

Fiscal Note

State of Alaska
2018 Legislative Session

| | |
|---------------------|-----------------|
| Bill Version: | CSSSHB 216(JUD) |
| Fiscal Note Number: | 5 |
| (H) Publish Date: | 1/31/2018 |

Identifier: HB216-DOC-PHC-01-12-18
 Title: TRANSFERS FROM DIVIDEND FUND; CRIMES
 Sponsor: KOPP
 Requester: (H)Judiciary

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 |
| OPERATING EXPENDITURES | FY 2019 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| 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)

| | | | | | | | |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|
| 1004 Gen Fund (UGF) | 11,493.4 | | 11,493.4 | 11,493.4 | 11,493.4 | 11,493.4 | 11,493.4 |
| 1171 PFD Crim (Other) | (11,493.4) | | (11,493.4) | (11,493.4) | (11,493.4) | (11,493.4) | (11,493.4) |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

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? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

| | | | |
|--------------|---|--------|---------------------|
| Prepared By: | April Wilkerson | Phone: | (907)465-3460 |
| Division: | Administrative Services - Department of Corrections | Date: | 01/12/2018 12:00 PM |
| Approved By: | Dean Williams, Commissioner | Date: | 01/12/18 |
| Agency: | Department of Corrections | | |

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.