

**The attached Fiscal Note Packet accompanied the
report for the following:**

**CCS HB 266
(Approp: Operating Budget/Loans/Funds)**

**Please refer to the 5/14/14 memo from the Division
of Legislative Finance for a finalized listing of those
fiscal notes.
(House Journal Page 2852)**

79 PAGES

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 32(FIN)
Fiscal Note Number:	2
(H) Publish Date:	2/26/2014

Identifier: HB032CS-DCCED-CBPL-02-17-14
Title: LINES OF BUSINESS ON BUSINESS LICENSE
Sponsor: COSTELLO, HUGHES
Requester: House Labor and Commerce

Department: Department of Commerce, Community and Economic Development
Appropriation: Corporations, Business and Professional Licensing
Allocation: Corporations, Business and Professional Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	8.5							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	8.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	8.5						
Total	8.5	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	(37.5)		(37.5)	(37.5)	(37.5)	(37.5)	(37.5)
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 03/01/15

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs

Prepared By: Don Habeger, Director
Division: Corporations, Business and Professional Licensing
Approved By: Jeanne Mungle, Director
Agency: Administrative Services

Phone: (907)465-2536
Date: 02/17/2014 09:30 AM
Date: 02/17/14

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

REPORTED OUT OF
SFC 04/15/2014

REPORTED OUT OF
HFC 02/24/2014

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. CSHB 32(L&C)

Analysis

CSHB 32 amends AS 43.70 to provide for the issuance of one business license for multiple trades, services, professions, or activities and for the issuance of a new business license to make a change on the license.

Service costs of 8.5 include modifying the Business License database and provide for legal costs associated with regulation change. The database will be modified to allow for filtering and search of the primary and secondary NAICS (North American Industry Classification System) codes on the database and printing the primary and secondary trade, service, profession, or activity on the business license certificate.

The division estimates that approximately 750 business licenses with the same business name could potentially consolidate from two to one business license. At \$50 per license this is potentially a \$37,500 decrement to revenue.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 89(FIN)
Fiscal Note Number:	12
(H) Publish Date:	4/13/2014

Identifier: HB089CS(RES)-DFG-SFD-04-01-14
Title: AQUATIC INVASIVE SPECIES
Sponsor: SEATON
Requester: House Finance Committee

Department: Department of Fish and Game
Appropriation: Sport Fisheries
Allocation: Sport Fisheries
OMB Component Number: 464

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	165.2		82.6					
Travel	28.4		14.8					
Services	102.5		56.5					
Commodities	3.0		1.0					
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	299.1	0.0	154.9	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	299.1		154.9					
Total	299.1	0.0	154.9	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	3.0		3.0				

Change in Revenues							

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

The changes made to HB 89 in the House Resources Committee does not change the fiscal impact for ADF&G to carry out the provisions laid out in the legislation.

Prepared By: Charles O. Swanton, Director
Division: Sport Fish
Approved By: Kevin Brooks, Deputy Commissioner
Agency: Commissioner's Office

Phone: (907)465-6184
Date: 03/28/2014 06:30 PM
Date: 04/01/2014

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CONFERENCE
COMMITTEE
Printed 4/19/2014

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HFC 04/13/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 89(RES)

Analysis

House Bill 89 would require:

- 1) Review and update the Alaska Aquatic Nuisance Species Management Plan.
- 2) Develop an Invasive Species Action Plan that outlines key agency contacts and communication trees; roles, responsibilities, and jurisdictional boundaries; species or habitats of concern and potential economic impacts; defines early detection methods; and will serve as the foundation from which response plans could be written focusing on specific species or pathways.
- 3) Develop rapid response plans for each of the 5 identified invasive species (northern pike, marine tunicates, European green crab, spartina cordgrass, crayfish) that threaten aquatic ecosystems across the state. A template for a rapid response plan would be developed specific to each species which would include vectors of transmission, synthesis of background knowledge, documented or perceived distribution, and identified threat to specific areas or locations, as well as effective control or eradication methods.

Upon completion, a series of facilitated meetings would take place between identified state, federal, and municipal agencies, along with other stakeholder organizations to catalog authorities and available resources specific to rapid response. In addition, a series of facilitated public meetings would be held to receive and document public input and knowledge to be incorporated into a draft plan. Each hired staff member would be specifically assigned to a species and become the subject matter expert for that species for the purposes of preparing the response plan. The final task would be compiling all of the pertinent information and publishing a final rapid response plan to be implemented by all of the affected parties, on a case by case basis, as needed.

We anticipate that these three tasks will take 18 months to complete and the full year cost is shown in FY15 and a 1/2 year cost is shown in FY16. Because of the duration of the project, the division would utilize three non-permanent staff: 1) Fishery Biologist III (18 months), 2) Fishery Biologist IV (9 months), 3) Education Associate II (9 months).

Each species would have a series of meetings which would be facilitated by an outside contractor who would also be required to provide input toward plan development following each meeting. We anticipate the facilitator to meet with staff in preparation, facilitation, and input for final response plans.

This fiscal note does not reflect the costs associated with implementing any of the plans this legislation directs ADF&G to develop. It would be extremely difficult to estimate those costs at this time resulting in an indeterminate cost for FY16 and beyond.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 89(FIN)
Fiscal Note Number:	13
(H) Publish Date:	4/13/2014

Identifier: HB089CS(RES)-DNR-PMC-3-31-14
Title: AQUATIC INVASIVE SPECIES
Sponsor: SEATON
Requester: House Finance Committee

Department: Department of Natural Resources
Appropriation: Agriculture
Allocation: North Latitude Plant Material Center
OMB Component Number: 2204

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services	78.6		***	***	***	***	***	***
Travel	5.0							
Services	5.5							
Commodities	5.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	94.1	0.0	***	***	***	***	***	***

Fund Source (Operating Only)

1004 Gen Fund	94.1							
Total	94.1	0.0	***	***	***	***	***	***

Positions

Full-time								
Part-time								
Temporary	1.0							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs and the committee substitute adopted in the House Resources Committee.

Prepared By: Franci Havemeister, Director
Division: Division of Agriculture
Approved By: Joe Balash, Commissioner
Agency: Department of Natural Resources

Phone: (907)745-7200
Date: 03/31/2014 10:00 AM
Date: 03/31/14

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FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. CSHB 89(RES)

Analysis

CSHB89(RES) establishes a new section in AS 16.05 that directs the Department of Fish & Game (DF&G), in cooperation with the Department of Environmental Conservation (DEC) and the Department of Natural Resources (DNR), and other state, federal, public and private entities to establish a rapid response and management plan for addressing incipient populations of aquatic invasive species.

This fiscal note covers the estimated costs associated with DNR's participation in developing a rapid response plan in FY2015.

It is anticipated that in order to help develop the plan, the Division of Agriculture will need a long-term, non-perm Natural Resource Specialist II, Range 16, plus funds to cover travel, core service charges and computer equipment. It is estimated the development of the rapid response and management plan would take up to one year and that some travel would be required in order to coordinate with the other agencies and entities.

DNR, in a memorandum of understanding with both DF&G and DEC, is the management and coordinative authority for submersed and partially emerged freshwater invasive aquatic plants.

This fiscal note does not include costs for plan implementation, rapid response to and management of an aquatic invasive species and therefore results in an indeterminate cost for FY2016 and beyond.

Currently, there are some eradication efforts in planning stages for freshwater invasive aquatic plants in Alaska, specifically for Elodea. The removal of Elodea could be carried out in the following methods: manual removal by divers, suction dredging, or chemical application.

Examples of potential costs for eradication include estimates done in both Fairbanks and Anchorage areas for removal of Elodea. Eradication of freshwater aquatic invasive plants are multi-year processes. An initial estimate for removal of Elodea in Sand Lake in Anchorage was \$210.0 over three years using herbicides or up to \$440.0 for mechanical control. The Fairbanks Soil and Water Conservation District estimated that over a five-year period it would cost about \$322.4 for mechanical control in Chena Slough.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 140
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB140 DCCED-CBPL-04-19-14
Title: REGULATIONS: NOTICE, REVIEW, COMMENT
Sponsor: REINBOLD
Requester: Senate Finance

Department: Department of Commerce, Community and
Economic Development
Appropriation: Corporations, Business and Professional
Licensing
Allocation: Corporations, Business and Professional
Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	78.7		78.7	78.7	78.7	78.7	78.7
Travel							
Services	20.2		20.2	20.2	20.2	20.2	20.2
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	98.9	0.0	98.9	98.9	98.9	98.9	98.9

Fund Source (Operating Only)

1156 Rcpt Svcs	98.9		98.9	98.9	98.9	98.9	98.9
Total	98.9	0.0	98.9	98.9	98.9	98.9	98.9

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues	98.9		98.9	98.9	98.9	98.9	98.9
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

SFC removed the travel and commodities costs.

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753
Senate Finance Committee Date: 04/19/2014
Co-Chair Senator Meyer
Senate Finance Committee

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCS CSHB140(JUD)

Analysis

SCS CS HB 140 amends AS 44.62.190.

The bill proposes changes to the statute that governs the requirements pertaining to the adoption, amendment, or repeal of a state regulation. The agency shall submit to the governor for review a copy of every regulation or order of repeal adopted by the agency; the bill requires boards and commissions to comply with this provision, which includes responding timely to requests for changes from the governor. The proposed legislation requires the agency, including board and commission members, to accept additional levels of public comment, which shall also be responded to and recorded. The bill also requires substantial additions to the public notice requirements, including publishing full copies of documents incorporated by reference.

The addition of these proposed actions requires startup expenses for administrative support. This fiscal note requests one permanent full time Administrative Assistant II (range 14) to supervise and execute projects in support of the regulations specialist, including coordination of public notices, public comments and responses, cost estimates, copyright research, and regulatory board meeting scheduling. Licensing fees for each program are set per AS 08.01.065 so the revenue collected equals the occupation's regulatory costs. Additional costs incurred to the division as a result of this legislation must, by statute, be borne by licensees through licensing fees.

In addition, contractual increase to accommodate additional regulations attorney review is necessary, based on an estimate of twenty-five regulation projects per year.

Costs for establishing and maintaining the new legislation are based on the following:

Personal Services: \$78.7 for one permanent full time Administrative Assistant II (range 14) to assist regulations specialist and paralegal with requirements associated with regulations projects.

Travel: \$200.2 for board members and \$29.0 for staff to twenty affected boards to schedule one additional meeting per year each in order to meet the requirements of this bill. It is expected that each of the affected boards will need one additional meeting to deliberate the topic, draft and approve regulations before the public comment period, and consider public comment before approving final regulations. This fiscal note reflects the travel costs for board members to travel to these meetings. The department will make every effort to schedule additional meetings via teleconference when feasible.

Services: \$10.2 ongoing legal support services related to regulation implementation; \$10.0 ongoing support services related to new position.

Commodities: \$5.0 start up for new position and \$1.0 in out years.

In addition to the above costs, affected programs would incur direct expenses for the regulations specialist, paralegal, and supervisory management through positive timekeeping. They would also incur indirect expenses for administrative support, such as accounting, payroll, risk management, ADA chargeback, and building leases. Although increased authorization is not needed for these costs, this program's share of the division's total indirect costs will be considered as part of the program's total costs during the biennial review of licensing fees.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: HB 140
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB140 -DEC-CO-04-19-14
Title: REGULATIONS: NOTICE, REVIEW, COMMENT
Sponsor: REINBOLD
Requester: Senate Finance

Department: Department of Environmental Conservation
Appropriation: Administration
Allocation: Office of the Commissioner
OMB Component Number: 633

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	95.2		114.2	114.2	114.2	114.2	114.2
Travel							
Services	155.7		156.9	156.9	156.9	156.9	156.9
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	250.9	0.0	271.1	271.1	271.1	271.1	271.1

Fund Source (Operating Only)

1004 Gen Fund	250.9		271.1	271.1	271.1	271.1	271.1
Total	250.9	0.0	271.1	271.1	271.1	271.1	271.1

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues							

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

SFC removed the travel and commodities costs.

Prepared By: Co-Chair Senator Kelly
Senate Finance Committee
Co-Chair Senator Meyer
Senate Finance Committee

Phone: (907)465-3753
Date: 04/19/2014

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCSHCSHB 140 (JUD)

Analysis

Analysis/Assumptions: This legislation would require the development of estimated annual costs to the state agency to implement a proposed regulation as well as for private persons, state agencies, and municipalities to comply with the proposed regulations. This cost information is to be furnished along with the notice for the regulation. This bill requires the Department to produce a "good faith" estimate, which could be difficult to gauge the legislative intent regarding the level of detail for a cost estimate. The Department has assumed that any proposed regulation package that results in a cost savings to regulated entities would also need to be calculated and included in the public notice.

Personal Services:

The Division of Administration would need one new Economist III position in Juneau to analyze data and calculate the estimated costs to implement proposed regulations for all divisions within the Department.

Travel:

Estimates quarterly travel to Anchorage for meetings related to pending regulation packages.

Services:

Contractual assistance is required each year for the development of cost estimates for the operating divisions for preparing the regulation packages including data collection, analysis, and reporting of findings. The Department estimates that 15 regulation packages will be prepared annually among the four operating divisions.

Commodities:

The economist position support costs, including furniture and computers (one-time costs for new positions); ongoing standard office supplies.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	SCS CSHB 140(JUD)
Fiscal Note Number:	4
(S) Publish Date:	4/17/2014

Identifier: HB140SCSCS(JUD)-DNR-CO-4-16-14
 Title: REGULATIONS: NOTICE, REVIEW, COMMENT
 Sponsor: REINBOLD
 Requester: Senate Judiciary

Department: Department of Natural Resources
 Appropriation: Administration & Support Services
 Allocation: Commissioner's Office
 OMB Component Number: 423

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	112.0		70.0	70.0	70.0	70.0	70.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	112.0	0.0	70.0	70.0	70.0	70.0	70.0

Fund Source (Operating Only)

1004 Gen Fund	112.0		70.0	70.0	70.0	70.0	70.0
Total	112.0	0.0	70.0	70.0	70.0	70.0	70.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version:

Initial Version

Prepared By: Esther Tempel, Legislative Liaison
 Division: Commissioner's Office
 Approved By: Joe Balash, Commissioner
 Agency: Department of Natural Resources

Phone: (907)465-4730
 Date: 04/16/2014 12:00 PM
 Date: 04/16/14

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SCSHB140(JUD)

Analysis

This bill amends AS 44.62.190. Notice of Proposed Action.

