

HB

503

Revision Date: 3/11/96 Dept. Affected: Revenue
 Title: Contribution from PFD's to Non-profits BRU: Permanent Fund Dividend Division
 Component: Permanent Fund Dividend Division
 Sponsor: Representative Bunde
 Requestor: HESS COMPONENT SERIAL NO. 981

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	129.4	133.9	138.6	143.5	148.5	153.7
TRAVEL						
CONTRACTUAL	146.7	109.4	109.4	109.4	109.4	109.4
SUPPLIES	1.5	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	8.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	235.6	244.8	249.5	254.4	259.4	264.6
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other Dividend Fund	285.6	244.8	249.5	254.4	259.4	264.6
TOTAL	285.6	244.8	249.5	254.4	259.4	264.6

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Nanci A. Jones, Director
 Division: Permanent Fund Dividend
 Approved by Commissioner: [Signature]
 Agency: Department of Revenue

Phone: 465-2323
 Date: 3/11/96
 Date: 3/11/96

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DEPARTMENT OF REVENUE
PERMANENT FUND DIVIDEND DIVISION

HB 503 FISCAL NOTE ANALYSIS

This bill would require the PFD Division to create and administer a contribution check-off program whereby applicants eligible to receive a Permanent Fund Dividend check could choose to contribute part or all of their check to a pre-registered non-profit corporation.

Assumptions

1. The Department of Commerce has 4,397 non-profit corporations currently registered with them. We do not know what percentage of these corporations would qualify as charitable organizations, or how many are no longer doing business in the state. Our best guess is that approximately 50% of these corporations would be eligible for this program and therefore base some calculations on 2,198 corporations participating.
2. The division will create a petition form in which the non-profit corporations will request to have their name appear on a list of eligible non-profit corporations in the dividend booklet. Additionally, in the second and future years, a certification form will be needed to substitute for the initial petition form if the non-profit has not dissolved and wishes to continue to receive contributions.
3. One Accounting Clerk III position will be needed to collect and process petition forms, including verifying non-profit status and registered eligibility to collect contributions via the Department of Law. This position would also receive and process the certification forms. (\$36.8 annual salary w/benefits; 3.5% annual increase each year)

A Data Entry Clerk I will be needed to enter and verify the applicant names received with each petition. We estimate this will include entering a minimum of 21,980,000 names if the estimated 2,198 non-profit groups currently registered with the State turn in the required 10,000 names per petition. (\$30.8 annual salary w/benefits; 3.5% increase each year)

An additional Analyst Programmer IV will be responsible for programming the mainframe computer to match prior year eligible applicants with the names submitted with each petition. Programming will also be needed to allow all or part of an applicant's PFD check to go to the pre-selected non-profit corporations. The order of the non-profits listed in the PFD booklet must be changed each year which will trigger a change in the programming to match the designated contribution with the correct non-profit corporation. (\$61.8 annual salary w/benefits; 3.5% increase each year)

4. Contractual services include items for postage to mail petition forms and certification requests for additional information to the non-profit corporations, and creation and duplication of the forms to initiate the program. (\$2.2 annually)

There will be added postage costs for the additional weight of the PFD booklet due to the added pages listing the 2,198 non-profit corporations. (\$17.5 annually)

Computer chargeback costs will be high in the first year of initial programming. Maintenance costs will be much less in subsequent years estimated at 50% of initial costs. (\$75.0 1st year; \$37.5 thereafter)

The data entry system, currently on the Wang system, must be programmed to process the names entered from the petitions. We currently have a contractor do our programming. (\$7.5 annually)

The cost of printing one double sided page of the dividend booklet is \$8.9. Based on the printing area of one page, it will take five double sided pages to list an estimated 2,198 non-profit corporations. The annual cost of printing the booklet will increase. (\$44.5)

5. Supplies include consumable items of pens, pencils, and paper used in the normal course of business. (\$1.5 annually)
6. A personal computer for the Accounting Clerk and Analyst Programmer will be needed for this program. (\$8,000 one time costs)



REPRESENTATIVE CON BUNDE
CO-CHAIR HEALTH, EDUCATION
& SOCIAL SERVICES
VICE-CHAIR RULES

Alaska State Legislature
House of Representatives

DURING SESSION:
STATE CAPITOL, ROOM 108
JUNEAU, ALASKA 99801-1182
1 (907) 465-4843

DURING INTERIM:
716 WEST 4th AVENUE
ANCHORAGE, ALASKA 99501-2133
1 (907) 258-8168

SPONSOR STATEMENT
House Bill 503

"An Act relating to contributions from permanent fund dividends."

There are over 4,000 nonprofit organizations in Alaska. Many need help with fundraising. House Bill 503 will allow nonprofit organizations with a petition of at least 10,000 permanent fund dividend eligible signatures to be added to the contribution check off list contained in the permanent fund dividend application. This bill gives Alaskans the opportunity to make a donation of \$25, \$50, \$100, \$500, or the total amount of the applicant's dividend to a nonprofit organization of their choice and enables that organization to generate funds to help support them during the upcoming year.

House Bill 503 also allows nonprofit organizations to continue to appear, in random order, on the check off list yearly by providing proof of existence to the Department of Revenue.

Finally, House Bill 503 stipulates that a nonprofit organization that has been convicted of a state or federal crime may not appear on the contribution list. This final component may help discourage groups from illegal behavior.

I urge your support of House Bill 503.

