

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	SB 154
Fiscal Note Number:	2
(S) Publish Date:	1/31/2018

Identifier: SB154-DOR-PFD-1-25-2018
 Title: PFD CONTRIBUTIONS TO GENERAL FUND
 Sponsor: WILSON
 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	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services	20.3		10.0	10.0	10.0	10.0	10.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	20.3	0.0	10.0	10.0	10.0	10.0	10.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	20.3		10.0	10.0	10.0	10.0	10.0
Total	20.3	0.0	10.0	10.0	10.0	10.0	10.0

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? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

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Division:	Permanent Fund Dividend	Date:	01/25/2018
Approved By:	Mike Barnhill	Date:	01/26/18
Agency:	Department of Revenue		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

The proposed legislation expands the list of Pick.Click.Give. (PCG) contribution options from educational organizations, community foundations, or charitable organizations to include the State of Alaska's General Fund. This fund will not be subject to the 7% coordination fee, or the \$250.00 fee required to apply.

Currently, funds collected through the coordination fee and the application fee are used for administrative costs. AS 43.23.062(e) states that "the department may not use money from the dividend fund for administrative costs incurred in implementing this section, even if it has been appropriated for costs of administering the dividend program." For that reason, financial costs will be associated with this bill because no fees will be collected to cover the administrative costs.

Programming will be required on the PFD application in order to ensure that the general fund is added in a way that accounts for the differences in this fund and the majority of the PCG participants. From the point that an applicant chooses the "General Fund" in PCG, we will need to find a way to separate government giving from the other organizations and create a separate calculation that does not include the 7% that other PCG organizations will include. Modifications will need to be made to payment reports that are generated through the division's dividend database (DAIS), and financial transactions will increase as a result of this proposed legislation. Because it would not be appropriate for PCG or Alaska Community Foundation, whose missions center around philanthropy, to answer questions on the State's funding, all inquiries on this giving option will be routed to the division.

In the first year, associated programming time will include 10% of one programmer position position (Analyst Programmer V), which is equivalent to \$13,300, and 5% of the PFD Operational Manager's position, which is equivalent to \$7,000. In the following years we expect programming time to be limited to roughly 2% of one position, or \$3,000. We expect personal services costs to remain the same for the PFD Operations Manager.