

**SB**

**232**

**SFIN**

**FILE**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO SB 232

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: ...permanent fund dividend program...ineligibility... of individuals convicted of felonies or incarcerated for misdemeanors.. BRU: Criminal Division  
 Sponsor: Senate Finance Committee Component: Criminal Division  
 Requester: Senate Finance Committee COMPONENT SERIAL NO. 2085

**Expenditures/Revenues (Thousands of Dollars)**

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES						
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**FUND SOURCE (Thousands of Dollars)**

FUND SOURCE	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

POSITIONS	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill amends AS 43.23 to enlarge the group of criminals made ineligible to receive permanent fund dividends to include persons who are convicted of a felony and who are not incarcerated, and to include persons convicted for a third or subsequent misdemeanor who are incarcerated. Currently only incarcerated felons are ineligible for PFDs each year that they are in prison.

Under existing law, the money that would have been given to the incarcerated felons for PFDs can instead be appropriated by the legislature to three agencies/funds: the violent crime compensation fund, the council on domestic violence and sexual assault, and the Department of Corrections.

It is difficult to estimate, but a best guess is that 2,000 new people will become ineligible for a PFD, if the bill is enacted. There are a number of persons and groups who rely upon these criminals' PFDs as a source of revenue that can be garnished who will be displaced if the ineligible criminal group is enlarged to include

Prepared by: Richard I. Pegura, Director Phone: 485-3672  
 Division: Administrative Services Division Date: 2/21/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/21/96  
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 232

ANALYSIS CONTINUATION:

incarcerated third-time misdemeanants and convicted felons who are not incarcerated.

First in priority are those owed child support payments (there were over 11,000 PFD garnishments for child support in the past year). Next are those owed court-ordered restitution, then claims on defaulted school loans (over 8,700), court-ordered fines, Rule 39 collections, and DWI incarceration costs (over 13,700 last year), certain writs of execution, debts owed to the state, and then debts owed to other creditors, including federal and local taxes (over 35,000 last year). Furthermore, alcohol rehabilitation groups frequently garnish PFDs to get reimbursed for services provided to clients who under go court-ordered treatment as a result of an alcohol related offense such as DWI or domestic violence. To the extent that these criminals are made ineligible for PFDs, these groups will lose an important source of money for payment of these obligations.

The bill would also expand the list of agencies that may receive appropriations from the money "saved" by not giving it to criminals. In addition to the agencies listed above, the following new agencies would be allowed to receive appropriations from these funds: the Department of Public Safety for criminal investigations and apprehensions, and the Department of Law for criminal prosecutions.

It is problematic when funds will be available for distribution to the Department of Law and the Department of Public Safety. The effective date of the section that makes incarcerated third-time or subsequent misdemeanants ineligible for PFDs is January 1, 1997, and offenses committed before the effective date may not be considered in determining the number of prior convictions for the purpose of applying ineligibility. As a consequence, any positive fiscal impact for the Department of Law is uncertain at this time.

Revision Date: 13-Feb-96 Dept. Affected: Revenue  
 Title: PFD Notices and Eligibility BRU: Permanent Fund Dividend Division  
 Component: Permanent Fund Dividend Division  
 Sponsor: Senator Frank  
 Requestor: Senate Finance COMPONENT SERIAL NO. 961

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	19	42.4	42.4	42.4	42.4	42.4
TRAVEL						
CONTRACTUAL	05	43	43	43	43	43
SUPPLIES		10	10	10	10	10
EQUIPMENT		35	00	00	00	00
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>24</b>	<b>81.2</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 Of Match						
1004 Of						
1005 Of Program Receipts						
1007 Of Mental Health						
Other Dividend Fund 1050	24	81.2	47.7	47.7	47.7	47.7
<b>TOTAL</b>	<b>24</b>	<b>81.2</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>

Estimate of any current year (FY96) cost \$ 0

POSITIONS

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Nancy A. Jones Phone: 465-2323  
 Division: Permanent Fund Dividend Division Date: 2/13/96  
 Approved by Commissioner: [Signature] Date: 2/13/96  
 Agency: Department of Revenue

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Department of Revenue  
Permanent Fund Dividend Division

Fiscal Note Analysis  
SB 232

**ASSUMPTIONS:**

1. Computer programming by data processing staff will be a one-time cost. The system will have to change to reflect the new classes of ineligible. Edits will be added to the system that will automatically deny these people.

Additional programming will also be needed to print the disclosure information on each dividend check and direct deposit advice that is generated.

2. The cost of data processing chargebacks for mainframe processing will continue in each fiscal year. This will cover the costs associated with processing the computer tape with the PFD masterfile, provide necessary printouts, and generate denial letters.
3. Currently about twenty-five percent of felons denied a dividend appeal. With the expansion of ineligible to include those applicants convicted of a felony, and those incarcerated for a third and subsequent conviction of a misdemeanor, an additional full time staff person in appeals will be needed.
4. Supplies such as forms, envelopes, and postage will be needed for processing additional denial notices.
5. A personal computer will be needed for use by the additional staff member in Appeals.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 232

Revision Date: 2/21/96

Department Affected: Revenue

Title: An Act relating to PFD notice requirements, ineligibility of convicted felons or incarcerated individuals, etc.

