

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSHB 336(ENE)
 Fiscal Note Number 3
 (H) Publish Date 4/9/12

Identifier (file name) HB336CS(ENE)-DOR-PFD-03-27-12 Dept. Affected Revenue
 Title Energy Assistance Program & Voucher Appropriation Tax & Treasury
 Allocation Permanent Fund Dividend
 Sponsor Representative Thompson
 Requester House Energy OMB Component Number 981

Expenditures/Revenues (Thousands of Dollars)

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

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
			FY13	FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES								
Personal Services	72.9							
Travel								
Services	218.6							
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	291.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts							
1003	GF Match							
1004	GF	291.5						
1005	GF/Prgm (DGF)							
1037	GF/MH (UGF)							
1178	temp code (UGF)							
TOTAL		291.5	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary	2						

CHANGE IN REVENUES

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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated for new CS.

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 Division Permanent Fund Dividend
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone 465-4785
 Date/Time 3/28/12 4:02 PM
 Date 3/29/2012

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Analysis

PFD expects this fiscal note to change as more clarification and information is provided to the Department of Revenue. Note corrected fund source

The bill creates an energy benefit by means of a voucher for Adults who are determined eligible for the 2012 PFD. The bill proposes the energy benefit to be distributed no later than December 1, 2012. The bill also tasks the Governor with determining how to make the program permanent through the PFD Division.

PFD expects increased appeals of ineligible applicants because of the value of the benefit added to dividend eligibility, a situation similar to that of the 2008 Resource Rebate at which time the Informal Appeals unit received approximately 900 additional appeals by applicants who were ineligible as a matter of law. Additional appeals staff, Range 12 PFD Tech II is needed to render informal appeals decisions within the statutorily designated time frame of 180 days.

Additionally, approximately 100 additional Formal level appeals were heard by Administrative Law Judges with Office of Administrative Hearings in which the divisions decision the applicant was ineligible was upheld. Increased OAH RSA is expected in the amount of \$113.6K.

As the value and benefit of the annual dividend program increases, so does the potential for fraud. \$105.K is requested to hire a firm to assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.