

ALASKA LEGISLATURE COMMITTEE FILES, 2003-2004 80/2

10883 HOUSE JUDICIARY

LEGAL SERVICES

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MEMORANDUM

February 11, 2004

SUBJECT: Proposal for treatment of the permanent fund
(Work Order No. 23-LS1718)

TO: Senator Con Bunde

FROM: Tamara Brandt Cook
Director

In view of Bess v. Ulmer, 985 P.2d 979 (Alaska 1999), you have asked me to consider a proposed constitutional amendment under which all of the money available for appropriation from the Alaska permanent fund would be required to be used for a permanent fund dividend program. The proposal includes enactment of a graduated state income tax on individuals, with the maximum level of the tax not to exceed in each year the amount of the dividend for that year. Although I am not clear on this point, for purposes of this response, I am presuming that the tax would be statutorily rather than constitutionally imposed.

BACKGROUND

In the Bess case, the Alaska Supreme Court considered separate proposed amendments to the state constitution passed by the legislature. The decision is based on Art. XIII of the state constitution which provides that the state constitution may be changed by amendment or by revision. A constitutional amendment may be proposed by vote of two-thirds of the legislature (Art. XIII, sec. 1) or through a constitutional convention (Art. XIII, sec. 4). The court concluded that an amendment that amounts to a constitutional revision may only be proposed through a constitutional convention, and not by the legislature.

In considering whether the proposed constitutional amendment relating to prisoners' rights was an amendment or a revision, the court took note of both the qualitative and quantitative nature of the change proposed by the amendment. In the court's view, the proposed amendment would potentially alter 11 sections of the Alaska Constitution and would "substantially alter the substance and integrity of the state Constitution as a document of independent force and effect." (Bess, at 987) Thus the court concluded that, both quantitatively and qualitatively, the amendment was an impermissible constitutional revision. (Bess, at 988)

In reviewing a proposed constitutional amendment relating to marriage, the Supreme Court found that the proposed change, *rewritten by the court*, was validly within the

amendatory power of the legislature. The change was "sufficiently limited in both quantity and effect of change as to be a proper subject for a constitutional amendment. Few sections of the Constitution are directly affected, and nothing in the proposal will 'necessarily or inevitably alter the basic governmental framework' of the Constitution." (Bess, at 988; quoting Brosnahan v. Brown, 651 P.2d 274, 289 (Cal. 1982); footnotes omitted)

The Supreme Court also reviewed a proposed constitutional amendment that changed the procedure for redistricting of the Alaska Legislature. Even though the proposed amendment made substantive changes to nine sections of article VI of the Alaska Constitution, the court found the quantitative effect of the change to be minimal. (Bess, at 988) The court likewise found the qualitative effect of the amendment to be unremarkable. The court concluded that the amendment did not involve the transfer of executive power to another branch of government or otherwise fundamentally change the constitutional role of any branch of the government. Though the proposed change was substantial it was not so significant as to comprise a revision. <

DISCUSSION

The Bess decision casts a shadow over the power of the legislature to propose certain constitutional amendments. The Alaska Supreme Court was not able to precisely identify the difference between a constitutional amendment and a constitutional revision except to say that changes that are "few, simple, independent, and of comparatively small importance" can be considered amendments. (Bess, at 987) On the other hand, "an enactment which is so extensive in its provisions as to change directly the 'substantial entirety' of the constitution by the deletion or alteration of numerous existing provisions may well constitute a revision thereof [while] even a relatively simple enactment may accomplish such far reaching changes in the nature of our basic governmental plan as to amount to a revision also." (Bess, at 987; quoting Amador Valley Joint Union High School District v. State Board of Equalization, 583 P.2d 1281, 1286 (Cal. 1978)) In the view of the court, the distinction between amendments and revisions hinges on "whether the changes are so significant as to create a need to consider the constitution as an organic whole." (Bess, at 987) The Bess court adopted, but did not describe, what it called a hybrid test to determine which proposed constitutional changes were amendments and which were revisions. The hybrid test was derived from a series of decisions by the California Supreme Court and considered both quantitative and qualitative factors.

It appears to me that the proposal under which all appropriations from the permanent fund would be used for a program of dividend payments might meet at least the four factors identified by the court: (1) the proposal is simple to express and understand; (2) it is complete within itself; (3) it relates to only one subject; and (4) it substantially affects only one section of the constitution. Note, however, that it can be reasonably argued that the proposal is not so simple as it seems and, potentially, implicates several sections of the constitution in addition to Art. IX, sec. 15; examples being Art. II, sec. 1, and Art. IX, secs 6, 7, and 8. *

Appropriation power?

Senator Con Bunde
February 11, 2004
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Assuming, optimistically, that the proposal does meet the four factors, recall that the court also suggested in Bess that if a fundamental power of one of the branches of state government is significantly altered, this could result in the type of "sweeping change" that is not permitted to be accomplished in an amendment to the state constitution. Surely, placing all of the wealth of the permanent fund effectively beyond the reach of the legislative power of appropriation would be viewed as a significant alteration of a fundamental power of one of the branches of state government. The complicating factor here, of course, is that the original amendment to the state constitution under which the permanent fund was established was, itself, a significant restriction on the legislative power of appropriation. I cannot presume to guess how the court will view the proposal in light of this factor, but it is, I think, safe to say that the proposal will face a difficult test if challenged under the reasoning in Bess.

LIMITING DIVIDEND PROGRAM TO CURRENT RECIPIENTS

Although you did not specifically ask about this aspect, there is another part to the proposal that bears considering. I understand that the proposal includes a suggestion to limit the permanent fund dividend program to current recipients, using as a model the phase-out of the statutory longevity bonus program. Please be aware that it is not clear that this approach would withstand constitutional attack. The phase-out of the longevity bonus program was challenged on the grounds that it violated the equal protection clause of the U.S. Constitution and the equal rights clause of the state constitution. (Maggard v. Sipe, Case No. 3AN-94-03905 CI, Third Judicial District, Superior Court) The Superior Court judge granted summary judgment for the state.

In the Maggard case the court found that classifying persons based on the date they applied for the longevity bonus program does not amount to a durational residency requirement because under the phase-out a life-long Alaskan who is not 65 by the end of 1996 will not get payments, but a person who turned 65 and moved to the state in 1992 will get the payments. Factually, the court concluded, the longevity bonus phase-out did not result in distinguishing between long-term residents and newcomers because the element of age also restricts eligibility under that program. This is not true of the permanent fund dividend program. So, even if the reasoning in the Maggard case is correct as to the longevity bonus program, it is not clear that the same result would be arrived at if applied to the permanent fund dividend program. Furthermore, while it can be persuasively urged that the state has a legitimate interest in protecting the "expectation rights" of older residents who may have made significant choices based on the belief that they would receive longevity bonus payments indefinitely, a similar argument is much less compelling when applied to the permanent fund dividend program, available as it is to all residents, even tiny children who could not have formed an expectation of receiving dividends indefinitely. Recall, also, that the Maggard decision, being a lower court ruling, has no precedential value.

TBC:med
04-165.med

Excerpt from the 1976 Official Election Pamphlet
The official statement made supporting Proposition No. 2
Should a Constitutional Amendment be approved creating the Permanent Fund?

Statement in Favor of Proposition No. 2
Alaskans Should Strongly Support the Establishment of a Permanent Fund

Just as a wise and prudent family sets aside money in a savings account for the future, so should Alaska's state government set aside a rainy day fund to benefit this and future generations of Alaskans. In a "Permanent Fund" you—the voter—can prevent a major source of income from being doled out for day-to-day needs or desires of state government by placing up to 25% of all revenue generated from non-renewable resources such as mineral leases, rentals, royalties and federal mineral revenue sharing payments and bonuses into such a fund.

In recent years the state legislature has been spending \$2.00 for every \$1.00 taken in. Authorities estimate that if the present rate of spending continues, Alaska will require a budget in excess of one billion dollars by or before 1980. Establishment of this "Permanent Fund" will provide for the use of the principal for the *income-producing investments only* and provide a businesslike approach of permitting the State to meet countless community needs.

Today, as the result of anticipated oil and gas revenues, Alaska stands on the brink of unprecedented propriety. No one, but no one, argues that these non-renewable resources will last but for a few decades. Similarly, no one should fail to recognize that in those years ahead the cost state government will continue to spiral upwards. Now is the time to ask ourselves the question: "When the oil and gas is depleted, where will the funds to feed our giant government come from?" The answer is: "The Permanent Fund".

While it is to be hoped that such a fund may contribute to cutting cost or, at least, holding the line on state spending, its major value would be that it would require our elected officials to pause, reflect and research, any proposal before blindly authorizing expenditure of taxpayers monies. This would provide needed time for the press and the public to also be aware of the pending project and its merit, instead of being out of public view and hidden in the spending pattern of normal day-to-day operations. Projects invested in with sources from the "Permanent Fund" could help broaden Alaska's narrow based economy and bring more stability to our State.

We would caution the public that while a "Permanent Fund" could provide a tool for accomplishing real needs for community improvements, it will, in the final analysis, not replace our collective responsibility to elect state administrators and legislators who will use the same reason and restraint in spending the public money as they would their own funds.

Establishment of a "Permanent Fund" is an exciting concept and when approved and properly used can serve long and well the best public interest of Alaskans.

VOTE "FOR"
THE ESTABLISHMENT OF A "PERMANENT FUND"

Alaska State Chamber of Commerce

Tax Brackets—2003 Taxable Income

Joint return	Single taxpayer	Rate
\$0-\$14,000	\$0-\$7,000	10.0%
14,000-56,800	7,000-28,400	15.0
56,800-114,650	28,400-68,800	25.0
114,650-174,750	68,800-143,500	28.0
174,750-311,950	143,500-311,950	33.0
311,950 and up	311,950 and up	35.0

Source: Tax Foundation.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR31CS(W&M)-DHSS-DPA4-03-19-04
() Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04
Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

Dept. Affected: Health & Social Services
RDU Public Assistance
Component Child Care Benefits

Sponsor HOLM
Requester HOUSE (STA)

Component No. 1897

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(24,399.0)	16,266.0	24,399.0	24,399.0	24,399.0	24,399.0
Miscellaneous						
TOTAL OPERATING	(24,399.0)	16,266.0	24,399.0	24,399.0	24,399.0	24,399.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(19,197.0)	11,064.0	19,197.0	19,197.0	19,197.0	19,197.0
1003 GF Match	(4,519.1)	4,519.1	4,519.1	4,519.1	4,519.1	4,519.1
1004 GF	(682.9)	682.9	682.9	682.9	682.9	682.9
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	(24,399.0)	16,266.0	24,399.0	24,399.0	24,399.0	24,399.0

Estimate of any current year (FY2004) cost: _____
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HJR 31 proposes an amendment to the Alaska State Constitution to provide a one time \$20,000 supplemental PFD payment, then eliminates the PFD program. The bill also eliminates the PFD hold harmless protection for individuals and families receiving public assistance benefits. The department would be required to count the PFD as income when determining eligibility for childcare assistance. Approximately 3,570 families now receiving assistance will either lose benefits or have an increased copay.

The financial summary above shows the projected one-time savings in FY2005. FY2006 reflects that this amount would have to be added back in FY2006, partially offset by continued savings. In FY2007, the funding to replace FY2006 savings would have to be added back into the budget. This would bring the program back to the base funding level with no further changes to that base funding in FY2008-2010. This is detailed on page 2.

Prepared by: Angela Salerno Phone 465-3200
Division Public Assistance Date/Time 03/19/2004
Approved by: Joel S. Gilbertson, Commissioner Date 03/19/2004
Agency Department of Health and Social Services

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA4-03-19-04

ANALYSIS CONTINUATION

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	Total
<u>One-time Child Care Assistance Savings</u>				
Month PFD Received (October)				
Family ineligible over income				
for approximately one year				
October-June 05	(24,399.0)			
Months following Receipt (Jul-Sept 05)				
	-	(8,133.0)	-	
Total One-time Savings	(24,399.0)	(8,133.0)		(32,532.0)
 <u>Restore Child Care Assistance</u>				
One year later no new PFD and most families				
have spent the PFD				
Months eligibility returns (Oct-June06)				
Restore one-time savings		24,399.0		
Months eligibility returns (Jul-Sep)				
Restore one-time savings	-	-	8,133.0	
Formula ATAP funding restored	-	24,399.0	8,133.0	32,532.0

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR31CS(W&M)-DHSS-DPA1-03-19-04
() Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m. Dept. Affected: Health & Social Services

Title: CONSTITUTIONAL AMENDMENT ON PERMANENT FUND RDU: Public Assistance
Component: ATAP

Sponsor: HOLM
Requester: HOUSE (STA) Component No.: 220

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1
Miscellaneous						
TOTAL OPERATING	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1

CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(16,619.8)	7,812.1	16,619.8	16,619.8	16,619.8	16,619.8
1003 GF Match	(6,867.4)	6,867.4	6,867.4	6,867.4	6,867.4	6,867.4
1004 GF		2,935.9	2,935.9	2,935.9	2,935.9	2,935.9
1037 GF/Mental Health						
1007 Interagency Receipts	(2,935.9)					
Other(Specify Type-do not abbreviate)						
TOTAL	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1

Estimate of any current year (FY2004) cost: _____
Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
HJR 31 proposes an amendment to the Alaska State Constitution to provide a one-time \$20,000 supplemental PFD payment, then eliminates the PFD program.

The bill also eliminates PFD hold harmless protection for individuals and families receiving public assistance benefits. The department would be required to count the PFD as income when determining eligibility for ATAP.

Approximately 4,600 of 5,000 families will receive a dividend and lose ATAP benefits in that month. Because of the large supplemental PFD payment, we assume these families would also lose eligibility for 11 additional months when the portion of the PFD retained would be counted as a resource.

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Prepared by: Angela Salerno Phone 465-3200
Division: Public Assistance Date/Time 03/19/2004
Approved by: Joel S. Gilbertson, Commissioner Date 03/19/2004
Agency: Department of Health and Social Services

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA1-03-19-04

ANALYSIS CONTINUATION

While we assume 11 additional months of ineligibility, several factors could contribute to a typical ATAP family (one adult, two children) "spending down" their resources rapidly:

- the family will pay federal taxes of approx. 15% on the dividend;
- support services such as childcare benefits and food stamps will no longer be available adding significant costs to the family's budget;
- families will also lose Medicaid and will have to pay all health care costs incurred;
- extra resources will be used to pay off family debt. Research done by DPA shows that 40% of families leaving ATAP have debts for which their PFD has been garnished.