BRU: Alaska Student Aid Corporation

Component: Student Loan Operations

Sponsor: Sen. Frank

Requester: (S) FIN

COMPONENT SERIAL NO. 2113

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>	<b>(8 9)</b>	<b>(9 0)</b>	<b>(9 0)</b>	<b>(10 0)</b>	<b>(10 0)</b>	<b>(10 0)</b>
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF Program Receipts						
1006 GF MHTIA						
Other - Corporate Receipts	(8 9)	(9 0)	(9 0)	(10 0)	(10 0)	(10 0)
<b>TOTAL</b>	<b>(8 9)</b>	<b>(9 0)</b>	<b>(9 0)</b>	<b>(10 0)</b>	<b>(10 0)</b>	<b>(10 0)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact \$ -0-

**ANALYSIS**

This bill would incrementally impact the Alaska Student Aid Corporation, as approximately 8,000 PFDs are attached annually of borrower's past due in loan payments. In the last few years, 2-5 PFDs have been released to the Department of Corrections from incarcerated defaulted borrowers. The amounts above estimate the loss in revenues to the loan program as the population of borrowers with three-time offenses increases.

Prepared by Glean R. Hays, Legislative Liaison *Glean R. Hays* Phone 465-6718

Division Alaska Student Aid Corporation Date 2/21/96

Approved by Executive Director Diane Barrang

Agency Revenue Date 2/21/96

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 232

Revision Date: \_\_\_\_\_ Dept. Affected: Corrections  
 Title: An Act relating to permanent fund dividend BRU: ALL  
program notice requirements..... Component: \_\_\_\_\_  
 Sponsor: Senators Frank, Leman, Kelly, Green, Phillips  
 Requester: Finance COMPONENT SERIAL NO. #0894

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	83.4	102.7	104.2	105.8	107.4	109.0
TRAVEL						
CONTRACTUAL	1.5	14.5	14.5	14.5	14.5	14.5
SUPPLIES	0.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	3.3	8.8				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>88.7</b>	<b>125.3</b>	<b>120.2</b>	<b>121.8</b>	<b>123.4</b>	<b>125.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
------------------------	--	--	--	--	--	--

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1050 PFD Funds	88.7	125.3	120.2	121.8	123.4	125.0
<b>TOTAL</b>	<b>88.7</b>	<b>125.3</b>	<b>120.2</b>	<b>121.8</b>	<b>123.4</b>	<b>125.0</b>

Estimate of any current year (FY96) cost: \$ 00

POSITIONS						
FULL-TIME	1					
PART-TIME		2				
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

The bill will deny PFD annual dividends to those who have been convicted of a felony (whether incarcerated or not), and those who are incarcerated for a third misdemeanor conviction.

The agency will require 1 PFT Analyst Programmer IV for the first year to design and implement the data interface of criminal records between the Department of Corrections, Public Safety, and the Alaska Court System. In addition, the position will require a contractual, supplies, and equipment (one-time) resources to accomplish the necessary tasks. A major task will be to negotiate with the Alaska Court System to timely receive conviction data in order to meet the requirements of this bill.

Starting with the 2nd fiscal year of the bill, the agency will require the services of 1 PFT and 1 PPT Statistical Technicians to perform data entry, editing, and handle the research required to respond to PFD appeals, and 1 PPT Analyst Programmer IV to continue the data processing interfaces, coordinating the data tape matches, and to coordinate differences between files. In addition, the positions will require contractual, supplies, and equipment (one-time) resources to accomplish their tasks.

Prepared by: \_\_\_\_\_ Phone: 465-4652  
 Division: Office of the Commissioner Date: 2/14/96  
 Approved by Commissioner: Margaret Pugh Date: 2/14/96  
 Agency: Department of Corrections

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# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO: SB 232**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An act relating to permanent fund dividend BRU: All  
program: notice requirements, to the ineligibility Component: All  
 Sponsor: Senator Frank  
 Requestor: Senate Finance COMPONENT SERIAL NO. 523

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	5.0	3.0	3.0	3.0	3.0	3.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	3.0	3.0	3.0	3.0	3.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

Estimate of current year (FY 96) impact: \$ \_\_\_\_\_

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS (Attach a separate page if necessary)**

DPS will create an electronic file of individuals who "during the calendar year immediately preceding that dividend year ... [were] convicted of a felony." This file will be provided to PFD for matching against their database. The file will contain person demographic information available from APSIN and agreed upon with PFD.

Because APSIN does not contain incarceration data, DPS will also create an electronic file of individuals who were convicted of "a third or subsequent misdemeanor." This file will be provided to DOC for matching against their database. The file will contain person demographic information available from APSIN and agreed upon with DOC. DOC will match this file against their records on incarcerated individuals and forward the resulting information to PFD.

Prepared By: Kenneth E. Bischoff, Director Phone: 465-4336  
 Division: Administrative Services Date: 1/30/96  
 Approved by Commissioner: *Ronald L. Otte* Date: 2-13-96  
 Agency: Ronald L. Otte, Dept. of Public Safety

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# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO: SB 232**

Revision Date: _____	Dept. Affected: <u>Public Safety</u>
Title: <u>PFD Notices and Eligibility</u>	BRU: <u>Alaska State Troopers</u>
	Component: <u>Detachments</u>
Sponsor: <u>Senator FRANK</u>	
Requestor: <u>S. Finance</u>	COMPONENT SERIAL NO. <u>799</u>

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0*	0	0	0	0	0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GE Match						
1004 GE						
1005 GE Program Receipts						
1006 GE MBTA						
<b>Other</b>	0*	0	0	0	0	0
<b>TOTAL</b>						


Estimate of current year (FY 96) impact \$ \_\_\_\_\_

**POSITIONS:**

FULL TIME						
PART TIME						
TEMPORARY						

**ANALYSIS (Attach a separate page if necessary)**

\* Under Section 3, the Department of Public Safety would receive an undesignated portion/percentage of convicted felons permanent fund dividend. Insufficient details are available to make an accurate projection of the amount of funding that would be received.

