however, cannot be determined at this time.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 338
(S) Publish Date: 4/2/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
Title: An Act making certain individuals convicted of BRU: ACPE
crimes ineligible for permanent fund dividends and... Component: Student Loan Operation
Sponsor: Rep. Con Bunde
Requester: Labor and Commerce Component No.: 213

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 ()	0.0	0.0	(*****)	(*****)	(*****)	(*****)
-------------------------------	------------	------------	----------------	----------------	----------------	----------------

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)

The Alaska Commission on Postsecondary Education is charged with administering Alaska's various education loan programs. It does so as an enterprise agency of the state, the operational costs for which are paid through recycled funds of the Alaska Student Loan Corporation.

A very few years after the inception of the Alaska Permanent Fund Dividend program, the Commission was authorized by statute to administratively garnish the dividends of defaulted borrowers who remained at least six months in arrears on their education loans. In 2001 alone the Commission asserted its claim to approximately 8,600 dividends and ultimately collected approximately \$10.5 million on defaulted loans. Since the first year of garnishment activity, the Commission has collected well over \$100 million and considers this tool to be one of its most efficient and effective collection levers.

Prepared by: Diane Barrans, Executive Director Phone 465-6740
Division: Executive Office Date/Time 2/28/02 11:36 AM
Approved by: Diana Barrans, Executive Director *Diana Barrans* Date 2/28/2002
Agency: Alaska Commission on Postsecondary Education

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. SB 338 #3

Analysis: (continued)

Because program managers have no way of estimating what percentage of the population potentially is effected by Senate Bill 338 that would also be in this agency's defaulted borrower population, this fiscal note is provided as an indeterminate one. However, because there will likely be some impact of diminished access to the dividend collection, it seemed prudent to bring this issue to the legislature's attention.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CS SB 338 (FIN)
(S) Publish Date: 4/2/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: "An Act making certain individuals BRU: Legal and Advocacy Services
convicted of crimes ineligible for PFD...." Component: Public Defender Agency
Sponsor: Senate Finance
Requestor: (S) FIN Component No. 1631

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	*	*	*	*	*	*

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	*	*	*	*	*	*

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 attached sheet.

Prepared by: Barbara Brink, Director Phone (907) 334-4416
Division: Public Defender Agency Date/Time 3/28/02 11:27 AM
Approved by: Jim Duncan, Commissioner Date 3/28/2002
Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS SB 338 (FIN) #2

ANALYSIS CONTINUATION

This legislation would make a large number of people ineligible for PFDs by amending the statute to significantly increase the list of circumstances under which a person would not be eligible for a dividend.

This bill may have a fiscal impact on the Public Defender Agency. For many indigent people, the PFD is one of their primary sources of income. When indigent people convicted of and or incarcerated for felonies and misdemeanors owe fines, restitution, surcharges, and fees, and are ineligible to receive a PFD for many years, they may not be able to pay these amounts and then are in violation of their probation or parole conditions and petitions to revoke may be filed. This could significantly increase the workload of the Agency, however, it is not possible to determine the extent of that impact. The Agency represents indigent persons in both parole and probation revocations, and both may very well increase substantially if this bill becomes law, but it is not possible to determine the extent of that impact. Therefore, an indeterminate fiscal note is submitted.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB338(FIN)
(S) Publish Date: 4/2/02

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title Ineligibility for PFD / BRU Child Support Enforcement
Crime Victims Compensation Component Child Support Enforcement
Sponsor Senate Finance Committee
Requester Senate Finance Committee 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	98.4	98.4	98.4	98.4	98.4	98.4
Travel						
Contractual	30.0					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	128.4	98.4	98.4	98.4	98.4	98.4

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

CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	128.4	98.4	98.4	98.4	98.4	98.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	128.4	98.4	98.4	98.4	98.4	98.4

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	2	2	2	2	2	2
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See Page 2 for explanation.

Prepared by: Barbara Miklos, Director
Division: Child Support Enforcement Division
Approved by: Larry Persily, Deputy Commissioner
Agency: Department of Revenue

Phone 269-6800
Date/Time 3/26/02 7:52 PM
Date 3/26/2002

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CSSB338(FIN) #1

ANALYSIS CONTINUATION

Bill Analysis

Under Section 6, no custodial parents would be eligible for a grant under this program in successive years, and custodial parents who received any amount at all during the previous fiscal year would also be ineligible for any money under this program. We believe this would eliminate so many families as to be ineffective in addressing our primary concern that thousands of children would be denied a significant source of child support under this legislation.

