

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 15
 Bill Version: CSSB 203 (FIN)
 (S) Publish Date: 3/3/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title Office of Administrative Hearings RDU Insurance (116)
 Component Insurance
 Sponsor Rules by Request
 Requester Senate Finance Component No. 354

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual	38.3	84.1	92.5	101.8	112.0	123.2
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	38.3	84.1	92.5	101.8	112.0	123.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1004)	38.3	84.1	92.5	101.8	112.0	123.2
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other 1156 - Receipt Supported Services	38.3	84.1	92.5	101.8	112.0	123.2
TOTAL	38.3	84.1	92.5	101.8	112.0	123.2

Estimate of any current year (FY2004) cost: 90.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes an Office of Administrative Hearings in the Department of Administration. This new office would conduct hearings for insurance (AS 21.06.180-230, AS 21.14.010 and AS 44.62.310 and 3 AAC 25.040). The division estimates needing additional funds to contract with the Department of Administration for 1,020 hours for six hearings. On average, a hearing can involve 170 hours at a cost of \$75.00/hour. Hours are expected to increase by 10% annually. Due to a variety of circumstances the number of hearings conducted in any year can vary.

The fund source for these hearings are receipt supported services (RSS) from licensing fees. When the funds are transferred to the new office on or after January 1, 2005, it is anticipated that receipts for licensing fees totaling \$38.3 (half of the total annual amount) will be transmitted via Inter-Agency Receipts to support the hearing services requested by the division.

Prepared by: Linda S. Hall, Director Phone (907) 269-7900
 Division Insurance Date/Time 3/1/04 4:15 PM
 Approved by: Edgar Blatchford, Commissioner Date 3/1/2004
 Agency Community & Economic Development