Prepared By	Francis C. Allan	Phone	(907) 269-5891
Division	Alaska State Troopers	Date	02/27/96
Approved by Commissioner		Date	3/1/96
Agency	Ronald L. Ote Dept of Public Safety		

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# FISCAL NOTE

STATE OF ALASKA

Bill No.:

CSSB 232(fin)

## 1996 LEGISLATIVE SESSION

Revision Date: 3/2/96 Dept. Affected: Public Safety  
 Title: PF-D Eligibility BRU: CDVSA  
 Component: CDVSA  
 Sponsor: Sen Frank  
 Requestor: S Finance COMPONENT SERIAL NO. \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	.	.	.	.	.	.
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>	.	.	.	.	.	.
Code Revenue						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other	.	.	.	.	.	.
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of current year (FY 96) impact \$ -0-

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)  
 This bill will increase the level of PF-D funds that will be used for the operating budget. It also expands the number of state agencies that may receive allocations from this source. The Council's FY 96 operating budget includes \$1,125,000 in PF-D funds. However, it is not possible to project what that figure would be in the future, as this amount is determined by the legislature each year.

Prepared By: Jayne E. Andreen Phone: 907-465-4356  
 Division: Council on Domestic Violence and Sexual Assault Date: 3/2/96  
 Approved by Commissioner: Ronald L. Ote Date: 3/5/96  
 Agency: Ronald L. Ote, Department of Public Safety

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# SENATE FINANCE COMMITTEE REPORT

DATE: 1/22/95

FURTHER:

REPORTED  
SFC 3/8/96

Date of 5-Day Notice: 2-8-96  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: 3/8/96

The Finance Committee considered SB 232  
Relating to PFD notices and eligibility.

and recommends:

- be replaced with CS SB 232 (Fin)
- adopt previous CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

Senate Bill:  
[ ] same title  
[ ] new title  
House Bill:  
[ ] same title  
[ ] technical change  
[ ] new: SCR' \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steven Rupp</i>	✓				
<i>ROSE &amp; JACO</i>	✓				
<i>Ben Mump</i>	✓				
<i>Casey Conley</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Kirk Halford</i>	✓	Co-Chair:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
Dept. of Law	2/21/96	Ø	
Revenue	2/13/96		2.4
Rev. Student Loan	2/21/96		(8.9)
Corrections	2/14/96		68.7
Public Safety	2/12/96		5.0
Pub. Safety State Troopers	3/1/96	Ø	
Pub. Safety, COVERA	3/5/96		indeterminate

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*Include fiscal notes accompanying Governor's bill

2-15-96  
Amend. reviewed  
by DOR + Tom  
Williams  
No Action  
Taken

AMENDMENT

SB 232

Offered by Senator Steve Frank

Page 5, line 19

Delete "Section 3 and"

Insert "Section"

Page 5, line 20

Delete "3."

Page 5, line 21

Insert ", 3" after 2

Sen. Frank moved.  
adopted

SENATE FINANCE  
COMMITTEE

9-LS1455\F.1

Amendment Number: 1

Cook

Bill Number: CSSB 232

3/7/96

Sponsor: \_\_\_\_\_ Date: 3-8-96

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR FRANK

TO: CSSB 232( ) version F, dated 2/27/96

1 Page 2, following line 18:

2 Insert a new bill section to read:

3 "\* Sec. 3. AS 43.23.005 is amended by adding a new subsection to read:

4 (g) For purposes of applying (d)(1) of this section, the date the court imposes  
5 a sentence or suspends the imposition of sentence shall be treated as the date of  
6 conviction. For purposes of applying (d)(2)(B) of this section, multiple convictions  
7 arising out of a single criminal episode shall be treated as a single conviction."

8 Renumber the following bill sections accordingly.

9 Page 5, line 9:

10 Delete "sec. 2"

11 Insert "secs. 2 and 3"

12 Page 5, line 13:

13 Delete "sec. 3"

14 Insert "sec. 4"

9-LS1455F-  
Cook  
2/27/96

*SF moved  
Adopted*

CS FOR SENATE BILL NO. 232( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS FRANK, Leman, Kelly, Green, Phillips

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to permanent fund dividend program notice requirements, to the  
2 ineligibility for dividends of individuals convicted of felonies or incarcerated for  
3 misdemeanors, and to the determination of the number and identity of certain  
4 ineligible individuals."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. PURPOSES. The purposes of the amendments made to AS 43.23.005(d) and  
7 43.23.028 in this Act are to

8 (1) obtain reimbursement for some of the costs imposed on the state criminal  
9 justice system related to apprehension, prosecution, conviction, incarceration, or probation of  
10 individuals convicted of a felony and individuals who are chronic misdemeanants as  
11 demonstrated by their being incarcerated as a result of a third or subsequent misdemeanor  
12 conviction;

13 (2) ensure the public is advised about the ineligibility for dividends under  
14 AS 43.23.005(d), the reasons for making individuals ineligible under that subsection, and the

1 purposes for which the state has appropriated the money that would otherwise have been paid  
2 to those ineligible individuals;

3 (3) clarify what the funds appropriated to certain agencies listed under  
4 AS 43.23.028(b) may be used for if the appropriations are to be exempt from the notice  
5 requirement; and

6 (4) obtain another source of funding for the state agencies added to  
7 AS 43.23.028(b).