With average arrears for incarcerated obligors exceeding \$23,000, it is apparent that the children in this caseload suffer a longstanding lack of support. It is unlikely that many of these children have received any significant support in the past year, although even the smallest amount would make them ineligible for this program.

The Permanent Fund dividend is not an alternative means of collecting child support. Rather, it is a critical enforcement tool, especially in egregious cases. Taking that tool away would serve to deprive some of Alaska's neediest children.

Under Section 5, because the aid given to the custodial parent would not meet the federal definition of child support, it would not be possible, under federal law, to reimburse the state for money paid out per AS 25.27.400 using the federal tax refund offset program. (45 CFR 303.72)

Cost of Implementing the Legislation

The primary cost to CSED for implementing the new program created by CSSB338(FIN) would be for additional staff required to carry out the assignment. The division's preliminary estimate is for one caseworker and one accounting technician. There also will be some programming expense the first year, which is shown as a contractual expense. Since this program does not meet the requirements for federal matching funds, it must be supported entirely through state general funds.

Federal and computer system requirements will make it necessary for us to set up a new and separate file for each case we approve under this program, and the funds received for the custodial parent and child(ren) would be directed to that file. Without a separate file, the funds would be credited against the non-custodial parent's debt, which is not the statutory direction of this new program.

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 eligibilty 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						
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: 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 Wasilla, 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

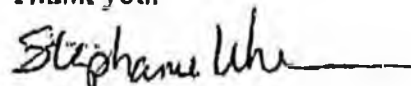
My name is Stephanie Wheeler, Program Director of the Beyond Shelter Program for Catholic Social Services. Since 1993, the Beyond Shelter program has assisted more than 700 households transition from homelessness to permanent independent living. We provide case management and other supportive services 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

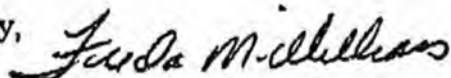
Dear Chair Representative John Coghill, fax: 907-465-3258
MEMBER: Representative Jeannette James, fax 907-465-2381
MEMBER: Representative Dr. Hugh Fate, fax 907-465-4976
MEMBER: Representative Gary Stevens, fax 907-465-3517
MEMBER: Representative Peggy Wilson, fax 907-465-3175
MEMBER: Representative 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 M. Murre

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 #183 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 Enola	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 E. ...	Box 30095 PFD to Family de Same -
Gene ...	Box 71015 Fbks PFD to ...
Christine ...	104 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

<u>NAME</u>	<u>ADDRESS</u>
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
Freak 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 99751
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 99751
Darryl Sam	FBKS AK 99701
Phil W. W.A	FBKS AK 99701
Darlin Erick	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.

