

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	CSSSHB 216(FIN)
Fiscal Note Number:	11
(H) Publish Date:	4/11/2018

Identifier: HB216-DOC-HRS-03-9-18  
Title: TRANSFERS FROM DIVIDEND FUND; CRIMES  
Sponsor: KOPP  
Requester: (H) Finance

Department: Department of Corrections  
Appropriation: Health and Rehabilitation Services  
Allocation: Physical Health Care  
OMB Component Number: 2952

## Expenditures/Revenues

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

	FY2019	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2019 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Fund Source (Operating Only)

1004 Gen Fund (UGF)	430.1		430.1	430.1	430.1	430.1	430.1	430.1
1171 PFD Crim (Other)	(11,493.4)		(11,493.4)	(11,493.4)	(11,493.4)	(11,493.4)	(11,493.4)	(11,493.4)
1178 temp code (UGF)	11,063.3		11,063.3	11,063.3	11,063.3	11,063.3	11,063.3	11,063.3
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Positions

Full-time								
Part-time								
Temporary								

## Change in Revenues

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) 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If yes, by what date are the regulations to be adopted, amended or repealed?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/comments:

Allocation to various agencies is given as a stated percentage, rather than a priority order. As such, allocations to various departments has changed.

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Agency: Department of Corrections

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## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

Passage of this legislation would create a new subaccount of the Permanent Fund Dividend Fund and establish a priority order for distribution of funding from PFDs that would have been paid to those who are ineligible as a result of AS 43.23.005(d).

Currently, the Department of Revenue, in concert with the Department of Corrections, estimates the total amount of potential PFDs deemed ineligible under AS 43.23.005(d). This figure is estimated at \$12,613,500 for FY2018 and \$12,571,900 for FY2019. These funds are allocated to various department budgets by the Office of Management and Budget and approved by the legislature through their budget process. In the Governor's FY2019 budget request, \$11,493,400 has been allocated to the Department of Corrections with the remainder being allocated to the Crime Victim Compensation Fund. Historically, appropriations to the Crime Victim Compensation Fund have been given first priority, then any remaining funding is used to offset general funds allocated to the Department of Corrections Physical Health Care Component.

This bill establishes a new priority order for allocation of these funds as follows:

1. Crime Victim Compensation Fund (AS 18.67.162)
2. Office of Victim's Rights for payments to victims
3. Nonprofit organizations to provide grants for mental health and substance abuse services
4. Nonprofit organizations to provide grants for services for crime victims and domestic violence and sexual assault programs
5. Programs in the Department of Corrections

Given these additional priorities, and depending on the size of these allocations, funds may not be sufficient to continue providing the current allocation to the Department of Corrections. Should this happen, any reductions to the PFD allocations to the department will have to be replaced with general funds while appropriations to the Crime Victim Compensation Fund will continue, but from the newly created "Restorative Justice Account" rather than the PFD Criminal fund.

Notwithstanding the new allocations of PFD criminal funds in this bill, it remains to be seen whether the legislature will reallocate funding in the budget bill or simply leave these allocations as they are. Current law (AS 43.23.028(b)) suggests 6 permissible uses of these funds, in practice however, since FY2012, only 2 have been funded (Crime Victim Compensation Fund and Department of Corrections). As such, the fund change in the Department of Corrections may shift to the "Restorative Justice Account" rather than the general fund.