

Fiscal Note

State of Alaska
2019 Legislative Session

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

Identifier: SB061-DOLWD-FF-03-01-19
Title: COMM FISHERMEN'S FUND:VESSEL OWNER
CLAIMS
Sponsor: STEVENS
Requester: (S) Labor and Commerce

Department: Department of Labor and Workforce Development
Appropriation: Workers' Compensation
Allocation: Fishermen's Fund
OMB Component Number: 343

Expenditures/Revenues

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

	FY2020	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2020 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
OPERATING EXPENDITURES	FY 2020	FY 2020					
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	16.1		16.1	16.1	16.1	16.1	16.1
Miscellaneous							
Total Operating	16.1	0.0	16.1	16.1	16.1	16.1	16.1

Fund Source (Operating Only)

1032 Fish Fund (DGF)	16.1		16.1	16.1	16.1	16.1	16.1
Total	16.1	0.0	16.1	16.1	16.1	16.1	16.1

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 (FY2019) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2020) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

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Division: <u>Workers' Compensation</u>	Date: <u>03/01/2019</u>
Approved By: <u>Paloma Harbour, Administrative Services Director</u>	Date: <u>03/01/19</u>
Agency: <u>Office of Management and Budget</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2019 LEGISLATIVE SESSION

BILL NO. SB 61

Analysis

This legislation will change the amount a vessel owner may be reimbursed by the Fishermen's Fund. Currently vessel owners may be reimbursed the lower of 50% of their protection and indemnity (P&I) insurance deductible or \$5,000 per claim. Under this legislation, vessel owners may be reimbursed the lower of 100% of their P&I insurance deductible or \$5,000.

The department projects that this will increase liability to the Fishermen's Fund by \$16,100 per fiscal year. This projection is based on an average for these types of claims filed between FY14 and FY17 of seven claims per year at an average cost per claim of \$2,300. Assuming that \$2,300 is 50% of the deductible then the total would be \$4,600. Under this scenario, the cost increase to the Fishermen's Fund would be \$2,300 per claim for a total of \$16,100 per year. There is sufficient revenue in the Fishermen's Fund to cover this increased liability.