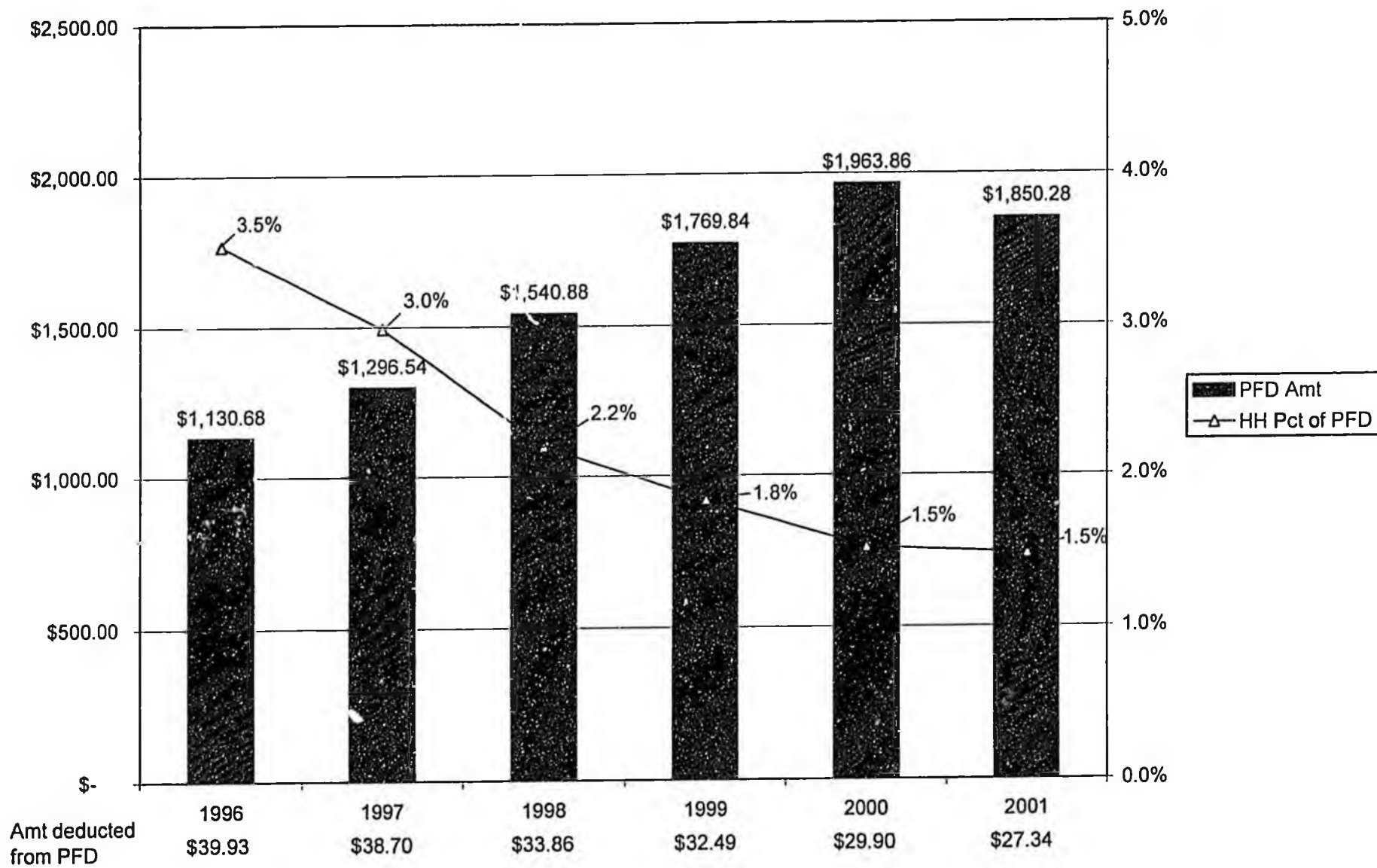
#CSED estimates a loss of \$1.4 million in revenue (FY03) under SB 340. Under existing law, CSED garnishes PFDs from clients on public assistance. Under SB 340, those monies would go directly to the custodial parent (not GF) if the parent were temporarily taken off public assistance.

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.

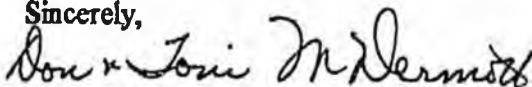
Some in the Legislature seem to think that the poor people of this State choose to be poor so they can rake in big bucks while sitting around sipping whatever. Yet, given the choice, how many of you would stop earning whatever you earn - just to be able to collect welfare benefits? Not much of a swap,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

SB

370

ALASKA STATE LEGISLATURE

SENATOR
Gene Therriault
119 N. Cushman Suite 101
Fairbanks, Alaska 99701
(907) 488-0857
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4797
FAX (907) 465-3884

Senate
Senate District Q

Senate Bill 370

Constitutional Convention

SPONSOR STATEMENT:

Under article XIII, section 3, there is a requirement that at least once each decade the voters be given an opportunity to call a constitutional convention. That call will appear on the November 5, 2002 general election ballot. If a majority of the voters cast their ballots in favor of the constitutional call, the same section of the constitution directs that delegates be selected at the next general election. It also places the duties of issuing the call on the shoulders of the lieutenant governor. The lieutenant governor is required to issue the call as closely as possible to the original call for the Alaska Constitutional Convention of 1955—*unless other provisions are made by law*. Senate Bill 370 makes minimal provisions for the issuance of the call.