8 \* Sec. 2. AS 43.23.005(d) is amended to read:

9 (d) Notwithstanding the provisions of (a) - (c) of this section, an individual  
10 [WHO HAS BEEN CONVICTED OF A FELONY] is not eligible for a permanent fund  
11 dividend for a dividend year when

12 (1) during the calendar year immediately preceding that dividend  
13 year the individual was convicted of a felony;

14 (2) [.] during all or part of the [PREVIOUS] calendar year immediately  
15 preceding that dividend year, the individual was incarcerated [.] as a result of

16 (A) the conviction of a felony; or

17 (B) a third or subsequent conviction of a misdemeanor [THE

18 INDIVIDUAL IS INCARCERATED].

19 \* Sec. 3. AS 43.23.028 is amended to read:

20 Sec. 43.23.028. PUBLIC NOTICE. (a) By October 1 of each year, the  
21 commissioner shall give public notice of the value of each permanent fund dividend for  
22 that year and notice of the information required to be disclosed under (3) of this  
23 subsection. In addition, [ THE NOTICE AND] the stub attached to each individual  
24 dividend check and direct deposit advice must [DISCLOSE THE AMOUNT]

25 (1) disclose the amount of each dividend attributable to income earned  
26 by the permanent fund from deposits to that fund required under art. IX, sec. 15,  
27 Constitution of the State of Alaska;

28 (2) disclose the amount of each dividend attributable to income earned  
29 by the permanent fund from appropriations to that fund and from amounts added to that  
30 fund to offset the effects of inflation; [AND]

31 (3) disclose the amount by which each dividend has been reduced due  
32 to each appropriation from the dividend fund, including amounts to pay the costs of

1 administering the dividend program and the hold harmless provisions of AS 43.23.075;

2 (4) Include a statement that an individual is not eligible for a  
3 dividend when

4 (A) during the calendar year immediately preceding that  
5 dividend year the individual was convicted of a felony;

6 (B) during all or part of the calendar year immediately  
7 preceding that dividend year the individual was incarcerated as a result of

8 (i) the conviction of a felony; or

9 (ii) a third or subsequent conviction of a misdemeanor;

10 (5) include a statement that the legislative purpose for making  
11 individuals listed under (4) of this subsection ineligible is to

12 (A) obtain reimbursement for some of the costs imposed on  
13 the state criminal justice system related to apprehension, prosecution,  
14 conviction, incarceration, or probation of those individuals;

15 (B) provide funds for payments to crime victims and for the  
16 operation of safe houses and shelters;

17 (6) disclose the total amount that would have been paid during the  
18 previous fiscal year to individuals who were ineligible to receive dividends under  
19 AS 43.23.005(d) if they had been eligible;

20 (7) disclose the total amount appropriated for the current fiscal year  
21 under (b) of this section for each of the funds and agencies listed in (b) of this  
22 section.

23 (b) To the extent that amounts appropriated for a fiscal year do not exceed  
24 the total amount that would have been paid during the previous fiscal year to  
25 individuals who were ineligible to receive dividends under AS 43.23.005(d) if they  
26 had been eligible, the [THE] notice requirements of (a)(3) [(a)] of this section do not  
27 apply to appropriations from the dividend fund to the

28 (1) crime victim compensation fund established under AS 18.67.162 for  
29 payments to crime victims;

30 (2) [, TO THE] council on domestic violence and sexual assault  
31 established under AS 18.66.010 for operations of safe houses and shelters;

32 (3) Department of Public Safety for criminal investigations and

1        apprehensions:

2                    (4) Department of Law for criminal prosecutions; [,] or

3                    (5) [TO THE] Department of Corrections [r incarceration and  
4                    probation programs [TO THE EXTENT THAT AMOUNTS APPROPRIATED FOR  
5                    A FISCAL YEAR DO NOT EXCEED THE TOTAL AMOUNT THAT WOULD HAVE  
6                    BEEN PAID DURING THE PREVIOUS FISCAL YEAR TO INDIVIDUALS WHO  
7                    ARE INELIGIBLE TO RECEIVE DIVIDENDS UNDER AS 43.23.005(d) IF THEY  
8                    HAD BEEN ELIGIBLE].

9        • Sec. 4. AS 43.23.055 is amended to read:

10                    Sec. 43.23.055. DUTIES OF THE DEPARTMENT. The department shall

11                    (1) annually pay permanent fund dividends from the dividend fund;

12                    (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt  
13                    regulations under AS 44.62 (Administrative Procedure Act) that establish procedures and  
14                    time limits for claiming a permanent fund dividend; the department shall determine the  
15                    number of eligible applicants by October 1 of the year for which the dividend is declared  
16                    and pay the dividends by December 31 of that year;

17                    (3) adopt regulations under AS 44.62 (Administrative Procedure Act) that  
18                    establish procedures and time limits for an individual upon emancipation or upon  
19                    reaching majority to apply for permanent fund dividends not received during minority  
20                    because the parent, guardian, or other authorized representative did not apply on behalf  
21                    of the individual;

22                    (4) assist residents of the state, particularly in rural areas, who because  
23                    of language, disability, or inaccessibility to public transportation need assistance to  
24                    establish eligibility and to apply for permanent fund dividends;

25                    (5) use a list of individuals ineligible for a dividend under  
26                    AS 43.23.005(d) provided annually by [ANNUALLY DETERMINE. IN  
27                    COOPERATION WITH] the Department of Corrections and the Department of Public  
28                    Safety to determine [,] the number and identity of those individuals [INELIGIBLE FOR  
29                    A PERMANENT FUND DIVIDEND UNDER AS 43.23.005(d)].

