

# FISCAL NOTE

**STATE OF ALASKA**  
**2012 LEGISLATIVE SESSION**

Bill Version CSSB 203(FIN)  
 Fiscal Note Number 2  
 (S) Publish Date 4/6/12

Identifier (file name) SB203CS(FIN)-DOR-PFD-03-28-12 Dept. Affected Revenue  
 Title Energy Assistance Program & Voucher Appropriation Tax & Treasury  
 Allocation Permanent Fund Dividend  
 Sponsor Senators Thomas, Paskvan, Hoffman, Wagoner, Ellis  
 Requester Senate Finance 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
<b>OPERATING EXPENDITURES</b>								
Personal Services	72.9							
Travel								
Services	218.6							
Commodities								
Capital Outlay								
Grants, Benefits								
Miscellaneous								
<b>TOTAL OPERATING</b>	<b>291.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**FUND SOURCE** (Thousands of Dollars)

	FY13	FY14	FY15	FY16	FY17	FY18
1002 Federal Receipts						
1003 GF Match						
1004 GF	291.5					
1050 PFD Fund (DGF)						
1037 GF/MH (UGF)	0.0					
1178 temp code (UGF)						
<b>TOTAL</b>	<b>291.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**POSITIONS**

	FY13	FY14	FY15	FY16	FY17	FY18
Full-time						
Part-time						
Temporary	2					

**CHANGE IN REVENUES**

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 CS in Senate Finance version M.

Prepared by Deborah M. Bitney  
 Division Permanent Fund Dividend  
 Approved by Alicia Egan , Legislative Liaison  
Department of Revenue

Phone 465-4785  
 Date/Time 3-28-12 5:00pm  
 Date 3/29/2012

**FISCAL NOTE #2**

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**BILL NO. CSSB 203(FIN)**

**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. OAH RSA expected in the amount of \$113.6.

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 that would assist the division in auditing existing applicants and creating new audit recommendations for continued assurance that opportunity for fraud is minimized.