

SB

104

<TARGET><BILL>SB 104</BILL><SUBJECT>SB
104</SUBJECT><COMM>HFIN28</COMM></TARGET>



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Corrections

Office of the Commissioner

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.4652
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April 11, 2014

The Honorable Mark Neuman
Alaska House of Representatives
State Capitol, Rm. 513
Juneau, AK 99801-1182

Dear Representative Neuman:

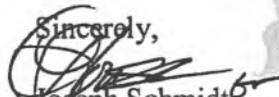
Thank you for inquiring about the length and effectiveness of programs offered in the Department of Corrections' (Department) institutions. Enclosed you will find documents which provide descriptions of the sex offender and substance abuse treatment programs along with the number of inmates served in these programs as well as in the educational programs.

The Department offers institutional substance abuse treatment first to sentenced felons and then to other offenders when there is space available. Sentenced felons are typically incarcerated long enough to take advantage of substance abuse treatment programs, as opposed to other offenders who may be released before being able to complete the program. Offenders with shorter sentences are encouraged to seek treatment in the community and there are numerous resources available to assist those offenders in finding an appropriate provider.

While the Department does not have a recidivism rate broken down for each program, we do know that those who participate in substance abuse treatment have a 15% lower recidivism rate than similar groups of inmates who do not participate in substance abuse treatment. Also, those who complete the criminal attitudes program have a 7% lower recidivism rate than inmates who participate, but do not complete the program. The Department is encouraged by these early results and is looking for ways to provide better services to more inmates.

Please do not hesitate to contact me if you have further questions or would like additional information.

Sincerely,


Joseph Schmidt
Commissioner

Encl:

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 104(FIN)
Fiscal Note Number: 7
(S) Publish Date: 3/31/14

Identifier: SB104CS(FIN)-DOC-OC-03-31-14
Title: APPROPRIATIONS FROM THE DIVIDEND FUND
Sponsor: DYSON
Requester: (S) FIN

Department: Department of Corrections
Appropriation: Inmate Health Care
Allocation: Physical Health Care
OMB Component Number: 2952

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES								
Personal Services		8,445.9	***	***	***	***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	0.0	8,445.9	***	***	***	***	***	***

Fund Source (Operating Only)

1171 PFD Crim		8,445.9						
Total	0.0	8,445.9	***	***	***	***	***	***

Positions

Full-time			***	***	***	***	***
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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:

This revised fiscal note reflects changes made in the Senate Finance CS. The current CS removes priority number three (DOC court-ordered rehab program costs) and therefore funding for the position to track this information is no longer needed in the Office of the Commissioner. PFD Criminal Funds appropriated to DOC in the out years will be dependent upon the total amount of available PFD Criminal Funds and GF replacement funding may or may not be needed. This revised note also changes the allocation from the Office of the Commissioner to Inmate Physical Health Care, where PFD Criminal Funds to DOC are currently appropriated.

Prepared By: Co-Chair Senator Kelly Phone: (907)465-3753
Senate Finance Committee Date: 03/31/2014
Co-Chair Senator Meyer
Senate Finance Committee

FISCAL NOTE ANALYSIS #7

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 104(FIN)

Analysis

This legislation creates the criminal fund as a separate account in the dividend fund. It also reprioritizes how PFD Criminal Funds will be spent and recommends percentage distribution guidelines, placing victim restitution first, followed by grants to CDVSA for the operation of domestic violence and sexual assault response teams as well as domestic violence intervention projects. The remaining amount would be available for appropriation to DOC for costs related to incarceration and probation (primarily Inmate Health Care).

As required under statute, DOC covers 100% of the health care costs for those who are incarcerated inside a prison facility. In FY13, institutional nurse sick calls exceeded 28,000. Due to the continuing increases in medical care, coupled with the 2.7% annual growth in the offender population, it is likely that the Department's Inmate Health Care Budget will see an overall increase in the future. In FY14, approximately \$10 million of the nearly \$35 million Inmate Health Care budget was PFD Criminal Funds. If, in the future, the legislature chooses to reduce the current level of PFD Criminal Funds appropriated to the Department of Corrections, a General Fund appropriation equal to the reduction would be requested to maintain inmate health care services.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 104(STA)
Fiscal Note Number: 3
(S) Publish Date: 2/14/14

Identifier: SB104CS(STA)-LAW-CIV-02-07-14
Title: APPROPRIATIONS FROM THE DIVIDEND FUND
Sponsor: DYSON
Requester: (S) STATE AFFAIRS

Department: Department of Law
Appropriation: Civil Division
Allocation: Collections and Support
OMB Component Number: 2210

Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
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)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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:

The committee substitute for SB 104 (28-LSO847/Y) removes the Department of Law from the bill. The CS would not require the Department of Law, Collections Unit, to change its processes or database.

Prepared By:	Loretta Withington, Division Operations Manager	Phone:	(907)465-5427
Division:	Administrative Services Division	Date:	02/08/2014 12:33 PM
Approved By:	Michael C. Geraghty, Attorney General	Date:	02/08/14
Agency:	Department of Law		

FISCAL NOTE ANALYSIS #3

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 104(STA)

Analysis

The committee substitute for SB104 (28-LS0847/Y) retains the core structure of the prior version of the bill, but changes how victims would be compensated from the PFD Criminal Fund. Under the bill, SB104 creates the PFD Criminal Fund and establishes a priority for payments from the fund. The PFD Criminal Fund would be made up of money that the PFD Division would have paid during the previous fiscal year to felons and misdemeanants who were ineligible to receive the PFD. The bill sets a priority scheme for payments from the Criminal Fund in the following order: services and payments to crime victims; past due child support; court-ordered drug and alcohol programs; and last, costs of incarceration.

The CS changed the wording for the first priority, victims of crimes, and how victims would be compensated. The initial version of the bill provided that the Department of Law, Collections Unit, would submit restitution order balances to the PFD Division, distribute any PFD Criminal Fund payments to the victim, and then collect 50% of the restitution paid from the PFD Criminal Fund from the criminal. The CS provides that the Violent Crimes Compensation Board (VCCB) would give the PFD Division the amount of compensable claims for victims and VCCB would pay the victims.

The CS would not require the Department of Law, Collections Unit, to change its processes or database. The Department of Law anticipates no fiscal impact from CSSB104 (STA).

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 104(STA)
Fiscal Note Number: 2
(S) Publish Date: 2/14/14

Identifier: SB104CS(STA)-DOA-VCCB-02-07-14
Title: APPROPRIATIONS FROM THE DIVIDEND FUND
Sponsor: DYSON
Requester: Senate State Affairs

Department: Department of Administration
Appropriation: Violent Crimes Compensation Board
Allocation: Violent Crimes Compensation Board
OMB Component Number: 2694

Expenditures/Revenues

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

	FY2015	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2015 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
OPERATING EXPENDITURES	FY 2015	FY 2015					
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)

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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:

Update for Committee Substitute that places Violent Crimes Compensation Board in first priority order for appropriation from the PFD criminal fund.

Prepared By:	Kate Hudson	Phone:	(907)465-5525
Division:	Violent Crimes Compensation Board	Date:	02/07/2014 11:00 AM
Approved By:	Curtis Thayer, Commissioner	Date:	02/07/14
Agency:	Department of Administration		

FISCAL NOTE ANALYSIS #2

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 104(STA)

Analysis

The bill restores the current source of state funding for the Violent Crimes Compensation Board (appropriation from the PFD fund) and makes the Violent Crimes Compensation Board the first recipient in priority order of an appropriation from the PFD criminal fund.

Fiscal Note

State of Alaska
2014 Legislative Session

Bill Version: CSSB 104(STA)
Fiscal Note Number: 6
(S) Publish Date: 2/14/14

Identifier: 0847-DOA-DOF-01-13-14
Title: APPROPRIATIONS FROM THE DIVIDEND FUND
Sponsor: DYSON
Requester: (S) STA

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Finance
OMB Component Number: 59

Expenditures/Revenues

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

	FY2015 Appropriation Requested	Included in Governor's FY2015 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	
OPERATING EXPENDITURES								
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	0.0

Fund Source (Operating Only)

None								
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time								
Part-time								
Temporary								

Change in Revenues								
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Estimated SUPPLEMENTAL (FY2014) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2015) 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:

Not applicable, initial version.

Prepared By:	<u>Scot Arehart, Director</u>	Phone:	<u>(907)465-3435</u>
Division:	<u>Division of Finance</u>	Date:	<u>01/10/2014 08:56 AM</u>
Approved By:	<u>Curtis Thayer, Acting Commissioner</u>	Date:	<u>01/13/14</u>
Agency:	<u>Department of Administration</u>		

FISCAL NOTE ANALYSIS #6

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. CSSB 104(STA)

Analysis

Section 4 adds AS 43.23.048 creating the criminal fund as a separate account in the dividend fund. The purpose of the criminal fund is to provide restitution payments, up to \$10,000 per victim; provide payment for child-support arrearages; and payment of state-approved court-ordered rehabilitation. Creating funds within the accounting system is performed in the normal course of business by the Division of Finance.

This bill has no fiscal impact to the Division of Finance.



ALASKA DEPARTMENT OF CORRECTIONS SUBSTANCE ABUSE SERVICES REPORT

FY13 & FY14 (as of 2/1/14)

Overview of Substance Abuse Services:

Assessments: The assessment and referral services provide informational orientation to offenders for substance abuse treatment options within ADOC institutions and in the community. The assessments provide comprehensive referrals that best meet the offenders substance abuse treatment needs.

LSSAT: The Life Success Substance Abuse Treatment programs are based on the intensive outpatient treatment criteria also using a cognitive behavioral approach. These programs are comprehensive and intensive and participating inmates are generally required to participate for a minimum of three months.

ANSAT: The Alaska Native Substance Abuse Treatment programs are based on the intensive outpatient treatment criteria. These programs use a cognitive behavioral approach from an Alaska Native perspective. The programs require inmates to participate for a minimum of four weeks and up to six weeks.

RSAT: The Residential Substance Abuse Treatment program is based on the residential/intensive inpatient treatment criteria. The services provided use a cognitive behavioral approach. These programs are comprehensive and intensive; they are designed to intervene and treat substance use disorders using a therapeutic community model. Inmates in these programs are expected to participate for a minimum of six months.

Continuing Care: These services are based on the outpatient treatment criteria and are designed to complement the treatment that the offender has previously received. Length of the program, along with the program requirements, is based upon individual needs but generally is 90 to 120 days.

Offenders Served Statewide:

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
Assessments	559	310	N/A
ANSAT	136	108	13
Continuing Care	335	277	98
LSSAT	921	547	125
RSAT	231	204	106
Total	2182	1446	342

Substance Abuse Services by Institutions:

Anchorage Correctional Complex (ACC):

The substance abuse services offered to offenders at ACC during this time period include Assessments and LSSAT (the LSSAT program was discontinued in FY14).

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
ACC Assessments	141	82	N/A
ACC LSSAT	40	N/A	N/A

Anvil Mountain Correctional Center (AMCC):

The substance abuse services offered to offenders at AMCC during this time period include ANSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
AMCC ANSAT	79	63	7

Fairbanks Correctional Center (FCC):

The substance abuse services offered to offenders at FCC during this time period include LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
FCC LSSAT	92	54	11

Goose Creek Correctional Center (GCCC):

The substance abuse services offered to offenders at GCCC during this time period include LSSAT and RSAT. In FY 14 the RSAT program was moved to Palmer Correctional Center and the LSSAT program was expanded at GCCC.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
GCCC LSSAT	43	129	31
GCCC RSAT	56	N/A	N/A

Hiland Mountain Correctional Center (HMCC):

The substance abuse services offered to offenders at HMCC during this time period include LSSAT and RSAT. The LSSAT began providing services in FY14.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
HMCC LSSAT	N/A	18	12
HMCC RSAT	54	63	30

Hudson Correctional Facility (HCF) (Hudson, CO):

The substance abuse services offered to offenders at HCF during this time period include RSAT which was transferred to GCCC in FY13. Note: As of September 2013 Alaska incarcerates less than 20 people out-of-state.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
HCF RSAT	121	N/A	N/A

Lemon Creek Correctional Center (LCCC):

The substance abuse services offered to offenders at LCCC during this time period include LSSAT (services are currently suspended due to lack of staff).

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
LCCC LSSAT	82	34	N/A

Mat Su Pretrial Facility (MSPT):

The substance abuse services offered to offenders at MSPT during this time period include Assessments.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
MSPT Assessment	221	126	N/A

Palmer Correctional Center (PCC):

The substance abuse services offered to offenders at PCC during this time period include LSSAT and RSAT. In FY14, the RSAT program was transferred into PCC from GCCC and the LSSAT program was transferred out to GCCC.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
PCC LSSAT	168	43	N/A
PCC RSAT	N/A	112	56

Spring Creek Correctional Center (SCCC):

The substance abuse services offered to offenders at SCCC during this time period include LSSAT and RSAT. The LSSAT was discontinued and the RSAT began in FY14.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
SCCC LSSAT	68	N/A	N/A
SCCC RSAT	N/A	29	20

Wildwood Correctional Center (WCC):

The substance abuse services offered to offenders at SCCC during this time period include LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
WCC LSSAT	76	37	11

Yukon-Kuskokwim Correctional Center (YKCC):

The substance abuse services offered to offenders at YKCC during this time period include ANSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
YKCC ANSAT	57	45	6

Anchorage Community:

The substance abuse services offered to offenders in the Anchorage community during this time period include Assessments, Continuing Care and LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
A-COM Assessment	197	102	N/A
A-Com Continuing Care	202	133	58
A-Com LSSAT	216	94	18

Fairbanks Community:

The substance abuse services offered to offenders in the Fairbanks community during this time period include Continuing Care and LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
F-Com Continuing Care	95	65	22
F-Com LSSAT	70	47	12

Juneau Community:

The substance abuse services offered to offenders in the Juneau community during this time period include Continuing Care and LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
J-Com Continuing Care	0	15	6
J-Com LSSAT	12	26	10

Kenai Community:

The substance abuse services offered to offenders in Kenai community during this time period include Continuing Care and LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
K-Com Continuing Care	9	28	6
K-Com LSSAT	15	26	2

Palmer Community:

The substance abuse services offered to offenders in the Palmer community during this time period include Continuing Care and LSSAT.