30                    (6) adopt regulations that are necessary to implement AS 43.23.005(d);

31                    (7) adopt regulations that establish procedures for the parent, guardian,  
or other authorized representative of a disabled individual to apply for prior year

1 permanent fund dividends not received by the disabled individual because no application  
2 was submitted on behalf of the individual;

3 (8) adopt regulations that establish procedures for an individual to apply  
4 to have a dividend warrant reissued if it is returned to the department as undeliverable  
5 or it is not paid within two years of the date of its issuance; however, the department  
6 may not establish a time limit within which an application to have a warrant reissued  
7 must be filed;

8 (9) REPEALED).

9 • Sec. 5. The amendments made by sec. 2 of this Act apply only to individuals convicted of  
10 offenses committed after December 31, 1996. Convictions for offenses committed before  
11 January 1, 1997, may not be considered in determining the number of prior convictions for  
12 purposes of applying AS 43.23.005(d)(2)(B).

13 • Sec. 6. The amendments made by sec. 3 of this Act apply after December 31, 1996.  
14 Before January 1, 1997, AS 43.23.028 shall apply as it read before the effective date of this Act.

PROVIDED BY SENATOR FRANK  
**DRAFT CS SB 232 (Version F) SECTIONAL ANALYSIS**  
As of February 27, 1996

- Sec. 1:** Identifies the four purposes of the legislation.
- Sec. 2:** Amends AS 43.23.005(d) making those convicted of a felony and those incarcerated as the result of a third misdemeanor conviction during the qualifying year ineligible for a dividend. Current law just makes those incarcerated as the result of a felony conviction during the qualifying year ineligible.
- Sec. 3:** Amends AS 43.23.028(a) to require disclosure on the dividend check stub or direct deposit advise of
- a. the criteria for denying individuals under AS 43.23.005(d);
  - b. the legislative purpose for denying individuals under AS 43.23.005(d);
  - c. the total amount that would have been paid during the prior fiscal year to individuals denied under AS 43.23.005(d); and
  - d. the total amount that was appropriated for the current fiscal year to each of the agencies eligible to receive funds under AS 43.23.028(b).
- Amends AS 43.23.028(b) by
- e. adding the Departments of Public Safety and Law to the list of criminal justice system agencies authorized to use the funds denied to individuals ineligible under AS 43.23.005(d); and
  - f. clarifying the purposes for which the funds denied to individuals ineligible under AS 43.23.005(d) can be used.
- Sec. 4:** Amends AS 43.23.055 to make it clear that it is the responsibility of the Departments of Public Safety and Corrections to provide the Department of Revenue with a list of individuals who meet the criteria of AS 43.23.005(d).
- Sec. 5:** Ensures that
- a. only convictions for offenses occurring after December 31 1996 are considered in determining ineligibility; and
  - b. convictions occurring before January 1, 1997 are not considered in determining a third misdemeanor.
- Sec. 6:** Ensures that the expanded reporting requirements will start with the 1997 dividend check stub.

PROVIDED BY SENATOR FRANK  
**IMPACT OF SB 232 ON EXISTING  
PFD GARNISHMENT ACTIVITY**

As of February 23, 1996

Under AS 43.23.065 PFDs may be attached for the following by the listed entities:

Debts with a super-priority listed the order of priority

- A. Child support delinquencies collected by CSED (100% of PFD);
- B. Court ordered restitution collected by any person holding such a judgment (100% of PFD);
- C. Student loan defaults collected by Alaska Student Aid Corporation (100% of PFD);
- D. Court ordered fines collected by any municipality or other government entity holding such a judgment (100% of PFD);
- E. Writs of executions against minors pursuant to a civil action collected by the plaintiff (100% of PFD);
- F. Debts owed to an agency of the state (100% of PFD), including but not limited to:
  1. repayment of erroneously paid PFDs collected by the Department of Revenue;
  2. state excise tax delinquencies collected by the Department of Revenue; and
  3. state employment tax delinquencies collected by the Department of Labor;

Debts with no super-priority, satisfied on a "First in time, first in right" basis:

- Federal tax delinquencies collected by the IRS (100% of PFD); and
- All other writs/judgments collected by any person holding such a judgment (55% of PFD)

With the passage of SB 232 an expanded pool of criminals will be ineligible for the PFD; if no PFD is issued to such criminals, then the PFD cannot be garnished for delinquent child support obligations, court-ordered restitution, et cetera.

However, these debts will not be extinguished. Most satisfactions will simply be delayed a year. An individual convicted of a felony during a PFD qualifying year but not incarcerated would have to be convicted during the next PFD qualifying year as well to not regain eligibility. In addition, short misdemeanor sentences would allow criminals to be eligible for a PFD the next year, allowing that subsequent dividend to be garnished.

PROVIDED BY SENATOR FRANK  
**CHILD SUPPORT CASES IMPACTED BY SB 232**

As of February 23, 1996

	<u>Number</u>	<u>Percent</u>
New ineligible in a given year (SOURCE: Department of Law)	<u>2,000</u>	
New ineligible with active CSED cases (SOURCE: Department of Corrections & Child Support Enforcement Division)	400	20%
Less: CSED obligees on AFDC (child support assigned to State) (SOURCE: Child Support Enforcement Division)	<u>(189)</u>	47%
Remaining ineligible with non-AFDC CSED cases (SOURCE: Child Support Enforcement Division)	<u>211</u>	
CSED cases involving PFD garnishment (SOURCE: Child Support Enforcement Division & Permanent Fund Dividend Division)	<u>46</u>	22%
<b>Impacted CSED Cases as % of Total CSED Cases</b>	<u>46</u>	<u>0.1%</u>