Distribution of a \$20,000 PFD in FY 05 results in one-time savings in ATAP and Tribal Assistance that include reductions in GF MOE for TANF. These reductions in GF MOE are moved and spent in Work Services to support TANF employment-oriented services. This action is required to avoid falling out of compliance with federal "maintenance of effort" MOE requirements. Alaska is already at its "75% MOE floor" and a reduction in GF MOE expenditure would result in severe federal financing penalties.

The fiscal note financial summary on page 1 shows the projected one-time savings in FY2005. FY2006 reflects that this amount would have to be added back in FY2006, partially offset by continued savings. In FY2007-2010, the funding to replace all FY2005 and FY2006 savings is shown. This would bring the program back to the FY2004 base funding level. The incremental savings and cost by year is detailed in the table on page 3.

In addition, the financial summary reflects that there is a switch in funding source from Interagency Receipts (from the PFD Hold Harmless component) to General Funds for benefit payments in FY2006 and all future years. PFD hold harmless revenue has been a funding source for public assistance programs since 1982. Ending the PFD program will also end the hold harmless program. When recipients regain eligibility, benefits once paid with PFD hold harmless money will be replaced by GF.

SEE NEXT PAGE

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA1-03-19-04

ANALYSIS CONTINUATION

	FY2005	FY2006	FY2007	Total
<u>One-time ATAP Savings</u>				
Month PFD Received (October)				
Family ineligible over income	(2,935.9)			
Months following Receipt (Nov-Jun 05)				
Family ineligible over resource	(23,487.2)			
Months following Receipt (Jul-Sept 05)	-	(8,807.7)	-	
Total One-time Savings	(26,423.1)	(8,807.7)		(35,230.8)

Restore ATAP Payments

One year later no new PFD and most families
have spent the PFD

Months eligibility returns (Oct-June06)				
Restore one-time savings		26,423.1		
Months eligibility returns (Jul-Scp)				
Restore one-time savings	-	-	8,807.7	
Formula ATAP funding restored	-	26,423.1	8,807.7	35,230.8

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS(W&M)-DHSS-DAS-03-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m.

Dept. Affected: Health & Social Services

Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

RDU Departmental Support Services

Component Commissioner's Office

Sponsor HOLM

Requester HOUSE (STA)

Component No. 317

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(80,691.5)	75,420.4	78,056.0	80,691.5	80,691.5	80,691.5
Miscellaneous						
TOTAL OPERATING	(80,691.5)	75,420.4	78,056.0	80,691.5	80,691.5	80,691.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	(49,463.9)	46,232.7	47,848.3	49,463.9	49,463.9	49,463.9
1003 GF Match	(31,227.6)	29,187.7	30,207.7	31,227.6	31,227.6	31,227.6
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	(80,691.5)	75,420.4	78,056.0	80,691.5	80,691.5	80,691.5

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HJR 31 proposes an amendment to the Alaska Constitution that provides for a one-time supplemental permanent fund dividend (PFD) payment of \$20,000 and thereafter eliminates payment of dividends to Alaskans. The bill also eliminates the PFD Hold Harmless program that discounts receipt of the PFD as income when determining eligibility for public assistance programs, including Medicaid.

This fiscal note has a department-wide impact on all Medicaid eligibles and programs that cross multiple divisions within the department. This fiscal note is therefore being submitted through the Commissioner's office.

Prepared by: Janet Clarke, Assistant Commissioner
 Division Administrative Services
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-1630
 Date/Time 03/19/2004
 Date 03/19/2004

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DAS-03-19-04

ANALYSIS CONTINUATION

The following assumptions are based upon our understanding that, should HJR 31 become law, the Legislature intends for the 2004 PFD payment and the \$20,000 final payment to be countable income for all needs-based public assistance programs. Therefore, all PFD exemptions in Medicaid policy and the State Plan would be needed to be removed and that it would be anticipated that recipients would receive both payments in October 2004. Medicaid savings under this proposal would be seen in FY 05, but close to normal expenditures and caseload trends would resume in FY 06. The following assumptions have been used:

Family Medicaid - Adults: It is likely that larger families will take longer to spend down. Therefore, larger families will be ineligible for a longer period. On average, we anticipate that 75% percent of the adults in Family Medicaid cases will be ineligible for 4 months.

Family Medicaid - Children: Children are protected by 6 months of continuous eligibility. On average, 1/6th of total FM child population will apply for or renewed eligibility in the month of October, but will be ineligible because of receipt of PFD payments. Those found ineligible will remain ineligible for 1 month. After the month of ineligibility, the child can move to DKC or will spend down their resources and remain on Family Medicaid.

Denali KidCare: All poverty-level children are protected by 6 months of continuous eligibility. On average, 1/6th of the DKC child population will apply for or renewed eligibility in the month of October, but will be ineligible because of receipt of PFD payments. Since DKC does not have a resource test, the child will only be ineligible for 1 month.

Pregnant Women: Once determined eligible, all pregnant women are guaranteed eligibility through their post-partum period. On average women receive benefits under this category for 6 months. Only 1/12th of the total annual population in this category will be found ineligible for this category for one month. Of that 1/12th, 50% will spend down and return to Medicaid the next month; the remaining 50% will not return.

Newborn: This category is not be affected by this bill. They will either receive automatic eligibility by virtue of their mother's Medicaid eligibility or they will not receive either PFD payment.

Under-21 Medicaid: These are primarily 19 and 20 year olds living on their own. We assume this group would spend down resources quickly. On average, 1/12th of this population will be ineligible for 2 months.

SSI/APA-Related Medicaid: On average, 65% of this population will lose eligibility for 4 months.

Long-Term Care Medicaid: Both on-going and potential medical costs are so high for this group that 80% will either spend down in the month of receipt or establish a Medicaid Qualifying Trust. On average, 20% of this population will lose eligibility for 2 months because they cannot spend down quickly or they determine that establishing a trust is not in their long-term best interest. Nevertheless, their cost of care obligation will consume these payments quickly.

Medicare Premium Groups: On average, 75% of this population will lose eligibility for 4 months.

FISCAL NOTE
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STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DAS-03-19-04

ANALYSIS CONTINUATION

Application of these assumptions to estimated costs within each eligible subtype affected under the proposed PFD payment scenario results in calculated savings as charted below. However, this fiscal note reflects the one-time cost savings in FY05 plus residual savings through FY07 offset by the cost of Medicaid re-enrollment and new enrollment.

The fiscal note financial summary on page 1 shows the projected one-time savings in FY2005. FY2006 and FY2007 reflect that the FY2005 amount would have to be added back, partially offset by continued savings. In FY2008-2010, the funding to replace all FY2005-2007 savings is shown. This would bring the program back to the FY2004 base funding level. This incremental savings and cost by year is detailed in the table below.

SAVINGS BY FISCAL YEAR

	<u>Total</u>	<u>Federal</u>	<u>Match</u>
FY05	-80,691.5	-49,463.9	-31,227.6
FY06	-5,271.1	-3,231.2	-2,039.9
FY07	-2,635.5	-1,615.6	-1,019.9

RESTORE FUNDING FOR BENEFIT PAYMENTS

FY06	80,691.5	49,463.9	31,227.6
FY07	5,271.1	3,231.2	2,039.9
FY08	2,635.5	1,615.6	1,019.9

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS(W&M)-DHSS-DPA1-03-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m. Dept. Affected: Health & Social Services
 Title CONSTITUTIONAL AMENDMENT ON PERMANENT FUND RDU Public Assistance
 Component ATAP
 Sponsor HOLM
 Requester HOUSE (STA) Component No. 220

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1
Miscellaneous						
TOTAL OPERATING	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts	(16,619.8)	7,812.1	16,619.8	16,619.8	16,619.8	16,619.8
1003 GF Match	(6,867.4)	6,867.4	6,867.4	6,867.4	6,867.4	6,867.4
1004 GF		2,935.9	2,935.9	2,935.9	2,935.9	2,935.9
1037 GF/Mental Health						
1007 Interagency Recelpts	(2,935.9)					
Other(Specify Type-do not abbreviate)						
TOTAL	(26,423.1)	17,615.4	26,423.1	26,423.1	26,423.1	26,423.1

Estimate of any current year (FY2004) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HJR 31 proposes an amendment to the Alaska State Constitution to provide a one-time \$20,000 supplemental PFD payment, then eliminates the PFD program.
 The bill also eliminates PFD hold harmless protection for individuals and families receiving public assistance benefits. The department would be required to count the PFD as income when determining eligibility for ATAP.
 Approximately 4,600 of 5,000 families will receive a dividend and lose ATAP benefits in that month. Because of the large supplemental PFD payment, we assume these families would also lose eligibility for 11 additional months when the portion of the PFD retained would be counted as a resource.
 con't next page.

Prepared by: Angela Salerno Phone 465-3200
 Division Public Assistance Date/Time 03/19/2004
 Approved by: Joel S. Gilbertson, Commissioner Date 03/19/2004
 Agency Department of Health and Social Services

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA1-03-19-04

ANALYSIS CONTINUATION

While we assume 11 additional months of ineligibility, several factors could contribute to a typical ATAP family (one adult, two children) "spending down" their resources rapidly:

- the family will pay federal taxes of approx. 15% on the dividend;
- support services such as childcare benefits and food stamps will no longer be available adding significant costs to the family's budget;
- families will also lose Medicaid and will have to pay all health care costs incurred;
- extra resources will be used to pay off family debt. Research done by DPA shows that 40% of families leaving ATAP have debts for which their PFD has been garnished.

Distribution of a \$20,000 PFD in FY 05 results in one-time savings in ATAP and Tribal Assistance that include reductions in GF MOE for TANF. These reductions in GF MOE are moved and spent in Work Services to support TANF employment-oriented services. This action is required to avoid falling out of compliance with federal "maintenance of effort" MOE requirements. Alaska is already at its "75% MOE floor" and a reduction in GF MOE expenditure would result in severe federal financing penalties.

The fiscal note financial summary on page 1 shows the projected one-time savings in FY2005. FY2006 reflects that this amount would have to be added back in FY2006, partially offset by continued savings. In FY2007-2010, the funding to replace all FY2005 and FY2006 savings is shown. This would bring the program back to the FY2004 base funding level. The incremental savings and cost by year is detailed in the table on page 3.

In addition, the financial summary reflects that there is a switch in funding source from Interagency Receipts (from the PFD Hold Harmless component) to General Funds for benefit payments in FY2006 and all future years. PFD hold harmless revenue has been a funding source for public assistance programs since 1982. Ending the PFD program will also end the hold harmless program. When recipients regain eligibility, benefits once paid with PFD hold harmless money will be replaced by GF.

SEE NEXT PAGE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS(W&M)-DHSS-DPA2-03-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m.

Dept. Affected: Health & Social Services

Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

RDU Public Assistance

Component Adult Public Assistance

Sponsor HOLM

Requester HOUSE (STA)

Component No. 222

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(15,169.2)	15,169.2	15,169.2	15,169.2	15,169.2	15,169.2
Miscellaneous						
TOTAL OPERATING	(15,169.2)	15,169.2	15,169.2	15,169.2	15,169.2	15,169.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match	(11,376.9)	11,376.9	11,376.9	11,376.9	11,376.9	11,376.9
1004 GF		3,792.3	3,792.3	3,792.3	3,792.3	3,792.3
1037 GF/Mental Health						
1007 Interagency Receipts	(3,792.3)					
Other(Specify Type-do not abbreviate)						
TOTAL	(15,169.2)	15,169.2	15,169.2	15,169.2	15,169.2	15,169.2

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HJR 31 proposes an amendment to the Alaska State Constitution to provide a one time \$20,000 supplemental PFD payment, then eliminates the PFD program. The bill also eliminates the PFD hold harmless program for individuals and families receiving public assistance benefits. The department would be required to count the PFD as income when determining eligibility for Adult Public Assistance (APA). Approximately 14,600 of the 15,800 individuals receiving APA will lose APA as well as federal SSI benefits in the month they receive the PFD. Because of the large supplemental PFD payment, we assume they would also lose eligibility for three additional months in which PFD income would be counted as a resource.

con't. next page

Prepared by: Angela Salerno
 Division: Public Assistance
 Approved by: Joel S. Gilbertson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-3200
 Date/Time 03/19/2004
 Date 03/19/2004

**FISCAL NOTE
FN #**

**STATE OF ALASKA
2004 LEGISLATIVE SESSION**

BILL NO. HJR31CS(W&M)-DHSS-DPA2-03-19-04

ANALYSIS CONTINUATION

The fiscal note financial summary on page 1 shows the projected one-time savings in FY2005. In FY2006-2010, the funding to replace all FY2005 one-time savings is shown. This would bring the program back to the FY2004 base funding level. The incremental savings and cost by year is detailed in the table shown below.

In addition, the financial summary reflects that there is a switch in funding source from Interagency Receipts (from the PFD Hold Harmless component) to General Funds for benefit payments in FY2006 and all future years. PFD hold harmless revenue has been a funding source for public assistance programs since 1982. Ending the PFD program will also end the hold harmless program. When recipients regain eligibility, benefits once paid with PFD hold harmless money will be replaced by GF.

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	Total
<u>One-time APA Savings</u>				
Month PFD Received (October)				
Individuals Ineligible over Income	(3,792.3)			
Months following Receipt (Nov-Jan 05)				
Individuals Ineligible over resource	(11,376.9)			
	-	-	-	
Total One-time Savings	(15,169.2)	+		(15,169.2)

Restore APA Payments (following year)

In FY06 no new PFD and Disabled
Aged recipients have spent the PFD

Months eligibility returns (Oct-Jan compared to PY05)				
Formula APA funding restored	-	15,169.5	-	15,169.5

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR31CS(W&M)-DHSS-DPA3-03-19-04
() Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m.

