

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 HRLS 12333

SB

306

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Sen. Bert Stedman, Vice Chair
Sen. Lyda Green
Sen. Gary Stevens
Sen. Lesil McGuire
Sen. Bill Wielechowski
Sen. Thomas Wagoner



State Capitol, Room 119
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Senate Resources Committee

SB 306

"An Act relating to the adoption of conservation, development, and utilization regulations by the Board of Game to address concerns relating to public assets."

For those of us who live in Alaska, one of the wonders we enjoy is our wildlife. Our state biologists are charged with the challenging job of managing this resource and today the constitutional mandate for abundance management has been and continues to be a high profile priority.

The efforts of the Board of Game and the wildlife biologists are not always popular when protecting our most valuable renewable resources. Wildlife represents many things to many people. Be it commercial guiding, hunting, or simply viewing wildlife, Alaska is unique and every Alaskan and visitor enjoys the gift of the resource.

Wildlife is an asset for the state. We know visitors come to the state to see our diverse ecosystem and without moose, caribou, wolves, and bears not as many people would visit. That translates into a loss of revenue. Without an abundance of wildlife guides would not earn a living and hunters would not put food on the table.

The problem we face is that we have not allowed our Board of Game to manage the resource and **allocate** it for what it actually is: an **asset**. SB 306 will accomplish that by inserting those important words into statute. The language makes it clear to others that it is our asset and we will manage for abundance as promised in the Alaska Constitution.

We urge your support for the language in SB 306. It makes it clear we understand that our wildlife is a valuable resource to be managed by professionals. It protects Alaska's wildlife for all, not just a select few.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 306
 (S) Publish Date: 4/11/08

Identifier (file name): _____ Dept. Affected: LAW
 Title An Act relating to the adoption of regulations by the Board RDU CIVIL
of Game. Component NATURAL RESOURCES
 Sponsor RESOURCES
 Requester SENATE RESOURCES Component Number 2212

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	Y 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill constitutes a legislative statement that when the Board of Game acts within its authority to develop regulations for the conservation, development and utilization of game, it is allocating or appropriating a public resource.

Prepared by: Betty Martin, Administrative Services Director
 Division: Administrative Services Division
 Approved by: Talis Colberg, Attorney General
Department of Law

Phone 907-465-5427
 Date/Time 4/10/08 4:30 PM
 Date 4/10/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 306
 (S) Publish Date: 4/11/08

Identifier (file name): SB306-DFG-BSS-03-22-08 Dept. Affected: Fish and Game
 Title: Board of Game Regulations RDU: Administration and Support
 Component: F&G Boards & Advisory Committees
 Sponsor: Senate Resources Committee
 Requester: Senate Resources Committee Component Number: 2825

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
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	0.0

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							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Passage of this bill will have no fiscal impact on the Department of Fish and Game.

Prepared by: Kristy Tibbles, Executive Director, Board of Game
 Division: Boards Support Section
 Approved by: Tom Lawson, Director
Division of Administrative Services, Department of Fish and Game

Phone 465-6098
 Date/Time 3/22/08 2:00 PM
 Date 3/22/2008

LEGAL SERVICES

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

(907) 465-3867 or 465-2450
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State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 25, 2008

SUBJECT: Game as an asset and CSSSHB 348(FIN)
(Work Order No. 25-LS1328X)

TO: Represen *BJK*: Gruenberg

FROM: Brian J. Kane *BJK*
Legislative Counsel

You have asked the following: Can the legislature determine whether game is or is not an asset for purposes of art. XI, sec. 7 or art. VIII, sec. 2, sec. 3, or sec. 4? Or can the legislature determine whether game is or is not an asset in view of *Pullen v. Ulmer*, 932 P.2d 54 (Alaska 1996)?

I will answer these questions as accurately as I can in the short length of time I have to respond. The short answer is that the legislature cannot "determine" whether game is an asset for purposes of the state constitution.

The legislature can make reference to game as an asset, as is proposed in CSSSHB 348(FIN). However, the court would not be obligated to follow this statutory language when it is interpreting the meaning of a constitutional provision. Hence, I do not believe that the legislature would actually be "determining" anything in relation to the state constitution. The state constitution stands on its own, and issues that arise from constitutional provisions will only require the court to look to the constitutional provision involved. The court may look to a statute for guidance, or for the view of the legislature on the issue, but the actual constitutional provision will likely rule the day.