The bill proposes changes to the Administrative Procedures Act pertaining to the adoption, amendment, or repeal of a state regulation. As part of the information included with certain notices of proposed regulations, state agencies would need to include, if applicable, an identification of the law, order, decision, or other action of the federal government or a federal court that requires the proposed action. This language is not expected to cause a fiscal impact to the Department of Natural Resources (DNR).

Sec. 3 of the bill would require that DNR provide the estimated annual cost, based on a good faith effort to estimate the costs in the aggregate for each of the following categories using the information available to the state agency, to: a) private persons to comply with the proposed action; b) other state agencies to comply with the proposed action; and c) municipalities to comply with the proposed action.

Allowing the cost estimate to be provided in the aggregate may lessen the burden on DNR. However, for DNR to provide a good faith estimate, it would still need to consider the estimated annual impact for private persons, other state agencies, and municipalities to comply with the proposed regulations. The cost estimate would be based on information available to the agency, but the bill does not indicate what state agency efforts would meet a standard of "good faith . . . using the information available to the state agency."

DNR anticipates that in most cases the department will be required to hire economists or other financial professionals, or enter into professional services contracts, to gather and analyze this type of information. DNR can estimate costs to itself and other state agencies, but does not have the expertise on staff to provide a good faith estimate for annual cost to private persons or municipalities. Assuming \$7,000 per professional services contract per regulatory action and 16 regulatory actions for the department in FY 2015, and on average, 10 regulatory action per year thereafter, DNR will need \$112,000 in FY 2015, and \$70,000 per year thereafter to facilitate this requirement.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 143(FIN)
Fiscal Note Number:	3
(H) Publish Date:	3/28/2014

Identifier: HB143CS(FIN)-DFG-DAS-03-27-14
 Title: COMMERCIAL FISHING CREWMEMBER
 LICENSES
 Sponsor: SEATON
 Requester: House Finance Committee

Department: Department of Fish and Game
 Appropriation: Administration and Support
 Allocation: Administrative Services
 OMB Component Number: 479

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	1.4		9.5	9.5	9.5	9.5	9.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	1.4	0.0	9.5	9.5	9.5	9.5	9.5

Fund Source (Operating Only)

1005 GF/Prgm	1.4		9.5	9.5	9.5	9.5	9.5
Total	1.4	0.0	9.5	9.5	9.5	9.5	9.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	14.3		83.8	83.8	83.8	83.8	83.8
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Reflects changes made in the House Finance Committee.

Prepared By: Sunny Haight, Director
 Division: Administrative Services
 Approved By: Kevin Brooks, Deputy Commissioner
 Agency: Commissioner's Office

Phone: (907)465-5999
 Date: 03/27/2014 08:15 AM
 Date: 03/27/14

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FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. CSHB143 (FIN)

Analysis

The House Finance Committee Substitute for HB 143 will limit the number of 7-day commercial crew licenses to one license per person per calendar year. HB 143 will also allow a commercial crewmember who purchased a 7-day license to receive a \$30 refund if they purchase an annual license within the same calendar year.

This analysis is based on actual 2012 commercial crewmember license sales and the current fee structure. In 2012, a total of 24,090 crewmember licenses were sold. 2,317 were non resident 7-day crew licenses and 443 were resident 7-day crew licenses.

In 2012, 542 non resident fishermen purchased two or more 7-day licenses. The 542 fisherman purchasing multiple 7-day licenses totaled 1,344 licenses. Under HB 143 we assume a majority of these fishermen will now purchase an annual license.

We are also estimating 15% of commercial crewmembers who initially purchase a 7-day license and then later decide to purchase an annual license will request a \$30 refund from Fish and Game. 15% of 542 fishermen is 81 refunds of \$30, for a total of \$2430.

2012 Actual Sales	# Sold	Fee	Gross Sales
Annual Resident Crewmember	10,777	\$60	\$646,620
Annual NR Crewmember	10,158	\$250	\$2,539,500
Resident Child Crewmember	378	\$5	\$1,890
NR Child Crewmember	17	\$195	\$3,315
Resident 7-day Crewmember	443	\$30	\$13,290
NR 7-day Crewmember	<u>2,317</u>	\$30	<u>\$69,510</u>
Total	24,090		\$3,274,125

Projected Sales under HB 143	# Sold	Fee	Gross Sales
Annual Resident Crewmember	10,777	\$60	\$646,620
Annual NR Crewmember	10,700	\$250	\$2,675,000
Resident Child Crewmember	378	\$5	\$1,890
NR Child Crewmember	17	\$195	\$3,315
Resident 7-day Crewmember	443	\$30	\$13,290
NR 7-day Crewmember	<u>973</u>	\$30	<u>\$29,190</u>
Total	23,288		\$3,369,305

Difference (Increase)

Annual Non resident Crewmember	\$135,500
Non resident 7-day Crewmember	<u>-\$40,320</u>
Sub Total	\$95,180
Refunds	<u>-\$2,430</u>
Total	\$92,750

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB143 (FIN)

Analysis Continued

Per statute AS 23.35.060 2(d), the Fishermen's Fund receives 39% of the value of each commercial crew license sold up to a maximum value of \$50. The additional \$95,180 annual revenue in commercial crew license sales would potentially contribute up to \$11,400 additional revenue for the Fishermen's Fund.

Contractual expenditures reflect license vendor compensation for crewmember licenses calculated at 10% of gross sales. $\$95,180 \times 10\% = \$9.5k$.

With an effective date of January 1, 2015, we assume an increase of 15% of revenue and related expenditures for the second half of FY2015. This percentage is based on the 2012 purchasing behavior of our commercial crew members who bought a 7-day crew member license throughout the fishing season.

Any regulations needed to implement the refund will be completed by the effective date of HB 143.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HB 160
Fiscal Note Number:	1
(H) Publish Date:	4/3/2014

Identifier: HB160-DCCED-CBPL-03-28-14
Title: LICENSING OF ATHLETIC TRAINERS
Sponsor: THOMPSON BY REQUEST
Requester: House Labor & Commerce

Department: Department of Commerce, Community and Economic Development
Appropriation: Corporations, Business and Professional Licensing
Allocation: Corporations, Business and Professional Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	47.9		4.8	4.8	4.8	4.8	4.8	4.8
Commodities	0.2		0.2	0.2	0.2	0.2	0.2	0.2
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	48.1	0.0	5.0	5.0	5.0	5.0	5.0	5.0

Fund Source (Operating Only)

1156 Rcpt Svcs	48.1		5.0	5.0	5.0	5.0	5.0
Total	48.1	0.0	5.0	5.0	5.0	5.0	5.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	48.1		5.0	5.0	5.0	5.0	5.0
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Don Habeger, Director
Division: Corporations, Business and Professional Licensing
Approved By: Jeanne Mungle, Director
Agency: Administrative Services

Phone: (907)465-2536
Date: 03/28/2014 08:00 AM
Date: 03/28/14

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

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HFC 04/10/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB160

Analysis

HB160 creates a new program within the Department of Commerce, Community and Economic Development for the professional licensing of Athletic Trainers.

The addition of this program requires startup expenses to configure the professional licensing database, develop and implement regulations, purchase supplies, and establish program procedures. Licensing fees for each program are set per AS 08.01.065 so the revenue collected equals the occupation's regulatory costs.

Costs for establishing and maintaining the new license program are based on existing programs of similar size and consist of the following:

Services: One time IT costs of to incorporate the new licensing program into the professional licensing database, \$35.2; legal support services of related to new program implementation, \$11.9; hearing and mediation services beginning in year two, \$4.3; One time costs for advertising public notices of regulations, \$0.3; On going printing and mailing costs, \$0.5.

Commodities: Business supplies, \$0.2.

After consulting the professional standards issued by the Board of Certification, Inc., or another nationally recognized professional association approved by the department, the department shall adopt regulations to protect the public, ensure quality patient care, and regulate the licensing of athletic trainers that include

- (1) minimum standards for licensure as an athletic trainer;
- (2) minimum standards of care for practice as an athletic trainer; and
- (3) continuing education requirements.

In addition to the above, this program will be charged for existing staff time reallocated to this program and for indirect services. Management and administrative support indirect services are allocated annually to all licensing programs. Although increased authorization is not needed for these services, a share of these costs will be considered as part of the program's total costs during the biennial review of licensing fees.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	SCS CSHB 193(FIN)
Fiscal Note Number:	4
(S) Publish Date:	4/17/2014

Identifier: HB193CS(FIN)-DOR-TAX-02-07-14
 Title: MUNICIPAL TAXATION OF TOBACCO PRODUCTS
 Sponsor: PRUITT
 Requester: (S) Finance

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2015 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	82.0		82.0	82.0	82.0	82.0	82.0	82.0
Travel								
Services	4.7		4.7	4.7	4.7	4.7	4.7	4.7
Commodities	50.0		50.0	50.0	50.0	50.0	50.0	50.0
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	136.7	0.0	136.7	136.7	136.7	136.7	136.7	136.7

Fund Source (Operating Only)

1108 Stat Desig	136.7		136.7	136.7	136.7	136.7	136.7	136.7
Total	136.7	0.0	136.7	136.7	136.7	136.7	136.7	136.7

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/14

Why this fiscal note differs from previous version:

Revised fiscal note reflects that the Department may be reimbursed by a municipality the costs incurred by the Department for administering the municipality's cigarette tax stamp program if the Department enters into an agreement with a municipality for that service.

Prepared By: Johanna Bales, Deputy Director
 Division: Tax
 Approved By: Angela M. Rodell, Commissioner
 Agency: Department of Revenue

Phone: (907)269-6628
 Date: 02/08/2014 10:30 PM
 Date: 02/08/14

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 04/18/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 193

Analysis

Bill Language:

This bill would allow the department to share taxpayer information with local governments, but only if the local government maintains the confidentiality of the information and has similar provisions within their respective codes and ordinances that allow them to share information with the department. The information could only be used for tax purposes. This bill would also allow the department to enter into agreements with municipalities to conduct joint audits of cigarette taxpayers and also to enter into agreements whereby the department could sell cigarette tax stamps and collect cigarette tax revenue on behalf of a municipality if the municipality adopts a cigarette tax stamp as the mechanism for collecting cigarette taxes. This bill will allow the department to be reimbursed by a municipality for the costs associated with selling a municipality's tax stamp and collecting the municipality's cigarette tax revenue.

Revenues:

There would be no change in Alaska's cigarette tax revenues as a result of this legislation.

Expenditures:

The department believes that it would need an additional Tax Technician III position at a cost of \$82,000 each year to track the sale of cigarette tax stamps for municipalities that may wish to collect their tax through the use of a tax stamp. The department would also see additional services costs in the amount of \$4,700 each year for support services for the one new position and up to \$50,000 each year in additional costs to purchase cigarette tax stamps. These costs can be recouped from the municipalities. Therefore, total additional expense to the state as a result of this legislation would be zero.

Regulations:

The department would adopt regulations to identify the circumstances under which confidential taxpayer information could be shared with a municipality and to outline the procedures for entering into an agreement with a municipality for joint cigarette tax enforcement and sales of cigarette tax stamps. Regulations should be effective by December 31, 2014.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 210(EDC)
Fiscal Note Number:	1
(H) Publish Date:	3/18/2014

Identifier: HB210-EED-SSA-2-7-14
 Title: SCHOOLS: RESTRAINT, SECLUSION, CRISIS TRG
 Sponsor: MILLETT, AUSTERMAN
 Requester: House Education Committee

Department: Department of Education and Early Development
 Appropriation: Teaching and Learning Support
 Allocation: Student and School Achievement
 OMB Component Number: 2796

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates				
	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services	14.0		14.0	14.0	14.0	14.0	14.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	14.0	0.0	14.0	14.0	14.0	14.0	14.0

Fund Source (Operating Only)

1004 Gen Fund	14.0		14.0	14.0	14.0	14.0	14.0
Total	14.0	0.0	14.0	14.0	14.0	14.0	14.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 09/30/14

Why this fiscal note differs from previous version:

Initial version

Prepared By: Dr. Susan McCauley
 Division: Director, Teaching and Learning Support
 Approved By: Mike Hanley
 Agency: Commissioner

Phone: (907)465-8686
 Date: 02/07/2014 06:15 PM
 Date: 02/07/14

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CONFERENCE
COMMITTEE
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SFC 04/15/2014

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HFC 03/26/2014

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. HB210

Analysis

Section 14.33.125 (f)(1) (2) (3): requires school districts to report three new data elements to the department. This section does not require new duties of EED, other than collecting the data. This fiscal note is based on collection of reports only and does not provide for any analysis or cumulative and summary reporting by EED. The design of a data collection notebook and technical assistance to support districts in completing the data collection yearly at \$7.0.

Section 14.33.127 (a): requires EED to approve crisis intervention programs for schools. This fiscal note is based on EED's responsibility to identifying crisis intervention programs and build a webpage with a list of current evidence-based prevention and intervention programs for schools to choose from at \$7.0.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 293(STA)
Fiscal Note Number:	1
(H) Publish Date:	3/28/2014

Identifier: HB293-DOA-DMV-03-24-2014
Title: LICENSE PLATES
Sponsor: P.WILSON
Requester: House State Affairs

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	3.2							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	3.2							
Total	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Amy Erickson, Director
Division: Motor Vehicles
Approved By: Curtis Thayer, Commissioner
Agency: Department of Administration

Phone: (907)269-5574
Date: 03/21/2014 12:00 AM
Date: 03/24/14

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CONFERENCE
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Printed 4/19/2014

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SFC 04/16/2014

REPORTED OUT OF
HFC 04/03/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 293

Analysis

This bill would amend AS 28.10.161 and require DMV to provide an additional standard license plate design with a bear graphic in the middle which would be based on the 1976 bicentennial plate. Currently there is only one standard plate for the State of Alaska which is a blue and gold design based on the colors of the Alaska flag.

Associated costs:

At this time it is unknown if the State of Alaska owns the rights to the original graphic on the license plate issued in the 1970s. Additionally, due to the timeframe the bear graphic was created it is unlikely the image would be in a format that could be utilized by today's technology. DMV will need to hire a graphic artist to design a plate with a new bear graphic. We anticipate requesting a minimum of three bear designs to submit for approval. There will also be a \$250 design fee from our contractor to create a sample license plate.

Cost to produce one bear design including edits: \$1,000

Cost of new sample license plate: \$250

Total: \$1,000 x 3 bear designs = \$3,000 + \$250 license plate sample: \$3,250

Additional information:

The DMV warehouse supplies all DMV offices, commission agents, and business partners with the standard State of Alaska license plate. License plate orders take approximately four months from the time the order is placed to the time they are received at the warehouse location in Anchorage. DMV anticipates a final design proof will take six to eight weeks. Therefore, DMV will need a minimum of six months lead time to provide a new standard license plate.

