**Fiscal Note**

State of Alaska
2018 Legislative Session

Identifier: HB216-DOR-PFD-1-18.2018
Title: TRANSFERS FROM DIVIDEND FUND; CRIMES
Sponsor: KOPP
Requester: JUD CHAIR

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

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

<table>
<thead>
<tr>
<th>OPERATING EXPENDITURES</th>
<th>FY2019</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
<th>FY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Services</td>
<td>20.0</td>
<td></td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
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<tr>
<td>Travel</td>
<td></td>
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<tr>
<td>Services</td>
<td></td>
<td>20.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
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<tr>
<td>Commodities</td>
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<tr>
<td>Capital Outlay</td>
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<tr>
<td>Grants &amp; Benefits</td>
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<tr>
<td>Miscellaneous</td>
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</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td>20.0</td>
<td>0.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
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</tbody>
</table>

**Fund Source (Operating Only)**

<table>
<thead>
<tr>
<th>1004 Gen Fund (UGF)</th>
<th>FY2019</th>
<th>15.0</th>
<th>15.0</th>
<th>15.0</th>
<th>15.0</th>
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<th>15.0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>20.0</td>
<td>0.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
<td>15.0</td>
</tr>
</tbody>
</table>

**Positions**

- Full-time
- Part-time
- Temporary

**Change in Revenues**

<table>
<thead>
<tr>
<th>None</th>
<th>0.0</th>
<th>0.0</th>
<th>0.0</th>
<th>0.0</th>
<th>0.0</th>
<th>0.0</th>
<th>0.0</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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</tbody>
</table>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)

**Estimated CAPITAL (FY2019) cost:** 0.0 (separate capital appropriation required)

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?  
**YES**

If yes, by what date are the regulations to be adopted, amended or repealed?  
07/01/18

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

To match the out year costs since this is a continuing account with on-going operational tasks.
The intent of this bill is to use existing law AS 43.23.005(d) which states that an individual is ineligible to receive a dividend if sentenced or convicted of a felony or a combination of misdemeanors and a felony, and to create a priority order that must be considered when appropriating funds. Annually a calculation is performed to determine the amount available for possible appropriation. It is based on actual applications filed during a dividend year. From that, a percentage of applicants that would have otherwise been eligible to receive the dividend, had they not been denied as a felon or misdemeanant, is determined and multiplied by the total number of individuals reported by Department of Corrections and Public Safety. The estimated number of otherwise eligible applicants is then multiplied by the dividend amount. That total calculated amount will be placed into a new Restorative Justice Account, a sub account of the Dividend Fund, and appropriated funds will be transferred to the respective recipients.

In the appropriation process the following priority order will be considered:

- DOA’s Violent Crimes Compensation Board
- Restitution payments
- Grant funds
- Office of Victims’ Rights
- DPS Council on Domestic Violence and Sexual Assault for program grants
- Department of Corrections costs related to incarceration or probation

The existing structure under AS 43.23.005(d) requires the Department of Revenue report the total amount calculated to OMB, and through the budgeting process funds have been appropriated to Department of Corrections and Public Safety. The proposed bill specifies that funds appropriated to Public Safety may only be used for funding grants, and Department of Corrections is moved to a lower priority.

The Department of Revenue and Permanent Fund Dividend Division are affected by this bill fiscally as a new subaccount will need to be added to the Dividend Fund, which will require additional accounting and operational task to be performed. Not only will a new subaccount need to be created, annually multiple financial transactions will be processed to transfer funds to the respective recipients and reporting requirements will be necessary. If funds outside of the calculation are appropriated to the Restorative Justice Account through the new section 6 AS 43.23.048(d) the number of transactions that will be required is unknown.

The primary mission of the division will not be significantly impacted as it does not change eligibility or payment requirements. However, it will require additional administrative and fiscal time to accomplish each year. Regulations will need to be adopted with enactment of the bill to execute the changes in 43.23.048.