STATE OF ALASKA

DEPARTMENT OF LAW

CRIMINAL DIVISION

February 22, 1996

TONY KNOWLES, GOVERNOR  
PLEASE REPLY TO:

CRIMINAL DIVISION CENTRAL  
OFFICE  
P.O. BOX 110300  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3428  
FAX: (907) 465-4043

OFFICE OF SPECIAL PROSECUTIONS  
AND APPEALS  
310 K STREET, SUITE 309  
ANCHORAGE, ALASKA 99501-2064  
PHONE: (907) 269-6250  
FAX: (907) 269-6270

The Hon. Rick Halford, Co-Chair  
The Hon. Steve Frank, Co-Chair  
Senate Finance Committee  
State Capitol  
Juneau, AK 99811

Dear Senators Halford and Frank:

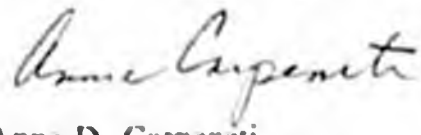
Last week during the hearing in your committee on Senate Bill 232, regarding permanent fund dividends for persons convicted of felonies but not incarcerated and incarcerated for a third conviction of a misdemeanor, you asked me if data was available concerning funds garnished for payment of restitution.

I have spoken to the Department of Revenue, and the information available is as follows: In calendar year 1995, 13,717 permanent fund dividends were garnished in whole or in part by the Department of Law for payment of restitution and other court orders. Unfortunately, the information is not available to determine what part of these dividends is generated from garnishment of a dividend to pay restitution for a person incarcerated for a third offense misdemeanor or a person convicted of a felony and not incarcerated.

I'm sorry I am not able to provide more specific information.

Very truly yours,

BRUCE M. BOTELHO  
ATTORNEY GENERAL

By: 

Anne D. Carpeneti  
Assistant Attorney General

ADC:jf

PROVIDED BY SENATOR FRANK  
**SB 232 OVERVIEW**  
As of February 14, 1996

AS 43.23.005(d) currently provides that an individual who is incarcerated for a felony conviction is ineligible for a PFD in the next calendar year.

AS 43.23.028(b) allows the total amount that would have been paid to such individuals if they had been eligible to be appropriated from the dividend fund without being noticed on the dividend stub for the next fiscal year to

- a. the Crime Victim Compensation Fund;
- b. the Council on Domestic Violence and Sexual Assault; or
- c. the Department of Corrections.

**SB 262 will:**

1. increase the pool of individuals who are ineligible for a PFD to include:
  - a. those persons who in a given year are either convicted of a felony; or
  - b. incarcerated for their third or subsequent misdemeanor conviction.
2. require that the dividend stub provide public notice of
  - a. the criteria for denying individuals under AS 43.23.005(d);
  - b. the legislative purpose for denying individuals under AS 43.23.005(d);
  - c. the total amount that would have been paid during the prior fiscal year to individuals denied under AS 43.23.005(d); and
  - d. the total amount that was appropriated for the current fiscal year to each of the agencies eligible to receive funds under AS 43.23.028(b).
3. add the Departments of Public Safety and Law to the list of criminal justice system agencies authorized to use the funds denied to individuals ineligible under AS 43.23.005(d); and
4. clarify the purposes for which the funds denied to individuals ineligible under AS 43.23.005(d) can be used.

PROVIDED BY SENATOR FRANK  
**SB 232 SECTIONAL ANALYSIS**  
As of February 14, 1996

- Sec. 1:** Identifies the four purposes of the legislation.
- Sec. 2:** Amends AS 43.23.005(d) making those convicted of a felony and those incarcerated as the result of a third misdemeanor conviction during the qualifying year ineligible for a dividend. Current law just makes those incarcerated as the result of a felony conviction during the qualifying year ineligible.
- Sec. 3:** Amends AS 43.23.028(a) to require disclosure on the dividend check stub or direct deposit advise of
- a. the criteria for denying individuals under AS 43.23.005(d);
  - b. the legislative purpose for denying individuals under AS 43.23.005(d);
  - c. the total amount that would have been paid during the prior fiscal year to individuals denied under AS 43.23.005(d); and
  - d. the total amount that was appropriated for the current fiscal year to each of the agencies eligible to receive funds under AS 43.23.028(b).
- Amends AS 43.23.028(b) by
- e. adding the Departments of Public Safety and Law to the list of criminal justice system agencies authorized to use the funds denied to individuals ineligible under AS 43.23.005(d); and
  - f. clarifying the purposes for which the funds denied to individuals ineligible under AS 43.23.005(d) can be used.
- Sec. 4:** Amends AS 43.23.055 to make it clear that it is the responsibility of the Departments of Public Safety and Corrections to provide the Department of Revenue with a list of individuals who meet the criteria of AS 43.23.005(d).
- Sec. 5:** Ensures that only convictions
- a. for offenses occurring after the effective date of the legislation are considered in determining ineligibility; and
  - b. occurring after the effective date of the legislation are considered in determining a third misdemeanor.
- Sec. 6:** Makes the provisions requiring disclosure (section 3) and the clarification of responsibilities Department responsibilities (section 4) retroactively effective to January 1, 1996.
- Sec. 7:** Makes sections 1, 3, 4 and 6 of the act take effect immediately.
- Sec. 8:** Makes the provisions expanding the pool of ineligibles (sections 2 and 5) effective January 1, 1997.