This act will take effect on January 1, 2015.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 306(FIN)
Fiscal Note Number:	7
(H) Publish Date:	3/24/2014

Identifier: HB306CS(FIN)-DOR-TAX-03-21-14
 Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS
 Sponsor: THOMPSON
 Requester: (H) Finance

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	377.4		261.4	261.4	116.0	116.0	116.0	
Travel	5.0		5.0	5.0	5.0	5.0	5.0	
Services	16.1		12.3	12.3	3.8	3.8	3.8	
Commodities	1.5		1.5	1.5	0.5	0.5	0.5	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	400.0	0.0	280.2	280.2	125.3	125.3	125.3	

Fund Source (Operating Only)

1004 Gen Fund	400.0		280.2	280.2	125.3	125.3	125.3
Total	400.0	0.0	280.2	280.2	125.3	125.3	125.3

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary	3.0		2.0	2.0			

Change in Revenues	***		***	***	***	***	***
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? various

Why this fiscal note differs from previous version:

Updated for changes in CS.

Prepared By: Matt Fonder, Director
 Division: Tax
 Approved By: Angela M. Rodell, Commissioner
 Agency: Department of Revenue

Phone: (907)269-6620
 Date: 03/21/2014 11:00 AM
 Date: 03/21/14

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

REPORTED OUT OF
HFC 03/22/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 306 (FIN)

Analysis

Bill Language:

This bill would impact the Department of Revenue in two ways: First, it would repeal several existing tax credit programs; and second, it would institute a requirement for the department to create a new bi-annual report related to indirect expenditures.

This bill repeals several tax credit programs:

- The veterans employment, Winn Brindle scholarship, salmon utilization, and film production tax credits would be repealed effective 12/31/2016.
- The education tax credit which is allowed against 8 different tax types would be repealed effective 12/31/2018.
- The salmon product development and community development quota (CDQ) tax credits would be repealed effective 12/31/2020.

This bill provides transition language whereby any tax credits accrued before the effective dates identified above may be claimed in the year they are accrued or carried forward if allowed under existing provisions in each credit program.

Bi-Annual Report:

Beginning on July 1, 2014, this bill would require the Department to publish a new "Indirect Expenditure Report" providing detailed analysis of every "indirect expenditure" in the state. The report is due every other year. Indirect expenditures are broadly defined as tax credits, exemptions, deductions (not including deductions incurred in the normal course of a trade or business), discounts, exclusions, or other differential allowances that result in foregone revenue for the state. For each indirect expenditure made by the state, the Department would be required to identify: the name of the indirect expenditure, a brief description of the indirect expenditure, the statutory authority for the indirect expenditure, the date the indirect expenditure is set to sunset if applicable, the intent of the legislature in authorizing the indirect expenditure, the public purpose, estimate the annual revenue impact of the indirect expenditure for the past five years, estimate the cost to administer the indirect expenditure, and report the number of beneficiaries of the indirect expenditure. With the 5-year look-back for the revenue affects, the initial report would require a significant amount of data gathering and reporting. After the first report, the bi-annual reporting would require less effort, as the analysis done for the first report could be carried forward; for example, identifying the statutory authority and legislative intent in a subsequent year could be obtained from the first report.

There is no specific effective date for the expenditure reporting provisions within this bill. However, the bill indicates that the first report from the department is due no later than July 1, 2014. The Department recently began implementation of a new revenue management system. The system will not be fully implemented until the summer of 2016. Although some of the data needed to fulfill the reporting requirements of this legislation will reside in an automated system, the majority of the data would be extracted through manual processes. The July 1, 2014 due date for the first report is going to be very difficult to meet in any meaningful fashion.

Revenues:

The revenue impact of this bill is indeterminate. This bill would repeal several tax credit programs beginning on 12/31/2016 through 12/31/2020. In FY 2013, taxpayers claimed \$7.2 million in education tax credits, \$0.2 million in Winn Brindle scholarship credits, \$1.8 million in salmon product development tax credits, \$0 in veterans employment tax credits (this is a new program in 2013 for which we have no current data), \$0 in salmon utilization tax credits, \$0.5 million in Community Development Quota tax credits, and there are currently \$32.5 million in film production tax credits issued and outstanding with an additional \$60 million expected to be awarded within the next two fiscal years.

For FY 2015, revenue may be reduced if companies claim more credits due to the impending repeal. For FY 2017 and beyond, there would likely be indeterminate increases in revenue due to the elimination of the credit programs; however some of the credits can be carried forward to offset future tax liabilities.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 306 (FIN)

Analysis Continued

Revenues (cont.):

For the film production tax credit, a total of \$300 million was authorized for the program. For any credits pre-approved before the repeal date, those credits could be awarded for up to three years after repeal, and carried forward for an additional six years.

Expenditures:

This bill would require the Department of Revenue to analyze each and every indirect expenditure in the state. The Department currently administers 22 tax programs, and would also be required to analyze numerous programs in other state agencies. The initial compilation of this report would be a major undertaking and would require significant resources.

We anticipate needing at least 4 new positions in FY 2015 to undertake the initial analysis required of all indirect expenditures incurred by the Department of Revenue and all other state agencies; two Economist IIIs positions, one Tax Technician III position, and a College Intern IV. The new positions would be hired in FY 2015, to perform the significant research and work that would be needed in advance of the first report (which is required on the first day of FY 2015). Once the initial report is complete, we then anticipate that we will need to retain three positions for the next two years until the Tax Division's new revenue management system is fully implemented; one Economist III, one Tax Technician III, and a College Intern IV. In all future years, DOR believes it can prepare this report with a single Economist III. The costs shown include the payroll and benefits for the new positions, the interagency costs associated with these positions, the travel costs for these positions, and the computer and office supply costs. We anticipate the Economist IIIs and College Intern positions would be in Juneau and the Tax Technician position would be in Anchorage.

Although this legislation would repeal the film production tax credit program, because credits pre-approved before the repeal date would be allowed to be awarded up to three years after repeal, and carried forward for an additional six years, the film program and staffing would need to be maintained throughout the time horizon of this fiscal note. The repeal of the other tax credit programs would not result in a decrease in program costs to the department.

Regulations:

Regulations adopted by the department for the repealed tax credit programs would be repealed at various times following the expiration of time limits for claiming or carrying forward the relevant credits (i.e. in 2016 and beyond).

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 306(FIN)
Fiscal Note Number:	6
(H) Publish Date:	3/24/2014

Identifier: HB 306 - Leg.Finance
Title: EVAL. INDIRECT EXPENDITURES; TAX CREDITS
Sponsor: THOMPSON
Requester: House Finance

Department: Alaska Legislature
Appropriation: Budget and Audit Committee
Allocation: Legislative Finance
OMB Component Number: 774

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015					
Personal Services							
Travel							
Services	25.0			25.0		25.0	
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	25.0	0.0	0.0	25.0	0.0	25.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	25.0			25.0		25.0	
Total	25.0	0.0	0.0	25.0	0.0	25.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

initial version

Prepared By: David Teal
Division: Legislative Finance Division
Approved By: David Teal
Agency: Legislative Finance Division

Phone: (907)465-3002
Date: 02/22/2014 12:00 PM
Date: 02/22/14

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

REPORTED OUT OF
HFC 03/22/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 306

Analysis

This bill :

- 1) requires the Department of Revenue to report indirect expenditures as they relate to the duties of state agencies ;
- 2) requires the Legislative Finance Division to analyze certain indirect expenditures ;
- 3) relates to lapse dates for appropriations for capital projects;
- 4) repeals certain statutes authorizing indirect expenditures; and
- 5) provides for an effective date.

Every year, the Legislative Finance Division shall analyze the indirect expenditure report provided by the Department of Revenue and deliver a report to the co- chairs of the finance committees in each house of the legislature. The report will be due no later than the first legislative day of each first regular session beginning with 2015.

The first review shall occur in the calendar year set out after each agency's name as follows, and subsequent reviews of each agency shall occur every six years:

- (1) Department of Commerce, Community, and Economic Development, 2015;
- (2) Department of Fish and Game, 2015;
- (3) Department of Health and Social Services, 2015;
- (4) Department of Labor and Workforce Development, 2015;
- (5) Department of Revenue, 2015;
- (6) Alaska Court System, 2017;
- (7) Department of Administration, 2017;
- (8) Department of Education and Early Development, 2017;
- (9) Department of Environmental Conservation, 2017;
- (10) Department of Natural Resources, 2017;
- (11) Department of Transportation and Public Facilities, 2017;
- (12) all remaining agencies, 2019.

The bill limits the period of analysis to approximately two weeks. Because the period of analysis coincides with the period for reviewing the Governor's budget, this fiscal note assumes that analysis will be limited to a brief assessment of the cost of each indirect expenditure versus economic impacts, and that the analyses will require contractual services.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 316(FIN)
Fiscal Note Number:	4
(H) Publish Date:	4/15/2014

Identifier: HB316CS(L&C)-DOLWD-WC-03-27-14
Title: WORKERS' COMPENSATION MEDICAL FEES
Sponsor: LABOR & COMMERCE
Requester: House Labor and Commerce

Department: Department of Labor and Workforce Development
Appropriation: Workers' Compensation
Allocation: Workers' Compensation
OMB Component Number: 344

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel	22.0		14.0	14.0	14.0	14.0	14.0	14.0
Services	40.0		40.0	40.0	40.0	40.0	40.0	40.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	62.0	0.0	54.0	54.0	54.0	54.0	54.0	54.0

Fund Source (Operating Only)

1157 Wrkrs Safe	62.0		54.0	54.0	54.0	54.0	54.0	54.0
Total	62.0	0.0	54.0	54.0	54.0	54.0	54.0	54.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								

Estimated SUPPLEMENTAL (FY2014) cost: 13.7 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

The original version of the bill sunsets the legislation effective January 1, 2019, therefore there was no fiscal impact in FY19 and FY20. The House Labor and Commerce Committee Substitute removed the sunset provision, so the fiscal impact for FY19 and FY20 was added to this version of the fiscal note. The CS also changed the effective date from January 1, 2015 to July 1, 2015. Finally, the fiscal note was changed to break out travel costs from the service line.

Prepared By: Michael Monagle, Director
Division: Workers' Compensation
Approved By: Dianne Blumer, Commissioner
Agency: Office of the Commissioner

Phone: (907)465-6059
Date: 03/27/2014 10:00 AM
Date: 03/27/14

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CONFERENCE
COMMITTEE
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HFC 04/16/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHB 316

Analysis

HB 316 changes the methodology used to produce a workers' compensation medical fee schedule. The methodology changes from a usual, customary, and reasonable (UCR) fee schedule based on the 90th percentile of billed charges, to a resource based relative value scale (RBRVS) fee schedule produced by the Centers for Medicare and Medicaid Services, times a state specified multiplier (conversion factor) to be determined by the Alaska Workers' Compensation Board by regulation. The new fee schedule takes effect July 1, 2015.

To develop the requisite conversion factors, the department would utilize the expertise of the Medical Services Review Committee (MSRC) established under AS 23.30.095(j), and the contracted services of a professional medical billing expert.

In order to have the regulations in place by July 1, 2015, the regulatory adoption process would have to begin immediately after passage of the bill. This would necessitate at least 4 meetings of the MSRC at an anticipated cost of \$3.5 per meeting; and at least one special meeting of the Alaska Workers' Compensation Board at an anticipated cost of \$8.0. Two meetings of the MSRC would take place in FY14 (May/June), and the following two meetings would take place in FY15 (July/August). Thereafter, the MSRC would meet quarterly. The anticipated cost of a professional services contract is \$40.0 per year, based on the contracted cost to produce a medical fee schedule in FY11.

FY14- Two meetings of MSRC @ \$3.5 per meeting = \$7.0
Professional services contract = \$6.7
Total FY14 Supplemental Request = \$13.7

FY15- Four meetings of the MSRC (July, August, December, April) @ \$3.5 per meeting = \$14.0
Special meeting of the Alaska Workers' Compensation Board @ \$8.0 per meeting = \$8.0
Professional services contract = \$40.0
Total FY15 = \$62.0

FY16-FY20 Four meetings of MSRC @ \$3.5 per meeting = \$14.0
Professional services contract = \$40.0
Total each year = \$54.0

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHB 328(L&C)
Fiscal Note Number:	1
(H) Publish Date:	4/1/2014

Identifier: HB328-DCCED-CBPL-03-03-14
Title: BOARD/LICENSING OF MASSAGE THERAPISTS
Sponsor: NAGEAK
Requester: House Labor & Commerce

Department: Department of Commerce, Community and Economic Development
Appropriation: Corporations, Business and Professional Licensing
Allocation: Corporations, Business and Professional Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel	18.4		36.8	36.8	36.8	36.8	36.8	36.8
Services	51.2		12.9	12.9	12.9	12.9	12.9	12.9
Commodities	0.2		0.2	0.2	0.2	0.2	0.2	0.2
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	69.8	0.0	49.9	49.9	49.9	49.9	49.9	49.9

Fund Source (Operating Only)

1156 Rcpt Svcs	69.8		49.9	49.9	49.9	49.9	49.9	49.9
Total	69.8	0.0	49.9	49.9	49.9	49.9	49.9	49.9

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	69.8		49.9	49.9	49.9	49.9	49.9	49.9
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Don Habeger, Director
Division: Corporations, Business and Professional Licensing
Approved By: Jeanne Mungle, Director
Agency: Administrative Services

Phone: (907)465-2536
Date: 03/03/2014 06:00 PM
Date: 03/04/14

APPROVED BY
CONFERENCE
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Printed 4/19/2014

REPORTED OUT OF
SFC 04/17/2014

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HFC 04/03/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB328

Analysis

HB328 requires licensure of massage therapists. It establishes the scope of practice for licensees, licensure requirements and exemptions, unlawful acts, and transitional language for program implementation. This bill establishes required licensure for individuals engaging in the practice of massage therapy. This will add a new professional licensing program to the 39 existing within the Division of Corporations, Business and Professional Licensing ("division").

The addition of this program requires startup expenses to configure the professional licensing database, develop and implement regulations, purchase supplies, and establish program procedures. Licensing fees for each program are set per AS 08.01.065 so the revenue collected equals the occupation's regulatory costs.

Costs for establishing and maintaining the new license program are based on existing programs of comparable size and consist of the following:

Travel: \$15.4 in first year and \$30.8 in future years for five board members to travel to meetings (two meetings in first year and four meetings annually thereafter); \$3.0 in first year and \$6.0 in future years for a staff member to travel to meetings (two meetings in first year and four meetings annually thereafter).