The court in *Pullen* focused on a legal interpretation of art. XI, sec. 7 of the Alaska state constitution. The court has said that it (i.e. the judiciary) has the obligation to expound on the meaning of a provision of the state constitution and, by extension, under the recognized separation of powers principle, that is not the function of the legislature. *Alaska Pub. Interest Research Group v. State*, 167 P.3d 27, 35 - 36 (Alaska 2007). In other words, independently of anything the legislature might consider doing by law to describe game management as involving an asset of the state, the court will make its own examination and reach its own conclusion. It may give no credence to the subsection added by this bill -- the language may, in fact, not be used by the court as it applies the prohibitions of art. XI, sec. 7.

distributed by Gruenberg

Representative Max Gruenberg

March 25, 2008

Page 2

It would seem that this bill attempts to expand and codify part of the ruling found in *Pullen*. In that case, the court stated: "We hold that the state's interest in salmon migrating in state and inland waters is sufficiently strong to warrant characterizing such salmon as assets of the state which may not be appropriated by initiative." *Pullen* at 61. This bill attempts to expand that qualification as salmon as an asset of the state to the area of game, in relation to the Board of Game's regulatory authority.

If I may be of further assistance, please advise.

BJK:med

08-218.med

Pullen v. Ulmer 923 P.2d 54; 1996 August 26, 1996, Decided

Chief Justice, Rabinowitz,

On November 7, 1995 appellants Harvey Pullen and United Fishermen of Alaska (Pullen) filed suit for declaratory and injunctive relief challenging, on several grounds, the Lieutenant Governor's certification of the initiative. More particularly, Pullen asserted that (1) the proposed bill is not a proper subject of an initiative because it would make an appropriation of the State of Alaska's salmon resources, (2) **the allocation of salmon resources of the state among common users is exclusively the responsibility of the legislature,**

Pullen's appeal from the superior court's decision on summary judgment raises two issues. First, Pullen argues{1996 Alas. LEXIS 13} that management of Alaska's salmon resources falls exclusively within the power of the state legislature as trustee of Alaska's wildlife, and therefore is not a proper subject of an initiative. Second, Pullen contends that the proposed initiative makes an appropriation of state property, in violation of article XI, section 7 of the Alaska Constitution. We address this latter contention first.

if the state's salmon population{1996 Alas. LEXIS 17} precipitously declines the fishing industry would be devastated, causing even more harm to Alaska's economy and revenue base. The state benefits from the harvest of salmon through the collection of taxes imposed on business enterprises engaged in the fishery and license fees imposed on sport, personal use, and commercial fisheries.

Pullen's contention that the public trust responsibilities imposed on the state by the provisions of article VIII of our constitution compel the conclusion that fish occurring{1996 Alas. LEXIS 21} in their natural state are property of the state for purposes of carrying out its trust responsibilities. {923 P.2d 61} In short, we are in agreement with Pullen's position that it is the authority to control naturally occurring fish which **gives the state property-like interests in these resources.** For that reason, **naturally occurring salmon are, like other state natural resources, state assets** belonging to the state which controls them for the benefit of all of its people.

We hold that the state's interest in salmon migrating in state and inland waters is sufficiently strong to warrant characterizing such salmon as assets of the state which may not be appropriated by initiative. Thus we conclude that the superior court correctly reasoned that salmon are public assets of the state which may not be appropriated by initiative.

SB

40002

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: August 4, 2008

FURTHER REFERRALS:

Date of Committee Action: 8/5/08

The FINANCE Committee considered:

CSSB 4002(FIN) am

CS FOR SENATE BILL NO. 4002(FIN) am

ENERGY ASSISTANCE

"An Act relating to grants from the renewable energy grant fund; amending the bulk fuel bridge loan fund and the bulk fuel revolving loan fund; amending the power cost equalization program, repealing the exclusion from eligibility for power cost equalization for certain power projects that take their power from hydroelectric facilities, and amending the definition of 'eligible electric utility' as it applies to the power cost equalization program and the grant program for small power projects for utility improvements; relating to establishing a gas pipeline development fund in the Department of Revenue; establishing the Alaska resource rebate program and relating to that program; relating to heating assistance; and providing for an effective date."