PROGRAM	FY13 SERVED	FY14 YTD SERVED	CURRENTLY ACTIVE
P-Com Continuing Care	29	36	6
P-Com LSSAT	39	39	14



ALASKA DEPARTMENT OF CORRECTIONS SEX OFFENDER TREATMENT REPORT

FY10 – FY13

Overview of Sex Offender Services:

Lemon Creek Correctional Center – Current capacity is 28 men. The program is full with a multi-year wait list. An expansion to 40 men is planned for 2015. This is a therapeutic 18-24 month program designed for Medium and Close custody level sex offenders.

Palmer Medium Correctional Center – Currently capacity is 36 men. The program is full with a multi-year wait list. This is an outpatient-based 18-24 month program designed for Minimum and Medium level sex offenders.

Hiland Mountain Correctional Center – Currently there are three female sex offenders in program. The capacity is 15, however there have never been more than five female sex offenders incarcerated statewide. This is an outpatient based 18-24 month program designed for all custody levels of female sex offenders.

DOC performs approximately 60 total psycho-sexual assessments each year, all performed by PhD level providers in LCCC, Goose Creek, Spring Creek and Wildwood Correctional Complex.

Institutional Probation Officers and DOC staff facilitate approximately 250 releases for sex offenders statewide. This entails performing a risk assessment, compliance with the Sex Offender Registry, and monitoring for potential community safety issues such as victim contact, victim pool access, minor contact, etc.

Offenders Served Statewide:

FY10 26 (only LCCC)

FY11 30 (only LCCC)

FY12 45 (LCCC and Hiland Mountain)

FY13 73 (LCCC, PCC and Hiland Mountain)



THE STATE
of **ALASKA**

GOVERNOR SEAN PARNELL

Department of Corrections

Office of the Commissioner

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.4652
Fax: 907.465.33

**ALASKA DEPARTMENT OF CORRECTIONS
EDUCATIONAL AND VOCATIONAL SERVICES REPORT**

FY13 & FY14

Anger Management Class

In 2013, the Anger Management program was added as part of the core curriculum.

	Served FY-13	Served FY-14
GCCC	0	29
HMCC	0	0
LCCC	0	0
MSPT	0	12
PCC	0	0
PMCF	0	25
SCCC	0	4
WWCC	0	0
YKCC	0	0

Criminal Attitudes Program

	Served FY-13	Served FY-14
ACCE	45	28
AMCC	5	5
FCC	12	15
GCCC	77	155
HMCC	128	59
KCC	44	22
LCCC	28	38
MSPT	65	41
PCC	149	131
SCCC	79	48
WWCC	66	55
YKCC	88	47

Parenting Class

	Served Fy-13	Served FY-14
ACCE	29	10
ACCW	22	48
AMCC	3	0
FCC	20	13
GCCC	35	70
HMCC	46	89
KCC	38	25
LCCC	50	8
MSPT	23	42
PCC	42	53
PMCF	4	21
SCCC	24	19
WWCC	62	31
YKCC	14	18

Re-Entry Class

	Served Fy-13	Served FY-14
ACCE	46	3
ACCW	67	47
AMCC	7	8
FCC	172	152
GCCC	158	144
HMCC	143	85
Hudson	255	0
KCC	14	6
LCCC	18	5
MSPT	0	1
PCC	38	42
PMCF	9	16
SCCC	58	38
WWCC	38	54
YKCC	0	0

Adult Basic Education Services

During FY14, 137 offenders received their General Education Development (GED) diploma while incarcerated.

	Served FY-13	Served FY-14
ACCE	88	104
ACCW	106	72
AMCC	17	11
FCC	114	41
GCCC	36	128
HMCC	329	356
KCC	17	10
LCCC	22	23
MSPT	16	14
PCC	45	37
PMCF	0	14
SCCC	43	68
WWCC	35	14
YKCC	52	102

Vocational Educational Programs

In FY14, 3,144 incarcerated individuals received a vocational program service and 2,457 completed.

	Served Fy- 13	Served FY-14
ACCE	0	0
ACCW	0	106
AMCC	96	109
FCC	227	213
GCCC	640	683
HMCC	890	1185
KCC	49	16
LCCC	279	186
MSPT	99	0
PCC	127	79
PMCF	44	148
SCCC	172	165
WWCC	149	158
YKCC	157	42



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Revenue

PERMANENT FUND DIVIDEND DIVISION
DIRECTOR'S OFFICE

State Office Building
PO Box 110460
Juneau, Alaska 99811-0460
Main: 907.465.4785
Fax: 907.500.300

www.pfd.alaska.gov

TO: Karen Rehfeld
Director
Office of Management and Budget

DATE: October 28, 2013

THRU: Michelle Vuille
Budget Manager 
Department of Revenue - ASD

TELEPHONE: 465-4785
FAX: 500-0300

FROM: Dan DeBartolo  10/24/13
Director
Permanent Fund Dividend Division

SUBJECT: FY 15 PFD Fund Appropriation for
Departments of Public Safety and
Corrections

As required under AS 43.23.028(a)(6), the amount of dividends that would have been paid this year to individuals who were sentenced or incarcerated under AS 43.23.005(d) and would have otherwise been eligible is **\$9,948,600**.

Attached is our calculation for the basis of the FY 15 amount. The amount is based on the total amount of 2013 Permanent Fund Dividends that would have been paid to individuals had they not been determined ineligible because of criminal activities in calendar year 2012 (the qualifying year for the 2013 dividend).

Under AS 43.23.005(d), individuals are not eligible for a dividend if during the qualifying year, the individual was:

- Sentenced as a result of a conviction of a felony;
- Incarcerated as a result of a conviction of a
 - felony; or
 - misdemeanor if the individual was convicted of a prior felony or two or more prior misdemeanors.

The Departments of Corrections and Public Safety provided the Permanent Fund Dividend Division with a file of **11,016** and **1,983**, respectively incarcerated and/or sentenced during qualifying year 2012. We estimated that **11,054** individuals would have otherwise been eligible had they not been denied a dividend solely because they were sentenced or incarcerated under AS 43.23.005(d). Accordingly, the total amount that would have been otherwise paid to these individuals is **\$9,948,600** (11,054 individuals multiplied by \$900).

cc: Jerry Burnett, Revenue ASD Director
Ciara Meek, Revenue ASD Fiscal Officer

**Alaska Department of Revenue
Permanent Fund Dividend Division
FY 15 PFD Fund Appropriation Calculation
for Departments of Corrections and Public Safety**

	Department of Corrections (Incarcerated Felons and Misdemeanants)	Department of Public Safety (Sentenced Felons)	Total
Step 1 Calculate Eligibility Percentage			
Number of felons and misdemeanants who filed a 2013 PFD application	4,987	892	
Eligibility Percentage <i>(Percentage of otherwise eligible applicants to number of filers)</i>	95.45%	94.73%	
Number of felons and misdemeanants who would have been otherwise eligible had they not been denied as a felon or misdemeanant	4,760	845	
Step 2 Apply Percentage to Total Felons and Misdemeanants			
Total Number of individuals reported by Agency	11,016	1,983	12,999
Estimated gross number of otherwise eligible applicants <i>(Eligibility Percentage applied to total number of individuals reported)</i>	10,514	1,878	12,392
Step 3 Adjustments			
Subtract individuals reported in multiple categories			
1. Felons and Misdemeanants Incarcerated and Felons Sentenced			-218
2. Misdemeanants Only Incarcerated and Felons Sentenced			-20
3. Felons Only Incarcerated and Felons Sentenced			-903
Subtract individuals denied in 2012 as a felon or misdemeanant who were subsequently paid			-197
Total Adjustments			-1,338
Step 4 Estimated number of otherwise eligible applicants <i>(Estimated gross number less adjustments)</i>			11,054
Step 5 Appropriation Calculation			
2013 Permanent Fund Dividend amount			\$900.00
Total Appropriation <i>(Estimated otherwise eligible applicants times the dividend amount)</i>			\$9,948,600.00

The Department of Corrections changed the way they reported offender data from the DOC database in 2012. As a result, more individuals were reported in multiple categories than in prior years.

MEMORANDUM

State of Alaska
Department of Revenue
Permanent Fund Dividend Division

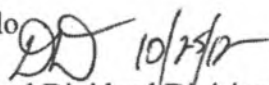
TO: Karen Rehfeld
Director
Office of Management and Budget

DATE: October 25, 2012

TELEPHONE: 465-2324

THRU: Rebecca Monagle
Budget Manager
Department of Revenue - ASD

FAX: 465-2096

FROM: Dan DeBartolo 
Director
Permanent Fund Dividend Division

SUBJECT: FY 14 PFD Fund Appropriation
for Departments of Public Safety
and Corrections

As required under AS 43.23.028(a)(6), the amount of dividends that would have been paid this year to individuals who were sentenced or incarcerated under AS 43.23.005(d) and would have otherwise been eligible is **\$11,163,770.00**.

Attached is our calculation for the basis of the FY 14 amount. The amount is based on the total amount of 2012 Permanent Fund Dividends that would have been paid to individuals had they not been determined ineligible because of criminal activities in calendar year 2011 (the qualifying year for the 2012 dividend).

Under AS 43.23.005(d), individuals are not eligible for a dividend if during the qualifying year, the individual was:

- Sentenced as a result of a conviction of a felony;
- Incarcerated as a result of a conviction of a
 - felony; or
 - misdemeanor if the individual was convicted of a prior felony or two or more prior misdemeanors.

The Departments of Corrections and Public Safety provided the Permanent Fund Dividend Division with a file of **12,824** and **2,123**, respectively incarcerated and/or sentenced during qualifying year 2011. We estimated that **12,715** individuals would have otherwise been eligible had they not been denied a dividend solely because they were sentenced or incarcerated under AS 43.23.005(d). Accordingly, the total amount that would have been otherwise paid to these individuals is \$11,163,770.00 (12,715 individuals multiplied by \$878.00).

cc: Jerry Burnett, Revenue ASD Director
Diane Anderson, Revenue ASD Fiscal Officer

MEMORANDUM

State of Alaska
Department of Revenue
Permanent Fund Dividend Division

TO: Karen Rehfeld
Director
Office of Management and Budget

DATE: November 2, 2011

TELEPHONE: 465-2324

THRU: Loretta Withington
Budget Manager
Department of Revenue - ASD

FAX: 465-2096

FROM: Dan DeBartolo
Operations Manager
Permanent Fund Dividend Division

SUBJECT: FY 13 PFD Fund Appropriation
for Departments of Public Safety
and Corrections

As required under AS 43.23.028(a)(6), the amount of dividends that would have been paid this year to individuals who were sentenced or incarcerated under AS 43.23.005(d) and would have otherwise been eligible is **\$16,688,410.00**.

Attached is our calculation for the basis of the FY 13 amount. The amount is based on the total amount of 2011 Permanent Fund Dividends that would have been paid to individuals had they not been determined ineligible because of criminal activities in calendar year 2010 (the qualifying year for the 2011 dividend).

Under AS 43.23.005(d), individuals are not eligible for a dividend if during the qualifying year, the individual was:

- Sentenced as a result of a conviction of a felony;
- Incarcerated as a result of a conviction of a
 - felony; or
 - misdemeanor if the individual was convicted of a prior felony or two or more prior misdemeanors.