Dept. Affected: Health & Social Services

Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

RDU Public Assistance

Component PFD Hold Harmless

Sponsor HOLM

Requester HOUSE (S:A)

Component No. 225

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)
Miscellaneous						
TOTAL OPERATING	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)

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

CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1037 GF/Mental Health						
1050 PFD Fund	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)
Other(Specify Type-do not abbreviate)						
TOTAL	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)	(15,495.0)

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The PFD Hold Harmless program (PFD-HH) replaces public assistance benefits lost because federal rules require that the PFD be counted as income for program eligibility purposes. HJR 31 eliminates PFD-HH protection for individuals who lose eligibility for ATAP, tribal assistance (NFAP), food stamps, APA and federal SSI benefits. These individuals and families would be ineligible for benefits in the month they receive the PFD. We assume recipients will continue to be ineligible for additional months because any PFD income retained must be counted as a resource. We assume APA and SSI recipients would lose benefits for three additional months, recipients of other programs will lose benefits for an additional 11 because of the \$20,000 supplemental payment.

see next page

Prepared by: Angela Salerno
Division: Public Assistance
Approved by: Joel S. Gilbertson, Commissioner
Agency: Department of Health and Social Services

Phone 465-3200
Date/Time 03/19/2004
Date 03/19/2004

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA3-03-19-04

ANALYSIS CONTINUATION

Savings to the PFD-HH fund are as follows:

ATAP:	(\$2,935,900)
NFAP:	(676,700)
FS:	(5,047,000)
APA:	(3,792,300)
SSI:	<u>(3,043,000)</u>
Total	(\$15,494,900)

PFD hold harmless revenue has been a revenue source for public assistance programs since 1982. Loss of this funding source will result in cost-shifting of \$6.4 million to the state GF. This funding switch is shown on the fiscal notes for the ATAP, APA and Tribal Assistance components. The SSI and Foodstamp costs previously paid by PFD Hold Harmless funding will revert to Federal benefit payments.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS(W&M)-DHSS-DPA5-03-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m.

Dept. Affected: Health & Social Services

Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

RDU Public Assistance

Component Tribal Assistance

Sponsor HOLM

Requester HOUSE (STA)

Component No. 2336

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	(6,091.2)	4,062.0	6,091.2	6,091.2	6,091.2	6,091.2
Miscellaneous						
TOTAL OPERATING	(6,091.2)	4,062.0	6,091.2	6,091.2	6,091.2	6,091.2
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (0)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match	(5,414.4)	3,385.2	5,414.4	5,414.4	5,414.4	5,414.4
1004 GF		676.8	676.8	676.8	676.8	676.8
1037 GF/Mental Health						
1007 Interagency Receipts	(676.8)					
Other(Specify Type-do not abbreviate)						
TOTAL	(6,091.2)	4,062.0	6,091.2	6,091.2	6,091.2	6,091.2

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HJR 31 proposes an amendment to the Alaska State Constitution to provide a one-time \$20,000 supplemental PFD payment, then eliminates the PFD program. The bill also eliminates the PFD hold harmless protection for individuals and families receiving public assistance benefits.

The Department currently provides a fair and equitable portion of state TANF appropriations to support the operation of tribal TANF programs through distribution of Alaska Native Family Assistance Grants (NFAP). Approximately 1,000 families served by these programs will lose benefits in the month they receive the PFD. Because of the large supplemental PFD payment, we assume they would also lose eligibility for 11 additional months.

con't next page

Prepared by: Angela Salemo
 Division: Public Assistance
 Approved by: Joel S. Gilbertson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-3200
 Date/Time 03/19/2004
 Date 03/19/2004

**FISCAL NOTE
FN #**

**STATE OF ALASKA
2004 LEGISLATIVE SESSION**

BILL NO. HJR31CS(W&M)-DHSS-DFA5-03-19-04

ANALYSIS CONTINUATION

The fiscal note financial summary on page 1 shows the projected one-time savings in FY2005. FY2006 reflects that this amount would have to be added back in FY2006, partially offset by continued savings. In FY2007-2010, the funding to replace FY2005 and FY2006 savings is shown. This would bring the program back to the FY2004 base funding level. The incremental savings and cost by year is detailed in the table below.

In addition, the financial summary reflects that there is a switch in funding source from Interagency Receipts (from the PFD Hold Harmless component) to General Funds for benefit payments in FY2006 and all future years. PFD hold harmless revenue has been a funding source for public assistance programs since 1982. Ending the PFD program will also end the hold harmless program. When recipients regain eligibility, benefits once paid with PFD hold harmless money will be replaced by GF.

	FY2005	FY2006	FY2007	Total
<u>One-time Tribal Assistance Savings</u>				
Month PFD Received (October)				
Native Family Ineligible over Income	(676.8)			
Months following Receipt (Nov-Jun 05)				
Native Family Ineligible over resource	(5,414.4)			
Months following Receipt (Jul-Sept 05)				
	-	(2,029.2)	-	
Total One-time Savings	(6,091.2)	(2,029.2)		(8,120.4)
 <u>Restore ATAP Payments</u>				
One year later no new PFD and most families have spent the PFD				
Months eligibility returns (Oct-June06)				
Restore one-time savings		6,091.2		
Months eligibility returns (Jul-Sep)				
Restore one-time savings	-	-	2,029.2	
Formula Tribal Assistance restored	-	6,091.2	2,029.2	8,120.4

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS(W&M)-DHSS-DPA6-03-19-04
 () Publish Date: _____

Revision Date/Time (Note if correction): 03/19/04 1 p.m.

Dept. Affected: Health & Social Services

Title CONSTITUTIONAL AMENDMENT ON PERMANENT FUND

RDU Public Assistance

Component Work Services

Sponsor HOLM

Requester HOUSE (STA)

Component No. 2337

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	12,281.8	(10,252.6)	(12,281.8)	(12,281.8)	(12,281.8)	(12,281.8)
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	12,281.8	(10,252.6)	(12,281.8)	(12,281.8)	(12,281.8)	(12,281.8)

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match	12,281.8	(10,252.6)	(12,281.8)	(12,281.8)	(12,281.8)	(12,281.8)
1004 GF						
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	12,281.8	(10,252.6)	(12,281.8)	(12,281.8)	(12,281.8)	(12,281.8)

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Distribution of a \$20,000 PFD in FY 05 results in one-time savings in ATAP and Tribal Assistance that include reductions in GF MOE for TANF. These reductions in GF MOE are moved and spent in Work Services to support TANF employment-oriented services. This action is required to avoid falling out of compliance with federal "maintenance of effort" MOE requirements. Alaska is already at its "75% MOE floor" and a reduction of GF MOE expenditure would result in severe federal financing penalties. In FY2006-2007 this one time funding would be deleted from this component. The funding in Work Services would revert to the FY2004 base level of funding for FY2007-2010. These MOE funds would again be used for benefit payments in the ATAP and Tribal Assistance components.

See next page.

Prepared by: Angela Salemo
 Division: Public Assistance
 Approved by: Joel S. Gilbertson, Commissioner
 Agency: Department of Health and Social Services

Phone 465-3200
 Date/Time 03/19/2003
 Date 03/19/2004

FISCAL NOTE
FN #

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31CS(W&M)-DHSS-DPA6-03-19-04

ANALYSIS CONTINUATION

	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	Total
GF MOE ATAP	6,867.4			
GF MOE Tribal Assistance	5,414.4			
GF MOE Tribal Assistance	-	2,029.2	-	
TANF MOE by component	12,281.8	2,029.2		14,311.0
GF MOE ATAP		(6,867.4)		
GF MOE Tribal Assistance		(5,414.4)	(2,029.2)	
TANF MOE by component	-	(12,281.8)	(2,029.2)	(14,311.0)
Fiscal Note Net Total	12,281.8	(10,252.6)	(2,029.2)	-
GFM	12,281.8	(10,252.6)	(2,029.2)	-

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHJR 31(W&M)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Const AM: Permanent Fund RDU Revenue Programs and Services
 Component Commissioner's Office
 Sponsor Representative Holm
 Requester House State Affairs Component No. 123

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services		391.6	366.6	183.3	25.0	25.0
Travel						
Contractual		186.8	180.3	90.2	2.5	2.5
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	578.4	546.9	273.5	27.5	27.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1050 Permanent Fund Dividend Fund		578.4	546.9	273.5	27.5	27.5
TOTAL	0.0	578.4	546.9	273.5	27.5	27.5

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time		5	4	2		
Part-time			1	1	1	1
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CS HJR 31 proposes a constitutional amendment that would authorize one final dividend payment of \$20,000 to eligible recipients of the 2004 dividend. The Permanent Fund Dividend (PFD) Division would be phased out over the course of FY2005 as processing of the final dividend is completed (see PFD Division fiscal note). However, several functions will need to be staffed for a period of time beyond FY2005: formal appeals and court appeals of denied decisions, collections of dividends fraudulently received or paid in error, 18 year-old-filers, and fraud investigation.

Prepared by: Steve B. Porter, Deputy Commissioner Phone 465-2300
 Division Commissioner's Office Date/Time 3/18/04 4:52 PM
 Approved by: Steve B. Porter, Deputy Commissioner Date 3/18/2004
 Agency Commissioner's Office

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSHJR 31(W&M)

ANALYSIS CONTINUATION

Formal Appeals:

Formal appeals would increase resulting in a need for an additional Hearing Officer and support staff in the Department of Revenue, Commissioner's Office, Hearing Officer section. For at least two years after this legislation is enacted, the total number of appeals to formal hearing would increase significantly, appellants would be represented by attorneys in more cases, and many more formal hearing decisions would be appealed to the Superior Court. With so much at stake, more applicants will appeal the denial of this payout, and they will be willing to invest more in legal representation. A family of four, for example, could have \$80,000 at state in an eligibility decision.

This legislation would require the Department of Revenue to hire one Range 22 Revenue Hearing Examiner I, and two more Range 11 Legal Office Assistant I employees, at a per position cost of \$84.4 and \$46.3, respectively. The additional (\$84.4 + \$46.3 + \$46.3) \$177.0 would be needed for two and a half years. The costs for existing staff who handle PFD hearings are budgeted in the Commissioner's Office and funded by the division through Interagency Receipts. These costs of \$104.6 will need to be included in the Commissioner's Office. In FY2008, the Department estimates that these costs can be reduced for half of the year.

Contractual costs for a full time Department of Law attorney to work on cases that progress to court are estimated at \$181.8 in FY2008 and \$155.3 in the latter year through 2008 because of the one-time set-up costs of adding a new attorney.

Fraud Investigations:

The Permanent Fund Dividend Division estimates an increase in fraudulently filed applications due to the value of the final payment and recommends keeping a fraud investigator on staff through FY2006 to follow through on outstanding cases at an estimated cost of \$60.0.

18 year-old-filers:

Upon reaching majority or having been emancipated, an individual can file for any prior dividends not received because an application was never filed by an eligible sponsor. The state's obligation to process these filings will extend to 2023. We can expect approximately 50 to 100 filers each year.

One full time equivalent (FTE) in FY2006 and .5 FTE thereafter will be able to cover both the 18 year-old-filers processing and collections and accounting activity. This employee would process between 475 and 500 repayment cases per year. This staff would also cover miscellaneous duties such as reissuing cancelled checks and accounting work associated with check runs at a cost of \$50.0 per FTE and \$25.0 per part time FTE.

The support costs for each position are estimated at \$5.0 per employee.

Summary

FY2006

- 1 Hearing Examiner I (Position eliminated in FY2008)
- 2 Legal Office Assistants (Positions eliminated in FY2008)
- 1 Investigator II (Position eliminated in FY2008)
- 1 Administrative Clerk III (Part time in FY2007 and thereafter)

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHJR 31(W&M)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Const Am: Permanent Fund RDU AK Permanent Fund Corporation
 Component PFC Custody and Mgt Fees
 Sponsor Representative Holm
 Requester House State Affairs Component No. 2310

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	(8,100.0)	(2,700.0)	0.0	0.0	0.0	0.0
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(8,100.0)	(2,700.0)	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1105 PF Receipts	(8,100.0)	(2,700.0)	0.0	0.0	0.0	0.0
TOTAL	(8,100.0)	(2,700.0)	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time					
Part-time					
Temporary					

ANALYSIS: (Attach a separate page if necessary)

If HJR 31 successfully passes the Legislature and a public vote, approximately 40 - 45% of the total value of the Permanent Fund would be paid out to eligible Alaskans. This payout is estimated to occur in January 2005. If the Permanent Fund is significantly smaller our Investment Manager fees would decrease. This reduction of fees for a smaller sized fund is based on a model that estimates assets under management utilizing existing: investment allocations, fee structures, and Callan's median growth estimates.

We do not anticipate any change in the Corporation's Operating budget.

Prepared by: Robert D. Storer Phone 465-2047
 Division Alaska Permanent Fund Corporation Date/Time 3/6/04 10:16 PM
 Approved by: William Corbus, Commissioner Date 3/6/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CS HJR 031
 () Publish Date: _____

Revision Date/Time: _____ Dept. Affected: Revenue
 Title Const AM: Permanent Fund RDU Revenue Programs & Services
 Component Permanent Fund Dividend
 Sponsor Representative Holm
 Requester House Ways & Means Component No. 981

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	(820.0)	(3,035.3)	(3,035.3)	(3,035.3)	(3,035.3)	(3,035.3)
Travel	(5.0)	(28.4)	(28.4)	(28.4)	(28.4)	(28.4)
Contractual	(250.0)	(2,003.5)	(2,003.5)	(2,003.5)	(2,003.5)	(2,003.5)
Supplies	(20.0)	(110.7)	(110.7)	(110.7)	(110.7)	(110.7)
Equipment	(25.0)	(95.7)	(95.7)	(95.7)	(95.7)	(95.7)
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(1,120.0)	*(5271.6)	*(5271.6)	*(5271.6)	*(5271.6)	*(5271.6)

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1007 Interagency Receipts		(38.0)	(38.0)	(38.0)	(38.0)	(38.0)
1050 Permanent Fund Dividend Fund	(1,120.0)	(5,235.6)	(5,235.6)	(5,235.6)	(5,235.6)	(5,235.6)
TOTAL	(1,120.0)	*(5271.6)	*(5271.6)	*(5271.6)	*(5271.6)	*(5271.6)

* Based on FY 2004 Operating Budget

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	-39*	-62	-62	-62	-62	-62
Part-time	-19	-19	-19	-19	-19	-19
Temporary						

* Phased out (see attached staffing analysis)

ANALYSIS: (Attach a separate page if necessary)

CS HJR 31 proposes a constitutional amendment that would authorize one final dividend payment of \$20,000 to eligible recipients of the 2004 dividend.