Recommends it be replaced with HCS or CS for SB 4002 (FIN)
 For Senate Bills with new title: Technical Title New Title: HCR _____ | Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

- List of Abbrev for Depts.:
- ADM
 - CED
 - COR
 - CRT
 - EED
 - DEC
 - DFG
 - GOV
 - HSS
 - LWF
 - LAW
 - LEG
 - MVA
 - DNR
 - DPS
 - REV
 - DOT
 - UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
(2) REV		✓		
(2) HSS		✓		
(3) CED		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Mind C. Hummel</i>	Hummel			★	
<i>Mary Nelson</i>	NELSON				✓
<i>James Crawford</i>	CRAWFORD				✓
<i>Thomas Foster</i>	Foster	✓			
<i>Thomas Kelly</i>	KELLY			✓	
<i>Garb</i>	Garb			X	
Chair: <i>Michelle Chuvpikoff</i>	Chuvpikoff	✓			
Chair: <i>K. Meyer</i>	Meyer	X			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCSCS3B4002(FIN)
 () Publish Date: _____

Identifier (file name): SCSSB4002(FIN)-DOR-TAX-8-1 Dept. Affected: Revenue 04
 Title: PCE:ELIGIB.AMTS;ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury
 Component: Tax Division
 Sponsor: RULES
 Requester: House Finance Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()		(33,250.0)	(6,650.0)	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	*	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

*See attached

Prepared by: Johanna Bales
 Division: Tax
 Approved by: Jerry Burnett
Department of Revenue

Phone 269-6628
 Date/Time 8/5/08 1:13 PM
 Date 8/5/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HCSCSSB4002(FIN)

ANALYSIS CONTINUATION

Bill Language: This bill would suspend the Motor Fuel tax for the period September 1, 2008 through August 1, 2009

Revenues: The Department of Revenue expects that suspending the Motor Fuel Tax would result in the loss of \$39.8 million in general fund unrestricted revenues, and \$0.15 million in revenue which is customarily shared with municipalities, for a total of \$39.9 million in lost revenues. The suspension period covers 10 months of fiscal year 2009 and two months of fiscal year 2010 .. As such, the Department expects a reduction in revenue in FY 2009 of \$33,250,000 and \$6,650,000 in FY 2010.

The Department of Revenue's current forecast for Motor Fuel Tax revenues for FY2009 is \$39.9 million. The breakdown of revenues by fuel type is as follows:

Highway	\$29.6 million
Marine	\$ 5.6 million
Aviation Gas	\$ 0.7 million
Aviation Jet Fuel	\$ 4.1 million
Subtotal	\$40.0 million
Municipal Share	-\$ 0.1 million
Total	\$39.9 million

Expenditures: The Department of Revenue will not realize any reduction of expenditures during this tax suspension.

Although there will be no tax liabilities incurred during the tax suspension, this bill require taxpayers to continue to file reports which will allow the Department to collect data which we are required to provide to the Federal Highway Administration in order to secure Federal funding for the Alaska Department of Transportation. The Department of Revenue will therefore need to continue to collect and process Motor Fuel Tax forms.

The Tax Division shares 60% of the Aviation Gas revenues collected at municipally owned or operated airports with the municipality. This municipal share has held steady at \$0.15 million in the recent past. If it were desired to hold the municipalities harmless during this tax suspension, an appropriation of \$150,000 would be required to match the forecast amount.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCSCSSB4002(FIN)
 () Publish Date: _____

Identifier (file name): HCSC99B4002(FIN)-DOR-RRP-8-5-08 Dept. Affected: 04 Revenue
 Title: PCE:ELIGIB:AMTS:ELIGIBLE UTILITY DEFINED RDU: Taxation and Treasury
 Component: Resource Rebate
 Sponsor: _____ Rules: _____
 Requester: House Finance Component Number: 2930

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual		100.0	50.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims		744,480.0					
TOTAL OPERATING		0.0	744,580.0	50.0	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		744,580.0	50.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
TOTAL		744,580.0	50.0				

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This bill adds \$1,200.00 to each 2008 PFD from the general fund. It also adds a one time \$1,200.00 payment for approximately 400 disabled veterans who have not previously applied for a 2008 PFD. In addition to the small impact of processing 400 new applications, we expect additional costs to the PFD Division in terms of additional public contacts and appeals of eligibility determinations. The increased size of the dividend will result in more appeals and more time spent on appeals. The \$100,000 in FY 09 and \$50,000 in FY 10 are based on increased appeal costs from the Office of Administrative Hearings beyond what can be absorbed in the current PFD Division budget for both FY 09 and FY 10. Funding for this program is in a separate appropriations bill. Estimated costs based on 620,000 eligible PFD applicants and 400 disabled veterans, actual number will not be determined until mid-September.