The Departments of Corrections and Public Safety provided the Permanent Fund Dividend Division with a file of 13,677 and 2,015, respectively incarcerated and sentenced during qualifying year 2010. We estimated that 14,215 individuals would have otherwise been eligible had they not been denied a dividend solely because they were sentenced or incarcerated under AS 43.23.005(d). Accordingly, the total amount that would have been otherwise paid to these individuals is \$16,688,410 (14,215 individuals multiplied by \$1,174).

cc: Jerry Burnett, Revenue ASD Director
Debbie Bitney, PFD Division Director
Rebecca Monagle, Revenue ASD Fiscal Officer

**Alaska Department of Revenue
Permanent Fund Dividend Division
FY 13 PFD Fund Appropriation Calculation
for Departments of Corrections and Public Safety**

	Department of Corrections (Incarcerated Felons and Misdemeanants)	Department of Public Safety (Sentenced Felons)	Total
Step 1 Calculate Eligibility Percentage			
Number of felons and misdemeanants who filed a 2011 PFD application	3,476	1,054	
Eligibility Percentage <i>(Percentage of otherwise eligible applicants to number of filers)</i>	95.25%	96.58%	
Number of felons and misdemeanants who would have been otherwise eligible had they not been denied as a felon or misdemeanant	3,311	1,018	
Step 2 Apply Percentage to Total Felons and Misdemeanants			
Total Number of individuals reported by Agency	13,677	2,015	15,692
Estimated gross number of otherwise eligible applicants <i>(Eligibility Percentage applied to total number of individuals reported)</i>	13,027	1,946	14,973
Step 3 Adjustments			
Subtract individuals reported in multiple categories			
1. Felons and Misdemeanants Incarcerated and Felons Sentenced			-147
2. Misdemeanants Only Incarcerated and Felons Sentenced			-69
3. Felons Only Incarcerated and Felons Sentenced			-471
Subtract individuals denied in 2010 as a felon or misdemeanant who were subsequently paid			-71
Total Adjustments			-758
Step 4 Estimated number of otherwise eligible applicants <i>(Estimated gross number less adjustments)</i>			14,215
Step 5 Appropriation Calculation			
2011 Permanent Fund Dividend amount			\$1,174.00
Total Appropriation <i>(Estimated otherwise eligible applicants times the dividend amount)</i>			\$16,688,410.00

Attachment 2

Historic PFD Criminal Fund Appropriations

Under Current Language of AS 43.23.005(d)

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DPS Appropriation	% of Total	DOC Appropriation	% of Total	DOA Appropriation	% of Total
FY 03	\$ 1,850.28	5549	\$ 10,266,600	\$ 5,380,500.00	52.4%	\$ 4,886,100.00	47.6%	-	0.0%
FY 04	\$ 1,540.76	7970	\$ 12,279,900	\$ 4,208,800.00	34.3%	\$ 6,895,400.00	56.2%	\$ 1,175,700.00	9.6%
FY 05	\$ 1,107.56	8193	\$ 9,074,600	\$ 3,107,000.00	34.2%	\$ 5,092,400.00	56.1%	\$ 875,200.00	9.6%
FY 06	\$ 919.84	8210	\$ 7,551,700	\$ 2,585,600.00	34.2%	\$ 4,237,800.00	56.1%	\$ 728,300.00	9.6%
FY 07	\$ 845.76	9592	\$ 8,112,300	\$ 2,777,500.00	34.2%	\$ 4,552,400.00	56.1%	\$ 782,400.00	9.6%
FY 08	\$ 1,106.96	9999	\$ 11,068,600	\$ 3,789,600.00	34.2%	\$ 6,211,400.00	56.1%	\$ 1,067,600.00	9.6%
FY 09	\$ 1,654.00	9838	\$ 16,272,000	\$ 5,569,000.00	34.2%	\$ 9,126,000.00	56.1%	\$ 1,577,000.00	9.7%
FY 10	\$ 2,069.00	9231	\$ 19,099,700	\$ 7,258,100.00	38.0%	\$ 10,256,100.00	53.7%	\$ 1,585,500.00	8.3%
FY 11	\$ 1,305.00	14965	\$ 19,529,200	\$ 7,606,700.00	39.0%	\$ 10,037,000.00	51.4%	\$ 1,885,500.00	9.7%
FY 12	\$ 1,281.00	13236	\$ 16,955,200	\$ 6,604,800.00	39.0%	\$ 8,715,000.00	51.4%	\$ 1,635,400.00	9.6%
FY 13	\$ 1,174.00	14215	\$ 16,688,410	-	0.0%	\$ 14,920,300.00	89.4%	\$ 1,768,110.00	10.6%
FY 14	\$ 878.00	12715	\$ 11,163,770	-	0.0%	\$ 9,373,000.00	84.0%	\$ 1,790,770.00	16.0%
FY 15	\$ 900.00	11054	\$ 9,948,600	-	0.0%	\$ 8,445,900.00	84.9%	\$ 1,502,700.00	15.1%

Table Key

Increase

Decrease

No Change

Potential Appropriation Scenarios

Current Fiscal Year and Projected Realized Income of Zero and \$2.9B

Fiscal Year 2015 Budget with SB 104

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOC Appropriation	% of Total	DOA Appropriation	% of Total	CDVSA Appropriation	% of Total
FY 15*	\$ 900.00	11054	\$ 9,948,600.00	\$ 6,466,590.00	65.0%	\$ 1,989,720.00	20.0%	\$ 1,492,290.00	15.0%

Projections of Zero and \$2.9B Realized Income for Permanent Fund

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOC Appropriation	% of Total	DOA Appropriation	% of Total	CDVSA Appropriation	% of Total
FY 16^	\$ 1,300.00	10367	\$ 13,476,689.01	\$ 8,759,847.86	65.0%	\$ 2,695,337.80	20.0%	\$ 2,021,503.35	15.0%
FY 16**	\$ 1,800.00	10367	\$ 18,660,600.00	\$ 12,129,390.00	65.0%	\$ 3,732,120.00	20.0%	\$ 2,799,090.00	15.0%

Table Key

- Increase * SB 104 Effect on FY15
- Decrease ^ PFD with zero realized income
- No Change ** PFD w/\$2.9B realized income

DOC Historic PFD Criminal Fund Appropriations Under SB 104

Under Current Language of AS 43.23.005(d)

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DPS & DOA Appropriation	% of Total	SB 104 DOC Appropriation	% of Total	Historic DOC Appropriation	% of Total
FY 03	\$ 1,850.28	5549	\$ 10,266,600	\$ 3,593,310.00	35.0%	\$ 6,673,290.00	65.0%	\$ 4,886,100.00	47.6%
FY 04	\$ 1,540.76	7970	\$ 12,279,900	\$ 4,297,965.00	35.0%	\$ 7,981,935.00	65.0%	\$ 6,895,400.00	56.2%
FY 05	\$ 1,107.56	8193	\$ 9,074,600	\$ 3,176,110.00	35.0%	\$ 5,898,490.00	65.0%	\$ 5,092,400.00	56.1%
FY 06	\$ 919.84	8210	\$ 7,551,700	\$ 2,643,095.00	35.0%	\$ 4,908,605.00	65.0%	\$ 4,237,800.00	56.1%
FY 07	\$ 845.76	9592	\$ 8,112,300	\$ 2,839,305.00	35.0%	\$ 5,272,995.00	65.0%	\$ 4,552,400.00	56.1%
FY 08	\$ 1,106.96	9999	\$ 11,068,600	\$ 3,874,010.00	35.0%	\$ 7,194,590.00	65.0%	\$ 6,211,400.00	56.1%
FY 09	\$ 1,654.00	9838	\$ 16,272,000	\$ 5,695,200.00	35.0%	\$ 10,576,800.00	65.0%	\$ 9,126,000.00	56.1%
FY 10	\$ 2,069.00	9231	\$ 19,099,700	\$ 6,684,895.00	35.0%	\$ 12,414,805.00	65.0%	\$ 10,256,100.00	53.7%
FY 11	\$ 1,305.00	14965	\$ 19,529,200	\$ 6,835,220.00	35.0%	\$ 12,693,980.00	65.0%	\$ 10,037,000.00	51.4%
FY 12	\$ 1,281.00	13236	\$ 16,955,200	\$ 5,934,320.00	35.0%	\$ 11,020,880.00	65.0%	\$ 8,715,000.00	51.4%
FY 13	\$ 1,174.00	14215	\$ 16,688,410	\$ 5,840,943.50	35.0%	\$ 10,847,466.50	65.0%	\$ 14,920,300.00	89.4%
FY 14	\$ 878.00	12715	\$ 11,163,770	\$ 3,907,319.50	35.0%	\$ 7,256,450.50	65.0%	\$ 9,373,000.00	84.0%
FY 15	\$ 900.00	11054	\$ 9,948,600	\$ 3,482,010.00	35.0%	\$ 6,466,590.00	65.0%	\$ 8,445,900.00	84.9%

FY	Historic and SB 104 Difference
FY 03	\$ 1,787,190.00
FY 04	\$ 1,086,535.00
FY 05	\$ 806,090.00
FY 06	\$ 670,805.00
FY 07	\$ 720,595.00
FY 08	\$ 983,190.00
FY 09	\$ 1,450,800.00
FY 10	\$ 2,158,705.00
FY 11	\$ 2,656,980.00
FY 12	\$ 2,305,880.00
FY 13	\$ (4,072,833.50)
FY 14	\$ (2,116,549.50)
FY 15	\$ (1,979,310.00)

Table Key

Increase
Decrease
No Change

Average
\$ 496,775.15

Total
\$ 6,458,077.00

DOA Historic PFD Criminal Fund Appropriations Under SB 104

Under Current Language of AS 43.23.005(d)

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DPS & DOC Appropriation	% of Total	SB 104 VCCB Appropriation	% of Total	Historic DOA Appropriation	% of Total
FY 03	\$ 1,850.28	5549	\$ 10,266,600	\$ 8,213,280.00	80.0%	\$ 2,053,320.00	20.0%	\$ -	0.0%
FY 04	\$ 1,540.76	7970	\$ 12,279,900	\$ 9,823,920.00	80.0%	\$ 2,455,980.00	20.0%	\$ 1,175,700.00	9.6%
FY 05	\$ 1,107.56	8193	\$ 9,074,600	\$ 7,259,680.00	80.0%	\$ 1,814,920.00	20.0%	\$ 875,200.00	9.6%
FY 06	\$ 919.84	8210	\$ 7,551,700	\$ 6,041,360.00	80.0%	\$ 1,510,340.00	20.0%	\$ 728,300.00	9.6%
FY 07	\$ 845.76	9592	\$ 8,112,300	\$ 6,489,840.00	80.0%	\$ 1,622,460.00	20.0%	\$ 782,400.00	9.6%
FY 08	\$ 1,106.96	9999	\$ 11,068,600	\$ 8,854,880.00	80.0%	\$ 2,213,720.00	20.0%	\$ 1,067,600.00	9.6%
FY 09	\$ 1,654.00	9838	\$ 16,272,000	\$ 13,017,600.00	80.0%	\$ 3,254,400.00	20.0%	\$ 1,577,000.00	9.7%
FY 10	\$ 2,069.00	9231	\$ 19,099,700	\$ 15,279,760.00	80.0%	\$ 3,819,940.00	20.0%	\$ 1,585,500.00	8.3%
FY 11	\$ 1,305.00	14965	\$ 19,529,200	\$ 15,623,360.00	80.0%	\$ 3,905,840.00	20.0%	\$ 1,885,500.00	9.7%
FY 12	\$ 1,281.00	13236	\$ 16,955,200	\$ 13,564,160.00	80.0%	\$ 3,391,040.00	20.0%	\$ 1,635,400.00	9.6%
FY 13	\$ 1,174.00	14215	\$ 16,688,410	\$ 13,350,728.00	80.0%	\$ 3,337,682.00	20.0%	\$ 1,768,110.00	10.6%
FY 14	\$ 878.00	12715	\$ 11,163,770	\$ 8,931,016.00	80.0%	\$ 2,232,754.00	20.0%	\$ 1,790,770.00	16.0%
FY 15	\$ 900.00	11054	\$ 9,948,600	\$ 7,958,880.00	80.0%	\$ 1,989,720.00	20.0%	\$ 1,502,700.00	15.1%

FY	Historic and SB 104 Difference
FY 03	\$ 2,053,320.00
FY 04	\$ 1,280,280.00
FY 05	\$ 939,720.00
FY 06	\$ 782,040.00
FY 07	\$ 840,060.00
FY 08	\$ 1,146,120.00
FY 09	\$ 1,677,400.00
FY 10	\$ 2,234,440.00
FY 11	\$ 2,020,340.00
FY 12	\$ 1,755,640.00
FY 13	\$ 1,569,572.00
FY 14	\$ 441,984.00
FY 15	\$ 487,020.00

Table Key

Increase
Decrease
No Change

Average
\$ 1,325,225.85

Total
\$ 17,227,936.00

DPS Historic PFD Criminal Fund Appropriations Under SB 104

Under Current Language of AS 43.23.005(d)