The bill restricts the lieutenant governor from issuing the call before October 1 of the year following the year in which the question of holding a constitutional convention was placed on the ballot. By delaying the date of the call, the next legislature will be permitted to hold public hearings and gather expert testimony on how best to issue the call. If they are unable to reach agreement on provisions for the call, the remaining provisions provided for by SB 370 will apply. Those provisions are:

- one delegate shall be elected from each house and senate district, for a total of 60 delegates to the convention.
- The provisions of AS 15.13 (campaign contribution limits and prohibitions) that apply to candidates for State House also apply to candidates for delegate.
- The convention will be held at the campus of the University of Alaska in Fairbanks.

In all other respects, the call will be issued as closely to the original call as possible.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 370
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
Title "An Act establishing procedures BRU Executive Operations
relating to constitutional conventions." Component Lieutenant Governor
Sponsor Senate State Affairs
Requester Sen STA Component No. 11

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)

No fiscal impact.

Prepared by: Michael A. Nizich, Administrative Director Phone 465-3876
Division Administrative Services Date/Time 5/1/02 2:09 PM
Approved by: Sally Rue, Chief of Staff Date 5/1/2002
Agency Office of the Lieutenant Governor

**ARTICLE 13
AMENDMENT AND REVISION**

Section 13.1 - Amendments.

Amendments to this constitution may be proposed by a two-thirds vote of each house of the legislature. The lieutenant governor shall prepare a ballot title and proposition summarizing each proposed amendment, and shall place them on the ballot for the next general election. If a majority of the votes cast on the proposition favor the amendment, it shall be adopted. Unless otherwise provided in the amendment, it becomes effective thirty days after the certification of the election returns by the lieutenant governor.

Section 13.2 - Convention.

The legislature may call constitutional conventions at any time.

Section 13.3 - Call by Referendum.

If during any ten-year period a constitutional convention has not been held, the lieutenant governor shall place on the ballot for the next general election the question: "Shall there be a Constitutional Convention?" If a majority of the votes cast on the question are in the negative, the question need not be placed on the ballot until the end of the next ten-year period. If a majority of the votes cast on the question are in the affirmative, delegates to the convention shall be chosen at the next regular statewide election, unless the legislature provides for the election of the delegates at a special election. The lieutenant governor shall issue the call for the convention. Unless other provisions have been made by law, the call shall conform as nearly as possible to the act calling the Alaska Constitutional Convention of 1955, including, but not limited to, number of members, districts, election and certification of delegates, and submission and ratification of revisions and ordinances. The appropriation provisions of the call shall be self-executing and shall constitute a first claim on the state treasury.

Section 13.4 - Powers.

Constitutional conventions shall have plenary power to amend or revise the constitution, subject only to ratification by the people. No call for a constitutional convention shall limit these powers of the convention.

Section 3. Call by Referendum

If during any ten-year period a constitutional convention has not been held, the lieutenant governor shall place on the ballot for the next general election the question: "Shall there be a Constitutional Convention?" If a majority of the votes cast on the question are in the negative, the question need not be placed on the ballot until the end of the next ten-year period. If a majority of the votes cast on the question are in the affirmative, delegates to the convention shall be chosen at the next regular statewide election, unless the legislature provides for the election of the delegates at a special election. The lieutenant governor shall issue the call for the convention. Unless other provisions have been made by law, the call shall conform as nearly as possible to the act calling the Alaska constitutional convention of 1955, including, but not limited to, number of members districts, election and certification of delegates, and submission and ratification of revisions and ordinances. The appropriation provisions of the call shall be self-executing and shall constitute a first claim on the state treasury.

This self-executing provision guarantees to the voters a chance to decide at least once every ten years if there should be a constitutional convention. Many state constitutions provide for a periodic referendum on a convention, but the interval is typically twenty years. Delegates to the convention chose ten years on the grounds that change would be occurring fast in Alaska. This section specifies the essential procedures for holding a convention in order to prevent the legislature from thwarting the will of the voters by refusing to issue a call or to appropriate funds for the convention.

The first referendum on the question of holding a constitutional convention was held in 1970. The ballot read: "As required by the constitution of the State of Alaska Article XIII, Section 3, shall there be a constitutional convention?" The outcome was a very narrow affirmative vote, 34,911 to 34,472. Opponents of the convention sued, claiming that the wording of the ballot proposition biased the vote in favor of the measure by implying that the convention, rather than the vote, was required by the constitution. The courts agreed and threw out the election results (*Boucher v. Bomhoff*, 495 P.2d 77, 1972). The question was put before the voters again at the next general election (1972) with the

Article XIII

constitutionally required language, "Shall there be a constitutional convention?", and it was strongly defeated (29,192 to 55,389). This question was again put before the voters in 1982. A convention call was rejected 63,816 to 108,319.

