

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 61
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB061-DOC-PHC-01-28-17
Title: PERM. FUND:DEPOSITS;DIVIDEND;EARNINGS
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: (H) FIN

Department: Department of Corrections
Appropriation: Health and Rehabilitation Services
Allocation: Physical Health Care
OMB Component Number: 2952

Expenditures/Revenues

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

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES	FY 2018	FY 2018					
Personal Services							***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	***

Fund Source (Operating Only)

1171 PFD Crim (Other)		(9,103.6)	(9,375.1)	(9,375.1)	(8,659.3)	(8,449.5)	
1197 AK Cap Fnd (Other)		9,103.6	9,375.1	9,375.1	8,659.3	8,449.5	
Total	0.0	0.0	0.0	0.0	0.0	0.0	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) 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?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated analysis

Prepared By: <u>April Wilkerson</u>	Phone: <u>(907)465-3460</u>
Division: <u>Administrative Services - Department of Corrections</u>	Date: <u>01/28/2017 02:45 PM</u>
Approved By: <u>Dean Williams, Commissioner</u>	Date: <u>01/28/17</u>
Agency: <u>Department of Corrections</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

BILL NO. HB 61

Analysis

Passage of this legislation will change the way permanent fund dividends are calculated. The reduction in the CY2016 dividend amount from an estimated \$2,072.00 to \$1,022.00 significantly reduced the amount available to the Department of Corrections Physical Health Care component.

As a result, a fund source change of \$9,103,600.00 from the PFD Criminal Fund to the Alaska Capital Income Fund is requested in the FY2018 budget in order to maintain the necessary level of funding for inmate health care.

The Department of Corrections Physical Health Care component receives a portion of the \$12,613,524.00 PFD Criminal Funds available which is based on a fluctuating annual PFD amount and the number of persons deemed ineligible during the appropriate year. For FY2018 the \$12,613,524.00 available is based on the CY2016 annual PFD amount of \$1,022.00 and an estimated 12,342 individuals deemed ineligible under AS 43.23.005(d).

The portion of PFD Criminal Funds available to Corrections for FY2018 is \$11,191,024.00 after the \$1,422,500.00 proposed deposit into the Crime Victim Compensation Fund.

Using the Office of Management and Budget projection model and the same number of individuals identified as ineligible, this legislation would reduce the amount of PFD Criminal Funds to the Department of Corrections for inmate health care requiring fund source changes as follows:

In FY2019 and FY2020 the dividend would be \$1,000.00 and would reduce the amount of PFD Criminal Funds available by an additional \$271,524.00 requiring \$9,375,100.00 from another fund source, proposed from the Alaska Capital Income Fund.

In FY2021, the dividend is projected to be \$1,058.00 and would increase the amount of PFD Criminal Funds available by \$715,836.00 requiring \$8,659,264.00 from another fund source, proposed from the Alaska Capital Income Fund.

In FY2022, the dividend is projected to be \$1,075.00 and would increase the amount of PFD Criminal Funds available by an additional \$209,814.00 requiring \$8,449,450.00 from another fund source, proposed from the Alaska Capital Income Fund.

The FY2023 dividend projections and any continued fund changes are not known at this time.