Services: \$35.2 in the first year for IT to incorporate the new licensing program into the professional licensing database; \$11.9 first year legal support costs for implementing program; \$5.6 on-going legal support services beginning in year two; \$3.2 on-going hearing and mediation services beginning in year two; \$1.1 printing, advertising, mailing costs for public notice of regulations, postage, memberships; \$3.0 for fingerprinting.

Commodities: \$0.2 business supplies.

Licensure fee setting regulations are required and the board must adopt regulations necessary to carry out the board's duties.

In addition to the above costs the program would incur direct expenses for licensing examiners, investigators, regulations specialist, and supervisory management through positive timekeeping. They would also incur indirect expenses for administrative support, such as accounting, payroll, risk management, ADA chargeback, and building leases. Although increased authorization is not needed for these costs, this program's share of the division's total indirect costs will be considered as part of the program's total costs during the biennial review of licensing fees.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HB 361
Fiscal Note Number:	2
(H) Publish Date:	3/19/2014

Identifier: HB361-DCCED-CBPL-03-14-14
Title: LICENSING OF BEHAVIOR ANALYSTS
Sponsor: SADDLER
Requester: House Health & Social Services

Department: Department of Commerce, Community and Economic Development
Appropriation: Corporations, Business and Professional Licensing
Allocation: Corporations, Business and Professional Licensing
OMB Component Number: 2360

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	46.6		1.7	1.7	1.7	1.7	1.7	1.7
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	46.6	0.0	1.7	1.7	1.7	1.7	1.7	1.7

Fund Source (Operating Only)

1156 Rcpt Svcs	46.6		1.7	1.7	1.7	1.7	1.7	1.7
Total	46.6	0.0	1.7	1.7	1.7	1.7	1.7	1.7

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues	46.6		1.7	1.7	1.7	1.7	1.7	1.7
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Not applicable, initial version.

Prepared By: Don Habeger, Director
Division: Corporations, Business and Professional Licensing
Approved By: Jeanne Mungle, Director
Agency: Administrative Services

Phone: (907)465-2536
Date: 03/14/2014 05:15 PM
Date: 03/14/14

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HFC 04/07/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB361

Analysis

HB361 requires licensure of behavioral analysts. It establishes the scope of practice for licensees, licensure requirements and exemptions, unlawful acts, and transitional language for program implementation. This bill establishes required licensure for individuals engaging in the practice of behavioral analysis. This will add a new professional licensing program to the 39 existing within the Division of Corporations, Business and Professional Licensing ("division").

The addition of this program requires startup expenses to configure the professional licensing database, develop and implement regulations, purchase supplies, and establish program procedures. Licensing fees for each program are set per AS 08.01.065, so the revenue collected equals the occupation's regulatory costs.

Costs for establishing and maintaining the new license program are based on existing programs of similar size and consist of the following:

Services: \$35.2 one-time information technology costs to incorporate the new licensing program into the professional licensing database; \$11.0 legal support services related to new program implementation; \$0.4 for advertising public notices of regulations, printing, postage and mailing costs; \$0.7 for fingerprinting beginning in the second year; \$0.5 legal support services beginning in the second year; \$0.1 hearing and mediation services beginning in the second year.

Regulations are required so that the department may implement the program and set fees under AS 08.01.065.

In addition to the above costs the program would incur direct expenses for licensing examiners, investigators, regulations specialist, and supervisory management through positive timekeeping. They would also incur indirect expenses for administrative support, such as accounting, payroll, risk management, ADA chargeback, and building leases. Although increased authorization is not needed for these costs, this program's share of the division's total indirect costs will be considered as part of the program's total costs during the biennial review of licensing fees.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	SCS CSHB 378(FIN)
Fiscal Note Number:	3
(S) Publish Date:	4/15/2014

Identifier: HB378 DOA-DMV-04-15-14
Title: MOTOR VEHICLES: REGISTRATION,
COMMERCIAL
Sponsor: TRANSPORTATION
Requester: Senate Finance

Department: Department of Administration
Appropriation: Motor Vehicles
Allocation: Motor Vehicles
OMB Component Number: 2348

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	11.4							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	11.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1005 GF/Prgm	11.4						
Total	11.4	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	(100.0)			(100.0)	(100.0)	(100.0)	(100.0)
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

Senate Finance revised this previously zero fiscal note to include the waiver of vehicle registration fees for active members of the Alaska National Guard. \$11.4 GF/PR authority is requested in the services line and will cover programming fees to the DMV ALVIN database in order to identify motor vehicles or motorcycles registered to Alaska National Guard members and allow the agency to account for the fee exemption waiver.

Prepared By: Co-Chair Senator Kelly
Senate Finance Committee
Co-Chair Senator Meyer
Senate Finance Committee

Phone: (907)465-3753
Date: 04/14/2014

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COMMITTEE
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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 378

Analysis

HB 378 will bring the State of Alaska into compliance with federal regulations and mandates that go into effect July 2015, which include:

- Expanding the definition of an "out of service order" to include the driver, carrier, and commercial vehicle;
- Allowing DMV to refuse to register a vehicle if the owner is prohibited from operating by state or federal authorities;
- Requiring that commercial instruction permit applicants be 18 years old, and instruction permits will be valid for 180 days with a renewal option of 180 days;
- Clarifying that instruction permits may not be issued for more than two years and may be renewed one time;
- Providing that DMV may issue a permit to someone that already held that class of license if more than 5 years have passed;
- Clarifying registration fees and motor vehicle taxes on noncommercial vehicles;
- Permitting DMV to disqualify a commercial instruction permit or license for certain offenses;
- Adding texting to the list of serious traffic violations for which a CDL license or permit holder could be disqualified.

National Guard ID & Vehicle Fees

Additionally, HB378 will entitle current members of the Alaska National Guard free vehicle registration for a passenger vehicle or motorcycle.

Programming Costs:

The DMV ALVIN database will require programming to add a field to identify the motor vehicles or motorcycles registered to Alaska National Guard members and allow the department to account for the fee exemption waiver.

Estimated contract hours: 80

Cost per hour: \$143

Total contract cost: \$11,440

Revenue loss is projected to result in approximately (\$100.0) per fiscal year.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSHCR 15(FIN)
Fiscal Note Number:	2
(H) Publish Date:	3/27/2014

Identifier: CSHCR15-LEG-COU-03-2014
 Title: TASK FORCE ON UNMANNED AIRCRAFT SYSTEMS
 Sponsor: HUGHES
 Requester: Rep Hughes

Department: Alaska Legislature
 Appropriation: Legislative Council
 Allocation: Council and Subcommittees
 OMB Component Number: 783

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel	8.9		8.9	8.9			
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	8.9	0.0	8.9	8.9	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	8.9		8.9	8.9			
Total	8.9	0.0	8.9	8.9	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **NO**
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for CS (L&C) Version

Prepared By: Jessica Geary, Finance Manager
 Division: Legislative Affairs Agency
 Approved By: Pamela Varni, Executive Director
 Agency: Legislative Affairs Agency

Phone: (907)465-6626
 Date: 03/25/2014 04:23 PM
 Date: 03/25/14

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HFC 03/26/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSHCR15(L&C)

Analysis

HCR 15 creates the continuation of a task force on unmanned aircraft systems within the legislative branch. The task force will have 12 members which will be comprised of the 7 members from the HCR 6 original task force and 5 new members. The task force intends to meet as needed during and between sessions through June 30, 2017. They anticipate having a meeting during the summer, one during the fall and one right before session of each year. Because of the residence of the task force members and location of the meetings, a minimalist travel budget is incorporated into this fiscal note. Teleconference and printing costs will be absorbed within existing budgets and they intend to utilize existing staff.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS SSSB 49(FIN)
Fiscal Note Number:	4
(H) Publish Date:	2/28/2014

Identifier: SB049SSam-DHSS-MAA-02-24-14
 Title: MEDICAID PAYMENT FOR ABORTIONS; TERMS
 Sponsor: COGHILL
 Requester: House Finance Committee

Department: Department of Health and Social Services
 Appropriation: Health Care Services
 Allocation: Medical Assistance Administration
 OMB Component Number: 242

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	55.2							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	55.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1002 Fed Rcpts	41.5							
1003 G/F Match	13.7							
Total	55.2	0.0	0.0	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 (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Updated for 2nd session to accurately reflect FY2015 and out year costs.

Prepared By: Margaret Brodie, Director
 Division: Health Care Services
 Approved By: Sarah Woods, Deputy Director
 Agency: Finance & Management Services

Phone: (907)334-2520
 Date: 02/24/2014 12:00 PM
 Date: 02/24/14

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SSSB049AM

Analysis

This bill would limit funding of abortions for Medicaid eligible individuals to medically necessary abortions and abortions that are the result of rape or incest. The bill provides a statutory definition of medical necessity. Currently, Alaska Medicaid only pays for medically necessary abortions and abortions that are the result of rape or incest.

The legislation also directs the department to submit a Medicaid State Plan Amendment to create a women's health program. A women's health program would include family planning-related services, including testing and treatment of sexually-transmitted diseases, contraceptive methods, and an annual family planning visit at an office/clinic. We assume that we would make these services available to individuals with incomes below 175% of the federal poverty level for Alaska.

In order to add this program to Medicaid, it is necessary to make changes to the Medicaid claims processing system to recognize recipients of the new program and pay claims appropriately. The Department estimates that there will be a one-time cost of \$55.2, 75% of which will be reimbursed by the federal government.

Regulation changes will be necessary to specify the eligibility requirements and covered services included in this Medicaid option. No additional funding is required to change the regulations as the Department frequently updates its Medicaid regulations.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSSB 64(FIN)
Fiscal Note Number:	14
(S) Publish Date:	3/14/2014

Identifier: SB064CS(FIN)-DHSS-ASS-03-13-14
 Title: OMNIBUS CRIME/CORRECTIONS/RECIDIVISM
 BILL
 Sponsor: JUDICIARY
 Requester: Senate Finance Committee

Department: Department of Health and Social Services
 Appropriation: Departmental Support Services
 Allocation: Administrative Support Services
 OMB Component Number: 320

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	93.0		93.0	93.0	93.0	93.0	93.0	93.0
Travel								
Services	2.0		2.0	2.0	2.0	2.0	2.0	2.0
Commodities	1.0		1.0	1.0	1.0	1.0	1.0	1.0
Capital Outlay	5.0							
Grants & Benefits								
Miscellaneous								
Total Operating	101.0	0.0	96.0	96.0	96.0	96.0	96.0	96.0

Fund Source (Operating Only)

1002 Fed Rcpts	30.3		28.8	28.8	28.8	28.8	28.8
1007 I/A Rcpts	70.7		67.2	67.2	67.2	67.2	67.2
Total	101.0	0.0	96.0	96.0	96.0	96.0	96.0

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version. The Grants Administration II position will be partially funded with federal funds as well as inter-agency receipts backed with GF from the Department of Corrections/Recidivism Reduction Grants appropriation.

Prepared By: Co-Chair Senator Kelly
 Senate Finance Committee
 Co-Chair Senator Meyer
 Senate Finance Committee

Phone: (907)465-3753
 Date: 03/13/2014

APPROVED BY
 CONFERENCE
 COMMITTEE
 Printed 5/14/2014

REPORTED OUT OF
 SFC 03/14/2014

REPORTED OUT OF
 HFC 04/22/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB064(FIN)

Analysis

Section 29 of CS SB 64 version "S" adds a new chapter to AS 47, *Welfare, Social Services and Institutions*.

AS 47.38.100, *Recidivism reduction grant program and fund*, under Article 2 of the new chapter, establishes in the general fund a new recidivism reduction fund to promote the rehabilitation through transitional re-entry programs of incarcerated persons and those recently released from correctional facilities. The Commissioner of DHSS, in cooperation with the Commissioner of Corrections, may offer grants directly from this non-lapsing fund. Programs proposed under this recidivism reduction grants program must meet a series of specific statutory requirements.

The Division of Behavioral Health estimates that the addition of the new grant program to its array of behavioral health grant programs will necessitate addition of one centralized full-time Grants Administration II position, geographically and organizationally located in the Juneau Finance and Management Services/Grants & Contracts section, and accounted for within the Administrative Support Services component, as follows:

\$ 93.0	one full-time, Juneau-based Grants Administration II position, range 17, step A-B
\$ 2.0	share of increased DOA chargeback
\$ 1.0	office supplies
<u>\$ 5.0</u>	one-time capital outlay for work station
\$101.0	

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 64
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB064HCSCS(JUD)-DOC-OC-04-11-14
Title: OMNIBUS CRIME/CORRECTIONS/RECIDIVISM
BILL
Sponsor: JUDICIARY
Requester: Judiciary

Department: Department of Corrections
Appropriation: Administration and Support
Allocation: Office of the Commissioner
OMB Component Number: 694

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	1,241.5		1,741.0	2,240.4	2,240.4	2,240.4	2,240.4	2,240.4
Travel	23.0		23.0	23.0	23.0	23.0	23.0	23.0
Services	366.3		393.8	421.3	421.3	421.3	421.3	421.3
Commodities	98.0		116.6	135.2	135.2	135.2	135.2	135.2
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	1,728.8	0.0	2,274.4	2,819.9	2,819.9	2,819.9	2,819.9	2,819.9

Fund Source (Operating Only)

1004 Gen Fund	1,622.5		2,168.1	2,713.6	2,713.6	2,713.6	2,713.6	2,713.6
1005 GF/Prgm	106.3		106.3	106.3	106.3	106.3	106.3	106.3
Total	1,728.8	0.0	2,274.4	2,819.9	2,819.9	2,819.9	2,819.9	2,819.9

Positions

Full-time	14.0		25.0	25.0	25.0	25.0	25.0	25.0
Part-time								
Temporary								

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/15

Why this fiscal note differs from previous version:

This fiscal note reflects the changes made in the House Judiciary Committee. This version allows first time DUI offenders to serve their terms of imprisonment on electronic monitoring. Additional analysis added to the electronic monitoring section.

Prepared By: April Wilkerson, Director
Division: Administrative Services - Department of Corrections
Approved By: Leslie Houston, Deputy Commissioner
Agency: Department of Corrections
Phone: (907)465-3460
Date: 04/11/2014 02:30 PM
Date: 04/11/14

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB64(JUD)

Analysis

Custodial Interference

This section broadens the definition of custodial interference in the second degree by including instances where a person represents to a lawful custodian of a child or incompetent person that that person has a legal right to take or keep the child or incompetent person. This crime requires that the person not be a relative of the child and for them to know that they do not have a legal right to the child or incompetent person. Custodial interference in the second degree is a class A misdemeanor and punishable by a term of imprisonment of not more than one year.

