

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version:	CSSSHB 216(JUD)
Fiscal Note Number:	7
(H) Publish Date:	1/31/2018

Identifier: HB216-DOR-PFD-1-18.2018  
 Title: TRANSFERS FROM DIVIDEND FUND; CRIMES  
 Sponsor: KOPP  
 Requester: JUD CHAIR

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)

	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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>	
Personal Services								
Travel								
Services	20.0		15.0	15.0	15.0	15.0	15.0	15.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>20.0</b>	<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

### Fund Source (Operating Only)

1004 Gen Fund (UGF)	20.0		15.0	15.0	15.0	15.0	15.0	15.0
<b>Total</b>	<b>20.0</b>	<b>0.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</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? **YES**  
 If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/18**

### Why this fiscal note differs from previous version/comments:

To match the out year costs since this is a continuing account with on-going operational tasks.

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Division:	Permanent Fund Dividend Division	Date:	01/23/2018 01:00 PM
Approved By:	Mike Barnhill	Date:	01/23/2018
Agency:	OOC		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

The intent of this bill is to use existing law AS 43.23.005(d) which states that an individual is ineligible to receive a dividend if sentenced or convicted of a felony or a combination of misdemeanors and a felony, and to create a priority order that must be considered when appropriating funds. Annually a calculation is performed to determine the amount available for possible appropriation. It is based on actual applications filed during a dividend year. From that, a percentage of applicants that would have otherwise been eligible to receive the dividend, had they not been denied as a felon or misdemeanor, is determined and multiplied by the total number of individuals reported by Department of Corrections and Public Safety. The estimated number of otherwise eligible applicants is then multiplied by the dividend amount. That total calculated amount will be placed into a new Restorative Justice Account, a sub account of the Dividend Fund, and appropriated funds will be transferred to the respective recipients.

In the appropriation process the following priority order will be considered:

- DOA's Violent Crimes Compensation Board
- Restitution payments
- Grant funds
- Office of Victims' Rights
- DPS Council on Domestic Violence and Sexual Assault for program grants
- Department of Corrections costs related to incarceration or probation

The existing structure under AS 43.23.005(d) requires the Department of Revenue report the total amount calculated to OMB, and through the budgeting process funds have been appropriated to Department of Corrections and Public Safety. The proposed bill specifies that funds appropriated to Public Safety may only be used for funding grants, and Department of Corrections is moved to a lower priority.

The Department of Revenue and Permanent Fund Dividend Division are affected by this bill fiscally as a new subaccount will need to be added to the Dividend Fund, which will require additional accounting and operational task to be performed. Not only will a new subaccount need to be created, annually multiple financial transactions will be processed to transfer funds to the respective recipients and reporting requirements will be necessary. If funds outside of the calculation are appropriated to the Restorative Justice Account through the new section 6 AS 43.23.048(d) the number of transactions that will be required is unknown.

The primary mission of the division will not be significantly impacted as it does not change eligibility or payment requirements. However, it will require additional administrative and fiscal time to accomplish each year. Regulations will need to be adopted with enactment of the bill to execute the changes in 43.23.048.