Section 4. Power

Constitutional conventions shall have plenary power to amend or revise the constitution, subject only to ratification by the people. No call for a constitutional convention shall limit these powers of the convention.

The power of a convention to propose constitutional changes cannot be limited ("plenary" means full). Thus, if the voters call for a convention, the legislature may not subvert it by circumscribing the scope of review by the delegates.

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

CHAPTER 46

AN ACT

To provide for the holding of a constitutional convention to prepare a constitution for the State of Alaska; to submit the constitution to the people for adoption or rejection; to prepare for the admission of Alaska as a State; to make an appropriation; and setting an effective date.

(C. S. for H..B. 1)

Be it Enacted by the Legislature of the Territory of Alaska:

Section 1. A constitutional convention, comprised of delegates elected by the legal voters of the Territory of Alaska, shall assemble at the University of Alaska, College, Alaska, on the 8th day of November, 1955, at ten o'clock a. m., or as soon thereafter as a quorum shall be present, for the purpose of preparing and agreeing upon a constitution for the proposed State of Alaska. The convention shall meet for not more than seventy-five days but may, at its discretion, recess for a period of not to exceed fifteen days for the purpose of holding public hearings in Alaska on proposed provisions of the constitution.

Section 2. Delegates to the convention shall possess the qualifications of legal voters of Alaska and shall have been residents of Alaska for not less than three years immediately preceding the first day of the convention. The holding of the office of delegate or any other

office of the convention shall not constitute a disqualification for selection for or the holding of any other office, and the holding of any other office, except an appointive office under the Federal Government, shall not constitute a disqualification for election to or the holding of office as a delegate or any other office of the convention.

Section 3. There are hereby created the following election districts from which delegates to the convention shall be elected. These election districts shall be comprised of the several recording districts of Alaska which shall be known as "local election districts", the judicial divisions of Alaska, and the Territory of Alaska at Large:

Election District No. 1—Ketchikan and Hyder Recording Districts.

Election District No. 2—Wrangell and Petersburg Recording Districts.

Election District No. 3—Sitka Recording District.

Election District No. 4—Juneau

Original Call for
Delegates - 1955

Recording District.

Election District No. 5—Haines and Sagway Recording Districts.

Election District No. 6—First Judicial Division.

Election District No. 7—Cape Nome and Wade Hampton Recording Districts.

Election District No. 8—Fairhaven and Noatak-Kobuk Recording Districts.

Election District No. 9—Second Judicial Division.

Election District No. 10—Cordova and McCarthy Recording Districts.

Election District No. 11—Valdez and Chitina Recording Districts.

Election District No. 12—Seward and Whittier Recording Districts.

Election District No. 13—Kenai, Homer and Seldovia Recording Districts.

Election District No. 14—Kodiak and Aleutian Islands Recording Districts.

Election District No. 15—Anchorage Recording District.

Election District No. 16—Palmer, Wasilla and Talkeetna Recording Districts.

Election District No. 17—Iliamna, Kvichak and Bristol Bay Recording Districts.

Election District No. 18—Third Judicial Division.

Election District No. 19—Bethel, Kuskokwim, Mt. McKinley, Innoko, Nulato, Nenana, Hot Springs, Rampart and Fort Gibbon Recording Districts.

Election District No. 20—Fair-

banks Recording District.

Election District No. 21—Fourth Judicial Division.

Election District No. 22—Territory of Alaska at Large.

Section 4. The convention shall consist of fifty-five delegates apportioned among the election districts as follows:

Election District No. 1—One Delegate.

Election District No. 2—One Delegate.

Election District No. 3—One Delegate.

Election District No. 4—One Delegate.

Election District No. 5—One Delegate.

Election District No. 6—Seven Delegates.

Election District No. 7—One Delegate.

Election District No. 8—One Delegate.

Election District No. 9—Four Delegates.

Election District No. 10—One Delegate.

Election District No. 11—One Delegate.

Election District No. 12—One Delegate.

Election District No. 13—One Delegate.

Election District No. 14—One Delegate.

Election District No. 15—One Delegate.

Election District No. 16—One Delegate.

Election District No. 17—One