Work on the final payment would begin as soon after the initiative was passed by voters in the November 2004 election. The final payment would not occur until April 2005 because of time necessary prepare programs for the final payment, process applicant records, prepare for direct deposit, and process garnishment records. The PFD Division would phase out its staff to synchronize with the needs to make the final payment (see attached staffing analysis), resulting in a decrement of \$820.0 in personal services. Additional direct costs for the final payment is approximately \$13.9 (see attached addition costs analysis). Work that would continue after FY 05, such as collections and fraud investigations would need to be absorbed by other agencies.

Prepared by: Paul E. Dick Phone 465-4784
 Division Permanent Fund Dividend Date/Time 2/15/04 1:59 AM
 Approved by: _____ Date 2/15/2004
 Agency _____

CS HJR 31
Relating to the Permanent Fund
FY 05 Staffing Analysis

Assumptions

HJR 31 passes in the November 2004 election and becomes law in January 2005. The PFD Division would begin work in November 2004 to prepare for a final distribution in April 2005 (see below).

The PFD Division would prepare programs for a new file and copy applicant information from the 2004 dividend file into a new file by the end of December 2004.

During the months of January and February 2005, PFD Division staff will clear applications that are flagged by the computer after they are copied into the new file in December. All records would be subject to the computer systems logic as they are loaded onto the division's mainframe database.

Garnishors would be required to have all garnishment documents submitted to the PFD Division by the end of January 2005.

During the months of February and March 2005, PFD Division staff will data enter garnishment documents into the PFD system.

During the months leading up to April 2005, PFD staff will prepare programs to send final payments to eligible applicants in April.

PFD Staffing Timeline

Note: The PFD Division would be fully staffed through December 2004 to finish all work on the 2004 dividend file. Beginning January 1, 2005 staff would be phased out as follows:

	Director's Office	Data Processing	Data Entry	Document Processing	Information Office	Review	Appeals	Fraud Investigations	Total
Staff as of November Election	4	7	4	13	18	8	9	2	65
December 31	0	-4	0	0	-6	-7	-7	0	-24
January 31	0	0	0	0	0	0	0	0	0
February 28	0	0	0	0	0	-1	0	1	0
March 31	0	0	-2	-11	0	0	0	0	-13
April 30	-1	-1	0	0	0	0	0	0	-2
May 31	0	0	0	0	0	0	0	0	0
June 30	-3	-2	-2	-2	-12	0	-2	-3	-26

**CS HJR 31
Relating to the Permanent Fund**

Additional Direct Costs Analysis for Final Distribution

The costs below represent additional direct costs for a final distribution and does not include staffing costs associated with a final distribution. Staff would remain on board until phased out (see FY 05 Staffing Analysis attached to this fiscal note)

Processing Fees for banks to process direct deposit transactions	\$17,000
Direct Deposit Advices stock	7,000
Warrant stock	2,500
Paper stock to print garnishment notices to applicants	1,000
Envelopes for mailing advices, checks and notices	7,000
Postage and mail handling costs	<u>105,000</u>
Total Direct Costs	<u><u>\$139,500</u></u>

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CS HJR 31
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Const AM: Permanent Fund RDU Revenue Programs & Services
 Component Child Support Enforcement
 Sponsor Representative Holm
 Requester House Ways & Means Component No. 111

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	34,800.0	(1,700.0)	(1,700.0)	(1,700.0)	(1,700.0)	(1,700.0)
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CSED will increase collections in the year of the payout by \$240,000,000. The division will collect approximately \$180,000,000 in support for custodial parents and an additional \$60,000,000 for welfare reimbursements of which \$30,000,000 will be retained by Alaska. In addition, the increased collections will result in an increase of \$4,600,000 in federal incentives received by the state. In future years the division will have reduced collections of approximately \$9,300,000 per year. Custodial parents would receive \$7,000,000 less and welfare reimbursements would be \$2,300,000 less. Therefore, Alaska would lose \$1,150,000. Federal incentives would be reduced in these years by \$550,000.

Prepared by: John Mallonee Phone (907) 269-6802
 Division Child Support Enforcement Division Date/Time 2/15/04 2:27 AM
 Approved by: Steve Porter, Deputy Commissioner Date 2/15/2004
 Agency Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: HJR31CS-LAW-C&S-3-1
 Bill Version: CSHJR 31 W&M
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
 Title: "Proposing amendments to the Constitution of the RDU CIVIL
State of Alaska relating to the Alaska permanent fund..." Component Collections and Support
 Sponsor: Representative Holm
 Requester: House Ways and Means Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	*****	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)	(3,000.0)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF		305.6	305.6	305.6	305.6	305.6
1005 GF/Program Receipts		(305.6)	(305.6)	(305.6)	(305.6)	(305.6)
1007 Interagency Receipts						
1141 RCA Receipts						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HJR31 proposes changes to the Constitution of the State of Alaska by adding new language to limit appropriations from the permanent fund under the percent of market value approach. The resolution would add new constitutional language to allow for a one time and final payment of \$20,000 above the calculated dividend amount to all eligible permanent fund dividend applicants in 2004. Thereafter, the permanent fund dividend program would end.

The collections unit of the Department of Law is responsible for collecting criminal and civil judgments owed to the state, including criminal fines, costs of incarceration and appointed counsel, and administrative penalties and attorneys fee awards. Since January 2001, the unit has also collected restitution on behalf of victims of crimes and delinquent acts. The unit's primary collection tool is the

Prepared by: Kathryn A. Daughheteo, Director Phone 465-3673
 Division: Administrative Services Date/Time 3/22/04 2:25 PM
 Approved by: Kathryn Daughheteo for Gregg D. Renkes, Attorney General Date 3/22/2004
 Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HJR31

ANALYSIS CONTINUATION

permanent fund dividend attachment. Historically, over 80% of the unit's collections each year were received through the attachment of defendants' permanent fund dividends. During FY 02, the unit collected \$3,574,907 of which \$2,960,210 was through the dividend attachment. Thus, in FY 02, the dividend attachment represented 83% of total collections.

In FY 03, the percentage of collections attributable to the dividend attachment dropped. During FY 03, the unit collected \$3,860,336 of which only \$2,571,710 was through the dividend attachment. Thus, in FY 03, the dividend attachment represented 67% of total collections overall. This reduction is due in \$3,860,336 of which only \$2,667,657 was through the dividend attachment. Thus, in FY 03, the dividend attachment represented 67% of total collections overall. This reduction is due in part to the smaller dividend paid in FY 03, but is primarily a result of restitution collections. For a variety of reasons, the unit receives a significantly higher number of voluntary payments of restitution than other types of judgments processed by the unit. However, even with restitution, attachment of permanent fund dividends remains central to the success of the program. Without the PFD, the section would be almost entirely dependent on voluntary payments at the existing staffing level. Of the \$1,192,679 that was paid into the collections unit as a result of voluntary payments, about half is restitution that is paid out to victims. Currently there is no legal mechanism for the Department of Law to use any part of restitution money collected to fund its own operations. The other half represents voluntary payments that can fund the activities of the collections unit.

Although the unit may use other collection tools, such as wage withholding or attachment of funds in 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 in the equation. That is why this fiscal note does not include a ramping up of the collections unit in order to make use of other collection tools.

Because of the unit's reliance on the attachment of dividends, the elimination of an annual permanent fund dividend will adversely affect the unit's collections. These collections fund the unit's operations in the amount of \$308,500. In addition, as previously mentioned, an additional approximately \$1 million is appropriated to other state agencies to support cost of appointed counsel (Department of Administration - Public Defender and Office of Public Advocacy received a combined total of \$293,800 in FY 2004) and cost of incarceration (Department of Corrections has thus far been transferred all collected funds for cost of incarceration totaling between \$650,000 and \$700,000 in FY 03 and FY 04 year to date). In order to continue to provide some funds to other agencies, this fiscal note would fund the collections unit from general funds instead of general fund program receipts.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR31CS-DPS-CDVSA-3-17-04
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Public Safety
 Title Const AM: Permanent Fund RDU CDVSA
 Component CDVSA
 Sponsor Representative Holm
 Requester House State Affairs Component No. 521

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	(96.3)	(96.3)	(96.3)	(96.3)	(96.3)	(96.3)
Travel	(9.3)	(9.3)	(9.3)	(9.3)	(9.3)	(9.3)
Contractual	(37.7)	(37.7)	(37.7)	(37.7)	(37.7)	(37.7)
Supplies	(4.6)	(4.6)	(4.6)	(4.6)	(4.6)	(4.6)
Equipment	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)	(7.4)
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	(2,951.7)	(2,951.7)	(2,951.7)	(2,951.7)	(2,951.7)	(2,951.7)
Miscellaneous						
TOTAL OPERATING	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1007 I/A Rcpts						
1171 PFD Crim	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)
Other (Specify Type-Do not abbreviate)						
TOTAL	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)	(3,107.0)

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	(2)	(2)	(2)	(2)	(2)	(2)
Part-time	0.5	0.5	0.5	0.5	0.5	0.5
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This resolution proposes a constitutional amendment that would authorize one final dividend payment of \$20,000 to eligible recipients in the year the payout occurs.

The Council on Domestic Violence and Sexual Assault (CDVSA) receives a significant amount of funding from the distribution of permanent fund dividends not distributed to persons convicted of certain crimes; see AS 43.23.028(4) & (5).

Most of this funding (95%) is distributed as grants to domestic violence shelter organizations around the state. Loss of these funds would likely have a significant impact on shelter operations.

The remaining amount is used for some of CDVSA's administrative costs. Loss of this funding would likely result in elimination of one Project Coordinator position and changing one other administrative support position from full-time to part-time.

Prepared by: Denise Henderson, Executive Director Phone 465-5504
 Division: Council on Domestic Violence and Sexual Assault Date/Time 3/17/04 1:29 PM
 Approved by: Commissioner William Tandeske Date 3/17/2004
 Agency: Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR031CS-DOLWD-CO-03-12-04
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Department: Labor and Workforce Development
 Title: Const Am: Permanent Fund RDU: Office of the Commissioner
 Component: Commissioner's Office
 Sponsor: Representative Holm
 Requester: House STA Component Number: 340

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2004) cost: None
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Adoption of this resolution will have no fiscal impact on the department's operating budget. However, it will affect eligibility for various programs operated by the department. See the attached analysis.

Prepared by: Guy Bell, Director Phone 465-2720
 Division: Administrative Services Division Date/Time 3/12/04 3:16 PM
 Approved by: Greg O'Claray, Commissioner Date 3/12/2004
 Agency: Department of Labor and Workforce Development

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL VERSION: HJR031CS-DOLWD-CO-03-12-04

ANALYSIS: (continued)

Division of Vocational Rehabilitation

The Division of Vocational Rehabilitation has an economic needs test for specific types of vocational rehabilitation services—such as vocational training. The division never envisioned this scenario and has not built data elements to easily retrieve this information. This is our best estimate available on short notice. Higher accuracy could be obtained with a statistically valid review of individual records if desired.

Currently 2,016 individuals with disabilities received a type of service that requires an economic needs test. The average annual expenditure per individual served in this category is \$2,500. 70 of those receiving services were single with means of support at application, thus a \$21,500 payment would raise their income above \$27,000, the division's income threshold (250% of the federal poverty level). It is estimated the 70 individuals would need to contribute \$2,500 of their \$21,500 Permanent Fund Dividend to purchase their vocational rehabilitation services, a total cost impact to those individuals of \$175,000 (70 x \$2,500).

Division of Employment Security

A one-time payment would negatively affect Alaskans' income level for eligibility under the federal Workforce Investment Act and Trade Act training programs and supportive services payments.

It would negatively affect the number of older workers we could serve under the Senior Community Service Employment Program (the income threshold is 125% of the poverty level). These programs help low-income persons and this one-time payment would put many of them over the top for eligibility. Potential loss of federal funds of up to \$1.7 million for one year.

For the federal employment and training programs under the Workforce Investment Act PL 105-220, (WIA) income guidelines are applied in several different ways with respect to program eligibility, participation, and in determining overall funding allocation to the state. There is significant variance by program in income guidelines. State or Local boards (in Alaska this is the Alaska Workforce Investment Board, or AWIB) are given broad discretion in determining a "priority of service" for individuals entering the Adult program. The state and the AWIB do not have any discretion under the youth program. Low income is a requirement under WIA, Sec. 101 13 (B).

The total dollar impact? (Estimated)

Statewide Adult program federal Allocation:..... Loss of up to; \$1,028,575
Statewide Youth federal Program Allocation:..... Loss of up to; \$3,222,244
Dislocated Worker Program Allocation:..... No impact \$ 0

Total loss of federal funds:..... Loss of up to; \$ 4,250,819

Total impact to clients to be served: (estimated)

Adult clients:..... Loss of services for up to 228 Alaskan Adults
Youth clients:..... Loss of services for up to 784 Alaskan Youth (ages 14 through 21)
Dislocated Worker:..... No impact on Dislocated Worker clients

Total loss of services to individuals..... Loss of service to 1,012 Alaskans

Under Section 132 (a) (1) (B) (II) (III) Formula; 33 1/3 percent of the State's allotment shall be determined by the relative number of disadvantaged adults in each state, compared to the total number of disadvantaged adults in all states.

If every eligible Alaskan Adult were to receive \$21,500, then Alaska's relative number of disadvantaged Adults would potentially be the lowest of all the states and reduce Alaska's Adult funding by as much as 33 1/3%. (Alaska's FY 04 allocation of \$3,088,814 would potentially be reduced by one third, or \$1,028,575 under the federal allocation formula.) In 2003 Alaska served 686 Adult clients. If Alaska's adult funding were reduced by 33 1/3%, then we would serve potentially one third or 228 fewer Alaskans.

