

# Fiscal Note

State of Alaska  
2014 Legislative Session

Bill Version: CSSB 104(STA)  
Fiscal Note Number: 1  
(S) Publish Date: 2/14/14

Identifier: SB104CS-DOR-PFD-02-10-14  
Title: APPROPRIATIONS FROM THE DIVIDEND FUND  
Sponsor: DYSON  
Requester: (S) STA

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Permanent Fund Dividend Division  
OMB Component Number: 981

## 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
<b>OPERATING EXPENDITURES</b>	<b>FY 2015</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
Personal Services							
Travel							
Services	15.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

9999 Fatal Flaw	15.0						
<b>Total</b>	<b>15.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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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If yes, by what date are the regulations to be adopted, amended or repealed?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:

In this CS (STA) of the bill, the Department of Law is removed as having primary responsibility for compensating crime victims, and the Violent Crimes Compensation Board takes over that responsibility.

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Division: <u>Permanent Fund Dividend</u>	Date: <u>02/10/2014 10:30 PM</u>
Approved By: <u>Angela M. Rodell, Commissioner</u>	Date: <u>02/10/14</u>
Agency: <u>Department of Revenue</u>	

## FISCAL NOTE ANALYSIS #1

STATE OF ALASKA  
2014 LEGISLATIVE SESSION

BILL NO. CSSB 104(STA)

### Analysis

The intent of this bill is to use the existing law under AS 43.23.005(d) that determines the amount of dividends that would have been paid to ineligible felons and misdemeanants, and appropriate the total amount of those calculated funds into a new Criminal Fund sub account of the Dividend Fund. In turn, that new account would be used to appropriate funds to the following purposes in this priority order:

- DOA's Violent Crimes Compensation Board for crime victim restitution
- Division of Child Support Services for arrearages
- Court ordered rehabilitation programs
- Department of Corrections costs related to incarceration or probation

The existing structure under AS 43.23.005(d) requires the Department of Revenue to calculate the total of funds that would have been paid to ineligible applicants, and that report to OMB is used to appropriate funds for the Department of Corrections and Public Safety. In this proposed bill, Department of Corrections falls to the bottom of the priority order and Public Safety is no longer on the list.

The Department of Revenue and Permanent Fund Dividend are affected by this bill fiscally by the addition of a new subaccount to the Dividend Fund, and programmatically by additional accounting and operations tasks to execute the new structure. Maintenance of the new account, financial transactions, new reporting requirements, and additional disclosure to the public is expected to increase administrative costs.

The primary mission and business of the Permanent Fund Dividend division is not significantly impacted by this bill as it does not change eligibility or payment requirements for actual applicants. However, it will require additional administrative and fiscal time to accomplish each year. Since the requirements for how the total available funds are calculated prior to appropriation remains unchanged, the bill should have no net effect on the amount or availability of dividends as compared to the current appropriation process.

Regulations will need to be adopted, in order to execute these changes, by 9/30/14, prior to the point where we would use the new calculation structure.

As written, section 2 of the bill requires agencies to report their requests for funding from the Criminal Fund to the Department of Revenue. To streamline the process, agencies could be required to submit their funding requests directly to OMB, which would reduce this fiscal note to zero.