

# Fiscal Note

State of Alaska  
2018 Legislative Session

|                     |           |
|---------------------|-----------|
| Bill Version:       | HB 352    |
| Fiscal Note Number: | 2         |
| (H) Publish Date:   | 2/16/2018 |

Identifier: 20182000971-DOR-PFD-2-12-2018  
Title: VOTER REGISTRATION & PFD APP  
REGISTRATION  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: Governor

Department: Department of Revenue  
Appropriation: Taxation and Treasury  
Allocation: Permanent Fund Dividend Division  
OMB Component Number: 981

## Expenditures/Revenues

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

(Thousands of Dollars)

|                        | FY2019<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2019<br>Request | Out-Year Cost Estimates |            |            |            |            |
|------------------------|--------------------------------------|------------------------------------------------|-------------------------|------------|------------|------------|------------|
| OPERATING EXPENDITURES | FY 2019                              | FY 2019                                        | FY 2020                 | FY 2021    | FY 2022    | FY 2023    | FY 2024    |
| Personal Services      |                                      |                                                |                         |            |            |            |            |
| Travel                 |                                      |                                                |                         |            |            |            |            |
| Services               |                                      |                                                |                         |            |            |            |            |
| Commodities            |                                      |                                                |                         |            |            |            |            |
| Capital Outlay         |                                      |                                                |                         |            |            |            |            |
| Grants & Benefits      |                                      |                                                |                         |            |            |            |            |
| Miscellaneous          |                                      |                                                |                         |            |            |            |            |
| <b>Total Operating</b> | <b>0.0</b>                           | <b>0.0</b>                                     | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Fund Source (Operating Only)

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Positions

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

## Change in Revenues

|              |            |            |            |            |            |            |            |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None         |            |            |            |            |            |            |            |
| <b>Total</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

**Estimated SUPPLEMENTAL (FY2018) cost:** 29.7 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) 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? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? Jan 1 2019

## Why this fiscal note differs from previous version/comments:

|  |
|--|
|  |
|--|

|              |                         |        |                     |
|--------------|-------------------------|--------|---------------------|
| Prepared By: | Sara Race               | Phone: | (907)957-2881       |
| Division:    | Permanent Fund Dividend | Date:  | 02/12/2018 10:00 AM |
| Approved By: | Mike Barnhill           | Date:  | 02/12/18            |
| Agency:      | OOC                     |        |                     |

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

## Analysis

The legislation clarifies the information required on a permanent fund dividend application necessary to automatically register an individual to vote or update their voter information. The legislation further provides Alaskans an opportunity to decline the automatic process at the time of filing. In order to register "eligible" permanent fund dividend applicants, the division would be required to complete eligibility determinations. Once a determination was made, the PFD Division would forward the required data elements, such as name, date of birth, etc., to the Division of Elections. At that point, Elections would complete the initial registration or update the individual's information.

Implementing an "opt-out" option on the permanent fund dividend application will require programming in the online application, paper application imaging software, and the division's database. Some of the associated tasks include adding the actual question to the online application, programming data entry and display screens, testing, and deploying. The changes will take approximately 247 programming hours. Using an average rate of \$120 per hour, the costs associated will be roughly \$29,700.00.

The legislation allows Alaskans an opportunity to make a decision as to whether or not they would like to be registered to vote at the time of filing their PFD application, rather than receiving a mailer subsequently. Presenting the option upfront should reduce costs associated with Election's printing and postage.

The Center for Modern and Secure Elections has offered a grant to help implement the automatic voter registration process. Although the grant has not officially been secured the funding cap was offered at \$35,000.00, which would fully cover the programming costs outlined above. Funding will have to be made available in FY18 for an "opt-out" option to be implemented in January 2019. In late July, the division places a "code freeze", which puts a stop to any major changes to the PFD Application. The code freeze does not result in additional costs—it just means that the deadline for coding changes to the Division's application is June 30 for changes that impact the following calendar year. Therefore, placing the expenses in FY19 does not seem appropriate. If grant funds are unsuccessful, the division will cover the associated costs within existing appropriations.