

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: SB 234
 (S) Publish Date: 1/13/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Commerce
 Title Community Dividend Program RDU Comm Asst & Econ Dev (405)
 Component State Revenue Sharing
 Sponsor Rules
 Requester By Request of Governor Component No. 689

Expenditures/Revenues (Thousands of Dollars)

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

| OPERATING EXPENDITURES | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES () | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| 1197 AK Cap Inc | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 |
| TOTAL | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 | 27,600.0 |

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

| | | | | | | |
|-----------|---|---|---|---|---|---|
| Full-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

This legislation funds an annual community dividend program from earnings of the Alaska capital income fund (AS 37.05.565). The Alaska Permanent Fund Corporation has estimated a mid-case statutory return from the fund of 6.5% on \$424 million, or \$27.6 million, per year in projected realized income. The projected annual income may vary significantly due to fluctuations in the market.

The first \$10 million appropriated to the program is allocated to boroughs and cities using graduated base grants ranging from \$25,000 to \$50,000 with the remaining balance distributed on a per capita basis. After making the \$10 million distribution, the department shall distribute organizational grants to organized boroughs at \$1 million per year for each of the borough's first two years and \$500,000 for the borough's third year. After paying the organizational grants, any remaining amount shall be distributed on a per capita basis to organized boroughs based on their areawide populations. The division anticipates implementing and administering the program with existing staff.

Prepared by: Michael Black, Director Phone 907.269.4578
 Division Community Advocacy Date/Time 1/12/06 1:07 PM
 Approved by: William C. Noll, Commissioner Date 1/12/2006
 Agency Commerce, Community, and Economic Development