The instances which would fall under this new section are relatively few; therefore, there would be no fiscal impact to the Department.

Theft

This section updates the thresholds for certain property crimes which have not been updated since 1978. Due to the rising costs in goods, it is relatively easy to commit a theft crime in which the valuation exceeds \$500; a class C felony. SB 64 raises these thresholds to be more aligned with current cost. This section will potentially reduce some felony level crimes to misdemeanors which may result in shorter sentence lengths. It is possible that the Department may see a reduction in mandays if this legislation should pass.

The Department will closely monitor the future fiscal impacts of this legislation.

Electronic Monitoring for first time DUI offenders

This section amends current imprisonment for first time DUI offenders to be served by electronic monitoring or a community residential center if available.

Available data show an annual average of approximately 1,668 first time DUI offenders are placed under the Department of Corrections custody to service the required sentence under this section. The majority of these offenders serve the required sentence within a community residential center (CRC) at an average daily rate of \$85.15 per bed per day. This proposed legislation will allow the department to place these offenders onto the Electronic Monitoring Program at an average daily rate of \$25.00 per day per offender allowing the CRC beds to be used for releasing offenders from a correctional center.

The anticipated annual costs to implement this section would be approximately \$125.1 of which \$106.3 is requested as general fund program receipts and \$18.8 is requested as general funds to meet the anticipated waivers for indigent offenders. This funding is being requested in FY2015.

PACE for Probation and Parole

The bill also codifies the PACE program. Alaska PACE is an evidence based practice (EBP) project for probation and parole, aimed at long-term discretionary parolees and moderate to high-risk offenders. PACE notifies offenders that violations will have consequences; requires frequent randomized drug and/or alcohol tests; and responds to violations with swift, certain and short terms of incarceration.

The Department currently has a model for the PACE program and is comfortable with expanding the program statewide. However, statewide implementation of this program would require the addition of 14 new positions consisting of 8 Adult Probation Officers, 5 Criminal Justice Technicians, and 1-Office Assistant. The personnel associated with this expansion would be stationed in Anchorage, Fairbanks, Bethel, Juneau, Kenai, Ketchikan, and Palmer and would be able to serve the surrounding areas.

The anticipated positions and annual costs for statewide implementation is being requested in FY2015 and are:

\$1,241.5 Personal Services
\$ 23.0 Travel
\$ 241.2 Contractual Services
\$ 98.0 Commodities
\$1,603.7 Annual Total

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB64(JUD)

Analysis Continued

Risk-Needs Assessments

This legislation requires the Department to perform a risk-needs assessment on all offenders who have been sentenced to 30 days or more. Currently, the Department is increasing the number of offenders who receive as risk-needs assessments, however, it is anticipated that 11 new Adult Probation Officer positions would be needed to support the additional assessment requirements of this section. These positions would be added within 10 of the institutional facilities located in Anchorage, Bethel, Eagle River, Fairbanks, Juneau, Kenai, Ketchikan, Nome, Palmer, and Sutton and one position added to the Central Classification and Furlough Unit in Anchorage.

The anticipated annual costs for statewide implementation is:

\$ 998.9 Personal Services
\$ 0.0 Travel
\$ 55.0 Contractual Services
\$ 37.2 Commodities
\$1,091.1 Annual Total

This section of the bill has a delayed effective date of January 1, 2016. This will allow the Department time to prepare for this new requirement of this section, funding to support this legislation is split with 50% being requested in FY2016 and the remaining 50% requested in FY2017.

24/7 Sobriety

This version will transfer the development and administration of the 24/7 Sobriety program to the Department of Health and Social Services (H&SS). With H&SS administering this program there should be no impact to the Department of Corrections.

Recidivism Reduction Grant Fund

This version will establish the Recidivism Reduction Grant Fund under the Department of Health and Social Services (H&SS). With H&SS administering this program there should be no impact to the Department of Corrections.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSSB 64(FIN)
Fiscal Note Number:	16
(S) Publish Date:	3/14/2014

Identifier: SB064CS (FIN) - DOC RRG 3-13-14
 Title: OMNIBUS CRIME/CORRECTIONS/RECIDIVISM
 BILL
 Sponsor: JUDICIARY
 Requester: Senate Finance

Department: Department of Corrections
 Appropriation: Recidivism Reduction Grants
 Allocation: Recidivism Reduction Grants
 OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	500.0		500.0	500.0	500.0	500.0	500.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	500.0	0.0	500.0	500.0	500.0	500.0	500.0

Fund Source (Operating Only)

1004 Gen Fund	500.0		500.0	500.0	500.0	500.0	500.0
Total	500.0	0.0	500.0	500.0	500.0	500.0	500.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? no
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By: Co-Chair Senator Kelly
 Senate Finance Committee
 Co-Chair Senator Meyer
 Senate Finance Committee

Phone: (907)465-3753
 Date: 03/13/2014

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 03/14/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SB64

Analysis

This fiscal note appropriates money to DOC for Recidivism Reduction Grants, which will be administered via RSA to H&SS. Carry forward language may be added to the FY16 operating bill to ensure any unspent balance does not lapse.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 64
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB064-DHSS-ASAP-04-19-14
Title: OMNIBUS CRIME/CORRECTIONS/RECIDIVISM
BILL
Sponsor: JUDICIARY
Requester: House Finance Committee

Department: Department of Health and Social Services
Appropriation: Behavioral Health
Allocation: Alcohol Safety Action Program (ASAP)
OMB Component Number: 305

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services	96.5		96.5	96.5	96.5	96.5	96.5	96.5
Travel	6.6		6.6	6.6	6.6	6.6	6.6	6.6
Services	396.9		396.9	396.9	396.9	396.9	396.9	396.9
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	500.0	0.0	500.0	500.0	500.0	500.0	500.0	500.0

Fund Source (Operating Only)

1004 Gen Fund	403.5		403.5	403.5	403.5	403.5	403.5
1007 I/A Rcpts	96.5		96.5	96.5	96.5	96.5	96.5
Total	500.0	0.0	500.0	500.0	500.0	500.0	500.0

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

House Finance reduced GF by (\$378.2) on the Services line . The inter-agency receipts included in this fiscal note are backed with GF from the Department of Corrections/Recidivism Reduction Grants appropriation to fund the Program Coordinator responsible for writing the requests for Recidivism Reduction grant proposals.

Prepared By: Co-Chair Representative Austerman Phone: (907)465-6258
House Finance Committee Date: 04/19/2014
Co-Chair Representative Stoltze
House Finance Committee

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB064(FIN)

Analysis

AS 47.38.020 requires the Commissioner of the Department of Health & Social Services (DHSS), in cooperation with the Commissioner of Corrections (DOC) to establish a program for defendants with release conditions, and offenders with conditions of probation or parole, to monitor and report any use of controlled substances or alcoholic beverages by participants of this program.

The Division of Behavioral Health anticipates impact from this provision due to the approval and monitoring duties by the Alcohol Safety Action Program of services provided through testing agencies.

A portion of the individuals who are referred to this program are or have been involved with the Alcohol Safety Action Program (ASAP) so therefore should have only a minimal impact on the current service levels or needs. Those misdemeanor offenders that are affected by the latest version (S) of this bill are most likely already participating in the Alcohol Safety Action Program so there would only be an additional monitoring assignment to the testing agency which would result in a minor increase in workload for ASAP personnel, whose role is limited to receiving notifications when program participants do not adhere to program requirements and responding with notifications to the court system of such.

While treatment programming will/may be a component of this testing process, it does not appear to significantly increase the need for new treatment programs.

As SB64(S) is currently drafted, the 24/7 Sobriety monitoring program would be available to defendants who are out on bail and have been charged with an alcohol or controlled substance related offense which is an unclassified felony, class "A" felony, or a sexual felony. The program would also be available for defendants who have been charged with DUI or refusal and other alcohol related offenses, or with a crime involving domestic violence. The 24/7 Sobriety monitoring program may also be ordered as a condition of probation. According to the Department of Corrections in FY2013 there were 2,432 offenders identified that met the criteria outlined in SB64(S). It is estimated that a third of those offenders would also qualify as indigent and unable to afford to participate in the program without financial assistance. The fees that can be collected from offenders with an ability to pay will be paid directly by the offender to the private testing agency.

Sec. 47.38.100 includes the development, implementation, and monitoring of the Recidivism Reduction grant program and fund, by the Department of Health and Social Services. This addition will require a minimum of one additional ASAP Program Coordinator (to monitor and manage both the Recidivism grant program and the identified private testing programs) and one additional Grants Manager within the DHSS section of Grants & Contracts.

Assumptions

24/7 Sobriety:

- Total eligible in FY13: 2,432
- Estimated rural: 75
- Estimated urban: 2,357
- Estimated indigent: 1/3 of the total eligible
- Daily cost for rural: \$10/day + \$20 initial fee
- Daily cost for urban: \$5/day + \$20 initial fee
- Recommended duration: 180 days (6 months)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB064(FIN)

Analysis Continued

Recidivism Reduction Grant Program:

- Grant funding will not be appropriated to DHSS. The proposed legislation establishes the new grant fund within the general fund and allows the commissioner to make grants from the fund directly, without a direct appropriation to the department.
- Grants administration tasks are the responsibility of DHSS Department Support Services. One Grants Administrator II position and associated costs are included in a separate Administrative Support Services fiscal note.
- Grant management tasks are the responsibility of DHSS Behavioral Health. One ASAP Program Coordinator I position will be required to manage the grants.
- Six new grant sites are assumed.

Costs

- **Personal Services: \$96,467**

One FTE Program Coordinator I (R18/B) Based in Anchorage, this position would be responsible for writing the requests for proposals for the Recidivism Reduction grants and monitoring effectiveness.

- **Contractual: \$775,120**

- 24/7 fees to testing agencies for indigent population: \$768,620

Urban: 786 client count (2,357/3) multiplied by \$5/day multiplied by 180 days + \$20 multiplied by 786 client count = \$723,120

Rural: 25 (75/3) client count multiplied by \$10/day multiplied by 180 days + \$20 multiplied by 25 client count = \$45,500

- Ancillary costs to support one 1 FTE: \$6,500

- **Travel: \$6,640**

Travel to 6 grant agencies and 2 testing sites outside the Anchorage bowl for program monitoring

Airfare: \$500 x 8 trips = \$4,000
Car rental: \$35/day x 1 day x 8 trips = \$280
Hotel: \$175/night x 1 night x 8 trips = \$1,400
Per Diem: \$60/day x 2 days x 8 trips = \$960

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 64
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB064CS(FIN)-ACS-AJC-4-19-14
Title: OMNIBUS CRIME/CORRECTIONS/RECIDIVISM
BILL
Sponsor: JUDICIARY
Requester: Senate Judiciary Committee

Department: Alaska Court System
Appropriation: Judicial Council
Allocation: Judicial Council
OMB Component Number: 771

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	126.3		126.3	126.3				
Travel	27.5		27.5	27.5				
Services	38.4		38.4	38.4				
Commodities	5.0		1.6	1.6				
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	197.2	0.0	193.8	193.8	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	197.2		193.8	193.8				
Total	197.2	0.0	193.8	193.8	0.0	0.0	0.0	0.0

Positions

Full-time	1.0		1.0	1.0	1.0			
Part-time	1.0		1.0	1.0	1.0			
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect changes in a new CS that increases the number of members of the Criminal Justice Commission to thirteen.

Prepared By: Susanne DiPietro, Executive Director
Division: Alaska Judicial Council
Approved By: Susanne DiPietro, Executive Director
Agency: Alaska Judicial Council

Phone: (907)279-2526
Date: 04/19/2014 05:30 PM
Date: 04/19/14

APPROVED BY
CONFERENCE
COMMITTEE

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCS CSSB064(FIN)

Analysis

CSSB64 creates a Criminal Justice Commission of thirteen members and requires the Alaska Judicial Council to staff it for three years.

Section 32 of the CS creates a thirteen-member Alaska Criminal Justice Commission, and Sections 26 and 32 require the Alaska Judicial Council to provide staff and administrative support to the Commission. For this task, the Alaska Judicial Council will need to hire a half-time research analyst at range 18A, and an attorney to work 30 hours per week at range 20A. A 30 hour/week attorney is need to be a stable and consistent liaison to the commissioners, policy makers, and the public, to guide the work and research agenda of the Commission, and to provide information to state policy makers as requested. The research analyst will work with the attorney and the Commissioners to define the scope and direction of the necessary research, including identification of reliable data sources, database design, data collection, and statistical analysis.

The Council will need to rent office space and provide parking for the Commission staff (\$38,400/year). This note assumes that the Council will be able to locate office space adjacent to its current offices, so that the Commission will use many of the Judicial Council's existing office resources (for example, the AJC server and the copier). The Council also will need to purchase supplies and equipment for the two Commission staff (PCs, printer, and phones in the first year, and general office supplies in subsequent years).

This note includes a travel budget for Commission members to attend an estimated four in-person meetings per year. The Council would arrange and pay for travel costs of Commission members as authorized for boards and commissions under AS39.20.180. The travel budget also includes a small amount (\$1500/year) for staff travel in anticipation that one meeting per year will be held in Juneau.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSSB 108(JUD)
Fiscal Note Number:	5
(S) Publish Date:	3/18/2014

Identifier: CSSB108(JUD)- ACS-TRC-03-17-14
 Title: CONFIDENTIALITY OF CRIMINAL CASE RECORDS
 Sponsor: DYSON
 Requester: Senate Judiciary

Department: Alaska Court System
 Appropriation: Alaska Court System
 Allocation: Trial Courts
 OMB Component Number: 768

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services	25.5		3.5	3.5	3.5	3.5	3.5
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	25.5	0.0	3.5	3.5	3.5	3.5	3.5

Fund Source (Operating Only)

1004 Gen Fund	25.5		3.5	3.5	3.5	3.5	3.5
Total	25.5	0.0	3.5	3.5	3.5	3.5	3.5

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for Judiciary CC that requires the Court to make certain confidential files available to specified state agencies.
--

Prepared By: Nancy Meade, General Counsel

Division: Alaska Court System

Approved By: Nancy Meade for Christine Johnson, Administrative Director

Agency: Alaska Court System

Phone: (907)465-4736

Date: 03/17/2014 09:00 AM

Date: 03/17/14

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 03/18/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB108(JUD)

Analysis

The Committee Substitute for Senate Bill 108 (JUD) makes certain criminal case records confidential, and therefore not accessible to the general public. Specifically, criminal cases that are fully disposed via dismissal, acquittal, or a combination of dismissal and acquittal would be deemed confidential 90 days after the case is closed.