Alaska could still serve the adult population if the AWIB were to adopt a liberal policy that disregards the \$21,500 dividend payment in determining "priority of service."

Only Alaskan youth who are not eligible for the PFD and meet the low-income criteria could potentially qualify for the youth program. Alaska could face the loss of the entire Youth program allocation of \$3,222,284, if sufficient eligible clients cannot be identified and served.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR031-EED-ACPE-2-17-04
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Education
 Title Proposing amendments to the Constitution of the RDU ACPE
State of Alaska relating to the Alaska permanent fund and to... Component Student Loan Program
 Sponsor Rep. Holm
 Requester (H)Ways & Means Component No. 213

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	50,000.0	(121.0)	(242.0)	(363.0)	(484.0)	(605.0)
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FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 Based upon the Department of Revenue's estimate of the per person payout amount resulting from the proposal contained in HJR31, ACPE will realize PFD garnishment collection on defaulted education loans totaling \$50 million in the year the payout occurs (\$45 million more than average annual PFD collection). In subsequent years, ACPE will forgo annual recoveries on defaulted loans estimated as in the amounts shown above. This projection assumes: annual defaults of 5%; annual dividends of \$1,100; and average defaulted loan balance of \$13,000.

Prepared by: Sheila King, Finance Officer Phone 465-6757
 Division Finance Date/Time 2/17/04 4:43 PM
 Approved by: Diane Barrans, Executive Director *Diane Barrans* Date 2/17/2004
 Agency Alaska Commission on Postsecondary Education

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HJR 31
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: OOG
 Title Constitutional amendment relating to the RDU Elections
to the Alaska permanent fund. Component Elections
 Sponsor Representative Holm
 Requester House Ways & Means Component No. 21

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	1.5					
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	1.5	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

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CHANGE IN REVENUES ()

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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1.5					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type—Do not abbreviate)						
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 This figure includes the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58. If this measure requires the printing of an 8-1/2 by 18 inch ballot, the cost will increase by \$22.0.

Prepared by: Leonard G. Jones
 Division: Division of Elections
 Approved by: Laura A. Glaiser, Director
 Agency: Office of the Lt. Governor, Division of Elections

Phone 465-3051
 Date/Time 1/16/04 10:42 AM
 Date 1/16/2004

MEMORANDUM

ALASKA COURT SYSTEM

Telephone: (907) 264-8265
Facsimile: (907) 264-8291

TO: Representative Mike Hawker, Chairman
House Ways and Means Committee

FROM: Doug Wooliver
Administrative Attorney
Alaska Court System

DATE: February 17, 2004

RE: Impact of HJR 31 on the Alaska Court System

This memo is in response to your request for an estimate of the impact that passage and subsequent voter approval of HJR 31 would have on the court system. Although we anticipate several initial impacts, the specifics of those impacts are too speculative to support any fiscal estimates.

If the citizens of Alaska were to receive a large one-time payment from the permanent fund then the court system would likely see an initial increase in the number of debt collection actions filed with the court. This increase would reflect the fact that debts owed by people who had been insolvent prior to the payout would become debts worth pursuing. Although a significant increase may result in the need for additional staff, such a need is too speculative to support a fiscal note.

We would also anticipate an increase in the percentage of the various costs, fines, forfeitures, fees and surcharges that are collected from defendants. This past year the court system, together with the Collections and Support Division within the Department of Law, collected and deposited into the general fund over 10 million dollars from these sources. We would anticipate that that figure would rise significantly for some period of time. Similarly, the collection of restitution owed the state and private citizens would also increase.

However, the initial increases in the number of suits filed and the amount of money collected from defendants would likely be temporary. Both would decline as the money received by individuals under HJR 31 is depleted and thus no longer available for those purposes. After that depletion of the initial disbursement, the loss of future dividends as a continuing revenue source will likely result in lower collection rates than we currently enjoy.

The loss of the dividend will also change the way that people are selected for jury duty. Under current law jurors are selected from the list of applicants for the dividend. We would move to a system similar to that used by other states, which would be a compilation of those who are registered voters, or who hold licenses to drive, hunt, fish, participate in a profession etc. We would likely lose our position as the state with the most accurate and up-to-date list of potential jurors.

Alaska State Legislature

Representative Jim Holm

District 9

Session

Capitol Building, Room 110

Juneau, AK 99801

Phone: (907) 465-3466

Fax: (907) 465-2937



Interim

119 N. Cushman St.

Fairbanks, AK 99701

Phone: (907) 456-7423

Fax: (907) 451-9293

DATE: March 24, 2004

TO: Representative Lesil McGuire, Chair
House Judiciary Committee

FROM: Representative Jim Holm

RE: HJR 31

Please schedule HJR 31, A Constitutional amendment relating to the permanent fund and allowing for a \$20,000 dollar payment, for hearing in the House Judiciary Committee at your earliest convenience.

Back-up information is attached.
(Pending referral of House State affairs CS)

Thank you very much for your help with this bill.

STATE OF ALASKA
HOUSE OF REPRESENTATIVES
Representative Jim Holm



119 N. Cushman
Fairbanks, AK 99701
TEL 456-7423, FAX 451-9293

State Capitol
Juneau, AK 99801
TEL 465-3466, FAX 465-2937

HJR 31
"Constitutional Amendment, PFD"
Sectional Analysis

2/18/4

Section 1 amends Article IX, sec. 15 of Alaska's Constitution:

It maintains the clause requiring that at least 25% of Alaska's mineral leases, royalties, etc., be placed in the Permanent Fund. Then it adjusts appropriations in keeping with Section 2.

Section 2 adds a *new subsection (b)* to Article IX sec. 15 of Alaska's Constitution regarding appropriations:

It states that appropriations from the Permanent Fund may not exceed 5% of the 5-year average market value of the fund. It also states that appropriations may not be used for dividends or other payments to all State residents.

Section 3 amends Article XV of Alaska's Constitution by adding a *new section 30*:

- (a) All individuals eligible to receive a permanent fund dividend for the year 2004, except those who opt out, shall receive a payment of \$20,000 in addition to the 2004 dividend. (After that, no more dividends are paid.)

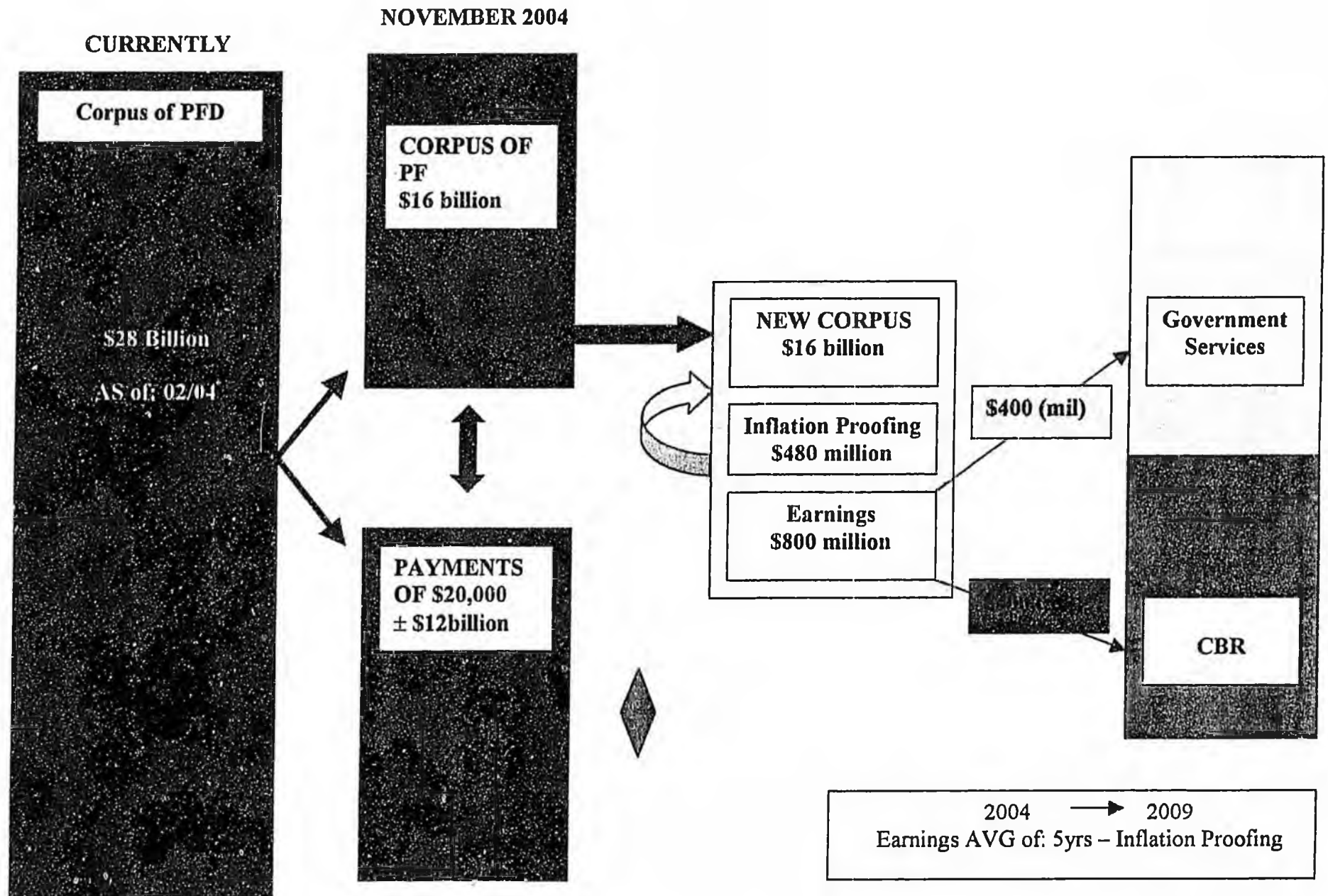
All provisions that apply to the 2004 dividend also apply to the \$20,000 payment, except those which apply to the date and amount of payment as well as the "hold harmless" clauses.

- (b) In making the \$20,000 payment, all sub-accounts of the permanent fund are expended first before using any of the principal.
- (c) The five-year average is phased in one year at a time in order to avoid averaging the new lower balance with the old higher balance in the initial years.
- (d) These provisions take effect on the day after certification of the 2004 general election.

Section 4 requires that this resolution be placed on the next general election ballot.

HJR 31's RESTRUCTURING OF THE PERMANENT FUND

Based upon predicted value 12/31/04



Tax implications v. status quo

It is far less expensive to pay the taxes now and avoid the damages of inflation and have the added benefit of retaining a principle.

Status quo:

It will take approximately 18 years to collect \$20,000 dollars at \$1100 per year. Where inflation is conservatively 2% over that time it will result in a net loss of \$3,233.55... if taxes don't go up and the majority of 15% tax brackets stay the same, it will also be a net loss of \$2,354.37... your net money after 18 years is only worth \$14,412.08.*


Pay out option:

Receive \$20,000 dollars in one year, subtract taxes of 23%, net \$15,400.

That amount invested identically to the permanent fund is projected to return 8% or \$1232.00 dollars per year. So in this option one would not only avoid all of the inflationary costs while actually making money, but also preserve the principle of \$15.4K.

*The assumptions in the "Status Quo" are that taxes won't go up and that inflation will not exceed 2%.

*If the numbers are not exact, they are still very close and demonstrate the point that there is no advantage to taking the money over time. The math was done "longhand".

read the small print 



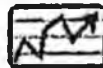
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October 7, 2003



[Business and Finance](#) — [Taxes](#) — [Federal Individual Income Tax](#)

Tax Brackets—2003 Taxable Income

Joint return	Single taxpayer	Rate
\$0–\$14,000	\$0–\$7,000	10.0%
14,000–56,800	7,000–28,400	15.0
56,800–114,650	28,400–68,800	25.0
114,650–174,750	68,800–143,500	28.0
174,750–311,950	143,500–311,950	33.0
311,950 and up	311,950 and up	35.0

Source: Tax Foundation.

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Subject: PFD Payout

Date: Sun, 07 Mar 2004 20:33:12 -0900

From: John Klapproth <klapproth@alaska.com>

To: Representative_Jim_Holm@legis.state.ak.us

Rep Holm,

I have read, with interest, your proposal for a one-time PFD payout.

Although I disagree with the idea of a payout I do want to submit the following for your consideration. If we were to ever seriously consider the idea of a payout I'd rather see a payout based on how many years an individual has lived and worked in Alaska, especially how long one has collected a PFD check. I'd want to see someone who has been here for 20 years or more collect the most money from a payout. For someone who has only been here for a year or two to collect the same amount of money as someone who has lived here, worked here, and supported the community and the state through property taxes for 20 years, does not strike me as fair. In all honesty I'd hate to see someone, like the "Pilgrim Clan", who came up here for the express purpose of collecting a PFD check, get the same amount as folks who have lived a lifetime here. Base any payout as a percentage based on the number of years an individual has collected a PFD. To my way of thinking this would be the most fair basis of a one-time payout.

I'd appreciate hearing your thoughts on my proposal. Thanks for taking the time to read my submission.

John Klapproth
PO Box 1523
Seward, AK 99664

klapproth@alaska.com

Subject: Federal Income Tax vs PFD and other distribution plans

Date: 09 Mar 2004 15:02:46 -0900

From: Don Anderson <don.anderson@softwarenorth.com>

To: Bruce Weyhrauch <Representative_Bruce_Weyhrauch@legis.state.ak.us>,
Jim Holm <Representative_Jim_Holm@legis.state.ak.us>,
John Coghill <Representative_John_Coghill@legis.state.ak.us>,
Bob Lynn <Representative_Bob_Lynn@legis.state.ak.us>,
Paul Seaton <Representative_Paul_Seaton@legis.state.ak.us>,
Ethan Berkowitz <Representative_Ethan_Berkowitz@legis.state.ak.us>,
Max Gruenberg <Representative_Max_Gruenberg@legis.state.ak.us>,
Mike Hawker <Representative_Mike_Hawker@legis.state.ak.us>,
Vic Kohring <Representative_Vic_Kohring@legis.state.ak.us>,
Dan Ogg <Representative_Dan_Ogg@legis.state.ak.us>,
Norman Rokeberg <Representative_Norman_Rokeberg@legis.state.ak.us>,
Ralph Samuels <Representative_Ralph_Samuels@legis.state.ak.us>,
Peggy Wilson <Representative_Peggy_Wilson@legis.state.ak.us>,
Carl Moses <Representative_Carl_Moses@legis.state.ak.us>

Chairman Weyhrauch and members of the House State Affairs Committee,
Chairman Hawker and members of the House Ways & Means Committee:

As requested I have included as attachments

- 1) the spreadsheet I used to investigate the affect of Federal Income Tax on the PFD, and other distributions, and
- 2) my testimony before the House State Affairs Committee giving a few highlights of this investigation.