Prepared by: Loretta Withington Phone 465-2312
 Division: Admin Services Date/Time 8/5/08 12:00 AM
 Approved by: Jerry Burnett Date 8/5/2008
Department of Revenue

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CS SB 4002 FIN
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: PFD Hold Harmless

ID(File name) SB4002HCSCS(FIN)-DHSS-PFDHH-08-05-08
 Title ALASKA RESOURCE REBATE PROGRAM

Sponsor RULES BY REQUEST OF THE GOVERNOR
 Requester HOUSE FINANCE

Component No. 225

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required		Information				
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	400.0						
Miscellaneous							
TOTAL OPERATING	400.0	0.0	0.0	0.0	0.0	0.0	0.0

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

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1037 GF/Mental Health							
Other(PFD Hold Harmless)	400.0						
Other(Specify Type-do not abbreviate)							
TOTAL	400.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

HCS CS SB 4002 (FIN) increases the 2008 Permanent Fund Dividend by \$1,200 to provide residents of the state with an Alaska resource rebate. The increase of \$1,200 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/05/2008
 Date 08/05/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO: HCS CS SB 4002 FIN

ANALYSIS CONTINUATION

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$1,200 in the PFD.

The department does not expect the \$1,200 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$1,200. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$1,200 received by program participants will be spent on additional expenses such as increased energy costs.

Assumptions:

In FY09, the department expects that the \$1,200 added to the 2008 PFD will affect 1,000 households. The average PFD HH payment for food stamps is \$400/month. $1,000 \times \$400 = \$400,000$

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HCS CS SB 4002 FIN
 () Publish Date: _____
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: General Relief Assistance

ID(File name) SB4002HCSCS(FIN)-DHSS-GRA-08-05-08
 Title ALASKA RESOURCE REBATE PROGRAM
 Sponsor RULES BY REQUEST OF THE GOVERNOR
 Requester HOUSE FINANCE

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services	76.4						
Travel	10.0						
Contractual	49.5						
Supplies	20.3						
Equipment							
Land & Structures							
Grants & Claims	1,282.3						
Miscellaneous							
TOTAL OPERATING	1,438.5	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,438.5						
1037 GF/Mental Health							
Other(Specify Type-do not abbreviate)							
Other(Specify Type-do not abbreviate)							
TOTAL	1,438.5	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary		2					

ANALYSIS: (Attach a separate page if necessary)

HCS CS SB (FIN) increases the 2008 Permanent Fund Dividend by \$1,200 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$1,200 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

Prepared by: Ellie Fitzjarrald, Director
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/05/2008
 Date 08/05/2008

FISCAL NOTE

**STATE OF ALASKA
2008 LEGISLATIVE SESSION**

BILL NO: HCS CS SB 4002 FIN

ANALYSIS CONTINUATION

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate as income. Pension benefits will be reduced dollar for dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

Cost Assumptions

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$451.2 (376 x \$1,200).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 4005
 () Publish Date: _____

Identifier (file name): HB4005-CED-CRA-08-03-08 Dept. Affected: FUND CAPITALIZATIONS
 Title: PCE ELIGIB,AMTS,ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Bridge Loan Fund
 Component: Bulk Fuel Bridge Loan Fund
 Sponsor: House Finance Component Number: 2920
 Requester: House Finance

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Misc Cap Fuel Bridge 1208	2,518.0						
TOTAL OPERATING	2,518.0	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	2,518.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other PCE Fund 1089							
TOTAL	2,518.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the statute for the Bulk Fuel Bridge Loan Fund by raising the cap from \$500,000 to \$750,000 on the amount that can be borrowed by communities for fuel purchases. As a result, another \$2.5 million is expected to be needed for loans from this fund. The \$18.0 is the amount expected to be needed for increased on-site travel by the contractor operating the program and is included in the fiscal note for DCRA.