PROVIDED BY SENATOR FRANK  
**STATE AGENCIES TO WHICH PFDs DENIED**  
**UNDER AS 43.23.005(d) CAN BE APPROPRIATED**

**Current Law**

**Department of Corrections**

**Department of Public Safety**  
Violent Crimes Compensation Fund

or

Council on Domestic Violence and  
Sexual Assault

**SB 232**

**Department of Corrections**  
for incarceration and probation programs

**Department of Public Safety**  
Violent Crimes Compensation Fund  
for payments to crime victims

or

Council on Domestic Violence and  
Sexual Assault  
for shelters and safe houses

or

Any DPS Division  
for investigations or apprehensions

**Department of Law**  
for criminal prosecutions

# A FAX

Alaska State Legislature

Date: 2-26-96

To: Annette Smith - DOCorrections

Fax #: 465-2006 Phone #: \_\_\_\_\_

From: Kathy - Senate Finance

Phone #: 465-2618

Re: Fiscal Notes SB 232

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Following this page, please find 7 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. SB 232**

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "...permanent fund dividend program...ineligibility..." BRU: Criminal Division  
of individuals convicted of felonies or incarcerated for misdemeanors.." Component: Criminal Division  
 Sponsor: Senate Finance Committee  
 Requester: Senate Finance Committee COMPONENT SERIAL NO. 2085

**Expenditures/Revenues**

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
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>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<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>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill amends AS 43.23 to enlarge the group of criminals made ineligible to receive permanent fund dividends to include persons who are convicted of a felony and who are not incarcerated, and to include persons convicted for a third or subsequent misdemeanor who are incarcerated. Currently only incarcerated felons are ineligible for PFDs each year that they are in prison.

Under existing law, the money that would have been given to the incarcerated felons for PFDs can instead be appropriated by the legislature to three agencies/funds: the violent crime compensation fund, the council on domestic violence and sexual assault, and the Department of Corrections.

It is difficult to estimate, but a best guess is that 2,000 new people will become ineligible for a PFD, if the bill is enacted. There are a number of persons and groups who rely upon these criminals' PFDs as a source of revenue that can be garnished who will be displaced if the ineligible criminal group is enlarged to include

Prepared by: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 2/21/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 2/21/96  
 Agency: Department of Law

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FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 232

ANALYSIS CONTINUATION:

incarcerated third-time misdemeanants and convicted felons who are not incarcerated.

First in priority are those owed child support payments (there were over 11,000 PFD garnishments for child support in the past year). Next are those owed court-ordered restitution, then claims on defaulted school loans (over 8,700), court-ordered fines, Rule 39 collections, and DWI incarceration costs (over 13,700 last year), certain writs of execution, debts owed to the state, and then debts owed to other creditors, including federal and local taxes (over 35,000 last year). Furthermore, alcohol rehabilitation groups frequently garnish PFDs to get reimbursed for services provided to clients who under go court-ordered treatment as a result of an alcohol related offense such as DWI or domestic violence. To the extent that these criminals are made ineligible for PFDs, these groups will lose an important source of money for payment of these obligations.

The bill would also expand the list of agencies that may receive appropriations from the money "saved" by not giving it to criminals. In addition to the agencies listed above, the following new agencies would be allowed to receive appropriations from these funds: the Department of Public Safety for criminal investigations and apprehensions, and the Department of Law for criminal prosecutions.

It is problematic when funds will be available for distribution to the Department of Law and the Department of Public Safety. The effective date of the section that makes incarcerated third-time or subsequent misdemeanants ineligible for PFDs is January 1, 1997, and offenses committed before the effective date may not be considered in determining the number of prior convictions for the purpose of applying ineligibility. As a consequence, any positive fiscal impact for the Department of Law is uncertain at this time.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 232

Revision Date: \_\_\_\_\_ Dept. Affected: Corrections  
 Title: An Act relating to permanent fund dividend BRU: ALL  
program notice requirements,..... Component: \_\_\_\_\_  
 Sponsor: Senators Frank, Leman, Kally, Green, Phillips  
 Requester: Finance COMPONENT SERIAL NO. #0694

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	83.4	102.7	104.2	105.8	107.4	109.0
TRAVEL						
CONTRACTUAL	1.5	14.5	14.5	14.5	14.5	14.5
SUPPLIES	0.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	3.3	6.6				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>88.7</b>	<b>125.3</b>	<b>120.2</b>	<b>121.8</b>	<b>123.4</b>	<b>125.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
1050 PFD Funds	68.7	125.3	120.2	121.8	123.4	125.0
<b>TOTAL</b>	<b>68.7</b>	<b>125.3</b>	<b>120.2</b>	<b>121.8</b>	<b>123.4</b>	<b>125.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	1					
PART-TIME		2				
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

The bill will deny PFD annual dividends to those who have been convicted of a felony (whether incarcerated or not), and those who are incarcerated for a third misdemeanor conviction. The agency will require 1 PFT Analyst Programmer IV for the first year to design and implement the data interface of criminal records between the Department of Corrections, Public Safety, and the Alaska Court System. In addition, the position will require a contractual, supplies, and equipment (one-time) resources to accomplish the necessary tasks. A major task will be to negotiate with the Alaska Court System to timely receive conviction data in order to meet the requirements of this bill. Starting with the 2nd fiscal year of the bill, the agency will require the services of 1 PFT and 1 PPT Statistical Technicians to perform data entry, editing, and handle the research required to respond to PFD appeals; and 1 PPT Analyst Programmer IV to continue the data processing interfaces, coordinating the data tape matches, and to coordinate differences between files. In addition, the positions will require contractual, supplies, and equipment (one-time) resources to accomplish their tasks.