Your assistance with suggestions for improving both the simulation of this phenomena and the presentation of the results are solicited.

This material has been sent to Jay Hammond and a few other people who might be interested. I will also send this latest update to those people. Please send it along to anyone who might be interested.

In general I have found that any distribution from the State that is taxable to individual Alaskans on the federal level will produce a net loss to Alaskans on any portion that is "taxed back" currently or in the near future. This "shrinkage" may be avoided by estimating the amount needed and not including that in the distribution. Retaining that portion (of for example some PF earnings) will maximize the amount of wealth retained in Alaska.

Many items were not mentioned in my testimony, a couple relate to the most recent Hammond plan since only it has an explicit "tax back" feature:

- 1) The fiscal gap is very poorly defined. I feel the legislature may be required to provide assurance that the fiscal gap is filled when we have no idea what size it will be from year to year. You are shooting a target that may be as small as a mouse or as large as an elephant in any year. I would think the 1st order of business would be to turn a highly variable income stream into a much more predictable form by adopting the Cremo Plan and selling it to the residents of Alaska. Then once you know the approximate size of the beast you can formulate a rational revenue and spending plan. Anything less is "finger in the dike" stuff.

Gov. Hammond's plan appears to produce \$93 million in revenue. For the fiscal gap to be this low requires either some extreme additional cuts to expenditure, or sustained

extraordinarily high oil prices, or both. Even high oil prices will not work if production declines resume. Prof. Goldsmith's estimate of a one billion dollar gap is certainly high this year, but who can say next year.

2) The Hammond plan produces approximately \$93 million at a cost of; a) about \$17 million in Federal tax, plus b) annual administrative costs of \$8.65 million, plus c) one time setup costs of \$6,1 million, and plus d) additional irritation for the suckers who have to file and know it is unnecessary.


3) The Hammond plan benefits those with AGIs under \$10,000 since they pay no tax. By the time your AGI reaches \$30,000 you and all higher paid Alaskans benefit from having the money for state expenses diverted at the source.


cheers,

Don

--

Donald N. Anderson, Ph.D.
don.anderson@SoftwareNorth.com
(907) 561-4412 / (800) 228-3846

 040309; Alaska-IRS-2001.xls	Name: 040309; Alaska-IRS-2001.xls Type: EXCEL File (application/msexcel) Encoding: base64 Download Status: Not downloaded with message
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 040309; HJR31 testimony.doc	Name: 040309; HJR31 testimony.doc Type: WINWORD File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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The Payout...

Subject: The Payout....

Date: Thu, 19 Feb 2004 06:12:00 -0900

From: Andy Holleman <andyh@gci.net>

To: Representative_Jim_Holm@legis.state.ak.us

BAD IDEA. BAD LEADERSHIP. BAD CONSEQUENCES.

I can't express how disappointed I am that anyone in a position of leadership would propose it.

You take \$15 Billion and give it away, essentially to get people off your back, and rebuild with what's left (I agree with that part).

It was put away....sacrificed by people in the past....so that it could be used for all time for the citizens of this state. Not to buy everyone that happened to be eligible in a particular year a pickup truck. It is a disgrace to the notion of citizens looking ahead to suggest this plan and pander it to people.

This would all be fine talk if you were sitting in a bar waiting for women to show up. You're in the LEGISLATURE. Please sit back and contemplate the difference.

Andy Holleman

Anchorage

Subject: PFD Payout

Date: Thu, 19 Feb 2004 07:24:47 -0900

From: "Patti Judd" <smilejudd@hotmail.com>

To: <Representative_Jim_Holm@legis.state.ak.us>

Jim,

Just so that you understand not everyone believes that paying out the PFD fund is a good idea. Please be assured that there are a million ways to waste \$20,000. I have heard the "buy a new car", leave the state, and get out of debt. But unless a goal is earned it will never be appreciated. Why buy a "new" car? The economics of that are the most unsound practice we have in America. Leave the state - why that's a great idea let's have a mass exodus. Get out of debt - If they have not learned how to get out by themselves they will go right back in to debt.

How many stories do you hear where people when presented with a windfall spend the money wisely. So of course people will say that getting the \$20,000 is a great idea. But what about long term thinking. Opps I forgot you are a Republican - short term is all you know. But try to think long term. Let's propose a income tax that would go after the people who draw BIG salaries from this state's economy and never leave the airport or the job.

For once let's not take up an opinion that goes after a short term gain for the sake of short term popularity!

Not everyone would vote for someone who would even suggest such an idea. In fact, I would be willing to campaign against anyone who thinks that paying out the PFD fund is a good idea.

Permanent fund cash out

Subject: Permanent fund cash out

Date: Thu, 19 Feb 2004 08:40:30 -0800

From: anmpk@uaa.alaska.edu

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm

From: anmpk@uaa.alaska.edu

Name: Myles P. Kelly

Street: 18819B Darby Road

City: Eagle River

Zip Code: 99577

Subject: Permanent fund cash out

Mr. Holm

I just wanted you to know I am in total support of a single cash pay out of the PFD to the people.

Is \$20,000 a reasonable pay out or could it be somewhat higher and still be enough left to run the state govt.

Thanks for bringing up the subject.

The paper this morning said it is not popular with the legislature, but my question is who do they work for?

Thanks again

Myles Kelly

Please Add My Email Address to your distribution list. Thank You.

Subject: Good Morning From Whittier

Date: Thu, 19 Feb 2004 09:09:25 -0800 (PST)

From: Donna Estell <donnacestell@yahoo.com>

To: Representative_Jim_Holm@legis.state.ak.us

CC: alanahinak@hotmail.com, Denise Estell <estell_denise@yahoo.com>, Diana Blonski <diana@yukontel.com>, ecabasal@yahoo.com, james morris <jimmarie213@yahoo.com>, Jeff Nelson <wdfire1@yahoo.com>, Judith Murdock <beauty5744@msn.com>, Kathie Eldridge <wdfire8@yahoo.com>, Lenny RD <lennyrd@msn.com>, Lorraine Carmichael <l7red7@yahoo.com>, Michelle Estell <chellbaby69@msn.com>, Mike Hawker <representative_mike_hawker@legis.state.ak.us>, Riviera Lopez <somethinlike_aplaya@yahoo.com>

Dear Jim,

It is 34 degrees and no wind; nice walking weather. <http://whittierak.yukontel.com>

If you are interested in my family divesting from the "fund" \$50,000.00 -\$75,000.00 is the for sell price. (it is scary to read that Republicans are not able to make cuts to a State Fiscal Budget that has increased above the State of Alaska Population increase). There is something wrong with the per capita increase cost. It is not my job to give the answers for the increase.

Here are various emails I have sent to my area State REP.

Dear Mike,

I shall begin with your position and end with your position. So here we go 😊😊😊...."Alaska currently faces a \$600 to 800 million structural deficit"; says M. Hawker.

A quick review of the Fiscal 2004/2005 Summary Comparison and a review of various 'fiscal bar graphs' for FY 2004/2005 affirm our State is in need.....each Department is willing to make cuts (GOOD).

Education (formula) however has an increase in numbers of Federally funded Capital Projects. It is important to share 'State vouches that pay for primary and college education would decrease the present trend'.

Well that aint happening yet. 😞 Perhaps the resolve for this issue is with the Federal Government 😞.

Mike Hawker <Representative_Mike_Hawker@Legis.state.ak.us> wrote:

Donna:

In 1982, when advocating the final dividend program to the legislature, then Gov. Jay Hammond said that the amount paid out in dividends could be matched by a reduction in state spending, letting people choose the services they would personally prefer to pay for. I have no problem going to a 60 or even greater percentage for dividends, recognizing that we need to cut spending by the amount we do not have available for other public services. Each

10% increment is approximately \$140 million at today's fund balances.

Alaska currently faces a \$600 to 800 million structural deficit. That deficit could be totally eliminated at a 50/50 split, other revenue sources such as increasing industry and personal taxes will still be needed as oil production and/or prices decline. Going to a 60/40 split will require a \$140 million reduction in services just to hold the line against the deficit.

Any suggestions on your preferences for those cuts?

Best wishes,

Mike

Dear Mike 😊

ANCHOARGE DAILY NEWS 02-18-04: But Rep. Mike Hawke, R-Anchorage, said the governor is right.

"I think it's appropriate and reflects the proper recognition of the Legislature's role as a policy body," he said.

Hawker is pushing a plan that could largely balance the state's budget with Permanent Fund earnings. That would reduce the size of the dividend checks over the long term, making the annual checks around \$1,000.

😊😊😊

I need my share of 60% from the POMV to eat chicken 😊😊 and continue to pay various increases in State Park user fees, State SIN TAX, local seasonal sales tax, Anchorage bed tax, and increase fees for business licenses and the like.

Are not these fees and various taxes availing instead of an state income tax?

DONNA E.

PS: If this is important to you as Alaskans email your State Representatives.

ANCHORAGE DAILY NEWS 02-19-04: One Wasilla man e-mailed that \$20,000 "would barely dent my debt." He said \$30,000 to \$50,000 would be a much better sell to the public. John Ginder of Fairbanks felt that even wouldn't be enough.

"LEAVE IT ALONE!!!!!! Your 20 pay-off is ridiculous!! Start with 75 and That may be given some thought. Otherwise, Quit and leave it alone!!" he wrote.

😊😊😊 This Alaskan knows who he and his family are in this matter of 'SHAREHOLDER'S'

Jood Moming From Whittier

respectfully submitted

Donna E., SHAREHOLDER

Do you Yahoo!?

Yahoo! Mail SpamGuard - Read only the mail you want.

Subject: Permanent Fund Dividend

Date: Thu, 19 Feb 2004 09:14:17 -0800

From: theresa_sin@timeinc.com

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm

From: theresa_sin@timeinc.com

Name: Theresa Sin

Street:

City:

Zip Code: 99669

Subject: Permanent Fund Dividend

I just read an article of the bill you are proposing to cash out on the PFD. You are an old man and perhaps you will die in a few years, but for the rest of us who plan to have a FUTURE in Alaska, don't you think it is a bit short-sighted and SELFISH of you to think that you could just blow all our SAVINGS! Are you CRAZY! Is this some sick political tactic to raise your popularity? Do you have children? Do you care at all about the future? You are banking on the stupidity of the people in your district to think that this is a viable solution to our fiscal problems. I have lost COMPLETE respect for you as a political as well as a human being. You should be ashamed of yourself.

Please Add My Email Address to your distribution list. Thank You.

What, Cook the Goose that Lays the Golden Egg?

Subject: What, Cook the Goose that Lays the Golden Egg?

Date: Thu, 19 Feb 2004 08:17:41 -0900

From: "Wendy Withrow" <anww@uaa.alaska.edu>

Reply-To: WendyW@UAA.Alaska.edu

Organization: UAA English Department

To: Representative_Jim_Holm@legis.state.ak.us

Representative Holm,

Your idea of buying us (Alaska residents/citizens) off and leaving the rest of the Permanent Fund for legislators to spend is incredibly short-sighted. Aren't you aware of how your plan would rob your own children and their children and their children...? Aren't you aware of how annual PFD checks boost our economy? Once that \$20,000 was gone, aren't you aware of how many of your own constituents would become angry and envious, watching you spend the continually growing Permanent Fund, while they got no more checks?

What were you thinking?!

Supervoter Wendy Withrow
Anchorage

<p>Wendy Withrow <WendyW@UAA.Alaska.edu> Administrative Assistant University of Alaska Anchorage English Department</p>
--

Subject:**Date:** Thu, 19 Feb 2004 08:27:08 -0900**From:** David S French <david_french@labor.state.ak.us>**To:** representative_jim_holm@legis.state.ak.us

Hello Representative Holm,

I just wanted to add my support to your plan to "cash-out" eligible Alaskans and end future dividend checks. Your plan would certainly pass a popular vote, although the \$20,000.00 amount seems a bit low if you do the math. More money would only add snow to the avalanche. The dividend is already in jeopardy. Within the past year there has been concern over the possibility of no check due to falling earnings. The fund is certainly in the sights of legislators already. Once they have a firm hold on a finger, you can bet the entire torso will succumb quite quickly. If the average Alaskan received even the \$20,000.00 being tossed around, even marginal investment practice and success could result in a nice dividend for each investor. A sort of "miniature dividend of your own". Common sense would dictate that you take what you can get and then enjoy a state that would not be in constant "dire straits". Could you please share this e-mail with those who may be interested in a simple person's opinion? My thanks in advance.

Regards,
David S. French

Perm Fund Payout

Subject: Perm Fund Payout

Date: Thu, 19 Feb 2004 08:29:53 -0900

From: f-msmallenginerepair <f-msmallenginerepair@gci.net>

To: representative_jim_holm@legis.state.ak.us

Chuck Floyd and Nancy Kellam support the proposed one time payout of \$20,000. We note that several people feel it should be higher; needless to say, if this were the case we would be in favor of that too. In any case, the one time payout proposal sounds good. Thank you.

Chuck Floyd
Nancy Kellam

Good Job

Subject: Good Job

Date: Thu, 19 Feb 2004 09:34:16 -0800

From: jeff@anchorage-gymnastics.com

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm
From: jeff@anchorage-gymnastics.com
Name: Jeff Claeson
Street: 4420 Bering St #2
City: Anchorage
Zip Code: 99503

Subject: Good Job

Just a quick \"hoo-rah\". I thought the mackie plan was a good idea then and i think it\'s about time we visited this proposal again. You\'ve got my support! Thanks!