Prepared by: Tara Jollie, Director
 Division: Division of Community and Regional Affairs
 Approved by: Amanda Ryder, Director
 Division: Division of Administrative Services

Phone: 907-269-7959
 Date/Time: _____
 Date: 8/3/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 4002
 () Publish Date: _____

Identifier (file name): SB4002-CED-BULK FUEL FUND CAPS-08-03-08 Dept. Affected: FUND CAPITALIZATIONS
 Title: PCE.ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Bulk Fuel Revolving Loan Fund
 Component: Bulk Fuel Revolving Loan Fund
 Sponsor: Senate Finance
 Requester: Senate Finance Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Misc Fnd Cap Bulk Fuel 1074	3,461.0							
TOTAL OPERATING	3,461.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	3,461.0							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other PCE Fund 1089								
TOTAL	3,461.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the statute for the Bulk Fuel Revolving Loan Fund [AS 42.45.250(e)] by raising the cap from \$500,000 to \$750,000 for any one borrower. The cap is also raised for a cooperative corporation or an electric cooperative that uses the loan to purchase bulk fuel on behalf of more than one community. This cap may not exceed the lesser of \$750,000 (from \$500,000) multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, or \$1.8 million.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
 Division: Alaska Energy Authority
 Approved by: Amanda Ryder, Director
Division of Administrative Services

Phone 907-771-3012
 Date/Time: _____
 Date 8/3/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: SB 4002
 () Publish Date: _____

Identifier (file name): SB4002-CED-CRA-08-03-08 Dept. Affected: Commerce
 Title: PCE.ELIGIB;AMTS;ELIGIBLE UTILITY DEFINED RDU: Comm Assist & Econ Development
 Component: Community & Regional Affairs
 Sponsor: Senate Finance
 Requester: Senate Finance Component Number: 2703

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual	18.0		18.0	18.0	18.0	18.0	18.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	18.0	0.0	18.0	18.0	18.0	18.0	18.0

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 Fuel Bridge Fund (1208)	18.0		18.0	18.0	18.0	18.0	18.0
TOTAL	18.0	0.0	18.0	18.0	18.0	18.0	18.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the statute for Bulk Fuel Bridge Loan Fund by raising the cap (from \$500,000 to \$750,000) on the amount that can be borrowed by communities for fuel purchases. Because this program is a lender of last resort, a rise in the cap may increase the possibility that borrowers (i.e., communities) may struggle to repay the loans. When this occurs, the contractor provides on-site assistance to the loan recipient regarding the retail pricing of fuel, sales, or collection on past due retail accounts, or strategies regarding use of government funds for repayment of loans.

While it is difficult to determine exactly how much more the contractor may need to travel, the contractor is reimbursed only for travel that actually occurs.

Prepared by: Tara Jollie, Director Phone: 907-269-7959
 Division: Division of Community and Regional Affairs Date/Time: _____
 Approved by: Amanda Ryder, Director Date: 8/3/2008
Division of Administrative Services

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:

Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 4002, relating to grants from the renewable**
3 **energy grant fund; amending the bulk fuel bridge loan fund and the bulk fuel revolving**
4 **loan fund; amending the power cost equalization program, repealing the exclusion from**
5 **eligibility for power cost equalization for certain power projects that take their power**
6 **from hydroelectric facilities, and amending the definition of "eligible electric utility" as**
7 **it applies to the power cost equalization program and the grant program for small**
8 **power projects for utility improvements; relating to establishing a gas pipeline**
9 **development fund in the Department of Revenue; establishing the Alaska resource**
10 **rebate program and relating to that program; and relating to heating assistance.**

11 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

12 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
13 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding

1 changes to the title of a bill, are suspended in consideration of Senate Bill No. 4002, relating
2 to grants from the renewable energy grant fund; amending the bulk fuel bridge loan fund and
3 the bulk fuel revolving loan fund; amending the power cost equalization program, repealing
4 the exclusion from eligibility for power cost equalization for certain power projects that take
5 their power from hydroelectric facilities, and amending the definition of "eligible electric
6 utility" as it applies to the power cost equalization program and the grant program for small
7 power projects for utility improvements; relating to establishing a gas pipeline development
8 fund in the Department of Revenue; establishing the Alaska resource rebate program and
9 relating to that program; and relating to heating assistance.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
 Bill Version: CSSB 4002(FIN)
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-AEA-07-31-08 Dept. Affected: DCCED
 Title: Alaska Resource Rebate Program RDU: Alaska Energy Authority
 Component: _____
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		172,889.0	172,889.0	0.0	0.0	0.0	0.0
Miscellaneous							
TOTAL OPERATING		0.0	172,889.0	172,889.0	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		172,889.0	172,889.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL		0.0	172,889.0	172,889.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes the Alaska Resource Rebate Program that provides a rebate payment to offset the high cost of residential heating oil. The program will be administered by the Alaska Energy Authority.