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOA & DOC Appropriation	% of Total	SB 104 DPS Appropriation	% of Total	Historic DPS Appropriation	% of Total
FY 03	\$ 1,850.28	5549	\$ 10,266,600	\$ 8,726,610.00	85.0%	\$ 1,539,990.00	15.0%	\$ 5,380,500.00	52.4%
FY 04	\$ 1,540.76	7970	\$ 12,279,900	\$ 10,437,915.00	85.0%	\$ 1,841,985.00	15.0%	\$ 4,208,800.00	34.3%
FY 05	\$ 1,107.56	8193	\$ 9,074,600	\$ 7,713,410.00	85.0%	\$ 1,361,190.00	15.0%	\$ 3,107,000.00	34.2%
FY 06	\$ 919.84	8210	\$ 7,551,700	\$ 6,418,945.00	85.0%	\$ 1,132,755.00	15.0%	\$ 2,585,600.00	34.2%
FY 07	\$ 845.76	9592	\$ 8,112,300	\$ 6,895,455.00	85.0%	\$ 1,216,845.00	15.0%	\$ 2,777,500.00	34.2%
FY 08	\$ 1,106.96	9999	\$ 11,068,600	\$ 9,408,310.00	85.0%	\$ 1,660,290.00	15.0%	\$ 3,789,600.00	34.2%
FY 09	\$ 1,654.00	9838	\$ 16,272,000	\$ 13,831,200.00	85.0%	\$ 2,440,800.00	15.0%	\$ 5,569,000.00	34.2%
FY 10	\$ 2,069.00	9231	\$ 19,099,700	\$ 16,234,745.00	85.0%	\$ 2,864,955.00	15.0%	\$ 7,258,100.00	38.0%
FY 11	\$ 1,305.00	14965	\$ 19,529,200	\$ 16,599,820.00	85.0%	\$ 2,929,380.00	15.0%	\$ 7,606,700.00	39.0%
FY 12	\$ 1,281.00	13236	\$ 16,955,200	\$ 14,411,920.00	85.0%	\$ 2,543,280.00	15.0%	\$ 6,604,800.00	39.0%
FY 13	\$ 1,174.00	14215	\$ 16,688,410	\$ 14,185,148.50	85.0%	\$ 2,503,261.50	15.0%	\$ -	0.0%
FY 14	\$ 878.00	12715	\$ 11,163,770	\$ 9,489,204.50	85.0%	\$ 1,674,565.50	15.0%	\$ -	0.0%
FY 15	\$ 900.00	11054	\$ 9,948,600	\$ 8,456,310.00	85.0%	\$ 1,492,290.00	15.0%	\$ -	0.0%

FY	Historic and SB 104 Difference
FY 03	\$ (3,840,510.00)
FY 04	\$ (2,366,815.00)
FY 05	\$ (1,745,810.00)
FY 06	\$ (1,452,845.00)
FY 07	\$ (1,560,655.00)
FY 08	\$ (2,129,310.00)
FY 09	\$ (3,128,200.00)
FY 10	\$ (4,393,145.00)
FY 11	\$ (4,677,320.00)
FY 12	\$ (4,061,520.00)
FY 13	\$ 2,503,261.50
FY 14	\$ 1,674,565.50
FY 15	\$ 1,492,290.00

Table Key

Increase
Decrease
No Change

Average
\$ (1,822,001.00)

Total
\$ (23,686,013.00)



THE STATE
of **ALASKA**
GOVERNOR SEAN PARNELL

Department of Corrections

Office of the Commissioner

P.O. Box 112000
Juneau, Alaska 99811-2000
Main: 907.465.4652
Fax: 907.465.3315

April 15, 2014

The Honorable Bill Stoltze, Co-Chair
House Finance Committee
Alaska House of Representatives
State Capitol, Rm 515
Juneau, AK 99801-1182

The Honorable Alan Austerman, Co-Chair
House Finance Committee
Alaska House of Representatives
State Capitol, Rm. 505
Juneau, AK 99801-1182

Dear Representatives Stoltze and Austerman:

Thank you for allowing the Department of Corrections (DOC) the opportunity to provide a brief overview on how DOC uses Permanent Fund Dividend Criminal Receipts during the April 12, 2014 hearing on SB 104. During the hearing, Representative Costello asked how much of DOC's inmate health care budget goes towards prescription costs.

DOC is projecting \$2,295.13 in prescription costs in FY14. This is out of a total FY14 Inmate Health Care budget of \$41,268.2. Unfortunately, as with overall health care, DOC has seen an increase in prescription costs over the years. Enclosed you will find additional information on how prescription costs have increased for DOC in recent years.

Once again, thank you for allowing DOC the opportunity to address the House Finance Committee. Please let me know if you have any other questions or would like additional information.

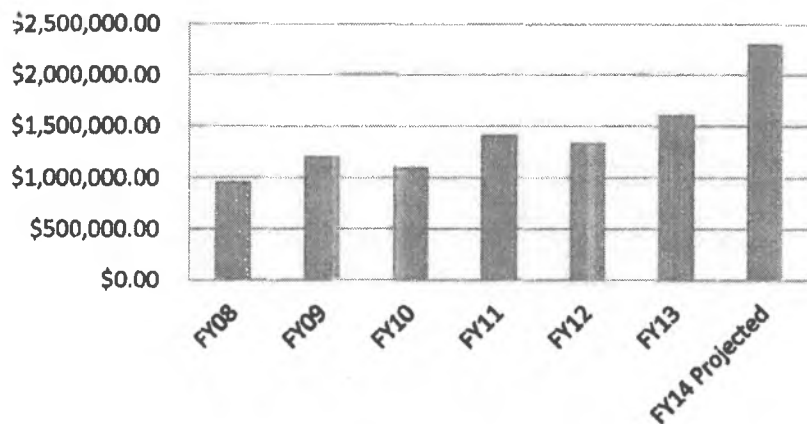
Sincerely,


Joseph Schmidt
Commissioner

Pharmaceutical Costs

- Medications
 - Projected 42% increase in physical health care pharmaceutical costs from FY13 to FY14

Physical Health Care Medication Costs



Physical Health Care Medication Costs	
FY08	\$958,693.90
FY09	\$1,210,181.92
FY10	\$1,105,422.14
FY11	\$1,416,225.20
FY12	\$1,339,712.93
FY13	\$1,611,841.82
FY14 Projected	\$2,295,133.18

Historic PFD Criminal Fund Appropriations

Under Current Language of AS 43.23.005(d)

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DPS Appropriation	% of Total	DOC Appropriation	% of Total	DOA Appropriation	% of Total
FY 03	\$ 1,850.28	4859	\$ 8,990,600	\$ 5,375,500.00	59.8%	\$ 3,615,100.00	40.2%	\$ -	0.0%
FY 04	\$ 1,540.76	6663	\$ 10,266,600	\$ 5,380,500.00	52.4%	\$ 4,886,100.00	47.6%	\$ -	0.0%
FY 05	\$ 1,107.56	11462	\$ 12,694,600	\$ 5,380,500.00	42.4%	\$ 7,314,100.00	57.6%	\$ -	0.0%
FY 06	\$ 919.84	9865	\$ 9,074,600	\$ 3,107,000.00	34.2%	\$ 5,092,400.00	56.1%	\$ 875,200.00	9.7%
FY 07	\$ 845.76	8929	\$ 7,551,700	\$ 2,585,600.00	34.2%	\$ 4,237,800.00	56.1%	\$ 728,300.00	9.7%
FY 08	\$ 1,106.96	7328	\$ 8,112,300	\$ 2,777,500.00	34.2%	\$ 4,552,400.00	56.1%	\$ 782,400.00	9.7%
FY 09	\$ 1,654.00	6692	\$ 11,068,600	\$ 3,789,600.00	34.2%	\$ 6,211,400.00	56.1%	\$ 1,067,600.00	9.7%
FY 10	\$ 2,069.00	7860	\$ 16,262,300	\$ 5,567,800.00	34.2%	\$ 9,126,000.00	56.1%	\$ 1,568,500.00	9.7%
FY 11	\$ 1,305.00	15893	\$ 20,740,100	\$ 8,258,100.00	39.8%	\$ 10,896,500.00	52.5%	\$ 1,585,500.00	7.6%
FY 12	\$ 1,281.00	15244	\$ 19,527,200	\$ 7,606,700.00	39.0%	\$ 10,037,000.00	51.4%	\$ 1,883,500.00	9.6%
FY 13	\$ 1,174.00	19702	\$ 23,130,600	\$ 6,604,800.00	28.6%	\$ 14,890,400.00	64.4%	\$ 1,635,400.00	7.1%
FY 14	\$ 878.00	12715	\$ 11,163,770	-	0.0%	\$ 9,373,000.00	84.0%	\$ 1,790,770.00	16.0%
FY 15	\$ 900.00	11054	\$ 9,948,600	-	0.0%	\$ 8,445,900.00	84.9%	\$ 1,536,700.00	15.4%

Table Key

Increase

Decrease

No Change

Potential Appropriation Scenarios

Current Fiscal Year, Projected Realized Income, and Zero Increase for DOC

Fiscal Year 2015 Budget with SB 104

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOC Appropriation	% of Total	DOA Appropriation	% of Total	CSSD Appropriation	% of Total	CS Orders
FY 15*	\$ 900.00	11054	\$ 9,948,600.00	\$ 7,725,900.00	77.7%	\$ 1,536,700.00	15.4%	\$ 495,000.00	5.0%	550

Projections of Zero and \$2.9B Realized Income for Permanent Fund

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOC Appropriation	% of Total	DOA Appropriation	% of Total	CSSD Appropriation	% of Total	CS Orders
FY 16^	\$ 1,300.00	10636	\$ 13,826,600.00	\$ 10,982,303.60	79.4%	\$ 2,129,296.40	15.4%	\$ 715,000.00	5.2%	550
FY 16**	\$ 1,800.00	10636	\$ 19,144,800.00	\$ 15,206,500.80	79.4%	\$ 2,948,299.20	15.4%	\$ 990,000.00	5.2%	550

Scenario with Zero Increase in DOC Appropriation

Fiscal Year	PFD Amount	Ineligible Individ.	Criminal Fund Amount	DOC Appropriation	% of Total	DOA Appropriation	% of Total	CSSD Appropriation	% of Total	CS Orders
FY 16 [∨]	\$ 1,300.00	10636	\$ 13,826,600.00	\$ 8,445,900.00	61.1%	\$ 2,129,296.40	15.4%	\$ 3,251,403.60	23.5%	2501
FY 16 [∨]	\$ 1,800.00	10636	\$ 19,144,800.00	\$ 8,445,900.00	44.1%	\$ 2,948,299.20	15.4%	\$ 7,750,600.80	40.5%	4306

Table Key

- Increase * SB 104 Effect on FY15
- Decrease ^ PFD with zero realized income
- No Change ** PFD w/\$2.9B realized income
- ∨ Zero Increase in DOC Appropriation

ALASKA STATE SENATE



SENATOR FRED DYSON

SENATE DISTRICT F

Sponsor Statement for CS Senate Bill 104(FIN)

"An Act relating to appropriations from the dividend fund; creating the criminal fund; relating to appropriations from the criminal fund for payments for crime victims, operating costs of the Violent Crimes Compensation Board, grants for the operation of sexual assault response teams and domestic violence intervention projects, and incarceration costs; and providing for an effective date."

The current effort of obtaining restitution for victims is in a dismal state with the Violent Crimes Compensation Board receiving only 1.5% of the court-ordered restitution awarded to them in FY 2012. In 1988 the Legislature passed into law legislation that would make felons and certain misdemeanants ineligible to receive a Permanent Fund Dividend and stated intent language that the money that would have gone to felons would go to fund victim compensation. Since the creation of this law, there have been other statutes created regarding how this money should be spent but they have not clearly put a priority list for the "PFD criminal fund" leaving the victims of these offenders without all of the funds they need.

Senate Bill 104 will clear up the ambiguity of State law concerning these funds by creating in statute a priority list as to where the money in the "criminal fund" should go. The bill will create a new section in AS 43.23 outlining the process that determines how the criminal fund should be appropriated. SB 104 will establish a reliable funding source for the Violent Crimes Compensation Board. SB 104 establishes the following order of priority: 1. Victim compensation, 2. Sexual assault and domestic violence prevention programs, and 3. Other costs associated with incarceration.

SB 104 adds a new section in AS 43.23 officially naming the criminal fund in statute; this name currently exists only for accounting purposes within the State Operating Budget.

SB 104 supports the original legislative intent to ensure that victims today and in the future will be able to receive the compensation they deserve.

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ALASKA STATE SENATE



SENATOR FRED DYSON

SENATE DISTRICT F

Section Analysis – CS Senate Bill 104(FIN)

“An Act relating to appropriations from the dividend fund; creating the criminal fund; relating to appropriations from the criminal fund for payments for crime victims, operating costs of the Violent Crimes Compensation Board, grants for the operation of sexual assault response teams and domestic violence intervention projects, and incarcerations costs; and providing for an effective date.”

Section 1

AS 43.23.028(a)(5)

Prioritizes by order of importance the legislative purposes for making certain individuals under AS 43.23.005(d) ineligible for a PFD to be: compensation to crime victims, sexual assault and domestic violence prevention programs, and incarceration or probation costs.

AS 43.23.028(a)(7)

References a new section of law to be used to determine which agencies can receive money from the Criminal Fund.

AS 43.23.028(b)

Adds language to allow money from the criminal fund to go to the purposes listed in this section, after the appropriation to the criminal fund.

AS 43.23.028(b)(1)

Adds language to allow money from the criminal fund to go towards the operating costs of the Violent Crimes Compensation Board.

AS 43.23.028(b)(2)

Specifies that funds going to the Council on Domestic Violence and Sexual Assault will go towards grants for the operation of sexual assault teams and domestic violence intervention projects.

Section 2

AS 43.23.031

A new section in law is created to deal with appropriations from the criminal fund:

1. Section (a) sets the priority order for how the money in the criminal fund should be appropriated and the departments that should receive the money: 1. Violent Crimes Compensation Board, 2. Council on Domestic Violence and Sexual Assault, and 3. The Department of Corrections.

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- i. Limits the amount of money from the criminal fund going to each priority: Up to 20% for the VCCB, 15% for the CDVSA, and the remaining for the Department of Corrections.
2. Section (b) states that by October 1 of each year the Violent Crimes Compensation Board will send to the Office of Management and Budget the total amount of compensable claims from the previous fiscal year and the operating costs of the VCCB.
3. Section (c) provides that the Office of Management and Budget will use the amounts reported by the VCCB in section (b) and the total amount of money in the criminal fund under AS 43.23.028(a)(6) to determine how much money should go to each department under section (a).
4. Section (d) states that the Office of Management and Budget will send a report to the Legislature at the same time the Governor submits the Operating Budget listing the size of the appropriation to each agency.
5. Section (e) clarifies that this section does not create an unconstitutional dedicated fund.

