

# FISCAL NOTE

**STATE OF ALASKA**  
**2007 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: CSHB 166(STA)  
 (H) Publish Date: 3/26/07

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title PFD Charitable giving RDU Revenue Programs & Support  
 Component Permanent Fund Dividend  
 Sponsor Thomas  
 Requester House State Affairs Component No. 981

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

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	76.1	38.1	38.1			
Travel	4.2	2.0	2.0			
Contractual	238.9	49.8	49.8			
Supplies	1.1	1.1	1.1			
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>320.3</b>	<b>91.0</b>	<b>91.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	320.3	91.0	91.0			
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Statutory Program Receipts						
<b>TOTAL</b>	<b>320.3</b>	<b>91.0</b>	<b>91.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2007) cost: 45.0

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

**POSITIONS**

Full-time	1					
Part-time		1	1			
Temporary						

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

This bill requires the department to set up and administer a program in which PFD applicants who apply online can assign part or all of their dividend each year to one or more educational, charitable or community foundation organizations. The list of such organizations will be established through an application process according to criteria established in the bill. Appeals are anticipated from organizations whose applications to be listed are denied. The department has been given the estimate of over 2000 organizations that may apply and about 750 that may be eligible. The program will be effective beginning with the 2008 dividend with a temporary application process for that startup year only. Regulations will be done to be effective for the 2009 cycle. The program will sunset after the 2010 dividend. (continued on page 2)

Prepared by: Amy Skow, Division Manager Phone 907 465-4784  
 Division Permanent Fund Dividend Date/Time 3/19/2007 10:30 a.m.  
 Approved by: Jerry Burnett Date 3/19/2007  
 Agency Department of Revenue

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**ANALYSIS CONTINUATION**

In order to implement this program for the 2008 cycle, work must begin in 2007. 2007 costs are reflected in the operating expenditures listed above and noted on the "Estimate of any current year cost" line. Estimated costs of work to be done by the agent are not listed on this fiscal note because they will be paid directly by Rasmussen Foundation.

HB166 states specifically that implementation and administrative costs for this bill will not come from either the charitable contributions or the Permanent Fund itself. Accordingly, the Fund Source for expenses listed within this fiscal note is assumed to be the General Fund.

Cost summary:

<b>100</b>	<b>Personal Services</b>		<b>76.1</b>
	1 full time position, salary basis Program Coordinator, Contract administration (program administration and *computer programming contracts)		
	Review agent's recommendations for approved organizations		
	Develop regulations		
	Respond to applicant questions and requests to withdraw/change designations, troubleshoot problems		
	Accounting and payments		
<b>200</b>	<b>Travel</b>		<b>4.2</b>
<b>300</b>	<b>***Contractual</b>		<b>283.9</b>
	*Mainframe, server, and web application changes	220.0	
	*Department of Law - regulations	5.5	
	*Regulations - public notice	1.1	
	** Printing - two additional pages to application booklet; distribution letters to participants (1099)	11.0	
	**Postage - increased postage for application booklets and distribution letters to participants	27.5	
	Data storage and computer services	2.7	
	1-800 phone calls	1.1	
	OAH Hearing costs (100 hours x \$150/hr)	15.0	
<b>400</b>	<b>Supplies</b>		<b>1.1</b>
	<b>Total</b>		<b>\$ 365.3</b>
	<b>FY 2007 expenses</b>		<b>(45.0)</b>
	<b>Total</b>		<b>\$ 320.3</b>

\*One time cost

\*\* Print and postage cost for 1099 based on 50,000 participants

\*\*\*Anticipated costs for appeals (7.5) are added to contractual in years 2 and 3.