The program is available to Alaskan residents who purchase and take delivery of residential heating oil between 9/1/09 and 3/31/09 and/or between 9/1/09 and 3/31/10. Qualified individuals must apply for reimbursement to the Alaska Energy Authority prior to July 1, 2010 to be considered. Commercial buildings or buildings owned by government entities are not eligible for this program.

Prepared by: Miles Baker
 Division: Senate Finance Committee
 Approved by: Senator Bert Stedman, Co-Chair

Phone: (907) 465-3873
 Date/Time: 7/31/08 2:00pm
 Date: 7/31/2008

FISCAL NOTE # 4

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CSSB 4002(FIN)

ANALYSIS CONTINUATION

Rebate Computation:

The program will rebate the amount paid above \$3.00 per gallon, of a qualified applicants home heating oil purchases up to a maximum for each 7-month winter qualifying period of:

1. 600 gallons per single family residence or
2. 300 gallons per each residential unit within a multifamily building

Assumptions:

This is a new program and it is unclear how many qualified individuals will take advantage of this rebate. However, for purposes of estimating program costs, the following estimates were used:

Avg heating oil consumption per HH:	1,000 gals (AEA)
<u>% annual consumption used during winter:</u>	<u>60%</u>
Annual consumption eligible for rebate:	600 gals

Statewide avg price per gallon of heating oil:	\$ 5.51* (DCCED as of 6/2008)
<u>Rebate Program Price Floor</u>	<u>\$ 3.00</u>
Avg per gallon rebate:	\$ 2.51

Total Alaskan Households:	230,000 (Dept of Labor, 2006 Census Update)
<u>Est. # Heating with Natural Gas:</u>	<u>115,200 (Enstar Estimate)</u>
Max. # Heating with Heating Oil:	114,800

Annual Program Cost Calculations:

For purposes of conservatively estimating annual program costs, the higher 600 gallon per residence figure is used instead of the 300 gallon figure for multi-unit dwellings.

$$(114,800 \text{ HH}) \times (600 \text{ gal/HH}) \times (2.51 \text{ \$/gal}) = \$172,888,800$$

* Statewide average excludes the North Star Borough which subsidizes residential heating oil to its residents

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 5
 Bill Version: CSSB 4002(FIN)
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-REV-08-2-08 Dept. Affected: Revenue
 Title: Alaska Resource Rebate Program RDU: Taxation & Treasury
 Component: Resource Rebate
 Sponsor: Senate Finance Committee
 Requester: Senate Finance Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual		100.0	50.0	0.0	0.0	0.0	0.0	
Supplies								
Equipment								
Land & Structures								
Grants & Claims		310,000.0	0.0	0.0	0.0	0.0	0.0	
Miscellaneous								
TOTAL OPERATING		0.0	310,100.0	50.0	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		310,100.0	50.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL		0.0	310,100.0	50.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation adds \$500.00 to each 2008 PFD from the General Fund. There are no PFD eligibility. While it is expected that there will be no direct costs to administer this change in the PFD program, it is expected that there will be additional costs to the PFD Division in terms of additional public contracts and appeals of eligibility determinations. However, the increased size of the dividend may result in more appeals and therefore \$100,000 in FY09 and \$50,000 in FY10 are based on increased appeal costs from the Office of Administrative Hearings.

Total costs are based on 620,000 eligible 2008 PFD applicants. The actual number will not be determined until mid-September.

Prepared by: Miles Baker
 Division: Senate Finance Committee
 Approved by: Senator Bert Stedman

Phone: (907) 465-3873
 Date/Time: 8/2/08 5:00pm
 Date: 8/2/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 6
 Bill Version: CSSB 4002(FIN)
 (S) Publish Date: 8/2/08

Identifier (file name): SB4002-SFIN-PCE Fund-08-2-08 Dept Affected: Fund Capitalization
 Title Power Cost Equalization Changes/Resource Rebate Program RDU PCE Fund
 Component PCE Fund
 Sponsor Senate Finance Committee
 Requester Senate Finance Committee Component Number 2500

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Other: PCE Fund 1089		140,775.0	168,775.0	32,603.0	32,063.0	32,063.0	32,063.0	
TOTAL OPERATING	0.0	140,775.0	168,775.0	32,603.0	32,063.0	32,063.0	32,063.0	

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		140,775.0	142,975.0	6,803.0	6,263.0	6,263.0	6,263.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: PCE Endowment			25,800.0	25,800.0	25,800.0	25,800.0	25,800.0
TOTAL	0.0	140,775.0	168,775.0	32,603.0	32,063.0	32,063.0	32,063.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation amends the PCE program by amending the definition of eligible utilities and making adjustments to the formula used to calculate the residential ratepayers allowable subsidizes kWhs.

