

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: SB 104  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB104-DOR-CSSD-02-01-14  
Title: APPROPRIATIONS FROM THE DIVIDEND FUND  
Sponsor: DYSON  
Requester: (S) STA

Department: Department of Revenue  
Appropriation: Child Support Services  
Allocation: Child Support Services Division  
OMB Component Number: 111

## Expenditures/Revenues

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

(Thousands of Dollars)

|                        | FY2015<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2015<br>Request | Out-Year Cost Estimates |            |            |            |            |
|------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2015                              | FY 2015  | FY 2016                 | FY 2017    | FY 2018    | FY 2019    | FY 2020    |
| Personal Services      |                                      |  |                         |            |            |            |            |
| Travel                 |                                      |  |                         |            |            |            |            |
| Services               |                                      |  |                         |            |            |            |            |
| Commodities            |                                      |  |                         |            |            |            |            |
| Capital Outlay         |                                      |  |                         |            |            |            |            |
| Grants & Benefits      |                                      |  |                         |            |            |            |            |
| Miscellaneous          |                                      |  |                         |            |            |            |            |
| <b>Total Operating</b> | <b>0.0</b>                           | <b>0.0</b>                                     | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Fund Source (Operating Only)

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Positions

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

|                           |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|
| <b>Change in Revenues</b> |  |  |  |  |  |  |  |
|---------------------------|--|--|--|--|--|--|--|

**Estimated SUPPLEMENTAL (FY2014) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2015) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? NO  
If yes, by what date are the regulations to be adopted, amended or repealed?

## Why this fiscal note differs from previous version:

Initial version.

Prepared By: John Mallonee, Director  
Division: Child Support Services  
Approved By: Angela M. Rodell, Commissioner  
Agency: Department of Revenue

Phone: (907)269-6801  
Date: 02/01/2014 03:30 PM  
Date: 02/01/14

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. SB 104

### Analysis

This bill appears to be a mechanism for paying victim restitution orders and child support orders before the funds go to reimburse expenses of a state agency. The bill will not change the child support program, but has the potential for reducing the arrears of some obligors and providing needed support to custodians and children. The impact on the state will be the loss of these funds that are currently paid to reimburse the Department of Corrections for costs related to incarceration or probation. It is unlikely that the amount generated by the fund will significantly reduce child support obligor arrears due to the large amounts owed, and the fact that only a portion of the funds may be applied to the child support program, based on the order of payment priority. The list used to determine the total amount of arrearages owed by incarcerated individuals, will be a year old before it will apply to the appropriation of funds to the child support agency. This may mean that an individual identified as owing arrearages may no longer owe the funds when the money is appropriated.

While this bill will not result in any increase in operating expenses, there may be other fiscal impacts. The division does not know how many of our clients are ineligible nor the total amount owed by them. We do know that there are individuals who are no longer incarcerated but are still ineligible for the dividend because of a previous incarceration. We also know that we have approximately 750 cases where the non-custodial parent is currently incarcerated. The arrears for these cases amount to about \$12 million dollars. A portion of this money is owed to the custodial parents and a portion is owed to the state and federal government. This portion would be distributed to the state and federal government if we distributed these funds as we do other collections. The bill does not indicate how the money would be distributed.