

---

**From:** Jane Pierson  
**Sent:** Friday, April 28, 2017 1:09 PM  
**To:** Helen Phillips  
**Subject:** FW: Re: House Bill 38

Could you please share with Committee members and post?  
Thank you,

Jane

---

**From:** Paul Kelly  
**Sent:** Friday, April 28, 2017 12:38 PM  
**To:** Jane Pierson <Jane.Pierson@akleg.gov>  
**Subject:** FW: Re: House Bill 38

Jane. Please find the answer to the committee's question on HB 38 below. Paul

---

**From:** Lowenstein, Cheryl A (DOA) [<mailto:cheryl.lowenstein@alaska.gov>]  
**Sent:** Friday, April 28, 2017 12:08 PM  
**To:** Paul Kelly <[Paul.Kelly@akleg.gov](mailto:Paul.Kelly@akleg.gov)>  
**Cc:** Montalbo, Minta C (DOA) <[minta.montalbo@alaska.gov](mailto:minta.montalbo@alaska.gov)>; Gaffney, Emily D (GOV) <[emily.gaffney@alaska.gov](mailto:emily.gaffney@alaska.gov)>  
**Subject:** FW: Re: House Bill 38

Good afternoon Paul,

Please find below our response to your question regarding HB 38. In Minta's absence, please feel free to reach out to me if you need additional information.

**Question**

*During the hearing, a question was raised about Fiscal Note HB038CS(LAC)DOA-DRM-4/15/17. Essentially, the House Finance Committee questioned how the anticipated \$512,000 needed to cover costs associated with an increase in PPI would be paid. They asked about the mechanics and source of those payments.*

**Answer**

The mechanics are that the legislature would appropriate an additional \$512,000 of receipt authority to Division of Risk Management (DRM) budget. DRM would increase its payroll deductions (method for collecting workers comp premiums), which would be paid by the individual agencies based on their pro rata share of the increase. DOT and HSS would like bear the lion's share of the increase. Benefit payments are made as part of the claims process.

Thank you!

Cheri Lowenstein  
Administrative Services Director  
Department of Administration  
(907) 465-5655