In addition, the legislation provides a \$0.05 per kWhs residential rate reduction for non-PCE eligible electrical utilities.

The fiscal note shows the funds needed to capitalize the PCE fund. The FY 2009 appropriation is net of the \$28.0 mill FY09 appropriation already made to the PCE Rural Electric Cap Fund. In future years, the estimates assume a PCE Endowment payout of \$25.8 mill which is 7% of the 6/30/08 market value of the current endowment - \$369 mill.

Prepared by: Miles Baker
 Division: Senate Finance Committee
 Approved by: Senator Bert Stedman, Co-Chair

Phone: (907) 465-3873
 Date/Time: 8/2/08 9:30am
 Date: 8/2/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 7
 Bill Version: CSSB 4002(FIN)
 (S) Publish Dat: 8/3/08
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: General Relief Assistance

ID(File name) SB4002CS(FIN)-DHSS-GRA-08-03-08
 Title ALASKA RESOURCE REBATE PROGRAM

Sponsor SENATE FINANCE
 Requester SENATE FINANCE

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information					
	Required		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services		76.4						
Travel		10.0						
Contractual		49.5						
Supplies		20.3						
Equipment								
Land & Structures								
Grants & Claims		1,583.1						
Miscellaneous								
TOTAL OPERATING	0.0	1,739.3	0.0	0.0	0.0	0.0	0.0	0.0

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

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts						
1003 GF Match						
1004 GF		1,739.3				
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	0.0	1,739.3	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time						
Part-time						
Temporary		2				

ANALYSIS: (Attach a separate page if necessary)

CSSB 4002\T (with amendments) increases the 2008 Permanent Fund Dividend by \$500 to provide residents of the state with an Alaska resource rebate. The bill also allows veterans, spouses or dependents of a living or deceased veteran to apply for the \$500 resource rebate payment if they did not apply for a 2008 permanent fund dividend. Under the bill, veterans may also apply for the Emergency Energy Relief program and receive a payment to offset the cost of fuel used for residences. Veterans' benefits, both pension and medical, that would be lost as a result of counting the rebate or energy relief payments must be replaced with Hold Harmless (HH) benefits through the General Relief Assistance program.

Prepared by: Ellie Fitzjarrald
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/02/2008
 Date 08/03/2008

ANALYSIS CONTINUATION

Some veterans benefits are income tested. The Veterans Administration has advised us it will likely treat the resource rebate and the emergency energy relief payments as income. Pension benefits will be reduced dollar to dollar and prorated over the calendar year. The cost of replacing medical benefits will vary according the veteran's usage of VA medical services. The pension and medical benefits will be replaced through payment of a Hold Harmless benefit.

Cost Assumptions

VA estimates 376 beneficiaries (312 vets and 64 widows and dependents) will be impacted. We estimate the VA hold harmless cost to replace these benefits is \$752.0 (376 x \$2000, which is the estimated combined value of energy relief and resource rebate).

VA estimates that 497 veterans are receiving assistance with costs of medications, inpatient/outpatient care, and long-term care services. Based on information provided by the VA, the anticipated cost for holding these services harmless is \$831.1

In order to issue these benefits, the Division will need to employ two temporary Project Assistant positions to manage the additional workload associated with determining eligibility and issuing hold harmless benefits, and will need to modify DPA's Eligibility Information System (EIS) to facilitate the issuance of Hold Harmless benefits for veterans whose benefits are reduced due to the resource rebate.

FY09 Administrative Costs for VA benefits: \$156.2

Personal Services (2 positions): \$76.4

Travel (to facilitate employee training and outreach): \$10.0

Contractual (telecommunication, printing, and outreach to inform veterans of the program's availability): \$14.5

Contractual (EIS Computer Programming Modifications): \$35.0

Supplies (equipment and supplies for issuing notices and warrants): \$20.3

All costs for the Alaska Resource Rebate Hold Harmless Program are eliminated in FY 2010 to reflect the sunset of the program June 30, 2009.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 8
 Bill Version: CSSB 4002(FIN)
 (S) Publish Date: 8/3/08
 Dept. Affected: Health & Social Services
 RDU: Public Assistance
 Component: PFD Hold Harmless