Section 3

AS 43.23.048

A new section is put into law to statutorily create the Criminal Fund as an individual account within the dividend fund consisting of money that would have been paid to felons and certain misdemeanants had they not been made ineligible under AS 43.23.005(d). This section also emphasizes that the money in the Criminal Fund may be appropriated in accordance with AS 43.23.031. Finally, this section states that it does not create a dedicated fund in violation of Article IX Section 7 of the Alaska State Constitution.

Section 4

AS 43.23.055

Subsection (6) is amended to allow the Department of Revenue to create new regulations that are necessary to implement the Department's new responsibilities in AS 43.23.031.

Section 5

This section provides that this bill will take effect on July 1, 2014.

Staff Contact: Joshua Banks, (907) 465-2199

ALASKA STATE SENATE



SENATOR FRED DYSON

Summary of Changes to Senate Bill 104

- Title change to specify where the appropriations from the dividend fund should go.
- Changed Primary Recipient of PFD Criminal Fund from Department of Law for victim restitution to the Violent Crimes Compensation Board for victim compensation.
 - From Version P: Deleted sections 1 and 6. In Section 3, deleted subsections (b)-(d). In Section 3, subsection (a)(1) replaced Department of Law with VCCB.
- Added statutory authority for VCCB to use funds from the Criminal Fund for operating costs.
 - In Version I: Added language on Page 2 line 22, Page 3 Line 17-18, Page 4 Lines 5-6 and Line 19.
- Child support arrearages removed from Version I as a recipient of the criminal fund.
 - Deleted Page 2, lines 26-27.
 - Deleted Page 4, lines 7-11 and 20-22.
 - Deleted Page 6, lines 25-28.
- Court-ordered rehabilitation program costs removed from Version I as a recipient of the criminal fund.
 - Deleted Page 2, lines 28-29.
 - Deleted Page 4, lines 12-13 and 23-25.
- Added the Council on Domestic Violence and Sexual Assault to Version E as a recipient of the criminal fund for grants for the operation of sexual assault response teams and domestic violence intervention projects.
 - Added language to Page 2, lines 26-27.
 - Added language to Page 3, line 19.
 - Added language to Page 4, lines 6-10.
- Added limits to how much the VCCB and CDVSA receive from the criminal fund.
 - Page 4, line 2 states that up to 20% of the fund can go to the VCCB, line 6 states that up to 15% of the fund can go to the CDVSA, and line 11 states that the remaining portion of the fund will go to the Department of Corrections.
- Changed agency to report to under AS 43.23.031 from the Department of Revenue to the Office of Management and Budget.
 - Section 2 subsections (b)-(f) on Page 4 reference the OMB instead of the Department of Revenue.
- Added dedicated fund disclaimer to 43.23.048 as well as 43.23.031.
 - Language from subsection (e) in Section 2 was added to the end of Section 3 on Page 5 Line 1.

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SOURCE: CSHB245(JUD)

Action Date: May 25, 1988

Year: 88

Effective Date: May 26, 1988

AN ACT

An Act relating to permanent fund dividends for individuals incarcerated after conviction for a felony; and providing for an effective date.

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

* Section 1. AS 43.23.005 is amended by adding a new subsection to read:

(d) Notwithstanding the provisions of (a) - (c) of this section, an individual who has been convicted of a felony is not eligible for a permanent fund dividend for a year when, during all or part of the fiscal year ending June 30 of the current year, as a result of the conviction the individual is incarcerated. This subsection applies whether or not the individual has applied for the dividend.

* Sec. 2. AS 43.23.025 is amended by adding a new subsection to read:

(b) For the purpose of calculating the amount of a permanent fund dividend under (a) of this section, an individual who is ineligible to receive a dividend under AS 43.23.005(d) is counted as an eligible individual whether or not the individual has applied for the dividend.

* Sec. 3. AS 43.23.055 is amended to read:

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

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

(2) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for claiming a permanent fund dividend; the department shall set the time limit for applications for permanent fund dividends so that the number of eligible applicants is determined by October 1 of the year for which the dividend is declared and permanent fund dividends for a year are paid before April 30 of the year following that year;

(3) adopt regulations under the Administrative Procedure Act (AS 44.62) that establish procedures and time limits for an individual upon emancipation or upon reaching majority to

apply for permanent fund dividends not received during minority because the parent, guardian, or other authorized representative did not apply on behalf of the individual;]AND!

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

(5) annually determine, in cooperation with the Department of Corrections, the number and identity of individuals ineligible for a permanent fund dividend under AS 43.23.005(d); and

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

* Sec. 4. This Act applies only to eligibility for permanent fund dividends for years after 1988.

* Sec. 5. It is the intent of the legislature that an amount approximately equal to the money that would otherwise be paid as permanent fund dividends to individuals determined to be ineligible under AS 43.23.005(d), as enacted by sec. 1 of this Act, be appropriated annually from the dividend fund to the crime victim compensation fund (AS 18.67.162) to carry out the purposes of AS 18.67.

* Sec. 6. This Act takes effect immediately under AS 01.10.070(c).



LEGISLATIVE RESEARCH SERVICES

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Research Brief

TO: Senator Fred Dyson
FROM: Susan Haymes, Legislative Analyst
DATE: July 19, 2013
RE: Status of Victim Restitution Laws in Alaska
LRS Report 13.404

You asked about the status of victim restitution laws in Alaska. Specifically, you were interested in the effectiveness of current law. Additionally, you wished to know the priority under current law of collecting restitution compared to other fines.

In Alaska, a crime victim has a constitutional right to restitution from the offender. Accordingly, the Legislature and the Alaska Supreme Court have established rules to collect restitution from offenders and distribute payment to crime victims and organizations that provide counseling and other services to victims and their dependents. In addition to restitution, the offender is often required to pay other court-ordered fines and surcharges such as correctional facility surcharges, costs for court-appointed counsel, and costs for incarceration. Under current law, child support and victim restitution are typically the top two priorities when distributing an offender's assets to meet obligations for restitution and court-ordered fines.

The Department of Law's (DOL) Collection Unit is the agency primarily responsible for collecting court-ordered restitution, fines, and surcharges. Among other things, the Collections Unit may garnish an offender's permanent fund dividend (PFD) and wages, authorize bank account sweeps, and take money from an inmate's bank account for restitution. The primary tool used by the Collections Unit, however, is the garnishment of PFDs.¹

According to the individuals we spoke with for this report, while victim restitution is an established priority under the constitution and the law, problems exist in the collection and distribution of restitution. This situation is due in part to the challenges inherent in collecting payment from offenders who have limited or no financial resources because they may be incarcerated or have limited employment opportunities. Nevertheless, all agree that offenders should be expected to pay what they can and the state should pursue collection whenever possible. A number of individuals cited the lack of communication and coordination among agencies that deal with victim restitution as the main problem in the process.

There has been some recent improvement, as the DOL's Collection Unit has taken active steps to increase collection of victim restitution, which has resulted in increased restitution payments and disbursement to victims. The Unit collected about \$2.3 million in restitution payments owed to crime victims in FY 2012, up 29 percent from FY 2011. The DOL has recently prioritized the distribution of money to victims, including improvements to internal processes and technology enhancements to more efficiently send checks to victims.

¹ An amount of money approximately equal to the PFDs that would be owed to ineligible offenders is transferred to the PFD Criminal Fund each year. In recent years, the amount has been appropriated primarily to the Department of Corrections for inmate health.

Victim Restitution

In 1994, Alaska voters adopted a constitutional amendment to provide crime victims in Alaska with guaranteed rights, including the right to restitution from an offender.² The procedures for ordering and collecting victim restitution are governed primarily by Alaska Statutes 12.55.045 and 12.55.051, and Alaska Court Rules of Criminal Procedure, Rule 32.6.³ Restitution for victims is second only to an obligation for child support when distributing an offender's assets to meet court-ordered fines and restitution.

Unless the crime victim expressly declines restitution, the court when presented with credible evidence, is required to order the defendant to make restitution, including restitution to the crime victim or other injured person, to an organization that provides counseling, medical or shelter services, or as otherwise authorized by law (AS 12.55.045[a]). For example, the defendant may be ordered to make restitution to the Violent Crimes Compensation Board (VCCB) for payments the VCCB has made on behalf of the victim. The restitution order identifies each victim and the amount of restitution owed to each, the date the payment is due or a schedule of installment payments, and whether the payment must be made through the clerk of court or the Department of Law's (DOL) Collections Unit (AS 12.55.045).⁴ The criminal restitution order can only be for actual monetary expenses or losses, not for pain and suffering.⁵

If the judge orders restitution, there are multiple ways it can be enforced. The court automatically sends a copy of the restitution judgment to the DOL's Collections Unit. The DOL will notify crime victims of their right to have the State collect the debt or to collect the debt without State assistance. A crime victim may choose to have a private collection agency and/or private attorney attempt to collect payment, or may choose to collect the debt without assistance. Unless the crime victim notifies DOL that he or she does not want the Collection Unit's help, the unit will begin action on behalf of the victim (12.55.051).

The DOL can use a variety of means to collect restitution such as collecting voluntarily payments from the defendant, seizing the defendant's PFD, garnishing wages, filing a property lien, and/or authorizing a bank sweep. Garnishing a defendant's PFD is probably the most common method of collecting restitution. PFD garnishment is limited, however, because individuals sentenced or incarcerated during the qualifying year may not be eligible for a PFD for that year (AS 43.23.065). When the offender's PFD is garnished, no obligation is higher in priority than court-ordered restitution except child support.⁶

According to Stacy Steinberg, Chief Assistant Attorney General, Collections and Support Section, the Collections Unit collected about \$2.3 million in restitution payments owed to crime victims in FY 2012, an increase of 29 percent from FY 2011.⁷ About half, or \$1.1 million, came from PFD garnishments. The other half came from voluntary payments made by offenders.

² Alaska Const., Art I, sec. 24.

³ We include AS 12.55.045, AS 12.55.051 and Alaska Criminal Court Rule 32.6 as Attachment A.

⁴ In 2001, the legislature passed the Crimes Victims' Rights and Advocacy Act which, among other things, authorized the Department of Law (DOL) to collect court-ordered restitution on behalf of crime victims (AS 12.55.051[g]), and created the Office of Victims' Rights (AS 24.65) to assist crime victims in obtaining their guaranteed rights (ch 92 SLA 2001).

⁵ A restitution order does not affect the ability of a victim to pursue a civil lawsuit (AS 12.045[b]).

⁶ In 2002, the Alaska Supreme Court added a new Criminal Rule of Procedure 32.6 which establishes the procedure for ordering and collecting restitution including the priority of payments received from or on behalf of a defendant. Under Rule 32.6(g) payments received from execution of the PFD are allocated according to the following priority: child support obligations, court-ordered restitution for crime victims, defaulted student loans, court-ordered fines, and writs of execution under AS 09.35.

⁷ Stacy Steinberg can be reached at 907.269.5100 or by email at stacy.steinberg@alaska.gov.

In addition to garnishing PFDs, the wages and other monetary assets of an incarcerated offender may also be seized to pay victim restitution. Ms. Steinberg notes, however, that most offenders who are incarcerated have no money or make only meager prison wages so they cannot initially pay the court-ordered restitution. The Department of Correction's policy (304.02) for disbursing prisoner funds includes the following list of priorities:

1. Child-support;
2. Court-ordered restitution or fines;
3. Civil judgments resulting from that person's criminal conduct;
4. State reimbursement for violent crime compensation; and
5. Other judgments entered against a prisoner in litigation against the state (AS 09.19.100).

Kevin Worley, Director, Division of Administrative Services, DOC, explained that after the initial sweep of an inmate's account, 40 percent of his or her wages can go to ongoing child support payments.⁸ Other attachments such as victim restitution are deducted monthly and can come from the remaining wages and monetary gifts in the inmate's account.⁹ These attachments are taken in order of priority, which means victim restitution and other court-ordered fines are the second priority after child support. Mr. Worley indicated that some inmates refuse to work because they don't want to pay child support or other obligations.

One of the conditions of probation and parole is to pay court-ordered restitution (AS 12.55.100). A defendant convicted of a felony crime who has been released on probation must report to a probation officer who monitors the individual's compliance with probation including the requirement to pay restitution. Likewise, a parole officer supervises parolees to ensure they are following the conditions of parole. An offender must submit a completed sworn financial statement to the assigned probation officer. If the individual fails to pay restitution as required, the prosecutor or probation officer (in felony cases) or the prosecutor (in misdemeanor cases) may file a petition to revoke the offender's probation (AS 12.55.051[a]). A criminal restitution order becomes a civil judgment that accrues interest and remains enforceable even after the offender's probation ends (AS 12.55.045[l]).

An exception to the usual allocation of assets exists for those prisoners who qualify for prerelease or short duration furlough to begin reintegration into society in a halfway house or group home. The earnings from such prisoners are transmitted to the DOC and are distributed to 1) pay for the room, board and personal expenses of the prisoner, 2) pay any court-ordered restitution or fine; 3) reimburse the state for an award made for violent crimes compensation, 4) pay a civil judgment, and 5) pay child support (AS 33.30.131).