When a court case is confidential, the court system provides access to the case file only to the parties, the attorneys of record in the case, individuals with a written order from the court authorizing access, and court personnel for case processing purposes only, in accordance with Administrative Rule 37.5(c)(4). Cases that become confidential remain listed on the court's website in its case management system (CourtView), but the names of any party are removed, so that it is anonymous. Under SB 108, for any criminal case that is fully disposed via dismissal, acquittal, or a combination, the Court System would have 90 days to remove the names of the parties in the case from CourtView to make it anonymous, and would make the paper case file confidential.

The Court System can make these cases generally confidential without a fiscal impact, but the exceptions create specific access for agencies, which does carry a cost. The court system would need to create a unique portal, working with the CourtView vendor, and maintain that portal with security features. Creating the portal will cost an initial one-time fee of \$22,000; each year the portal is in existence, we would have a cost of \$3,000 for maintenance plus \$500 for a SSL (security) fee.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 138(FIN)
Fiscal Note Number:	21
(H) Publish Date:	4/18/2014

Identifier: SB138-DCCED-AGDC-4-18-14
Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: HFIN

Department: Department of Commerce, Community and Economic Development
Appropriation: Alaska Gasline Development Corporation
Allocation: Alaska LNG Participation
OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services	1,476.0		1,476.0	1,476.0		***	***	***
Travel	964.0		964.0	964.0				
Services	329.4		329.4	329.4				
Commodities								
Capital Outlay	230.0							
Grants & Benefits								
Miscellaneous								
Total Operating	2,999.4	0.0	2,769.4	2,769.4		***	***	***

Fund Source (Operating Only)

1235 AGDC-LNG	2,999.4		2,769.4	2,769.4			
Total	2,999.4	0.0	2,769.4	2,769.4		***	***

Positions

Full-time	6.0		6.0	6.0			
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 406.7 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? N
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This revised fiscal note replaces the temp code 1178 with the new Alaska Liquefied Natural Gas Project Fund code 1235.

Prepared By: Co-Chair Representative Austerman
House Finance Committee
Co-Chair Representative Stoltz
House Finance Committee

Phone: (907)465-6258
Date: 04/18/2014

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCS CSSB 138(RES)

Analysis

Activity Growth: This bill expands the purpose of the Alaska Gasline Development Corporation (AGDC) by authorizing it to participate in advancing an Alaska liquefied natural gas project (AKLNG) while continuing to advance the in-state natural gas pipeline project described in AS 31.25.005, commonly known as the Alaska Stand Alone Pipeline (ASAP). In its current form, the bill:

- Gives AGDC the primary responsibility for developing the AKLNG project on the state's behalf, to include developing infrastructure and services related to transportation, liquefaction, marine terminals, marketing and commercial support. Authorizes AGDC to acquire an ownership interest in the AKLNG project, including liquefaction facilities associated with that project.
- Directs AGDC to act in the State's best interest to deliver instate gas, and to provide both economic benefit and revenue to the State; and to assist DOR and DNR in maximizing the value of the State's royalty gas and gas delivered in lieu of taxes.
- Establishes a new Alaska Liquefied Natural Gas Project Fund to fund AGDC's participation in the AKLNG project and restricts the use of those funds to AKLNG related work. Similarly, funds appropriated to the existing In-State Natural Gas Pipeline Fund (1229) would be restricted to work associated with the ASAP project.
- Allows the AGDC Board to hire a separate Program Manager for the AKLNG Project and requires it to establish separations in operations, personnel and functions as may be necessary to firewall commercially sensitive and confidential information between the ASAP and AKLNG projects.

Allocation: A new allocation – *Alaska LNG Participation* – will be created to track AGDC expenditures related to advancing the AKLNG project.

AGDC Operating Expenses: AGDC will incur \$8,944.9 in AKLNG related operating costs through FY17. AGDC intends to fund these activities as they occur, by drawing from the new Alaska Liquefied Natural Gas Project Fund. To maintain the momentum of current AKLNG negotiations, pre-FEED activities will begin immediately upon enactment of the legislation. AGDC is requesting \$3,406.1 in operating funding this legislative session - the minimum amount necessary to fund FY14 (\$406.7) & FY15 (\$2,999.4) activities. AGDC's anticipated operating costs through FY15 are summarized by category below:

\$ 1,722.0 - Personal Services (FY14 \$246.0 and FY15 \$1,476.0): AGDC will need to build in-house capacity to manage the Corporation's participation in this large-scale, multi-year initiative. It is anticipated that AGDC will begin recruiting staff immediately upon enactment. It will be necessary to attract seasoned professionals capable of managing the negotiations, contacts and investments associated with this complex commercial partnership. To augment AGDC's existing management team a VP level position will be added to integrate internal operations and processes across both project initiatives. Specific to the AKLNG initiative, in addition to the Program Manager suggested by the legislation, the team would include a Contract Compliance Officer, Senior Accountant and two Administrative Assistants for a total of 6 new fulltime positions. The annualized salary and benefit costs for these positions are estimated at \$1,476.0.

- 1 – AKLNG Program Manager, \$492.0 annual burdened salary (\$300.0 + benefits)
- 1 – VP, \$410.0 annual burdened salary (\$250.0 + benefits)
- 1 – Contract Compliance Officer, \$196.8 annual burdened salary (\$120.0 + benefits)
- 1 – Senior Accountant, \$164.0 annual burdened salary (\$100.0 + benefits)
- 2 – Administrative Assistant, each at \$106.6 annual burdened salary (\$65.0 + benefits)

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. HCS CSSB 138(RES)

Analysis Continued

\$ 1,124.7 - Travel (FY14 \$160.7 and FY15 \$964.0): Extensive travel will be incurred by corporate staff, the AKLNG Program Manager, as well as commercial, marketing, engineering and legal teams. In addition, this legislation increases the authority and responsibilities of the AGDC board which will result in more frequent meetings and additional costs associated with stipends, travel, per diem and other board expenses.

\$ 329.4 - Services (FY15): Additional office space will be necessary to accommodate new employees and contractor work areas. Incremental annual lease costs of \$329.4 are anticipated beginning in FY15.

\$ 230.0 - Capital Outlay (FY15): One-time costs associated with the acquisition of communications and IT equipment, and furnishings for expanded staff.

Capital and Investment Expenses: The State's capital and investment expenditures associated with AKLNG pre-FEED activities through FY17 are estimated at \$185,332.9 and are detailed by category below. However, as noted previously, AGDC is requesting a capital funding of \$63,858.4 this legislative session. The amount sufficient to fund the Corporation's FY14 (\$10,858.3) and FY15 (\$53,000.1) capital needs. These activities would begin immediately upon enactment of this legislation with funds being drawn before the end of FY14. AGDC will fund activities as they occur, by drawing from the new Alaska Liquefied Natural Gas Project Fund created by this legislation.

\$ 6,008.4 - Project Related Contractual Services (FY14 \$858.3 and FY15 \$5,150.1): It's anticipated that 50+ commercial agreements will need to be executed over the next 18-36 months. AGDC will necessarily have to contract for subject matter expertise and outside counsel to support the AKLNG team's efforts in deal origination, negotiation and analysis. Focus areas include contract negotiations, midstream and liquefaction facility engineering analysis, interface engineering, commercial analysis, gas marketing and investment financing. AGDC's total costs for outside contractors through FY17 are estimated at \$15,108.5.

\$ 57,850.0 - Equity Participation in LNG Facility (FY14 \$10,000.0 and FY15 \$47,850.0): At 25% equity participation, AGDC's share of pre-FEED LNG Facility technical costs are estimated at \$42.5 million. It's anticipated that an additional \$2.0 million will be required to cover AGDC's share of non-technical project costs that will be allocated to each AKLNG partner. These estimates are based on the information available at this time, consequently a 30% contingency of \$13.35 million has been added.

	Total	AGDC %	ADGC \$
LNG Facility Cost	\$ 170,000.0	25%	\$ 42,500.0
LNG Non-Technical Share			\$ 2,000.0
	Subtotal		\$ 44,500.0
30% Contingency		30%	\$ 13,350.0
	Total		\$ 57,850.0

\$ 42,250.0 - 40% Option on TC Mid-stream (FY16): AGDC's cost to exercise the State's option to buy-out 40% of TransCanada's mid-stream interests is estimated at \$26.5 million. If exercised, TransCanada will be entitled to be reimbursed for all of its non-technical costs previously attributed to that 40%. Those are estimated at \$6.0 million. These estimates are based on the information available at this time, consequently a 30% contingency of \$9.8 million has been added. This option is not likely to be exercised before FY16 and is therefore not included in this year's appropriation request.

	Total	AGDC %	ADGC \$
40% of TC Midstream (=10% Total Project Share)	\$ 265,000.0	10%	\$ 26,500.0
TC's Cost Reimbursement			\$ 6,000.0
	Subtotal		\$ 32,500.0
30% Contingency		30%	\$ 9,750.0
	Total		\$ 42,250.0

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. HCS CSSB 138(RES)

Analysis Continued

\$ 70,124.4 – Guarantee of TransCanada's Development Costs (FY16): If TransCanada doesn't progress to the FEED stage of the project for any reason other than their own voluntary withdrawal, the MOU between the State and TC requires the State to reimburse TC for the AKLNG project costs incurred since 1/01/2014, to include the pre-FEED costs on their portion of the mid-stream, any non-technical cost allocations they've paid, plus a 7.1% return on that investment (AFUDC - Allowance For Funds Used During Construction). These costs are estimated below based on the best information available at this time, consequently a 30% contingency has been added. If required, these reimbursements and return guarantees are not anticipated to occur before FY16 and are therefore not included in this year's appropriation request.

	Total	TC%	AGDC \$
TC Midstream Share	\$ 265,000.0	15.0%	\$ 39,750.0
TC Non-Tech & Other Development Costs			\$ 9,000.0
	Total Invested		\$ 48,750.0
30% Contingency		30.0%	\$ 14,625.0
	Subtotal		\$ 63,375.0
7.1% AGUDC		7.1%	\$ 6,749.4
	Total		\$ 70,124.4

AKLNG Expenditure Summary: It is anticipated that AGDC will need a total of \$194,277.8 to cover its AKLNG related expenditures through FY17 as summarized in the table below. At this time, AGDC is requesting a total appropriation of \$67,264.5, the amount necessary to fund FY14 & FY15 operating and capital expenses. Approximately \$11,265.0 of that will be drawn down in FY14 and \$55,999.5 in FY15.

AKLNG Pre-FEED Expenditures					
	FY14 Supp	FY15	FY16	FY17	Total
AGDC Operating Expenses					
<i>Personal Services</i>	\$ 246.0	\$ 1,476.0	\$ 1,476.0	\$ 1,476.0	\$ 4,674.0
<i>Travel</i>	\$ 160.7	\$ 964.0	\$ 964.0	\$ 964.0	\$ 3,052.6
<i>Services (Lease)</i>	\$ -	\$ 329.4	\$ 329.4	\$ 329.4	\$ 988.2
<i>Capital Outlay (Equipment)</i>	\$ -	\$ 230.0	\$ -	\$ -	\$ 230.0
AKLNG Capital Expenses					
<i>AGDC Contractual Services</i>	\$ 858.3	\$ 5,150.1	\$ 5,150.1	\$ 3,950.0	\$ 15,108.5
<i>Equity Participation LNG Facility</i>	\$ 10,000.0	\$ 47,850.0	\$ -	\$ -	\$ 57,850.0
<i>40% Option on TC Mid-Stream</i>	\$ -	\$ -	\$ 42,250.0	\$ -	\$ 42,250.0
<i>Guarantee of TC Dev Costs</i>	\$ -	\$ -	\$ 70,124.4	\$ -	\$ 70,124.4
	\$ 11,265.0	\$ 55,999.5	\$ 120,293.9	\$ 6,719.4	\$ 194,277.8

Supplemental Request: Through a separate fiscal note, AGDC is requesting a FY14 supplemental appropriation of \$67,264.5 UGF to initially capitalize the Alaska Liquefied Natural Gas Project Fund. This is the minimum amount necessary to fund all the Corporation's FY14 and FY15 AKLNG pre-FEED activities. A future appropriation of \$127,013.3 will be required to fund AGDC's continued participation in pre-FEED for FY16 and FY17 (\$14,638.9), to exercise the State's 40% mid-stream option (\$42,250.0) and to reimbursement TC's development costs in the event they exit the deal prior to FEED (\$70,124.4).

Fund Source: A new fund - *Alaska Liquefied Natural Gas Project Fund* - is created in this legislation to fund expenditures related to the AKLNG project. The fund will need to be capitalized through a separate appropriation at an amount sufficient to cover AGDC's costs as detailed elsewhere in this note. Once appropriated to the fund, the legislation authorizes AGDC to spend money out of the fund for AKLNG related expenditures as they occur, without further appropriation. AGDC intends to institute procedures similar to those currently being used to track ASAP Project expenditures that are funded through the existing In-State Natural Gas Pipeline Fund (1229).

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 138(FIN)
Fiscal Note Number:	26
(H) Publish Date:	4/18/2014

Identifier: SB138-DNR-NSG-04-18-14
 Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: HFIN

Department: Department of Natural Resources
 Appropriation: Administration & Support Services
 Allocation: North Slope Gas Commercialization
 OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services	1,769.7						
Travel	102.0						
Services	7,115.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	8,986.7	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	8,986.7						
Total	8,986.7	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time	6.0						
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**
 If yes, by what date are the regulations to be adopted, amended or repealed? **03/31/15**

Why this fiscal note differs from previous version:

This revised fiscal note appropriates one-time funding in FY15.

Prepared By: Co-Chair Representative Austerman
House Finance Committee
Co-Chair Representative Stoltze
House Finance Committee

Phone: (907)465-6258
 Date: 04/18/2014

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/18/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB138(RES)

Analysis

This bill establishes the framework for state participation in a large natural gas project by giving the Commissioner of the Department of Natural Resources (DNR) the authority to enter into upstream and downstream commercial agreements related to a North Slope natural gas project. It also gives the DNR Commissioner, in consultation with the Commissioner of Revenue, the authority to manage the project services and disposition and sale of tax-as-gas (TAG) gas from the Department of Revenue (DOR).

With passage of this bill, the DNR Commissioner, in consultation with the DOR commissioner, will enter into contractual agreements related to the state's equity position in the project. DNR's role is to make sure that the state's equity participation complements and facilitates the state's royalty and TAG gas marketing efforts. The contracts, equity arrangements, and gas sales agreements will be subject to legislative approval and will define the state's relationship with the parties and potential gas customers during the life of a North Slope natural gas project. Each contract, arrangement, and agreement will be conditioned on continued progress of a North Slope gas project and will establish how value will be shared among the parties and manage the state's exposure to commercial risks.

