

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HCS CSSB 78(FIN)
Fiscal Note Number:	6
(H) Publish Date:	4/17/2018

Identifier: SB78 HFIN - DEED - 4-13-2018
 Title: PERM FUND DIVIDEND
 CONTRIBUTIONS/LOTTERY
 Sponsor: BISHOP
 Requester: House Finance

Department: Department of Education and Early Development
 Appropriation: K-12 Aid to School Districts
 Allocation: Additional Foundation Funding
 OMB Component Number: 3112

Expenditures/Revenues

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

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
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							
Total Operating	0.0	0.0	0.0	***	***	***	***

Fund Source (Operating Only)

None							
Total	0.0	0.0	0.0	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

None				***	***	***	***
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(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? N
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

This informational fiscal note reflects an indeterminate amount of funding (50% of the dividend contributions) that will flow to the Department of Education and Early Development for supplemental K-12 grants. The new fund code will be created in FY20.

Prepared By: Representative Seaton
House Finance Committee
Representative Foster
House Finance Committee

Phone: (907)465-2689
 Date: 04/13/2018

REPORTED OUT OF
HFC 04/17/2018

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

The following items outline the budget actions associated with this legislation. Other than the two Department of Revenue fiscal notes which request (1) \$10.0 GF/PR (Permanent Fund Dividend Division) in FY19 for programming changes to set up the database); and (2) \$25.0 GF/PR (Tax Division) in FY19 for program promotion, the remaining budget items would occur in FY20 or subsequent fiscal years:

1. Flow to the Department of Education and Early Development - FY21

50% of dividend contributions shall be appropriated to the Department of Education and Early Development (using the new Raffle fund code which will be created in FY20) as grants supplementing the foundation formula.

2. (new) Education Endowment Fund - FY20

Using the new Raffle fund code, 25% of dividend contribution will flow to the new Education Endowment Fund. Eventually, an additional Endowment fund code will need to be created for funding that comes out of the Endowment Fund as overflow payments to the Public Education Fund. There is no fiscal note because there is no money anticipated during the first five years of the program.

3. (new) Dividend Raffle Prize Fund - FY20

25% of the dividend contribution will flow to the Dividend Raffle Fund using the new raffle fund code. There will be a new Prize fund code for management of the Raffle fund plus any overflow to the Education Endowment Fund. Prizes will be paid without further appropriation.

4. Programming costs for DOR/PFD Dividend Division - FY19

(see DOR/Permanent Fund Division fiscal note) - \$10.0 GF/PR is requested in FY19 for DOR to program their database in time for 2019 PFD applications (which will be paid out in FY20).

5. Manage endowment - DOR/Taxation and Treasury - FY20

(see DOR/Treasury Division fiscal note)- The current fiscal note estimates management costs ranging from \$4.4 in FY20 up to \$26.3 in FY24. This will be paid for using the new Prize fund code.

(Revised 9/26/17 OMB/LFD)