Please Add My Email Address to your distribution list. Thank You.

pdf fund distribution - with a tax-deferred 401k rider!

Subject: pdf fund distribution - with a tax-deferred 401k rider!

Date: Thu, 19 Feb 2004 08:37:36 -0900

From: <trophygames@acsalaska.net>

To: Representative_Jim_Holm@legis.state.ak.us

congratulations! if this payout plan can get to the ballot, you'll be "our hero", the way Jay Hammond has been....

i'm an independent, and have voted both ways.. the republican legislature has been all mouth so far, for years now, about dealing with the budget. Our "we don't need taxes to fix the problem" governor is coming up empty, time after time... it seems to me that this year, since he's elected, i have new studded tire taxes, a doubling of my business license fees.... if it walks like a tax and quacks like a tax... it's a tax!..

We've been blessed with resource wealth here. and we don't need handouts YET! (neither do oil companies and we need to look at THEIR taxes too... but i know no one has the guts to do that, so...) back to the PFD.

You have a real winner here.. the "future generation argument is a phony... even now, kids PFD checks go to their parents, and NO ONE asks how they're being spent! a \$1000 annual check is nice, but an \$80,000 check for a family of four would alter their lives!! and their kids and grandkids would benefit from that wealth, as all inheritors of wealth do.. and alaska builders and laborers and banks would benefit more than walmart under your plan! it's great.!

One thought to get further votes.... for those residents who wanted to, perhaps they could be allowed to leave their funds with the PFD in an account designated for tax-deferred education savings, or with a 401k designation.. more people and perhaps legislators might support you if this were the case..

thanks for coming up with an elegant solution to the problem! Let's sell it!!

clay mcdowall

trophy games of alaska

Subject: Spectacular Idea

Date: Thu, 19 Feb 2004 09:23:37 -0900

From: Stacy Byas <sbyas@gci.com>

To: Representative_Jim_Holm@legis.state.ak.us

Dear Rep. Holm:

Thank you for introducing bill HJR 31! In the past, I had been in full support of the Mackie Bill from before when the payout had been \$25,000. I still think this is the best way for the State to provide to Alaskans while benefiting the State as well.

I am not debt-ridden like some Alaskans, but I want to finish college at UAA and I am recently married. A \$20,000 check for both me and my husband would mean that we could finally have the money for a down payment on a home. You see, we don't have a problem being able to afford our monthly rent, but there never seems to be enough left over to save for a long dreamt of home. I've lived in Alaska all my life and I love it here. For my husband and I, this isn't a "take the money and run" situation. It will enable us to actually fulfill our future dreams of owning a home and starting a family here in the last frontier.

My whole family lives up here, as well. My mother, a widow and retiree, would benefit greatly from this kind of a payout. It would enable her more flexibility in planning for her golden years here in Alaska.

Not only would this payout be a great benefit to Alaskans, it is an incredible opportunity for the State as well. The State has the opportunity to use this money and the future money to make Alaska into one of the most wonderful states there is (even though it already is!). I envision an Alaska where there are well-funded schools, teachers that are paid what they're worth, roads and highways that are well-maintained, an expansion of State services and an overall brighter future for all Alaskans.

I am hoping for the best!

Thank you,

Stacy Byas

Anchorage

Subject: PFD Bill

Date: Thu, 19 Feb 2004 11:08:50 -0800

From: mbutera@maniilaq.org

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm

From: mbutera@maniilaq.org

Name: Michelle

Street:

City: kotzebue

Zip Code: 99752

Subject: PFD Bill

I support your idea. If it goes thru I plan to move so I can give my children a better place to grow up. Keep up the good work. Im rooting for ya :)

Please Add My Email Address to your distribution list. Thank You.

Subject: Cashing out PFD

Date: Thu, 19 Feb 2004 10:29:11 -0900

From: "Richard (Rick) White" <whitehawk@gci.net>

To: Representative_Jim_Holm@legis.state.ak.us

Dear Mr. Holm,

In regard to your proposal to cash out 1/2 of the Permanent Fund, you are either extremely naive or cunningly trying to take advantage of the naiveté of your constituents. Sure, a \$20000 check would be nice, albeit 25% going to the IRS for most people in Alaska. That would put most families in at least that bracket. The main point is if you give the legislature the power to spend the Fund or take any say from the people, the legislature will surely spend it all within a few years. Then, we can look to Oregon as an example of oppressive income taxes which will have to be instated. Currently, with the populace constantly at you and your colleague's heels not to spend the Fund, it will certainly have its principle remain for a very long time. I am certain, a compromise can be worked out to use part of the earnings for both dividends and spending. This will have to happen.

I am also writing to my representatives to ignore your bill. This is too important to let get any further.

Richard White
Anchorage

Dividend Cash Out

Subject: Dividend Cash Out

Date: Thu, 19 Feb 2004 11:31:54 -0800

From: cw@granger.cc

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm

From: cw@granger.cc

Name: Chuck Granger

Street: 2046 Terrebonne Loop

City: Anchorage

Zip Code: AK

Subject: Dividend Cash Out

Jim, please make this happen. The public should have a chance to vote on this.

Please Add My Email Address to your distribution list. Thank You.

Subject: More Support for the \$20,000 PFD

Date: Thu, 19 Feb 2004 10:40:03 -0900

From: Boyer & Reyes <river@acsalaska.net>

To: Representative_Jim_Holm@legis.state.ak.us

Rep. Holm,

The one-time \$20,000 idea has merit. Some lawmakers, I believe, are dismissing it improperly as a "take the money and run" plan. This will not be the case for many Alaskans.

I believe a significant number of Alaskans would take the \$20,000 pay out (say \$80,000 for a family of four) and invest it in the financial markets. So the Alaska Permanent Fund could become, instead, thousands of small, private, family permanent funds. These could be used for college, homes, and to start businesses.

Personally, I have beat the Permanent Fund Corp experts with my own retirement accounts and feel I could do the same with the one-time pay out. For example, My family of three could earn 10% annually on the \$60,000 we would get from a one-time pay out. Therefore, our annual family dividend would yield \$6,000, about double what the state will give out this year.

So I believe stressing that your plan allows for families and individuals to create their own private dividend funds is a good way to sell the plan. Yes, some would blow it. But just as many would invest prudently. And this is the case with the dividend today anyway: some blow it, some invest it.....That is human nature.

Still, your plan could be a win-win plan. Your plan gives individual Alaskans the power to control their own share of Alaska's oil wealth and gives the state funds for essential services.

Thanks for your public service and courage to bring bold ideas forward.

Best,

Mike Boyer
Juneau

Subject: PFD Payoff

Date: Thu, 19 Feb 2004 12:31:20 -0800

From: BreeAnn@gci.net

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm
From: BreeAnn@gci.net
Name: BreeAnn Mielke
Street: 532 N. Bunn Street
City: Anchorage
Zip Code: 99508

Subject: PFD Payoff

Dear Mr. Holm, I am writing you to because I am upset with your idea of a pay off for our PFD. I do not feel that a payoff is a good choice at all. Not only will the PFD not be there for my children, and their children, but most of this \"lump sum\" will be taken away in taxes. How much will it be by the time taxes are taken out? Not much. I would like to see the budget be blanced with OUT using the PFD. I am very open to a tax, however it seems as if politicians are focusing ONLY on the PFD for balancing the budget. However, I feel that if we put some work into, make smart budget choices, our budget can be worked out with OUT using the PFD. Stop being so focused on it, and see past it, into smart spending etc. We had the budget balanced before with out using the dividend. I am sure we can do it again. Thank you
BreeAnn Mielke

Please Add My Email Address to your distribution list. Thank You.

Subject: PFD Payout Proposal patently Unfair

Date: Thu, 19 Feb 2004 12:00:54 -0900

From: Ron & Marjie Illingworth <Lilyvale@awcable.com>

Organization: Lilyvale Farm

To: Representative Jim Holm <Representative_Jim_Holm@legis.state.ak.us>

Jim:

I didn't really believe that you were really making such a short-sighted proposal. I am strongly opposed to it. The Permanent Fund was established for several purposes, but in all of the thought that went into it was the continuing recognition that it was not for the present only, but for the future primarily. By doing a payout to people you meet some people's short term goals but you eliminate any potential for longterm gain. For example, I'm a grandparent. My children all grew up in Alaska, went to college in Alaska and elsewhere and all currently live in Alaska except for one daughter currently attending school in New Mexico. All are residents of Alaska. Two of my children are married and have children. Another has a relationship which may develop into marriage later. A payout today or in the near term will provide some benefit to the kids and their children alive now but will provide no benefit to any children they might have later. A payout will create two classes of Alaskan residents: those who received a pfd and those who didn't. Those who did not received the pfd will never have the benefit of the pfd monies. This payout proposal is patently biased against future generations of Alaskans.

We need to think of other ways to address this issue. In my opinion, those who support this payout idea are being very short sighted and greedy and are thinking only of themselves. Yes, we need to address how we can use some of the permanent fund to support our budget and to pay for our highway maintenance, law enforcement, education, health, etc.

We need legislators who are willing to take an potentially unpopular position with some people for the long range benefit of all.

Yes, I support tapping the permanent fund and setting up forward funding or endowed programs for public education both secondary and post-secondary. I support the same idea for some other areas. I also strongly support the idea of a state income tax. We the public need to have some investment in our government. Eliminating the income tax was one of the dumbest things that this state has ever done. I paid an income tax the first years I lived here and I paid an income tax when I was a resident of Iowa. Get behind that revenue raising initiative.

In summary, Yes to an income tax, and No to any PFD payout proposal.

--
Ronald & Marji Illingworth
LilyVale Farm
PO Box 57402
North Pole, Ak
907-488-0446

Support for your PFD payout proposal.

Subject: Support for your PFD payout proposal.

Date: Thu, 19 Feb 2004 13:15:17 -0800

From: sethnielsen2002@yahoo.com

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm
From: sethnielsen2002@yahoo.com
Name: Seth W Nielsen
Street: 1254 Glenwood
City: Wasilla
Zip Code: 99654

Subject: Support for your PFD payout proposal.

To Whom it May Concern:

This morning I was in a meeting at work and the subject of representative Jim Holm's \$20,000 pfd payout proposal came up. At least two of his discussed the idea earnestly and compared it to the idea of a state sales tax or income tax. I believe that in the long run, the state would have more available funding for what state residents keep asking for; better education, better roads, more state funded programs that we can all benefit from. This pay-out, albeit temporary, would be a significant "shot in the arm" for the state economy. Also, people with large families could benefit from the payout by having money to pay off debts, buy homes, or send their kids to College. The argument that the legislature has made, saying that we would be robbing our grandkids is ridiculous. The permanent fund has only been in existence for the past 20 years. Alaskans got along without it before and they can again in years ahead. Alaskans do not seem to want an income or state sales tax, and this plan should give us the money the state needs so desperately while keeping those nasty taxes at bay. I love this idea and several of those I spoke with locally are also for it.

Thank you for your time,

-Seth Nielsen, BHS

Subject: PFD**Date:** Thu, 19 Feb 2004 12:27:52 -0900**From:** "Bernice Caler" <bernicec@cpcservices.org>**To:** <Rep_Jim_Holm@legis.state.ak.us>

Dear Representative Holm:

I am, of course, writing in response to your Bill to 'pay-out' the PFD. "You Go Guy". I have thought often of the pros and cons of this proposal which was on the table for discussion in the past as you would know.

I am a 35+ year Alaska resident, coming to the state at a time when we had an Income Tax (which, by the way, I favor) and long before there was a PFD. It has always been my thought that eventually the 'legislators' (present company possibly excepted) will indeed get their hands on the PFD. I believe a pay-out of whatever portion is being proposed is a forward-thinking move. The balance of the fund could be used for state expenses although I still believe some guidelines should be in place for "how" it is spent.

Some have argued this type of pay-out would have a negative impact on Medicaid/Wellfare/Social Service recipients in that their incomes would be inflated to the point where they would be ineligible for benefits. The State may be able to overcome this in some manner if necessary. I do believe in the Medicaid program and other benefits available to those in need. However, I also feel these services are misused and believe we have residents who are living in Alaska because we do have the PFD and other benefits more liberal than some states. They continue to have children for the express purpose of increasing the benefits and the PFD. Would it be such a bad thing if they left the state. This obviously is not a view that would be widely popular politically. However, I'm not a politician.

Another provision I believe should be imbedded in your proposal is a provision that pay-outs to 'minors' would go into a trust fund (in some manner) to be distributed to them when they reach the age of majority. This would ensure that what is rightfully theirs would not be frittered away by their parents but would be there for them when for instance college expenses are looming. I'm not saying the trust would always be used in that way, but what an opportunity to educate Alaskan youth who would otherwise have no chance at all.

And since I am on a rant here, I should add that if the PFD remains as it is, and other means of supporting state government and amenities must be faced, I believe an Income Tax is a much better alternative than a Sales Tax. Sales taxes burden those with low incomes and disadvantaged in other ways in an obvious way while an Income Tax is more proportional geared towards paying according to your means and - at least under present law - is deductible on Federal Income Taxes.

You may not have time to respond to all of the email you are apparently receiving on this issue, but I would be glad to hear your comments.

Bernice Caler
Director of Operations/Human Resources
Central Peninsula Counseling Services

P.S. The above 'signature closure' on this letter is automatic and in no way represents the views of this agency or anyone other than myself.

Subject: PFD Plan

Date: Thu, 19 Feb 2004 13:29:44 -0800

From: pnkinak@acsalaska.net

To: Representative_Jim_Holm@legis.state.ak.us

Email For: Representative Jim Holm
From: pnkinak@acsalaska.net
Name: peter Ohle
Street: 9910 Whitefish cir.
City: Anchorage
Zip Code: 99515

Subject: PFD Plan

I like the concept of the payout, but I would like to see it modified slightly in the interest of equity.

I would like to see the payout be a voluntary program much like the military did at one time. The payout needs to be slightly more so that after taxes one would net at the very least \$20K. Never to receive another PFD during their current residence tenure in Alaska. We could entertain re-newed application at some point down the road based on some absence criteria.

