

Fiscal Note

State of Alaska
2020 Legislative Session

Bill Version:	HB 270
Fiscal Note Number:	2
(H) Publish Date:	2/21/2020

Identifier: LL-0064-4-DOR-PFD-2-20-20
 Title: STATE LAND VOUCHER; PFDS
 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)

	FY2021	Included in	Out-Year Cost Estimates					
	Appropriation Requested	Governor's FY2021 Request	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
OPERATING EXPENDITURES	FY 2021	FY 2021	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Personal Services	36.9		2.9	2.9	2.9	2.9	2.9	2.9
Travel								
Services	15.0		10.0	10.0	10.0	10.0	10.0	10.0
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	51.9	0.0	12.9	12.9	12.9	12.9	12.9	12.9

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	51.9		12.9	12.9	12.9	12.9	12.9	12.9
Total	51.9	0.0	12.9	12.9	12.9	12.9	12.9	12.9

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	0.0

Estimated SUPPLEMENTAL (FY2020) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2021) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - 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 If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/20**

Why this fiscal note differs from previous version/comments:

Not applicable. Initial version.

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Division:	Permanent Fund Dividend Division	Date:	02/20/2020 11:40 AM
Approved By:	Brad Ewing, Administrative Services Director	Date:	02/20/20
Agency:	Office of Management and Budget		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2020 LEGISLATIVE SESSION

Analysis

This bill provides a method for Alaskans to utilize their Permanent Fund Dividend (PFD) to purchase State land through a voucher program. Applicants would have an option on their PFD application to choose to receive a land voucher instead of a monetary dividend. The value of the land voucher would be double the amount of the dividend but would only apply to the purchase of State land. The voucher does not expire and is transferable.

The bill will require the Permanent Fund Dividend Division to add a land voucher option to the PFD application as well as develop a "Voucher" that can be issued to Alaskans. The PFD Division assumes that this will need to be a special order with extensive design work done. The Division will need to create and print vouchers. The Division estimates the administrative time to be roughly 60 hours at a rate of \$25 per hour for the first year. Each additional year we anticipate 20 hours for adjustments to the voucher, and procurement of printing services. We also estimate advertising costs for this new program at a cost of \$10,000 for the first year and \$5,000 annually after that first year. We are estimating roughly 50 vouchers to be printed per year. Depending on the quality and design of the vouchers, we anticipate the printing and postage to cost approximately \$5,000 annually.

Programming Work (standard programming rate of \$120 per hour):

- Add the single yes/no voucher participation question (web and paper) -- 100 hours
- No additional information will be collected for this program.
- Change DAIS to recognize the new vendor and deduction type. – 15 hours
- Change the Payment Dashboard to calculate and pay the new deduction type. – 60 hours
- Change deduction expiration process to include the new deduction type. – 15 hours
- Change the payment reports to display the new vendor payments. – 40 hours
- Create a process to generate a payment file to send to DNR. – 20 hours
- Create the annual report as required by the bill. – 15 hours
- Change myInfo to display voucher status before and after payment. – 30 hours

Ongoing Programming Work:

- Maintaining the question on the web and paper application. - 10 hours
- Performing the monthly payment run data exchange with DNR. - 10 hours

Total Costs for First Year:

Administrative time - \$1,500
 Advertising - \$10,000
 Printing and Postage - \$5,000
 Programming - \$35,400
 Total Cost - \$51,900

Total Costs after First Year:

Administrative time - \$500
 Advertising - \$5,000
 Printing and Postage - \$5,000
 Programming - \$2,400
 Total Cost - \$12,900