

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version	<u>CSSB 203(FIN)</u>
Fiscal Note Number	<u>3</u>
(S) Publish Date	<u>4/6/12</u>

Identifier (file name)	<u>SB203-DOA-OAH-3-8-12</u>	Dept. Affected	<u>Administration</u>
Title	<u>Energy Assistance Program & Vouchers</u>	Appropriation	<u>Centralized Administrative Services</u>
		Allocation	<u>Office of Administrative Hearings</u>
Sponsor	<u>Senator Thomas</u>	OMB Component Number	<u>2771</u>
Requester	<u>Senate Finance</u>		

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				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	113.6						
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	113.6	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						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1007	I/A Rcpts (Other)	113.6					
TOTAL		113.6	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

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)

Not applicable, initial version

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Division	<u>Office of Administrative Hearings</u>
Approved by	<u>John Cramer, Deputy Commissioner</u>
	<u>Department of Administration</u>

Phone	<u>465-1886</u>
Date/Time	<u>3/8/12 1:50 PM</u>
Date	<u>3/8/2012</u>

FISCAL NOTE #3

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 203(FIN)

Analysis

This bill provides for issuance of energy vouchers to adults eligible for the 2012 Permanent Fund Dividend (PFD), and for the vouchers to be redeemed with qualified distributors of heating oil, natural gas and electricity. Applicants determined to be ineligible for the PFD are entitled to a formal hearing conducted by the office of administrative hearings. The department of revenue, PFD division, estimates an increase of 100 formal appeals. The bill contemplates that those would be concluded within 12 months after filing.

Under the bill, distributors determined not to be qualified also would be entitled to an administrative hearing. The department of revenue could, but is not required to, ask the office of administrative hearings to conduct the distributor appeal hearings as voluntary referrals pursuant to AS 44.64.030(b). The number of distributor appeals that would reach the formal appeal level and be heard by the office of administrative hearings could be quite small, or even non-existent if the department of revenue elected not to refer them to the office.

The bill also provides that the energy voucher not be considered income for financial needs-based assistance programs, unless so required by federal law. If disputes arise between assistance claimants and assistance program managers in the department of health and social services about whether the energy voucher is required by federal law to be treated as income, this could affect the complexity of some cases, or possibly lead to an unquantifiable increase in cases, reaching the formal hearing stage before the office of administrative hearings.

OAH does not anticipate that the resulting one-time, limited duration spike in caseload would increase the office's caseload beyond OAH's capacity to handle the additional cases at approved staffing levels that will be in place as of the July 1, 2012 effective date of Executive Order 116. OAH might need to act sooner than planned to fill an existing vacancy, or if the crush of time-sensitive PFD eligibility appeals so dictated, might need to bring on board a temporary ALJ to handle some of the cases. The cost to OAH of performing the services would be recovered from the affected departments through interagency receipts, based on the time commitment required for hearings and mediations. The \$113.6 figure corresponds to the department of revenue's estimate, based on 2008 Resource Rebate experience, of the increase in interagency receipts it would have to pay from the permanent fund to OAH for the anticipated increase of 100 cases. Whether OAH would in fact need to increase expenditures or need increased interagency receipts authority in that amount depends on unpredictable caseload dynamics.