Those that opted out of the payout, would continue to receive the normal dividend for no more than say 10 more years.

At the same time halt new applications until such time that our fiscal status allows it.

I beleive this type of plan would affect the state in many positive ways.

For exampe removing some of the incentive for people to move here, slowing population growth , allowing infrastructure to catch up with it. I would like the opportunity to elaborate on these if you have the time.

Thank you for your time...

Please Add My Email Address to your distribution list. Thank You.

Subject: HJR31**Date:** Thu, 19 Feb 2004 12:57:02 -0900 (Alaskan Standard Time)**From:** "Michael E. Reeves" <anmer@uaa.alaska.edu>**To:** <Representative_Jim_Holm@legis.state.ak.us>

BRAVO!! How refreshing it is to see a legislator put the people ahead of his or her own re-election. Unfortunately I live in district 10 instead of 9, otherwise, I'd campaign for you. Oh, what the heck, I'll do it anyway. It's about time that someone offered a solution to the ridiculous situation Alaska has found itself in. Twenty-eight billion in the bank and we're cutting services left and right. I wish the rest of the legislature could realize that it is not their job to raise my grand children, it's mine. With your proposed pay out, I could offer much more security and benefit for my grand children than could ever be provided through a small annual dividend. I only wish that others could get past their own wants and see the bigger picture as you have. If you ever run for higher office...you've got my vote, and all those I could convince. Michael Reeves, District 10, Anchorage

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Payout formula? Leave the PFD ALONE!

Subject: Payout formula? Leave the PFD ALONE!

Date: Thu, 19 Feb 2004 12:57:07 -0900

From: Charles Olin <charlie.olin@gci.net>

To: representative_jim_holm@legis.state.ak.us

Honorable Rep. Holm:

I don't think your payout will sell to the rural residents of Alaska. I don't buy into your current plan because \$20,000.00 doesn't compute. How about a 5 year average plus lets say 20 years plus 15-20% for inflation? I don't currently know what the 5 year average of the PFD is, but I'd bet it would be about 1,200 to 1,400.

Or as other people have suggested \$30,000.00 - \$50,000.00, now that I could live with!

Charles T. Olin
PO Box 1326
Nome, AK 99762
907-443-6041

Subject: Permanent Fund Cash Out

Date: Thu, 19 Feb 2004 13:01:39 -0900

From: Tracy Brand <tbrand@co.fairbanks.ak.us>

To: "Representative_Jim_Holm@legis.state.ak.us" <Representative_Jim_Holm@legis.state.ak.us>

Good Afternoon,

I am all in favor of cashing out the dividend program if you will use the remainder of the dividend to keep education at it's current funding levels. I realize we are in an extreme budget shortfall but cutting school staff, nurses and extra curricular activities for the students should not be an option. Students need every little bit they receive from their schools, education and support from the teachers, health care from the nurses, the extra activities that keep them involved and out of trouble. The Fairbanks school budget cuts are too steep and should not happen.

Please continue to lobby for the use of the dividend but please help keep the money in the schools.

Thank you Jim.

Teresa Brand
PO Box 70333
Fairbanks, AK 99707

fund payout

Subject: fund payout

Date: Thu, 19 Feb 2004 13:38:00 -0900 (Alaskan Standard Time)

From: Janis Taylor <jimt@alaska.com>

To: Representative_Jim_Holm@legis.state.ak.us

Dear Mr. Holm,

I just read the news article about your bill for a PFD payout. I don't think this is a good idea, and I don't think most people are thinking beyond their greed when they say they are for it.

Most of them haven't thought of what it will do when it comes time to file their income tax with the IRS. That money will be taxed, and could put lots of people into a higher tax bracket. This will result in paying a bigger percent on all their earnings reducing their actual gain by much less.

I hope people come to their senses and leave the fund the way it is so the next generations of Alaskans can benefit from the wealth of our state.

Janis Taylor

 *Incredimail* - Email has finally evolved - [Click Here](#)

Subject: PDF

Date: Thu, 19 Feb 2004 13:59:35 -0900

From: "Beknet" <beknet3@worldnet.att.net>

To: <Representative_Jim_Holm@legis.state.ak.us>

Hi,

Was reading the Article in ADN on what your idea about what should be done with the PDF.. I think your Idea on giving a lump sum is a good idea .. I was wondering what you would think of this Idea? . I was wondering if a person that has been in Alaska " And still living in Alaska" for the past 30 to 40years paying taxes helping built Alaska wouldn't get a some what larger sum then a person that just came up in the pass one to Five years ?? I hope I have explained good enough on what I am trying to say ?? Thank You for your time,and would appreciated if you could answer me back on this ..Judy

Subject: My Thoughts On The PFD Plan You Submitted

Date: Thu, 19 Feb 2004 14:14:23 -0900

From: "Melvin C. Bennett" <mayfly@acsalaska.net>

To: <Representative_Jim_Holm@legis.state.ak.us>

Hi;

I am Melvin C. Bennett, at mayfly@acsalaska.net, (907) 770-2732, here in good ol' Anchorage, Alaska..

I have, ever since Jerry Mackie's plan came out, been pondering this payout matter, &, my thoughts are, if the investments profits that could be added to it's portfolio over the years, after the 'lump payout' would be significant enough (that's of course if the state doesn't 'convince' or hoodwink the Legislature & elected reps. to spend too much of it, for those 'emergency' reasons they're so likely to come up with..), then what about making it so that those Alaskans, or their actual 'provable heirs, after a period of 18 to 20 years, depending on any profits realized within the PFD, via Stocks, Investments, etc., be given out to those Alaskans & their 'provable heirs remaining in the state, at that time; in the same way, more or less, as the Longevity Plan was for the seniors, before it was amended?

With the aim to give them a top amount of around \$1,000, but anywhere from \$1 to the \$1K, depending on the Stocks/Investment profits, it would ward off these current naysayers, who say it's nothing more than a 'cut & run' game, &, it would give the state some time to develop it's resources & infrastructure, & perhaps become financially 'solvent'.

I'm not a politician, so this is just my thoughts of it all from here; I generally think your plan is a good idea. Perhaps enshrining it with any recommendations I've given above, as a 'Trust', may be a way to consider it?

Thanks

P.F.D.

Subject: P.F.D.

Date: Thu, 19 Feb 2004 14:53:18 -0900

From: "Ken & Lana Assyd" <knlassyd@acsalaska.net>

To: "Jim Holm" <Representative_Jim_Holm@Legis.state.ak.us>

First of all Jim, Lana and I wish you a happy New Year. We have been quite, busy with family, and traveling. We read in the Fbks. Daily Newsmineer your proposal on the P.F.D. payoff. We have a different thought. Give us as individuals a choice. We mean on a ballot. So those who wish to be cashed out may. And those of us who wish to keep investing in Alaska may. After all is this not the Great Land? You take care. Ken

Subject: PFD Payout

Date: Thu, 19 Feb 2004 17:02:18 -0800 (PST)

From: Dennis Hall <meyer5355@yahoo.com>

To: Representative_Jim_Holm@legis.state.ak.us

I applaud your effort in trying to get "bill HJR31" passed. Although I think that a letter should be sent to all Alaskans asking if they want a one time payout or to keep on receiving the PFD every year. The ones who choose a payout are excluded from ever receiving a dividend and the ones who wish to keep on receiving it can still do so. This option should only be for Alaskans who are currently eligible, so anyone else who moves to Alaska can receive the PFD anymore.

That way you could satisfy everyone, the ones who want a payout gets it and the ones who don't keep on getting the dividend every year. The State can still make a bundle every year and yet they would still save a ton of money, by cutting out about half of the applicants (the ones who opted for a one time payout).

If there is to be a one time payout, it should be higher than \$20,000. Somewhere around \$30,000 to \$40,000 should get enough voters to vote for the bill to be passed.

Other than that, You are doing a fine job for Alaska...keep up the good job.

Sincerely
Dennis Hall
Anchorage, AK

Do you Yahoo!?
Yahoo! Mail SpamGuard - Read only the mail you want.
<http://antispam.yahoo.com/tools>

Fwd: PFD payout]

Subject: [Fwd: PFD payout]

Date: Thu, 19 Feb 2004 16:41:45 -0900

From: "MatSu_LIO@legis.state.ak.us" <MatSu_LIO@legis.state.ak.us>

To: "sen.lyda.green" <sen.lyda.green@legis.state.ak.us>,
"sen.scott.ogan" <sen.scott.ogan@legis.state.ak.us>,
"sen.gene.therriault" <sen.gene.therriault@legis.state.ak.us>,
"rep.vic.kohring" <rep.vic.kohring@legis.state.ak.us>,
"rep.beverly.masek" <rep.beverly.masek@legis.state.ak.us>,
"rep.carl.gatto" <rep.carl.gatto@legis.state.ak.us>,
"rep.bill.stoltze" <rep.bill.stoltze@legis.state.ak.us>,
Representative Jim Holm <Representative_Jim_Holm@legis.state.ak.us>

Subject: PFD payout

Date: Thu, 19 Feb 2004 20:28:35 EST

From: TUNDRABERT@aol.com

To: letters@adn.com, matsu_LIO@legis.state.ak.us

Dear Editor

I read you article in today's News with regard to Rep.Jim Holm proposal.The proposal makes so much sense to stop for once and for all , the attempts by the politicians to get their hands on the PFD's.Every one opposing this should take a look at the following :As people moving in to the State after one year here they are eligible for the dividend so as the population grows more funds have to be paid out. Thanks to the Zobels involvement the State can not put a cap on this, resulting in lesser payments because of more people qualifying and not knowing how rapidly the State will increase in population,now is the time to stop payments for future residents arriving annually in the State,consider what happened to the longlivity bonus :it became to costly,I have been in the state since 1967 but missed the longlivity bonus by 2 years,yet I know people who came to the state 1-2 years before the deadline and received the longlivity bonus,the Governor stopped this right or wrong because it became to costly to the state this can happen to the PFD depending on the politician whims. I realize this is not an easy way of solving the future of the PFD, but should this become law to give every citizen a lump sum payment,make sure that payment to the Children under age of 18 are set up in a bank account and only accessable by them when they turn 18,this will guarantee them a account they can use for their education or personnel use when they need it.Since every year kids are getting to that age level there will be an economic benefit as well.

Sincerely

Bert Kleinenberg

P.O.box 521020
Big Lake Ak 99652

3/7/2004 11:41 AM

Subject:

Date: Thu, 19 Feb 2004 16:48:36 -0900

From: "Vicky Maahs" <vicdano@hotmail.com>

To: Representative_Jim_Holm@legis.state.ak.us

leave PF alone

Stay informed on Election 2004 and the race to Super Tuesday.
<http://special.msn.com/msn/election2004.armx>

Subject:

Date: Thu, 19 Feb 2004 17:49:57 -0800 (PST)

From: J Murphy <jmurphyak@yahoo.com>

To: Representative_Jim_Holm@legis.state.ak.us

Dear Representative Holm,

I am writing to urge you to support House Joint Resolution 31, creating a one-time gross pay-out of Permanent Fund Dividend to residents and then assuring that the remainder of the Permanent Fund be set aside to fund state services on an annual basis. I believe that this is a sound plan for meeting the future needs of this state for services that we must assure will be provided, and am in favor of this resolution.

Thank you,
Judith Murphy
292 Henderson Road So.
Fairbanks, AK 99709

TEMPORARY MAILING ADDRESS:
POB 34358
Juneau, AK 99803

Do you Yahoo!?
Yahoo! Mail SpamGuard - Read only the mail you want.
<http://antispam.yahoo.com/tools>

Subject: Pay out

Date: Thu, 19 Feb 2004 16:57:00 -0900

From: "Rustin Krafft" <Rustin.Krafft@matsugov.us>

To: <Representative_Jim_Holm@legis.state.ak.us>

While I believe your payout bill has merit, I feel you have left out one key point, the number of "qualified" recipients that are receiving dividends under false pretenses.

To fully sell this to the public, two things need to happen,

First, your anticipated payout amount needs to increase. \$20,000 will not be sufficient to convince most Alaskans to accept the plan.

Second, you need to base the payout on years of residency. To be fair to all, and weed out the temporary residents, the amount should be based on a 5 year schedule, for those who have resided here for more than 5 years, a full payout. For those born in Alaska during those 5 years, and currently residing in the state, a full payout. For those who have moved here within the last 5 years, a graduated payout of 20% per year of residency.

In addition, I would recommend that all the dividends of current military personnel be placed in a trust, and only be paid out after separation from the military and establishment of permanent residency. I personally moved to Alaska with help of the military and know of too many people who collected the dividend with no intention of staying, as well as retired members still collecting that have no intention of living here, but simply return to the state each year to satisfy the eligibility requirements.

Russ Krafft
9198 Cam Island Circle
Eagle River, Alaska 99577

Subject: Support PFD Payout/? on taxes

Date: Thu, 19 Feb 2004 17:39:21 -0900

From: "julie bunch" <akbunch@worldnet.att.net>

To: <Representative_Jim_Holm@legis.state.ak.us>

Dear Mr Hoims,

My wife and I support your proposition for the PFD payout and the balance should be used for government with limits on spending. This is the only proposition we have seen that would have public support and has a chance of passing on the ballot. It might help if the public had more information on the taxes involved. It would have a better reception if the federal government would just do a flat tax on the PFD payout. Thank you very much and keep up the hard work!!

Subject: Permanent Fund

Date: Thu, 19 Feb 2004 19:34:18 -0800

From: gonzales-gang <gonzales-gang@ak.net>

To: Representative_Jim_Holm@legis.state.ak.us

Sir,

I just wanted to say thanks for your support of a large dividend payout.

I wrote both my senator and my representative (Stevens and Ogg) and they both said at the time that they did not support any version of what they called "the Mackie plan".

At the time (last November) I wrote and told them that if a bill was sponsored to payout 2/3 of the dividend in a lump sum and allow the state to use the other 1/3 (9 Billion) for state spending I believe the constituents would vote for it in a landslide. Everyone I proposed this idea too, said they would vote for it.

I think \$20,000 might be a little light but I sure would like the opportunity to vote on it.

Thank you so much for your efforts.

Sincerely,

Lonnie Gonzales.