Other Judgments or Fees

Persons convicted of a crime may also be subject to other judgments and fines, which are collected by the DOL's Collection Unit. Under AS 12.55.035, a defendant may be sentenced to pay a fine of from not more than \$500 for a violation, \$10,000 for a class A misdemeanor, \$100,000 for a class B felony, and \$500,000 for murder in the first or second degree. In addition to a fine, a defendant who pleads guilty or no contest, forfeits bail, or is convicted of felony, misdemeanor, or violation is

⁸ Mr. Worley can be reached at 907.465.4641. He notes that the DOC is in the process of reviewing policy 304.02 to ensure the new accounting system and the policies are functioning in tandem. Working inmates who have less than eight years to serve may also maintain a savings account.

⁹ According to Mr. Worley, when the child support lien is first applied, the DOC can sweep the inmate's account and take everything but \$50. For ongoing support payments, money can only be taken from the inmate's wages.

assessed a surcharge ranging from \$10 for a violation to \$100 for a felony. The surcharge must be paid within 10 days of imposition. If a defendant cannot pay the surcharge the court may allow the defendant to perform community work (AS 12.55.039).

The State also imposes a correctional facility surcharge if in connection with a crime, an individual is arrested and taken to a correctional facility, regardless of whether he or she is released or admitted to the facility or sentenced to serve a term of imprisonment (AS 12.55.041). For individuals who are convicted, the surcharge is \$100 for a felony judgment and \$50 otherwise. The State may seek reimbursement from the defendant's PFD for the surcharge. In FY 2012, the DOL collected a little over \$400,000 in correctional facility surcharges and nearly \$1 million in incarceration costs on behalf of the Department of Corrections (DOC).¹⁰

Upon conviction an offender who qualifies for a public defender may be required to pay the costs of appointed counsel (AS 18.85.120). The schedule of fees is defined in Alaska Criminal Court Rule 39(d) and range from \$250 to \$5,000 for a trial and murder conviction in the first or second degree.¹¹ Upon a showing of financial hardship, the court may allow the individual to make payments under a repayment schedule and he or she may petition the court to reduce or defer the unpaid portion of the judgment. The judgment has the same force and effect as a civil judgment. Under Rule 39, payment may not be made a condition of the offender's probation. In FY 2012, the DOL collected nearly \$1 million on behalf of the Alaska Public Defender's Agency.

Those offenders who are incarcerated may also be required to pay fees and surcharges for such services as electric utilities (AS 33.30.017), medical co-payments (AS 33.30.028), photocopying, postage, and commissary. In addition, inmates who commit infractions such as destroying property may be required to pay restitution to the State (20 AAC 05.470).

Issues Identified in the Collection and Distribution of Victim Restitution

All of the individuals we spoke with agreed there was limited money available for restitution because of the lack of resources available from many offenders. At the same time, they emphasized there is more the State can be doing to collect and distribute restitution to crime victims.

Department of Corrections – Victim Services Unit

Gail Brimner, Victim Services Unit, Department of Corrections (DOC) concurs that in Alaska there are problems with the collection and distribution of court-ordered restitution.¹² Ms. Brimner notes that victim restitution often "falls through the cracks" and that problems exist with both collection and distribution. Part of the problem is that probation officers are not adamant enough about ensuring that offenders pay restitution. Many offenders may not be able to pay much in the way of restitution each month; however, it is the responsibility of the probation officer to review the offender's finances, such as pay stubs and bills, to determine an amount of restitution that can be paid. Even if the amount is only \$10, the payment process encourages the offender to fulfill his or her responsibility to the crime victim. Ms. Brimner suggested probation officers receive training that emphasizes the payment of restitution as a condition of probation and ways to monitor that payments are being made.

¹⁰ The Department of Law's 2012 Annual Report can be accessed at <http://law.alaska.gov/pdf/admin/AnnualReport12.pdf>.

¹¹ For a defendant who is ineligible for court-appointed counsel, the court may enter a judgment for the actual costs of appointed counsel, including actual expenses (AS 18.85.150 and Criminal Court Rule 39[e]).

¹² Gail Brimner, Criminal Justice Specialist, can be reached at 907.269.7384.

Ms. Brimner also said she has investigated several complaints where voluntary restitution had been made by the offender but the money had not been sent to the victim. She noted that some victims may not keep their addresses current with DOL, but thought perhaps the State could do more outreach to crime victims.

Violent Crimes Compensation Board (AS 18.67)

A crime victim, dependent of a crime victim killed, or certain other persons by virtue of their relationship to the crime victim may apply for separate financial assistance to the Violent Crimes Compensation Board (VCCB). Recognizing the difficulty in collecting court-ordered restitution, the VCCB was established in 1972 to help ease the financial hardships experienced by victims of violent crimes. The VCCB may compensate victims for medical expenses, counseling costs, lost income, lost support, funeral expenses, or any other reasonable expenses and losses. The VCCB is a "payer of last resort," which means compensation is awarded only for expenses not covered through other sources such as medical and auto insurance, a civil lawsuit or other assistance program. The Board also provides for the payment of financial losses experienced by dependents of deceased victims and to victims who are permanently disabled.

The VCCB is awarded restitution by the courts, but the recovery of that restitution has been modest. In FY 2012, for example, the VCCB was awarded \$637,154 in court-ordered restitution, but received only \$47,652, with 80 percent of this amount coming from court judgments from earlier years.¹³ Because the VCCB does not have the staff to pursue collection independently, it relies on the Department of Law's Collections Unit. According to Kate Hudson, Executive Director, VCCB, the DOL's Collections Unit is not actively collecting restitution beyond garnishing permanent fund dividends, and the situation in Alaska is "crying out for something better."¹⁴ The VCCB has proposed the hiring of a dedicated collections agent in the VCCB to pursue restitution payments. In addition, Ms. Hudson suggests that the Department of Law, Office of Victim Rights, and the Department of Corrections (Probation Office) better coordinate the exchange of information.

Office of Victims' Rights (AS 24.65)

In 2001, the Alaska Legislature created the Office of Victims' Rights (OVR), an independent agency within the legislative branch of state government, to help crime victims obtain their constitutional and statutory rights with regard to their interactions with criminal justice agencies in the State. While the OVR does not collect restitution for victims, the agency can advise crime victims of their right to restitution and give them instruction and assistance in obtaining restitution. Taylor Winston, Director, OVR, notes that one of the problems in getting restitution money to victims is the lack of interfacing between departments. The current system is inefficient and frustrating for many victims.¹⁵ While victims have a responsibility to keep the DOL updated of their current address, this does not always happen. She suggested that matching the names of victims who are owed restitution to PFD data for current addresses could help victims.

Like Ms. Brimner, Ms. Winston emphasized the lack of follow-through by some probation officers to ensure offenders are paying some amount of victim restitution. She stressed that it is important for offenders to make restitution, even if the payment is as low as \$10 each month.

¹³ "Violent Crimes Compensation Board – Restitution White Paper" is included as Attachment B.

¹⁴ Ms. Hudson can be reached at 907.465.5525.

¹⁵ Ms. Winston can be reached at 907.272.2620.

Department of Law – Collections Unit

The DOL's collection services include sending demand letters, processing voluntary payments, and seizing the defendant's permanent fund dividends if the defendant is eligible for the dividend and the dividend is not claimed by child support.¹⁶ The DOL will record a property lien for restitution judgments over \$10,000. Collections may also request a wage garnishment or bank sweep if they learn the defendant has regular and consistent wages. The DOL described measures they have recently taken as follows:

- In 2012, we hired a restitution coordinator, who has greatly assisted in overseeing the restitution process and managing staff and projects.
- We streamlined our internal processes and enhanced our collections database. This has improved the timeliness of our case opening. In fact, our policy is to require new cases to be opened within 30 days, and the recent average has been between one and two weeks. This ensures that the collection process can begin as quickly as possible. And, once the case is opened, it also allows us to garnish the debtors permanent fund dividend (PFD).
- We continued to increase our restitution collections. In FY10, we collected roughly \$1.1 million followed by \$1.8 million in FY11 and \$2.3 million in FY12. Both voluntary payments and PFD garnishments have increased. Voluntary payments increased over 8% from 3,320 in FY11 to 3,595 payments in FY12. PFD garnishments increased over 50% from 905 in FY11 to 1,405 in FY12.
- As payments and garnishments increased, we have had corresponding increases in disbursements to victims. Disbursement requests increased from 1,719 in FY11 to 3,121 in FY12. We also expect the FY13 numbers to be similar to, or exceed those from FY12.
- We improved our internal processes and technology, and are more efficient at distributing money to victims. We changed internal processes so checks are mailed to victims faster. Technology enhancements include a new receipting program implemented in March of this year so that we can provide for a quicker and more efficient disbursement request process.
- Recently, we prioritized disbursements making that part of the process more efficient. Since April, we have focused on distributing the largest disbursements first, working our way down to disbursements of less than \$100. Within just the past few months, the Collections and Support Unit has made great progress, and less than 5% of the disbursements that remain are for amounts larger than \$1,000. Our goal is to have all disbursements for more than \$500 distributed by January 2014.
- Disbursements less than \$100 make up two-thirds of all payments that are waiting for disbursement, and approximately half of that amount (or one-third of the total) is made up of payments that are less than \$5.
- When dealing with payments of less than \$5, the cost of disbursement is more than the payment amount, which is why it is our policy to wait until more payments for that victim

¹⁶ The Collections and Support Section includes the collections unit and child support unit. The collections unit collects unsecured debts owed to the State including criminal judgments (fines, cost of appointed counsel, and cost of incarcerations) and various civil judgments, such as attorney fees. The Unit also collects restitution owed in criminal court cases and sends the funds to the restitution recipient. More information on the Section can be accessed at <http://law.alaska.gov/department/criminal/restitution.html>.

come in before disbursing them. These minimal payments (which can in some instances be less than a dollar) are often the result of money transferred from a prisoner's account by the Department of Corrections. These prisoners do not have a lot of money, so the amounts transferred are small and in some cases, the amounts are divided among multiple victims, resulting in even smaller payments.

- The department is currently in the process of hiring a temporary accountant to assist with disbursements. We expect the temporary accountant to help us get current on disbursements, at least those greater than a de minimis amount.¹⁷

Permanent Fund Dividend Criminal Fund

In 1988, Alaska lawmakers passed legislation which makes any person who is convicted of a felony and incarcerated during any period of a qualifying PFD year as a result of the conviction ineligible for a PFD (AS 43.23.005[d]).¹⁸ The Legislature further intended that an amount "approximately equal to the money" that would otherwise be paid as dividends to individuals ineligible under this law, be appropriated annually from the dividend fund to the Crime Victim Compensation Fund.¹⁹

In early September of each year, the Department of Corrections reports to the Department of Revenue (DOR) the total number of persons incarcerated in the system as of that date. The DOR then estimates the number of inmates who could have applied for a PFD and would have been found eligible had they not been incarcerated, and multiplies that number by the estimated amount of the dividend for that year. This amount represents the PFD Criminal Fund. In FY 2013, DOR calculated the PFD Criminal Fund at nearly \$16.7 million.²⁰

Until recently, the Violent Crimes Compensation Board, the Council on Domestic Violence and Sexual Assault (CDVSA), the Office of Victim Rights, and the Department of Corrections received appropriations from the PFD Criminal Fund. The table below shows the appropriations from the PFD Criminal Fund for FY 2008-2013. As you can see, the Department of Corrections received almost 90 percent of the PFD Criminal Fund for inmate healthcare in FY 2012 and 89 percent in FY 2013. The VCCB received about \$1.8 million in FY 2012 and in FY 2013 to capitalize the Crime Victim Compensation Fund, which was then allocated to the VCCB.²¹ From FY 2008-2013, the Department of Corrections received over 64 percent of the total appropriations, the CDVSA about 24 percent, the VCCB 9 percent, and the OVR a little over 2 percent.

¹⁷ Cori Mills, Assistant Attorney General, Department of Law, can be reached at 907.465.2132.

¹⁸ The Alaska Supreme Court upheld the constitutionality of AS 43.23.005(d) in *State v. Anthony*, 816 P.2d 1377 (Alaska 1991), finding the measure does not violate the equal protection clause of the Alaska or U.S. constitutions. Subsequently, the Legislature has amended the statute to expand the number of persons ineligible for a PFD to include those persons who are incarcerated as a result of a misdemeanor if they had been convicted of two prior crimes as well as those persons who are incarcerated for a misdemeanor if they had a prior conviction for a felony or two prior misdemeanor convictions.

¹⁹ The Crime Victim Compensation Fund, established at the same time as the Violent Crimes Compensation Board, was intended to provide a source of funding for the VCCB.

²⁰ Jerry Burnett, Deputy Commissioner, Department of Revenue, can be reached at 907.465.3669.

²¹ Kelly Cunningham, Fiscal Analyst, Legislative Finance Division. Ms. Cunningham can be reached at 907.465.3821.