Most of these agreements will be negotiated during the 12–18 months following passage of this legislation so that the state and the other parties in the project can be in a position to commit to the Front-End Engineering Design (FEED) phase. This pre-FEED work will provide the state with the information necessary to make the investment decision to enter into FEED. Equity partners will spend more than a billion dollars during FEED.

With the rights and obligations defined in the agreements, DNR will be able to structure its royalty and TAG gas marketing efforts. The marketing organization may include the potential utilization of a marketing subsidiary of AGDC or may leverage the Producers' marketing organizations and expertise, per Article 8.3 of the Heads of Agreement (HOA), resulting in a smaller state organization than might otherwise be required.

The DNR commissioner will need the support, expertise, and involvement of a variety of experts to inform the state's decisions, including:

- When the state takes its royalty and TAG gas, it will become more aligned with the North Slope gas producers than has ever been the case historically. DNR will enter into production offtake agreements and gas balancing agreements. The DNR Commissioner may modify the state's oil and gas lease terms, including modification of the lease royalty rates not less than the value the state would have received before a modification, treatment of lease net profit share provisions, field costs, and the state's rights to take royalty gas in-value.
- The DNR commissioner will enter agreements to define gas treatment costs, transportation tolls/tariffs, and liquefaction services. These agreements will also be designed to manage capacity and arrange for expansion of the project, if needed, and must accommodate changes in equity ownership. DNR will forge contractual arrangements with the producers and other industry parties participating in the project as well as state entities who may be part of the project initially or who may take over ownership later.
- The marketing of the state's gas will depend on the rights and obligations that will be defined in the agreements. As time progresses, DNR must make decisions about how it will supply royalty and TAG gas to the domestic and international markets. Gas supply agreements are likely to be long-term and may include mechanisms to attract additional investment capital into the project. Planning and design of the marketing organization will occur during the pre-FEED phase.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB138(RES)

Analysis Continued

Allocation: DNR will create a separate allocation code for expenditures related to the commercial production of North Slope natural gas for ease of tracking appropriations.

Expenditures: DNR will create in-house capacity to provide the administration with consistent and well-informed advice throughout the initial negotiations and to manage experts as needed through this process. This team will provide consistent support throughout the pre-FEED phase and will be in place to manage the marketing role. Establishing this capacity now and preserving it as the project develops is essential to facilitate the state's effective participation in the project.

The team will be involved in negotiating, crafting agreements, managing expert consultants at each of the project phases, monitoring the agreements as the project progresses and conditions are met or changed, and preserving and protecting confidential information provided by the state's counterparties.

This team will include a lead expert analyst; four subject matter experts specializing in commercial aspects of upstream, gas treatment and pipeline transportation, liquefaction, and international marketing; and a project assistant responsible for contract management, recordkeeping and administrative support, as follows:

- 1 Lead Expert Analyst (exempt)- \$349.8 annual salary and benefits
- 4 Subject Matter Expert Analysts (exempt) - \$323.7 annual salary and benefits each (total of \$1,294.8)
- 1 Project Assistant (range 20) - \$125.1 annual salary and benefits

Total Personal Services: \$1,769.7

It is anticipated that the lead expert analyst and four subject matter expert analysts will need to make trips to Asia to conduct market research and outreach. DNR estimates that each will make quarterly trips at an estimated cost of \$5.1 per trip. **Total Travel Expenses: \$102.0**

Contract services include:

- \$4,000.0 for substantial subject matter expertise to support the DNR commissioner and team including deal origination, deal analysis, market monitoring, infrastructure analysis, commercial contracting, financial and credit analysis, risk control and analysis, and imbalance reconciliation
- Reimbursable Service Agreements to the Department of Law: \$3,000.0 for legal advice from outside counsel on commercial and financial agreements, transactional negotiations and agreements, federal jurisdictional, statutory and regulatory issues and in-house attorney services (\$250.0 per month)
- DOA core service charges, lease space, and office supplies: \$15.0 per position (\$90.0 for 6 positions)
- Research, draft, compile, print and distribute a required report to the legislature on a plan and alternatives to make North Slope natural gas available for delivery and use in the state (\$25.0)

Total Contract Services: \$7,115.0

It is anticipated that the decision to proceed into FEED will take place by the end of FY16. Impacts in FY17 and beyond are indeterminate at this time; however, pre-FEED will help determine the potential costs leading up to the FEED phase.

Revenues: No new revenues from a large gas project would be expected during the timeframe (through FY20) of this fiscal note. Revenues from a North Slope gas project could be realized as soon as FY22.

Regulations: DNR expects it will need to amend its regulations as they pertain to the disposition of royalty oil and gas to include TAG gas.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 138(FIN)
Fiscal Note Number:	25
(H) Publish Date:	4/18/2014

Identifier: SB138HCSCS(FIN)-DOR-TAX-04-18-14
 Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: (H) FIN

Department: Department of Revenue
 Appropriation: Taxation and Treasury
 Allocation: Tax Division
 OMB Component Number: 2476

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	750.0							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	750.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	750.0							
Total	750.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/15

Why this fiscal note differs from previous version:

Updated for House Finance amendments on 04/18/14.

Prepared By: Michael R. Pawlowski, Deputy Commissioner
 Division: Revenue
 Approved By: Angela M. Rodell, Commissioner
 Agency: Department of Revenue

Phone: (907)269-1033
 Date: 04/18/2014 12:04 AM
 Date: 04/18/14

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB138 (FIN)

Analysis

Bill Language:

This bill would help the state to move forward as a partner in a large natural gas project, including liquefaction facilities. It gives the Commissioner of DNR, in consultation with the Commissioner of Revenue, the ability to take custody of gas delivered to the state and manage the disposition and sale of that gas. The main tax provision of the bill would allow gas producers to make an election to pay their production tax liabilities with gas (tax as gas "TAG") instead of with money.

This bill also expands the education tax credit allowed against the oil and gas production tax to include contributions made to vocational education for equipment and for contributions made to a nonprofit regional training center recognized by the Department of Labor, an apprenticeship program in the state that is registered with the U.S. Department of Labor, programs approved by the United States Department of Veterans Affairs and the Alaska Commission on Postsecondary Education. This bill does not increase or decrease the aggregate amount of total education tax credits allowed against the oil and gas production tax. It merely identifies additional types of contributions that can qualify for the credit. It is possible that taxpayers who have not made qualifying contributions and not claimed an education tax credit in the past, may make contributions to these entities for these purposes. However, it is difficult to determine how this language will affect taxpayer behavior and, therefore, it is difficult to determine if this bill will affect revenue from the oil and gas production tax. This bill does not increase the maximum education tax credit amount which is currently limited to \$5 million per taxpayer.

Currently, there are 8 tax types for which an education tax credit can be claimed. The total amount a taxpayer can claim across all eight tax types is \$5 million. The language in this amendment will only affect the oil and gas production tax. Therefore, contributions made to these new entities can only be claimed as a credit against the oil and gas production tax.

The effect on revenue for this language is indeterminate.

While the bill itself has numerous sections that affect other departments or corporations in the state, the analysis done for this fiscal note is limited to the tax provisions contained in the bill.

Revenues:

The department is unable to determine the amount of revenue that will be created by this bill in the future. Taxable gas production is not expected until after 2022, so no new revenues from a large gas project would be expected during the timeframe (through FY-20) of this fiscal note.

Expenditures:

The department is currently in the process of implementing its new Tax Revenue Management System (TRMS), for which the legislature appropriated approximately \$35 million for during the 2011 session. If this bill passes, we will need to amend the current contract with FAST Enterprises to allow for them to reconfigure TRMS to reflect these tax law changes. DOR estimates that it will incur an additional expense of approximately \$500,000 to reconfigure the system.

Regulations:

The department expects it will need to enter into expanded RSA's with the Department of Law to assist in drafting regulations to help the department implement the new law. DOR estimates that it will incur an additional expense of approximately \$250,000 to retain the necessary resources to assist with a regulations project of this magnitude.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 138(FIN)
Fiscal Note Number:	24
(H) Publish Date:	4/18/2014

Identifier: SB138-DOR-NGC-04-18-14
 Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: HFIN

Department: Department of Revenue
 Appropriation: Administration and Support
 Allocation: Natural Gas Commercialization
 OMB Component Number: 2859

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
OPERATING EXPENDITURES								
Personal Services				***	***	***	***	***
Travel								
Services	2,500.0		150.0					
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	2,500.0	0.0	150.0	***	***	***	***	***

Fund Source (Operating Only)

1236 AK LNG I/A	2,500.0		150.0				
Total	2,500.0	0.0	150.0	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This revised fiscal note replaces UGF code 1004 with the new Alaska Liquefied Natural Gas Project Fund --I/A fund code 1236. Funding will pass directly from the Alaska Liquefied Natural Gas Project Fund to the department for services provided via a Reimbursable Services Agreement (RSA).

The fiscal note also reflects an increase to the Alaska Affordable Energy Fund and expanded the scope of reports to be developed by the Commissioner of Revenue. Title change to this fiscal note is to correct funding component, for budgetary tracking purposes.

Prepared By: Co-Chair Representative Austerman
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Co-Chair Representative Stoltze
House Finance Committee

Phone: (907)465-6258
 Date: 04/18/2014

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FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB 138(RES)

Analysis

This bill would help the state move forward as a partner in a large scale Alaska Liquefied Natural Gas Project. While the bill itself contains numerous sections that affect other departments or corporations in the state, the analysis done for this fiscal note is limited to the two provisions relating to the Affordable Energy Fund and financing in the Department of Revenue.

1.) The bill would establish the Alaska Affordable Energy Fund to provide a source from which the legislature may appropriate money to develop infrastructure to deliver energy to areas of the state that are not expected to have or do not have direct access to a North Slope natural gas pipeline. This fiscal note assumes that this fund would be established as one of many funds managed as part of the GeFonsi and therefore, no additional costs are envisioned to manage the fund. The fiscal note does not reflect an indeterminate change in revenues due to the fact that there are no projected royalty revenues before 2024. Current estimates by the Administration's consultants are that 20% of royalty revenues would exceed \$180 million annually over the life of the project.

2.) The bill directs the Commissioner of Revenue to provide a report to the Legislature on the range of financing options for state acquisition of an ownership interest and participation in a North Slope natural gas project. The Commissioner will provide an interim draft report to the Legislature at the beginning of the first regular session of the 29th Alaska State Legislature. When contracts negotiated to advance the AKLNG project to FEED are presented to the Alaska State Legislature, the Commissioner will issue a final report of the financing options. That report must also include the development a plan for municipalities, regional corporations and residents to participate in the ownership of a North Slope natural gas pipeline. The plan must include recommendations by the Commissioner of Revenue regarding:

- Qualifications as a resident that may invest in the pipeline
- How a municipality, regional corporation or resident may invest in the pipeline
- The entity through which ownership should be acquired
- The notification process to residents acquiring ownership
- Ownership transferability
- If ownership is via the State's interest in the pipeline, how income or dividends will be shared with resident owners
- If ownership is via a publicly traded corporation that has an ownership interest in the pipeline, how those publicly traded corporations will be identified.

In order to develop the above reports and recommendations, the department will require substantial subject matter expertise. The department estimates that these contracted services will cost \$2,500,000 during FY15 and \$150,000 during FY16. The funding is requested in the Natural Gas Commercialization component.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 138(FIN)
Fiscal Note Number:	22
(H) Publish Date:	4/18/2014

Identifier: SB138-DPT-STWD-4-18-14
Title: GAS PIPELINE; AGDC; OIL & GAS PROD. TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: HFIN

Department: Department of Transportation and Public Facilities
Appropriation: Design, Engineering and Construction
Allocation: Statewide Design and Engineering Services
OMB Component Number: 2357

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services		65.0	65.0	***	***	***	***	
Travel		5.0	5.0					
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	70.0	70.0	***	***	***	***	

Fund Source (Operating Only)

1061 CIP Rcpts	(70.0)	70.0					
1236 AK LNG I/A	70.0		70.0				
Total	0.0	70.0	70.0	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

This revised fiscal note replaces UGF code 1004 with the new Alaska Liquefied Natural Gas Project Fund -- I/A fund code 1236. Funding will pass directly from the Alaska Liquefied Natural Gas Project Fund to the department for services provided via a Reimbursable Services Agreement (RSA).

Prepared By: Co-Chair Representative Austerman
House Finance Committee
Co-Chair Representative Stoltz
House Finance Committee

Phone: (907)465-6258
Date: 04/18/2014

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

REPORTED OUT OF
HFC 04/18/2014

FISCAL NOTE ANALYSIS

**STATE OF ALASKA
2014 LEGISLATIVE SESSION**

BILL NO. SB138

Analysis

An Engineer/Architect IV, Range 26 will serve as the technical expert and will work with the Alaska Gasline Development Corporation (AGDC) and its other partners as appropriate on the needs and impacts related to the Alaska liquified natural gas project. Travel is being included for this position for the associated meetings.

A second Engineer/Architect IV, Range 26 will evaluate the design and construction of a new, separate bridge across the Yukon River that would accommodate both vehicular traffic and a gas pipeline resulting from an Alaska liquified natural gas project.

Positions are currently funded with capital improvement project receipts and the department will need general funds for these new functions.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: SB 169
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB169 CC-DHSS-EPI-04-19-14
Title: IMMUNIZATION PROGRAM; VACCINE
ASSESSMENTS
Sponsor: GIESSEL
Requester: House Health & Social Services Committee

Department: Department of Health and Social Services
Appropriation: Public Health
Allocation: Epidemiology
OMB Component Number: 296

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2015 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services								
Travel								
Services	300.0		310.0	320.0	330.0	340.0	350.0	
Commodities	18,138.6	4,000.0	30,890.0	32,680.0	34,270.0	36,160.0	37,950.0	
Capital Outlay								
Grants & Benefits								
Miscellaneous	50.0							
Total Operating	18,488.6	4,000.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0	

Fund Source (Operating Only)

1004 Gen Fund	(4,000.0)	4,000.0					
1238 VaccAssess	22,488.6		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0
Total	18,488.6	4,000.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues	18,488.6		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 01/01/15

Why this fiscal note differs from previous version:

Updated for CS(HSS) version "D/B" which allows a three year phase-in period for assessable entities (insurers); adds a sunset of January 1, 2021; and changes the effective date to January 1, 2015.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB169(HSS)

Analysis

This bill establishes a Statewide Vaccination Program for children and adults, phased in over three years, which sunsets in six years. The function of the program is to monitor, purchase and distribute recommended vaccines to healthcare providers, making vaccines available universally for all ages. The proposed public/private partnership with the business sector increases access to vaccines while both insurance companies and healthcare providers would realize savings--at no cost to the state. Long-term, for every dollar spent on childhood vaccines, it is estimated that more than \$10 in preventable disease costs will be avoided down the road. Nine other states have similar programs. The bill does not mandate that individuals get vaccinated.

