

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 93
 (S) Publish Date: 2/21/01

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title: An Act relating to the Arctic Winter Games BRU: Revenue Operations
Team Alaska Trust. Component: Treasury
 Sponsor: Senator Phillips
 Requester: Senate State Affairs Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: The bill includes no appropriations, so at that time there would be no cost to the department to fulfill its duties under AS 37.14.600. The legislation, in AS 37.14.610(a), would allow the department to allocate and collect its costs for administering the new trust fund. The Treasury Division charges each of the funds under its administration a share of the division's overall costs, as well as any incremental costs directly associated with the fund. For example, the Children's Trust has about \$9 million. The division charges the Children's Trust about \$33,400 in allocated costs plus \$1,500 for management fees. Allocated costs include accounting services, data processing support, fixed-income management handled within the division and annual audit expenses. Management fees are 1.5 basis points for domestic equities and 15 basis points for international equity investments. Although the rate for equity management fees for the Arctic Winter Games Trust would be same as for the Children's Trust, the allocated expenses for the Arctic Games Trust probably would be less. The division maintains two accounts for the Children's Trust, while only one account would be needed for the Arctic Games Trust. In addition, the legislation in AS 37.14.600(b)(7) directs the Department of Revenue to "monitor use of trust money by the Arctic Winter Games Team Alaska." Depending whether the Arctic Winter Games Team Alaska has sufficient staff and an annual audit to assist with the work, the Treasury Division may need to contract with a private auditor an annual review to ensure compliance with the law.

Prepared by: Betty Martin, Comptroller Phone 465-2352
 Division: Treasury Division Date/Time Feb. 19, 2001, 9:50 a.m.
 Approved by: Larry Persily, Deputy Commissioner Date Feb. 19, 2001
 Agency: Department of Revenue

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