Permanent Fund Dividend Criminal Fund Appropriations FY 2008 - FY 2013
 (\$ in thousands)

Department	Program	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13
Administration	Violent Crimes Compensation Board	\$ 1,068	\$ 1,569	\$ 1,586	\$ 1,884	\$ 1,800	\$ 1,798
Corrections	Inmate Health Care	\$ 6,211	\$ 9,126	\$ 10,897	\$ 10,037	\$ 15,920	\$ 14,890
Legislature	Office of Victim Rights	\$ 401	\$ 589	\$ 767	\$ 707	\$ -	\$ -
Public Safety	Council on Domestic Violence and Sexual Assault	\$ 3,790	\$ 5,568	\$ 8,258	\$ 7,607	\$ -	\$ -
TOTAL APPROPRIATION		\$ 11,470	\$ 16,851	\$ 21,507	\$ 20,234	\$ 17,720	\$ 16,688

Notes: The amount of money in the PFD Criminal Fund each year is based on the number of incarcerated inmates who would have applied for a PFD and otherwise been found eligible that year. Prior to FY 2012, the Violent Crimes Compensation Board (VCCB) received an appropriation directly from the PFD Criminal Fund. In FY 2012 and FY 2013, \$1.8 million was appropriated from the PFD Criminal Fund to capitalize the Crime Victim Compensation Fund, which was then allocated to the VCCB.

Sources: Legislative Finance Division, Operating Budgets, Fiscal Years 2008-2013; Kelly Cunningham, Fiscal Analyst, Legislative Finance Division, 907.465.3821.

We hope this is helpful. If you have questions or need additional information, please let us know.

Alaska Stat. § 12.55.045

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TITLE 12. CODE OF CRIMINAL PROCEDURE
CHAPTER 55. SENTENCING AND PROBATION

Alaska Stat. § 12.55.045 (2013)

Sec. 12.55.045. Restitution and compensation

(a) The court shall, when presented with credible evidence, unless the victim or other person expressly declines restitution, order a defendant convicted of an offense to make restitution as provided in this section, including restitution to the victim or other person injured by the offense, to a public, private, or private nonprofit organization that has provided or is or will be providing counseling, medical, or shelter services to the victim or other person injured by the offense, or as otherwise authorized by law. The court shall, when presented with credible evidence, unless the victim expressly declines restitution, also order a defendant convicted of an offense to compensate a victim that is a nonprofit organization for the value of labor or goods provided by volunteers if the labor or goods were necessary to alleviate or mitigate the effects of the defendant's crime. In determining the amount and method of payment of restitution or compensation, the court shall take into account the

(1) public policy that favors requiring criminals to compensate for damages and injury to their victims; and

(2) financial burden placed on the victim and those who provide services to the victim and other persons injured by the offense as a result of the criminal conduct of the defendant.

(b) An order of restitution under this section does not limit any civil liability of the defendant arising from the defendant's conduct.

(c) If a defendant is sentenced to pay restitution, the court may grant permission for the payment to be made within a specified period of time or in specified installments. If the defendant fails to make one or more payments required under this section, the victim or the state on the victim's behalf may enforce the total amount remaining under the order of restitution as provided in (1) of this section.

(d) In any case, including a case in which the defendant is convicted of a violation of AS 11.46.120 -- 11.46.150 and the property is commercial fishing gear as defined in AS 16.43.990, the court shall consider the victim's loss, and the order of restitution may include compensation for loss of income.

(e) *[Repealed, § 7 ch 17 SLA 2004.]*

(f) *[Repealed, § 7 ch 17 SLA 2004.]*

(g) The court may not, in ordering the amount of restitution, consider the defendant's ability to pay restitution.

(h) In imposing restitution under this section, the court may require the defendant to make restitution by means other than the payment of money.

(i) An order of restitution made under this section is a condition of the defendant's sentence and, in cases in which the court suspends all or a portion of the defendant's sentence, the order of restitution is a condition of the suspended sentence. If the court suspends imposition of sentence under AS 12.55.085, the order of restitution is a condition of the suspended imposition of sentence.

(j) A defendant who is convicted of an offense for which restitution may be ordered shall submit financial information as ordered by the court. The Alaska Court System shall prepare a form, in consultation with the Department of Law, for the submission of the information; the form must include a warning that submission of incomplete or inaccurate information is punishable as unsworn falsification in the second degree under AS 11.56.210. A defendant who is convicted of (1) a felony shall submit the form to the probation office within 30 days after conviction, and the probation officer shall attach the form to the presentence report, or (2) a misdemeanor shall file the form with the defendant's response or opposition to the restitution amount. The defendant shall provide a copy of the completed form to the prosecuting authority.

(k) The court, on its own motion or at the request of the prosecuting authority or probation officer, may order a defendant on probation who has been ordered to pay restitution to submit financial information to the court using the form specified in (j) of this section. The defendant shall file the completed form with the court within five days after the court's order. The defendant shall provide a copy of the completed form to the prosecuting authority and the person's probation officer, if any.

(l) An order by the court that the defendant pay restitution is a civil judgment for the amount of the restitution. An order by the court that the defendant pay restitution when the court suspends imposition of sentence under AS 12.55.085 is a civil judgment for the amount of the restitution and remains enforceable and is not discharged when a conviction is set aside under AS 12.55.085. The victim or the state on behalf of the victim may enforce the judgment through any procedure authorized by law for the enforcement of a civil judgment. If the victim enforces or collects restitution through civil process, collection costs and full reasonable attorney fees shall be awarded. If the state on the victim's behalf enforces or collects restitution through civil process, collection costs and full reasonable attorney fees shall be awarded, up to a maximum of twice the amount of restitution owing at the time the civil process was initiated. This section does not limit the authority of the court to enforce orders of restitution.

(m) Notwithstanding another provision of law, the court shall accept (1) payments of restitution from a defendant at any time, and (2) prepayments of restitution or payments in anticipation of an order of restitution. If the recipient has elected to have the Department of Law collect the judgment of restitution under AS 12.55.051(g), the court shall forward all payments of restitution to the Department of Law within five days after the court's acceptance.

(n) In this section, "conviction" means that the defendant has entered a plea of guilty, guilty but mentally ill, or nolo contendere, or has been found guilty or guilty but mentally ill by a court or jury.

HISTORY: (§ 12 ch 166 SLA 1978; am § 38 ch 102 SLA 1980; am § 1 ch 73 SLA 1986; am §§ 1, 2 ch 75 SLA 1988; am § 3 ch 53 SLA 1991; am §§ 3, 4 ch 71 SLA 1992; am § 4 ch 71 SLA 1996; am §§ 3, 4 ch 103 SLA 2000; am §§ 9, 10 ch 92 SLA 2001; am § 1 ch 23 SLA 2002; am § 1 ch 26 SLA 2003; am §§ 1 -- 4, 7 ch 17 SLA 2004; am § 11 ch 42 SLA 2006)

Alaska Stat. § 12.55.051

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TITLE 12. CODE OF CRIMINAL PROCEDURE
CHAPTER 55. SENTENCING AND PROBATION

Alaska Stat. § 12.55.051 (2013)

Sec. 12.55.051. Enforcement of fines and restitution

(a) If the defendant defaults in the payment of a fine or any installment or of restitution or any installment, the court may order the defendant to show cause why the defendant should not be sentenced to imprisonment for nonpayment and, if the payment was made a condition of the defendant's probation, may revoke the probation of the defendant. In a contempt or probation revocation proceeding brought as a result of failure to pay a fine or restitution, it is an affirmative defense that the defendant was unable to pay despite having made continuing good faith efforts to pay the fine or restitution. If the court finds that the defendant was unable to pay despite having made continuing good faith efforts, the defendant may not be imprisoned solely because of the inability to pay. If the court does not find that the default was attributable to the defendant's inability to pay despite having made continuing good faith efforts to pay the fine or restitution, the court may order the defendant imprisoned until the order of the court is satisfied. A term of imprisonment imposed under this section may not exceed one day for each \$ 50 of the unpaid portion of the fine or restitution or one year, whichever is shorter. Credit shall be given toward satisfaction of the order of the court for every day a person is incarcerated for nonpayment of a fine or restitution.

(b) When a fine or restitution is imposed on an organization, the person authorized to make disbursements from the assets of the organization shall pay the fine or restitution from those assets. A person required to pay a fine or restitution under this subsection who intentionally refuses or fails to make a good faith effort to pay is punishable under (a) of this section.

(c) A defendant who has been sentenced to pay a fine or restitution may request a hearing regarding the defendant's ability to pay the fine or restitution at any time that the defendant is required to pay all or a portion of the fine or restitution. The court may deny the request if it has previously considered the defendant's ability to pay and the defendant's request does not allege changed circumstances. If, at a hearing under this subsection, the defendant proves by a preponderance of the evidence that the defendant will be unable

through good faith efforts to satisfy the order requiring payment of the fine or restitution, the court shall modify the order so that the defendant can pay the fine or restitution through good faith efforts. The court may reduce the fine ordered, change the payment schedule, or otherwise modify the order. The court may not reduce an order of restitution but may change the payment schedule.

(d) The state may enforce payment of a fine against a defendant under AS 09.35 as if the order were a civil judgment enforceable by execution. This subsection does not limit the authority of the court to enforce fines.

(e) The Department of Law is authorized to collect restitution on behalf of the recipient unless

(1) the recipient elects as provided in (f) of this section to enforce the order of restitution without the assistance of the Department of Law; or

(2) the order requires restitution to be made in a form other than payment of a specific dollar amount.

(f) The court shall forward a copy of an order of restitution to the Department of Law when the judgment is entered. Along with the copy of the order, the court shall provide the name, date of birth, social security number, and current address of the recipient of the restitution and the defendant, to the extent that the court has that information in its possession. Upon receipt of the order and other information from the court, the Department of Law shall send a notice to the recipient regarding the recipient's rights under this section, including the right to elect to enforce the order of restitution without the assistance of the Department of Law. The information provided to the Department of Law under this subsection is confidential and is not open to inspection as a public record under AS 40.25.110. The Department of Law or its agents may not disclose the information except as necessary to collect on the restitution.

(g) The Department of Law may not begin collection procedures on the order of restitution until the recipient has been given notice and has been given 30 days after receipt of notice to elect to collect the restitution without the assistance of the Department of Law. A recipient may inform the Department of Law at a later time of the recipient's election to collect the restitution without the assistance of the Department of Law; upon receipt of that information, the Department of Law may no longer proceed with collection efforts on behalf of the recipient. A recipient who has elected under this section to collect restitution without the assistance of the Department of Law may not later request the services of that department to collect the restitution.

(h) If the Department of Law or its agents proceed to collect restitution on behalf of a recipient under (g) of this section, the actions of the Department of Law or an agent of the Department of Law on behalf of the recipient do not create an attorney-client relationship between the Department of Law and the recipient. The Department of Law or its agents may not settle a judgment for restitution without the consent of the recipient of the

restitution.

(i) An action for damages may not be brought against the state or any of its agents, officers, or employees based on an action or omission under this section.

(j) The Department of Law may enter into contracts on behalf of the state to carry out the collection procedures of this section. The Department of Law may adopt regulations necessary to carry out the collection procedures of this section, including the reimbursement of attorney fees and costs in appropriate cases.

HISTORY: (§ 12 ch 166 SLA 1978; am §§ 3, 4 ch 75 SLA 1988; am §§ 5, 6 ch 71 SLA 1992; am §§ 11, 12 ch 92 SLA 2001; am § 5 ch 17 SLA 2004)

Rule 32.6. Judgment for Restitution.

(a) **Definition.** When a sentence includes a requirement that the defendant pay restitution, the judge shall either enter a separate judgment for restitution or shall include the order of restitution as a separate section of the criminal judgment. For the purpose of these rules, either of these constitutes a "judgment for restitution."

(b) **Content.** The judgment for restitution must:

(1) Identify each victim or other person entitled to restitution and the amount of restitution owed to each.

(2) State the date restitution is due or, if the court schedules installment payments, the amount and due date of each payment. If no due date is stated, the restitution amount is due immediately.

(3) State whether payment must be made through the clerk of court or the Collections Unit of the Department of Law. Ordinarily, the restitution payment will be made through the Collections Unit of the Department of Law unless (A) the victim or other person elects to pursue collection without the assistance of the Collections Unit; (B) the order requires restitution to be made in a form other than payment of a specific dollar amount; or (C) the case is being prosecuted by a municipality. When payment is to be made through the Collections Unit, the judgment must state that the court will also accept payments and prepayments of restitution.

(4) Identify by name and case number any defendants who are jointly and severally liable for the restitution owed to each victim or other person.

(5) State whether post-judgment interest is owed on the judgment and, if so, when it begins to accrue.

(c) **Entering the Judgment for Restitution.**

(1) *At Sentencing.* If the amount of restitution and the names of the victims are known at the time of sentencing, the court shall enter the judgment for restitution at the time of sentencing.

(2) *After Sentencing.* If the amount of restitution and the names of the victims or other persons seeking restitution are not known at the time of sentencing, the prosecutor shall file and serve within 90 days after sentencing a proposed judgment for restitution on a form designated by the Administrative Director, and a notice that includes information concerning the identity of any victims or other persons seeking restitution, whether any victim or other person expressly declines restitution, the nature and amount of any damages together with any supporting documentation, a restitution amount recommendation, and the names of any co-defendants and their case numbers. Within 30 days after receipt of the proposed judgment for restitution, the defense shall file any

objection to the proposed judgment, a statement of grounds for the objection, and a financial statement on a form designated by the Administrative Director under AS 12.55.045(j). If the defendant does not file an objection, the court may enter the judgment for restitution without further proceedings. If the defendant files an objection and either party requests a hearing, the court shall schedule a hearing.