This is a net zero fiscal note. The expenses for the self-funded program (including administrative costs) will be offset by a new revenue source from vaccine assessment fees, deposited to a new account within the general fund for the purpose of purchasing vaccine. Overpayments are credited back to the payers. The assessments typically include a reasonable surcharge for operating expenses. The eight-member Vaccine Assessment Council appointed by the commissioner receives no reimbursement for travel or expenses. Vaccine assessment funds do not lapse. No new positions are requested.

For 30 years the state provided all vaccines for adults and children before federal funding began a steep decline in 2009. Currently, the state purchases about half of the vaccine supply. The rest is being paid by providers who then seek reimbursement from insurers. The state supplies vaccines using a variety of fund sources. Funds for children who are uninsured, Medicaid eligible, or Alaska Native come through the federal Vaccines for Children program. This program will continue unchanged. General funds from HB310 are used for selected vaccines for underinsured children, and under- and uninsured adults. The unobligated amount of FY2015 final year of temporary appropriations from HB310 (Ch. 24 SLA 2012) will be deposited into the vaccine account on January 1, 2015 to capitalize the new statewide vaccination program. Additionally a small amount of existing state GF and other federal funds provides a limited quantity of selected vaccine to high-risk individuals and those who otherwise have no access. This will not change. The state does not currently provide vaccine for fully insured children or adults, or Alaska Native adults seen at tribal facilities. Providers currently purchase vaccine independently for this population and seek reimbursement if available. Providers must maintain separate accounting and storage areas for vaccines received through the state and vaccines bought privately.

Participation in the assessment by assessable entities would be phased-in over three years. After the phase in period, assessable entities cannot opt out, and all assessable entities that can be mandated to participate, shall participate. "Assessable entity" includes entities defined in the insurance code (21.54.500) as health care insurers, plus health benefit plans, third party administrators, self-funded church or government plans, and, to the extent allowed by law, other public and private creditable coverage including Employee Retirement Income Security Act (ERISA) plans, Medicaid, Medicare, the Veteran's Administration, the military's TRICARE, and tribal health. It is currently unclear whether federal law might prohibit such a mandate for some or all of the plans. Assessable entities would be assessed and pay a fee up front which the state will use for purchasing vaccines in bulk at lower prices than health care providers could, independently.

Under this bill, health care providers can avoid the financial, logistical and administrative burdens associated with purchasing vaccines privately. They would receive vaccine at no charge for all children and adults who are covered by an assessable entity. Providers—not the state--would purchase vaccine privately for patients for whom no assessment is paid (uninsured or nonparticipating assessable entity). Providers who wish to obtain state-distributed vaccine not covered by an assessable entity can opt into the assessment as "other program participants" to receive discounted vaccine pricing and avoid managing multiple inventories. Providers who do not opt in to the assessment would still receive vaccine at no cost for whom an assessment was paid. Providers can continue to submit claims for administering the vaccine (i.e. office visit) and any vaccine they purchased on their own, but not for state supplied vaccine. Savings are passed on to patients, who would be charged only for the office visit.

(CONTINUED)

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCSCSSB169(HSS)

Analysis Continued

Assumptions:

Assessments are made prospectively and payments are received *in advance*, most likely on a quarterly basis. The department determines the allocation of the assessment in the first year, the council in subsequent years, based on a plan of operation. Assessable entities (insurers) and other program participants (providers) who participate in the assessment will be allocated proportionately only for their own clients ("covered lives") and the vaccines they provide ("doses"). Any overpayments will be credited to the payer.

The projected *gross cost* for all vaccine needed is based on estimated population, immunization rates, and pricing, regardless if state-supplied or privately purchased. The gross cost is adjusted by 1) reducing for available federal grants and other state funds in Epidemiology's base budget, 2) deducting for vaccine privately purchased by providers (for patients who are uninsured or covered by nonparticipating assessable entities), and 3) increasing for other program participants, i.e. providers who opt into the assessment. The adjusted cost is the *vaccine assessment* amount and what will be state-supplied. Finally, a *surcharge* for overhead costs is added to the vaccine assessment to get the *grand total assessment* that will be allocated to assessable entities and other program participants.

The program's effective date is January 1, 2015, which aligns with the assessable entities' benefit year. The state would expect to use about 10% or \$500.0 of the \$4.5 million GF from HB310 between July 1, 2014 and January 1, 2015 to purchase vaccines (the majority of vaccine is typically purchased in the latter half of the fiscal year for flu season and back-to-school immunizations). This leaves \$4 million to capitalize the fund and provides adequate cash flow until the first fees are paid. This amount has been deducted from the gross cost in Year One. HB310 funds are no longer available after FY2015, reducing state funds to \$700.0 in out years.

All private insurers and Medicaid are assumed to participate as assessable entities in Year One; TRICARE by Year Two; and Medicare by Year Three during the phase in period. One-fourth of the providers are assumed to opt-in each year for three years for patients who are uninsured and covered by nonparticipating assessable entities (25%, 50% & 75%, respectively) while the remaining one-fourth choose to purchase independently. There is a one-time cost of \$50.0 in Year One for refrigeration equipment to store the additional vaccine the state will be distributing through its vaccine depot. Out years are adjusted for both inflation (2.5%) and population increases (1-1.2%). Additional program receipt authority may be needed in out years as assessments increase due to changes in population, vaccine pricing, immunization rates, inflation, and new recommended vaccines. The sunset date of January 1, 2021 occurs outside of the range of this fiscal note.

Year 1 estimates:

\$46,400.0 *gross cost* for vaccines needed for 12 months
less \$14,600.0 federal funds
less \$4,496.0 GF HB 310 temporary funding
less \$700.0 other state funds (base)
less \$1,600.0 providers privately purchased vaccine (uninsured)
less \$7,000.0 providers privately purchased vaccine (nonparticipating assessable entities)
plus \$2,150.0 providers who opt into assessment as "other program participants"
= \$20,154.0 subtotal *vaccine assessment* for 12 months

times 90% adjustment to account for vaccine procured before program begins January 1
= \$18,138.6 total *vaccine assessment* for six months (Jan-Jun)

plus \$300.0 surcharge for overhead costs
plus \$50.0 surcharge for one-time costs
= \$18,488.6 *grand total assessment* for Year One (Jan-Jun) This amount is proportionately allocated to assessable entities and other program participants.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 169(HSS)
Fiscal Note Number:	10
(H) Publish Date:	4/16/2014

Identifier: SB169HCSCS(HSS)-DHSS-VAA-04-14-14
 Title: IMMUNIZATION PROGRAM; VACCINE ASSESSMENTS
 Sponsor: GIESSEL
 Requester: House Health and Social Services Committee

Department: Fund Transfers
 Appropriation: OpSys DGF Transfers (non-add)
 Allocation: Vaccine Assessment Account
 OMB Component Number:

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities	22,488.6		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0	
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	22,488.6	0.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0	

Fund Source (Operating Only)

1004 Gen Fund	4,000.0						
1005 GF/Prgm	18,488.6		31,200.0	33,000.0	34,600.0	36,500.0	38,300.0
Total	22,488.6	0.0	31,200.0	33,000.0	34,600.0	36,500.0	38,300.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated for CS(HSS) version "D/B" which allows a three year phase-in period for assessable entities (insurers); adds a sunset of January 1, 2021; and changes the effective date to January 1, 2015.

Prepared By: Kerre L. Shelton, Director
 Division: Public Health
 Approved By: Sarah Woods, Deputy Director, Finance & Management Services
 Agency: Health & Social Services

Phone: (907)269-2042
 Date: 04/14/2014 12:00 PM
 Date: 04/14/14

APPROVED BY
CONFERENCE
COMMITTEE
Printed 4/19/2014

REPORTED OUT OF
HFC 04/16/2014

Analysis

The state provides general funds for selected vaccines for underinsured children, and under- and uninsured adults as a result of HB310, passed by the 27th Legislature (Ch. 24 SLA 12). The intent of HB310 was to provide temporary funding from FY2013-2015 to purchase vaccines while a long-term sustainable solution could be found. SB 169 repeals HB 310 and deposits the remaining unobligated funds into a new vaccine assessment account created by the the bill. The UGF in this fiscal note comes from Epidemiology (currently in the Governor's request) and the program receipts are the estimated vaccine assessment fees.

The program's effective date is January 1, 2015. The state would expect to use about \$500.0 of the \$4.5 million UGF from HB310 between July 1, 2014 and January 1, 2015 to purchase vaccines (the majority of vaccine is typically purchased in the latter half of the fiscal year for flu season and back-to-school immunizations). This leaves \$4 million to capitalize the fund and provides adequate cash flow until the first fees are paid.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	HCS CSSB 195(FIN)
Fiscal Note Number:	3
(H) Publish Date:	4/18/2014

Identifier: SB195HCSCS(FIN)-EED-ACPE-4-18-14
 Title: POSTSECONDARY EDUCATION
 LOANS/GRANTS
 Sponsor: FAIRCLOUGH
 Requester: (H)FIN

Department: Department of Education and Early Development
 Appropriation: Alaska Postsecondary Education Commission
 Allocation: Program Administration & Operations
 OMB Component Number: 2738

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1106 ACPE Rcpts	(82.8)		(82.8)	(82.8)	(82.8)	(82.8)	(82.8)
1226 High Ed	82.8		82.8	82.8	82.8	82.8	82.8
Total	0.0	0.0	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 (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 460.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/15

Why this fiscal note differs from previous version:

This fiscal note assumes no General Fund monies will be appropriated to the teacher education revolving loan fund as set out in Sec. 35 of the bill. Additionally, the annual software maintenance costs for the aid management system have been reduced to reflect increased efficiencies the Commission expects to achieve by replacing the current GrantPro system.

Prepared By: Diane Barrans, Executive Director
 Division: ACPE
 Approved By: Diane Barrans, Executive Director
 Agency: ACPE

Phone: (907)465-6740
 Date: 04/18/2014 10:37 AM
 Date: 04/18/14

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
HFC 04/18/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HCS CSSB 195(FIN)

Analysis

Through this legislation the financial cost associated with administering Alaska Education Grants is transferred from the Alaska Student Loan Corporation to the State of Alaska and may be paid out of the Alaska Higher Education Investment Fund which is the funding source for the state grant awards.

Annual software maintenance costs for the student aid management system are estimated at \$82.8 thousand which is a reduction from current costs of \$112.5 thousand paid from Corporation receipts. This is the servicing system through which the grants are administered and which supports the electronic transmission of data between the agency and postsecondary institutions participating in the grant program.

Capital costs of \$460.0 thousand, to be paid from the Alaska Higher Education Investment fund (1226 High Ed), is for replacement of the current grant and financial aid management system, to reduce long-term costs and ensure ongoing system stability. GrantPro, the current system, is an off-the-shelf servicing option, which vendors have attempted to customize to Alaska's requirements. Over the years it has been extensively customized as Alaska's grants and scholarships have both expanded substantially and been subject to modified requirements. Operation and maintenance now requires expensive programming to maintain essential functionality. As a result, the system life is severely limited and the ability to meet students' and participating institutions' needs is compromised. A new system would be designed for scalability and flexibility, including local, in-house programming and business user interfaces, as well as designed to operate in less-expensive local IT environments. The long-term result will be increased functionality and decreases in total costs of ownership.

Pursuant to Sec. 31 of the bill the Commission will adopt regulations setting annual grant award levels to correspond with students' level of enrollment in their postsecondary education and training programs.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	CSSB 218(FIN)
Fiscal Note Number:	1
(S) Publish Date:	4/9/2014

Identifier: SB218-UA-SYSBRA-4-09-14
 Title: MUNI BOND BANK; UAF HEAT & PWR PLANT
 Sponsor: FINANCE
 Requester: Senate Finance

Department: University of Alaska
 Appropriation: University of Alaska
 Allocation: Budget Reductions/Additions - Systemwide
 OMB Component Number: 1296

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous	7,000.0		7,000.0	7,000.0	7,000.0	7,000.0	7,000.0
Total Operating	7,000.0	0.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0

Fund Source (Operating Only)

1004 Gen Fund	7,000.0		7,000.0	7,000.0	7,000.0	7,000.0	7,000.0
Total	7,000.0	0.0	7,000.0	7,000.0	7,000.0	7,000.0	7,000.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version

Prepared By: Michelle Rizk
 Division: University of Alaska
 Approved By: Michelle Rizk
 Agency: University of Alaska

Phone: (907)450-8187
 Date: 04/09/2014 12:30 PM
 Date: 04/09/14

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 04/11/2014

REPORTED OUT OF
HFC 04/19/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SB218

Analysis

This bill provides authorization of debt for UA for the UAF heat and power plant boilers and plant construction and will result in debt service payments annually by UA to repay bonds issued by the Alaska Municipal Bond Bank Authority.

The debt service amount assumes 5%, 20 years, with semi-annual payments. If debt is not issued in FY15, the debt service operating increment will be used toward future debt service.

Absent an operating budget increment to cover debt service payment costs, UA could not make required bond payments authorized under SB218.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version:	SJR 23
Fiscal Note Number:	1
(S) Publish Date:	3/7/2014

Identifier: SJR023-OOG-DOE-3-3-14
Title: CONST. AM: STUDENT LOAN DEBT
Sponsor: FAIRCLOUGH
Requester: Senate State Affairs

Department: Office of the Governor
Appropriation: Elections
Allocation: Elections
OMB Component Number: 21

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services	1.5							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund	1.5							
Total	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							

Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial Version

Prepared By: Gail Fenumiai, Director
Division: Division of Elections
Approved By: Guy Bell, Administrative Director
Agency: Division of Administrative Services, Office of the Governor

Phone: (907)465-3876
Date: 03/03/2014 08:30 AM
Date: 03/03/14

APPROVED BY
CONFERENCE
COMMITTEE

REPORTED OUT OF
SFC 03/31/2014

REPORTED OUT OF
HFC 04/18/2014

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. SJR 23

Analysis

Passage of this resolution would require the constitutional amendment to appear on the 2014 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58, is \$1.5. Should the addition of this resolution require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.