

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSSB 171(STA)
 (S) Publish Date: 4/7/09

Identifier (file name): SB171-DOR-TAX-04-03-09 Dept. Affected: 4
 Title PFD Dividends to Deceased Individuals RDU Taxation and Treasury
 Component Permanent Fund Dividend Division
 Sponsor Senator Meyer
 Requester Senate State Affairs Component Number 981

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services	114.4		114.4	114.4	114.4	114.4	114.4	114.4
Travel								
Contractual	27.0		27.0	27.0	27.0	27.0	27.0	27.0
Supplies	2.5		2.5	2.5	2.5	2.5	2.5	2.5
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	143.9	0.0	143.9	143.9	143.9	143.9	143.9	143.9
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts	143.9		143.9	143.9	143.9	143.9	143.9	143.9
TOTAL	143.9	0.0	143.9	143.9	143.9	143.9	143.9	143.9

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time	2.0		2	2	2	2	2	2
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Historically, approx. 3,500 people die in Alaska each year. This does not take into consideration Alaskans who die outside of Alaska that may also result in an application. Application on behalf of a deceased person will create an automatic eligibility case that must be assigned to a technician and worked. It is expected that some of the applicants will apply for the first time as deceased individuals, complicating the issue. The average time a technician can expect to put into an deceased individual's eligibility case is estimated at one hour. This includes public response time in answering the many questions the executors of the estates will have regarding the deceased individuals eligibility as well as time spent reviewing documents, requesting information and writing letters. 3,500 man hours translates to 100 weeks or two full time positions.

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 Date 4/3/2009

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ANALYSIS CONTINUATION

It is expected that 100 of those applications will result in denial/appeal which translates to one full month of Appeals technician time, adding to the backlog that currently exists. OAH typically spends 15-20 hours at \$135 hour per case. This is estimated to increase our costs of Formal hearings by as much as \$27,000 annually. Supply cost is based solely on increased 1099 mailing.

3,500 additional complicated cases annually is not something the division can absorb without increased staffing. At current staffing levels, regular eligiblity casework is not complete for a given year until well into the 4th month of the following year. Applicants who appeal at the informal level can expect resolution of their case to take approximately 8 months.