ID(File name) SB4002CS(FIN)-DHSS-PFDHH-08-03-08
 Title: ALASKA RESOURCE REBATE PROGRAM

Sponsor: SENATE FINANCE
 Requester: SENATE FINANCE

Component No. 225

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation		Information				
	Required						
OPERATING EXPENDITURES	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		400.0					
Miscellaneous							
TOTAL OPERATING	0.0	400.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (0)							

FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1037 GF/Mental Health							
Other(PFD Hold Harmless)		400.0					
Other(Specify Type-do not abbreviate)							
TOTAL	0.0	400.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

CSSB 4002\T (with amendments) increases the 2008 Permanent Fund Dividend by \$500 to provide residents of the state with an Alaska resource rebate. The increase of \$500 to the total amount of the dividend will be funded by transfers from the general fund to the dividend fund.

The Food Stamp, Social Security Supplemental Income (SSI), and Adult Public Assistance (APA) programs count the Permanent Fund Dividend (PFD) as income in determining whether a person or household qualifies for benefits. PFD money that is not spent and is kept after the month of receipt is also considered an available asset (cash on hand or money in the bank) for program participants.

Prepared by: Ellie Fitzjarrald
 Division: Public Assistance
 Approved by: William H. Hogan, Commissioner
 Agency: Department of Health and Social Services

Phone 465-5847
 Date/Time 08/02/2008
 Date 08/03/2008

ANALYSIS CONTINUATION

The Permanent Fund Dividend Hold Harmless program established in AS 43.32.075 requires that public assistance benefits which are lost as the result of counting the PFD as income or as an asset must be replaced by issuing a PFD Hold Harmless (PFD HH) benefit. PFD HH replacement benefits are limited to four months a year.

The department estimates an increment of \$400,000 in PFD HH will be needed in FY 09 to replace Food Stamp benefits that would otherwise be reduced or stopped as a result of households receiving the extra \$500 in the PFD.

The department does not expect the \$500 increase in the 2008 PFD to affect the amount of PFD HH expenditures needed to replace lost APA and SSI benefits. The amount of the PFD has been so high in recent years that benefits to these program recipients have been replaced with PFD Hold Harmless benefits, even without the additional \$500. These appropriations are accounted for in the FY 09 budget. The department also expects that the extra \$500 received by program participants will be spent on additional expenses such as increased energy costs.

Assumptions:

In FY09, the department expects that the \$500 added to the 2008 PFD would affect 1,000 Food Stamp households. The average PFD HH payment for Food Stamps is \$400/month. 1,000 households x \$400 = \$400,000

31 July, 2008

Dear Senator and Representative:

Thank you for your efforts during special session to seek solutions to the energy problems facing Alaska. It appears the legislature is responsibly tackling both short and long term solutions to this critical problem and we, the Board of Regents, applaud you for this effort.

As you attempt to construct an energy policy for Alaska please keep in mind a powerful resource you already have at your disposal – the University of Alaska. UA is uniquely positioned to provide immediate assistance in the development and evaluation of new technologies as well as enhancements of existing technologies.

UA has been at the cutting edge of energy research and development for decades. Although work has been spread across UA, units such as the UAF College of Engineering and Mines and the Geophysical Institute and the UAA Institute for Social and Economic Research have been particularly active. More recently UA established the Alaska Center for Energy and Power (ACEP). ACEP is on the front lines of addressing long term energy solutions through practical research and evaluation of such technologies as geothermal, hydroelectric, and wind generation. It is also heavily invested in shorter term solutions for improving oil and gas exploration, as well as continuing research and development associated with heavy oil, and gas hydrate development. ACEP has partnered with organizations such as Lawrence Livermore Laboratories, the United States Department of Energy and the National Renewable Energy Laboratory to build expertise.

We know the legislature is considering many options, but we encourage you to make sure research and development is one of them. Early drafts of Speaker Harris' bill included research as an eligible funding category of the Alternative Energy Grant Fund and Recommendation Program. The Board understands there may be many iterations of this bill or it may not pass at all. However, the Board of Regents supports the inclusion of research and development as a cornerstone of any solution you consider for energy in Alaska.

Sincerely,

Mary K. Hughes
Chair
Board of Regents
University of Alaska Statewide System
P. O. Box 755300
Fairbanks, AK 99775-5300
(907) 450-8010
(907) 450-8012 (fax)