Prepared by: \_\_\_\_\_  
 Division: Office of the Commissioner

Phone: 465-4652  
 Date: 2/14/96

Approved by Commissioner: Margaret Pugh  
 Agency: Department of Corrections

Date: 2/14/96

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# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO: SB 232**

Revision Date: \_\_\_\_\_ Dept. Affected: Public Safety  
 Title: An act relating to permanent fund dividend  
program notice requirements, to the ineligibility BRU: All  
 Sponsor: Senator Frank Component: All  
 Requestor: Senate Finance COMPONENT SERIAL NO. 529

**EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)**

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	5.0	3.0	3.0	3.0	3.0	3.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
Revenue Code						

**FUNDING: (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	5.0	3.0	3.0	3.0	3.0	3.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>5.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

Estimate of current year (FY 96) impact: \$ \_\_\_\_\_

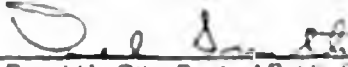
**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS: (Attach a separate page if necessary.)**

DPS will create an electronic file of individuals who "during the calendar year immediately preceding that dividend year....[were] convicted of a felony." This file will be provided to PFD for matching against their database. The file will contain person demographic information available from APSIN and agreed upon with PFD.

Because APSIN does not contain incarceration data, DPS will also create an electronic file of individuals who were convicted of "a third or subsequent....misdemeanor." This file will be provided to DOC for matching against their database. The file will contain person demographic information available from APSIN and agreed upon with DOC. DOC will match this file against their records on incarcerated individuals and forward the resulting information to PFD

Prepared By: Kenneth E. Bischoff, Director Phone: 465-4338  
 Division: Administrative Services Date: 1/30/96  
 Approved by Commissioner:  Date: 2/12/96  
 Agency: Ronald L. Otto, Dept. of Public Safety

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Revision Date: 13-Feb-96 Dept. Affected: Revenue  
 Title: PFD Notices and Eligibility BRU: Permanent Fund Dividend Division  
 Component: Permanent Fund Dividend Division  
 Sponsor: Senator Frank  
 Requestor: Senate Finance COMPONENT SERIAL NO. 981

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	1.9	42.4	42.4	42.4	42.4	42.4
TRAVEL						
CONTRACTUAL	0.5	4.3	4.3	4.3	4.3	4.3
SUPPLIES		1.0	1.0	1.0	1.0	1.0
EQUIPMENT		3.5	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2.4</b>	<b>51.2</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Dividend Fund 1050	2.4	51.2	47.7	47.7	47.7	47.7
<b>TOTAL</b>	<b>2.4</b>	<b>51.2</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>	<b>47.7</b>

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Nancy A. Jones Phone: 465-2323  
 Division: Permanent Fund Dividend Division Date: 2/13/96  
 Approved by Commissioner: [Signature] Date: 2/13/96  
 Agency: Department of Revenue

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Department of Revenue  
Permanent Fund Dividend Division

Fiscal Note Analysis  
SB 232

**ASSUMPTIONS:**

1. Computer programming by data processing staff will be a one-time cost. The system will have to change to reflect the new classes of ineligible. Edits will be added to the system that will automatically deny these people.

Additional programming will also be needed to print the disclosure information on each dividend check and direct deposit advice that is generated.

2. The cost of data processing chargebacks for mainframe processing will continue in each fiscal year. This will cover the costs associated with processing the computer tape with the PFD masterfile, provide necessary printouts, and generate denial letters.
3. Currently about twenty-five percent of felons denied a dividend appeal. With the expansion of ineligible to include those applicants convicted of a felony, and those incarcerated for a third and subsequent conviction of a misdemeanor, an additional full time staff person in appeals will be needed.
4. Supplies such as forms, envelopes, and postage will be needed for processing additional denial notices.
5. A personal computer will be needed for use by the additional staff member in Appeals.

# FISCAL NOTE

STATE OF ALASKA

BILL NO. SB 232

1996 LEGISLATIVE SESSION

Revision Date: 2/21/96

Department Affected: Revenue

Title: An Act relating to PFD notice requirements, ineligibility of convicted felons or incarcerated individuals, etc.

BRU: Alaska Student Aid Corporation

Component: Student Loan Operations

Sponsor: Sen. Frank

Requester: (S) FIN

COMPONENT SERIAL NO. 2113

**Expenditures/Revenues:**

(Thousands of Dollars)

OPERATING	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES</b>	<b>(8.9)</b>	<b>(9.0)</b>	<b>(9.0)</b>	<b>(10.0)</b>	<b>(10.0)</b>	<b>(10.0)</b>
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**FUND SOURCE**

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other - Corporate Receipts	(8.9)	(9.0)	(9.0)	(10.0)	(10.0)	(10.0)
<b>TOTAL</b>	<b>(8.9)</b>	<b>(9.0)</b>	<b>(9.0)</b>	<b>(10.0)</b>	<b>(10.0)</b>	<b>(10.0)</b>

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY96) impact \$ -0-

**ANALYSIS**

This bill would incrementally impact the Alaska Student Aid Corporation, as approximately 8,000 PFDs are attached annually of borrower's past due in loan payments. In the last few years, 2-5 PFDs have been released to the Department of Corrections from incarcerated defaulted borrowers. The amounts above estimate the loss in revenues to the loan program as the population of borrowers with three-time offenses increases.

Prepared by Gillian R. Hays, Legislative Liaison Phone 465-5718

Division Alaska Student Aid Corporation

Date 2/21/96

Approved by Executive Director Diane Barrans

Agency Revenue

Date 2/21/96