

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	CSSSHB 216(FIN)
Fiscal Note Number:	12
(H) Publish Date:	4/11/2018

Identifier: HB216-LEG-OVR-03-19-18
Title: TRANSFERS FROM DIVIDEND FUND; CRIMES
Sponsor: KOPP
Requester: HOUSE FINANCE

Department: Legislature
Appropriation: Legislative Council
Allocation: Office of Victims Rights
OMB Component Number: 2769

Expenditures/Revenues

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

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES								
Personal Services	77.6							
Travel								
Services	5.2							
Commodities	1.0							
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	83.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	(167.6)		(880.0)	(880.0)	(880.0)	(880.0)	(880.0)
1178 temp code (UGF)	251.4		880.0	880.0	880.0	880.0	880.0
Total	83.8	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary	1.0						

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Updated for CS. 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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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 range 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 the 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 allocation of these funds as follows:

1. 10 to 13 percent of total available funds are allocated to the Crime Victim Compensation Fund (AS 18.67.162)
2. 2 to 6 percent of total available funds are allocated to the Office of Victim's Rights for payments to victims
3. 1 to 3 percent of total available funds are allocated to nonprofit organizations to provide grants for services for crime victims and domestic violence and sexual assault programs
4. 1 to 3 percent of total available funds are allocated to nonprofit organizations to Provide grants for mental health and substance abuse services
5. 79 to 88 percent of total available funds are allocated to programs in the Department of Corrections

The Department of Corrections will see reduced appropriations from ineligible PFDs under AS 43.23.005(d) and require additional unrestricted general funds to supplant this reallocation. However, other departments will receive increased allocations from this source, replacing unrestricted general funds currently budgeted.

A placeholder amount is provided for out-year estimates due to uncertainty surrounding future inmate populations and Permanent Fund Dividend amounts. It is likely that one or both of these variables will increase into the future and that this allocation will increase into the future. The newly created Restorative Justice Account is reflected as a temporary code for the purposes of this fiscal note (Fund Code 1178).

A 2% to 6% allocation to the Office of Victims' Rights (OVR) equates to \$251.4 to \$754.3 thousand. This fiscal note assumes that the minimum of 2% (\$251.4) will be allocated to OVR as a fund source change, replacing existing general funds with Restorative Justice Account funds to support OVR's current operating expenses. There is a one-time increase in FY19 of \$83.8 to support a one-year temporary employee as detailed below. There is no increase in OVR's operating budget and no funds available to pay victim restitution claims under this fiscal note.

FY19 One-Time Increment: A full-time, nonpermanent employee at a Range 13 would be needed for one year (12 months) to perform data entry and establish electronic files for all restitution judgements with unpaid balances; the Court System statistics indicate that there are 20,000 restitution judgments with unpaid balances. Specifically, to meet the requirements under HB216, OVR needs one Range 13 full-time, nonpermanent position for 12 months;

salary and benefits = \$77,620

Additional license and new configuration for case management program, one-time cost = \$5,200

Print materials for victim restitution options and notice of restorative justice account and other costs = \$1,000

Total anticipated fiscal impact: \$83,820