(3) *Municipal Cases.* In addition to the requirements of (c)(1) and (2) above, a municipal prosecutor shall file an ex parte victim information statement on a form provided by the Administrative Director, which includes information concerning the identity and addresses of the victims. The victim information statement shall be filed within 15 days after entry of the restitution judgment under (c)(1) above or at the time the municipal prosecutor submits a proposed judgment to the court under (c)(2) above.

(d) **Hearing Regarding Payment Schedule.** A defendant who is unable to pay restitution because of financial circumstances may request a hearing to ask the court to modify the restitution payment schedule. If the court holds a hearing and the defendant proves by a preponderance of the evidence that the defendant is unable through good faith efforts to satisfy the payment schedule in the judgment for restitution, the court may modify the payment schedule, but may not reduce the amount of restitution.

(e) **Execution.** Civil execution to enforce the judgment may issue if restitution is ordered to be paid by a specified date and defendant fails to make full payment by that date. If restitution is ordered to be paid in specified installments and defendant fails to make one or more installment payments, civil execution to collect the entire remaining balance may issue. The automatic stays on enforcement provided in Civil Rule 62(a) and District Court Civil Rule 24(a) do not apply to the enforcement of restitution judgments.

(f) **Transfer of State Restitution Judgments and Payments to the Collections Unit of the Department of Law.**

(1) Upon issuance of a judgment for restitution in cases prosecuted by the state, the court will send, either on paper or electronically, a copy of the judgment to the Collections Unit of the Department of Law. The court will also send the name, address, birth date, and social security number of each victim or other person entitled to restitution and each defendant, to the extent the court has the information.

(2) If payment for restitution is tendered to the court, the court shall accept the tendered payment. If the victim or other person entitled to restitution has elected to proceed through the Collections Unit, the court shall forward the payment to the Collections Unit within five days after clearance of the payment tendered to the court.

(g) **Priority of Payments.** Unless the court finds good cause to order a different priority, payments received from or on behalf of a defendant will be allocated as follows:

(1) If a defendant makes a voluntary payment and designates how or to what criminal or civil judgments the payment should be applied, the payment will be applied as designated by the defendant.

(2) Payments received as the result of execution on the defendant's permanent fund dividend will be applied to judgments according to the priorities stated in AS 43.23.065.

(3) If a defendant makes a voluntary payment but does not designate how the payment is to be applied or if a payment is received as a result of execution by the Collections Unit of the Department of Law or a comparable unit of a municipality, the payment will be applied using the following rules:

(A) Judgments for restitution will be paid in full before any amounts collected from the defendant will be applied to criminal or civil judgments owed to the state or a municipality.

(B) If restitution is owed to the state or a municipality, amounts collected from the defendant will be applied first to judgments for restitution owed to victims other than the state or a municipality.

(C) When restitution is ordered to be paid by a defendant to victims in the same criminal case, amounts collected from the defendant will be allocated among the victims based on the percentage of the amount of restitution owed to each victim to the total amount of restitution owed by the defendant to all of the victims; except that if a payment is less than \$100, the payment may be paid to a single victim if such payments are paid to all victims on an alternating basis.

(D) When restitution is ordered to be paid by a defendant to victims in different criminal cases, amounts collected from the defendant will be applied to the judgment that is first in time.

(4) If a payment is received as a result of execution by a victim, the payment will be applied to the judgment for restitution owed to that victim.

(h) Financial Statement.

(1) If restitution has been ordered and has not been paid, and no financial statement has been required under Rule 32.1(a)(2)(B) or Rule 32.6(c)(2), the court shall order the defendant to complete and submit such statement within 30 days of the restitution judgment. The statement shall be on a form designated by the administrative director and shall be submitted to the Collections Unit of the Department of Law in state cases or the prosecuting authority in municipal cases.

(2) If the defendant fails to submit a completed financial statement as ordered, the probation officer or prosecuting authority (including the Collections Unit of the Department of Law) may notify the court by affidavit. Upon receipt of an affidavit under

this paragraph, the court shall schedule a hearing for the defendant to show cause why the defendant should not be held in contempt for failure to comply with the order to submit the financial statement.

(3) At any time after sentencing, the probation officer or prosecuting authority (including the Collections Unit of the Department of Law) may request that the defendant be ordered to provide a financial statement pursuant to AS 12.55.045(k).

(i) **Victim Election.** If, after the judgment for restitution has been transferred to the Collections Unit of the Department of Law, the victim elects to pursue collections without the assistance of the Collections Unit, the Collections Unit shall notify the court of the victim's election. The Collections Unit shall include with the notice copies of

(1) the judgment for restitution;

(2) the signed election form received from the victim;

(3) a statement of all payments received from the defendant and applied to the restitution judgment; and

(4) any relevant victim and defendant identifying information needed by the court system to properly identify and distribute restitution payments.

(j) **Suspended Imposition of Sentence.** The judgment for restitution remains civilly enforceable after the expiration of the period of probation or the set-aside of conviction in a case where imposition of sentence is suspended.

(Adopted by SCO 1464 effective March 5, 2002; amended by SCO 1482 effective October 15, 2002; and by SCO 1554 effective April 15, 2006)

VIOLENT CRIMES COMPENSATION BOARD RESTITUTION – WHITE PAPER

Introduction

The right of crime victims to restitution is enshrined in the Alaska Constitution:

§ 24. Rights of Crime Victims

Crime victims, as defined by law, shall have the following rights as provided by law: the right to be reasonably protected from the accused through the imposition of appropriate bail or conditions of release by the court; the right to confer with the prosecution; the right to be treated with dignity, respect, and fairness during all phases of the criminal and juvenile justice process; the right to timely disposition of the case following the arrest of the accused; the right to obtain information about and be allowed to be present at all criminal or juvenile proceedings where the accused has the right to be present; the right to be allowed to be heard, upon request, at sentencing, before or after conviction or juvenile adjudication, and at any proceeding where the accused's release from custody is considered; **the right to restitution from the accused**; and the right to be informed, upon request, of the accused's escape or release from custody before or after conviction or juvenile adjudication. [Amended 1994]

AS 12.55.045 authorizes the payment of restitution by a convicted defendant to the victim, and “to a public, private or private nonprofit organization that has provided or is or will be providing counseling, medical, or shelter services to the victim or other person injured by the offense”.

Pursuant to this statute, the courts have regularly been ordering a defendant to make restitution to the Violent Crimes Compensation Board (VCCB), where monies have been paid out by VCCB to or on behalf of the crime victim.

Restitution and other recoveries (such as reimbursements from subrogation agreements and refunds of overpayments) that are received by VCCB can now be appropriated back to the Crime Victim Compensation Fund. This presents an opportunity for VCCB to have a more self-sustaining stream of funding.

Funding

At present VCCB receives 60% of its annual funding through the Crime Victim Compensation Fund which in turn is funded from the Permanent Fund Criminal Fund. 40% comes from the federal Victims of Crime Act annual formula grant¹. Given the fluctuations both in the Permanent Fund earnings, and in the number of felons' confiscated dividends available for distribution at any one time, it makes sense to try and maximize recoveries from other sources, in order to ensure a consistent level of funding for the future.

¹ Payments to states under the Victims of Crime Act (VOCA) come from the federal Crime Victim Compensation Fund. The balance in this Fund currently stands at approximately \$8 billion. The Fund, and VOCA, enjoy bipartisan support in Congress. If sequestration takes effect at the beginning of 2013, the amount available from the Fund would be reduced by 7.6% but because of the way in which the formula grants are calculated, this will impact victim assistance programs (the Council on Domestic Violence and Sexual Assault in Alaska) rather than victim compensation programs.

VCCB is currently being **awarded** restitution on a significant scale, but only **recovering** restitution on a very modest scale. In FY12, VCCB was awarded \$637,154 in restitution by the courts. In FY12 total restitution received by VCCB was \$47,652.43, with 80 % of this coming from court judgments in years prior to FY12 (actual recovery from FY12 court orders amounted to only \$9,695). Due to staffing levels it has not been possible to devote staff time to pursuing recovery independently, and as a result VCCB has had to rely upon the Department of Law Collections Unit. However, this is not an active agency (according to newly appointed Restitution Coordinator, Jayne Fallon).

Other states are doing much more to actively recover restitution from convicted felons, and have created dedicated restitution units with dedicated collections staff. Many states are seeing great results. To take two examples, Oregon and Idaho have improved their collection rate to an average of 16-19% of their annual award total. If Alaska was to have the same success rate, that would mean a recovery of around \$320,000 annually.

Some states have come up with creative ways to improve their systems in favor of crime victims. Maricopa County in Arizona has been leading the way, by establishing a monthly Restitution Court. This court has been lauded as one of the five most successful models in the country for collecting money that defendants owe. In Vermont, the compensation program cooperates with other state agencies whereby the Department of Labor sends the Restitution Unit a list of defendants currently on probation and where they are working so that collection can be enforced. And cooperation with the Department of Fish and Wildlife has meant that recreational licenses (hunting and fishing) can be suspended until the restitution debt is paid in full. These are in addition to traditional methods of collection such as garnishment.

Proposal

VCCB would like to propose that we give serious thought as to how to improve the recovery of restitution. Many of our claimants, who are very grateful for the assistance we have provided, want to see money coming back to VCCB from the defendants. We would anticipate working with the Office of Victims Rights, the Department of Law, the Department of Corrections, particularly Probation, in order to coordinate the exchange of information. Going forward, VCCB would also likely need to employ a dedicated collections agent akin to a Child Support Specialist. This would require a budget increment. However, up to 5% of our annual federal grant² may be used for personal services and could be used to help pay for a new position. Additionally, the extra revenue generated by improved collections, should, we hope, more than outweigh the additional annual personal services expense.

² 5% of our FFY11 grant would be 21,700. 5% of our FFY12 grant would be \$32,300. Based on what we anticipate for our FFY13 grant, 5% will be approximately \$49,458.

February 19, 2014

The Honorable Senator Dyson
State Capitol, Room 121
Juneau, Alaska 99801

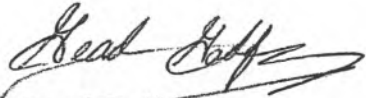
Re: Senate Bill, 104 Appropriations from the Dividend Fund.

I write on behalf of the Violent Crimes Compensation Board in support of Senate Bill 104.

In 1988, the Legislature passed a law making certain convicted criminals ineligible for a dividend. The intent was that those funds should be used for the primary purpose of helping restore victims of crime to a pre-offense condition. Senate Bill 104 will ensure that intent is realized; by establishing a criminal fund into which the withheld dividends are appropriated, and then appropriating from that criminal fund to specified recipients, with the crime victim compensation fund administered by the Violent Crimes Compensation Board being the first in priority order, this Bill establishes a reliable funding source for the work of this Board, and makes compensation to victims of violent crime a priority in the State of Alaska.

Thank you for your continued support and for working to ensure that victims come first in Alaska.

Respectfully submitted



Gerard Godfrey
Chair, Violent Crimes Compensation Board



Alaska Association of Chiefs of Police

March 3, 2014

The Honorable Fred Dyson
State Capitol Room 121
Juneau AK, 99801
Email: Senator.Fred.Dyson@akleg.gov

Dear Senator Dyson,

In my capacity as President of the Alaska Association of Chiefs of Police, I am writing to express our support of Senate Bill 104: "An Act relating to appropriations from the dividend fund; creating the criminal fund; and providing for an effective date." You should be proud of a well crafted piece of legislation. Our Association is comprised of more than 100 law enforcement executives from all across Alaska, and we thank you for your strong commitment to public safety and law enforcement issues in Alaska. We believe that SB 104 will do much to alleviate the backlog that now exists in victim restitution claims.

We would be pleased to work with your staff to insure that SB 104 is passed, and encourage you to contact our Executive Director, Kalie Klaysmat by email at kalie.klaysmat@aacop.org should there be some way we can be of assistance in that regard. Again, thank you for your dedication to the needs of the people of Alaska and particularly your service to the law enforcement community.

Sincerely,

Chief Tom Clemons, President

February 19, 2014

The Honorable Senator Dyson
State Capitol, Room 121
Juneau, Alaska 99801

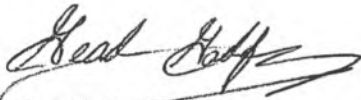
Re: Senate Bill, 104 Appropriations from the Dividend Fund.

I write on behalf of the Violent Crimes Compensation Board in support of Senate Bill 104.

In 1988, the Legislature passed a law making certain convicted criminals ineligible for a dividend. The intent was that those funds should be used for the primary purpose of helping restore victims of crime to a pre-offense condition. Senate Bill 104 will ensure that intent is realized; by establishing a criminal fund into which the withheld dividends are appropriated, and then appropriating from that criminal fund to specified recipients, with the crime victim compensation fund administered by the Violent Crimes Compensation Board being the first in priority order, this Bill establishes a reliable funding source for the work of this Board, and makes compensation to victims of violent crime a priority in the State of Alaska.

Thank you for your continued support and for working to ensure that victims come first in Alaska.

Respectfully submitted



Gerard Godfrey

Chair, Violent Crimes Compensation Board