OFFICERS

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APRIA HEALTHCARE

Norvin Morrow
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Schering-Plough

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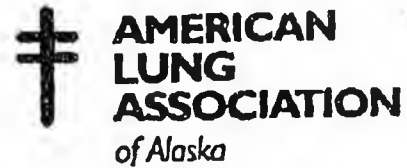
Dave Pfeifer
Valley Hospital

Shirley Han Spencer, MD
Seldovia

Thad Woodard, MD
Thad Woodard & Assoc.

1057 West Firweed Lane, Ste 201
Anchorage, AK 99503-1736
(907) 276-LUNG (5864)
Fax (907) 263-2090
Statewide: 1-(800) LUNG-USA

**When You Can't Breathe,
Nothing Else Matters**



March 11, 1996

Representative Con Bunde
Alaska State Legislature
State Capitol (MS 3100)
Juneau, Alaska 99801-1182

Dear Representative Bunde:

This letter is written in support of House Bill No. 503. Supporting the non-profit sector of Alaska through a contribution check-off on the Permanent Fund Application will benefit all Alaskans.

Supporting the non-profit sector through the addition of a Permanent Fund contribution check-off, gives each citizen an opportunity to personally make a difference in the world. Each dollar from the Permanent Fund Dividend directed towards the work of non-profit organizations will have a positive impact on the quality of life here in Alaska. When a non-profit organization is able to achieve its mission we all win.

In closing, I quote Leo Tolstoy, who said, "The sole meaning of life is to serve humanity". A legislator and a public servant, you understand the meaning of this quote perhaps better than anyone. Your efforts to further the work and missions of all non-profits through the introduction of this bill is greatly appreciated. Thank you.

Sincerely,


Jeff Leschensky
Executive Director



March 11, 1996

Special Olympics
Alaska

Representative Con Bunde
State Capital, Rm 108
Juneau, AK 99801

Dear Rep. Bunde,

Special Olympics Alaska is a not-for-profit, 501(c)(3) corporation dedicated to providing sports training and competition to Alaskans with mental retardation. While the physical rewards of athletic training and competition are numerous and well documented, these Alaskans also benefit mentally, spiritually, and socially.

It is estimated that there are nearly ten thousand eligible athletes in Alaska. Our program has been able to serve only about five percent, or 500 athletes. This is due to lack of public awareness and volunteers, and an inadequate funding base. In 1995, Special Olympics lost state funding which resulted in further erosion of our ability to meet the needs of individuals with disabilities.

At the present time Special Olympics Alaska is seeking partnerships with businesses, schools, and other agencies supporting our overall philosophy and mission. We emphasize the value which will return to each community as all members become involved as meaningful citizens. In the interim, Special Olympics Alaska needs financial support from the State of Alaska to ensure our success.

We support HB 503, Contributions From PFD's To Nonprofits and commend you for your efforts. Financial support is critical to the future of our statewide programs.

Sincerely,

Jim Balamaci
Executive Director

C O V E R**S H E E T****FAX**

To: Tiffany, Rep. Bunde's Office
Fax #: (907) 465-3871
Subject: HB 503
Date: March 11, 1996
Pages: 2, including this cover sheet.

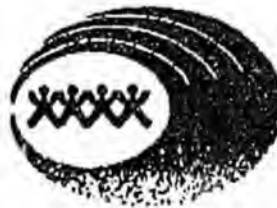
COMMENTS:

Tiffany,
Attached please find letter of support for HB503

From the desk of...

Jim Maley
Executive Director
Alaska Children's Services, Inc.
4500 Abbott Road
Anchorage, AK 99507

(907) 348-2101
Fax (907) 348-2748



ALASKA
CHILDREN'S
SERVICES

March 11, 1996

Representative Con Bunde
House of Representatives
Alaska State Capitol
Juneau, Alaska

RE: House Bill 503

Dear Representative Bunde:

Thank you for informing me of the your introduction of the above-mentioned bill. As I understand it this legislation will permit Alaskan residents to contribute a portion of their Permanent Fund dividend to non-profit organizations who have completed certain requirements to be listed in the Permanent Fund application.

While I have no idea what the impact of this legislation would have, it is certainly an innovative and creative way to assist non-profits in fundraising efforts. Alaska Children's Services is supportive of House Bill 503 and we appreciate your consideration of the difficulties organizations are facing with the reductions in support from various sources.

As I mentioned to your aide on the phone, I am concerned that many needy and worthwhile organizations will be unable to take advantage of this opportunity due to the requirement of 10,000 signatures on a petition place their name on the application. I also recognize that without some type of restriction, the list could become burdensome. I do not have an alternative to suggest.

I have notified the seventeen members of the Alaska Association of Homes for Children of HB503. On Wednesday, March 13, I will be hosting the thirty-eight organizations who are recipients of United Way funding in Anchorage. I will distribute HB503 to those attending and ask that they provide input to you directly.

Thank you for your interest in non-profit corporations.

Sincerely,

Jim Maley,
Executive Director

4600 Abbott Road, Anchorage, Alaska 99507-4314 • (907) 346-2101 • Fax (907) 346-2748



ACS is a Christian member of American Baptist Churches • USA, Evangelical Lutheran Church in America, United Methodist Church, and Christian Church (Disciples of Christ). A United Way agency ACS is Accredited by the United Way National Council of Accredited Organizations.

Amendment

To: HB 503

By: Rep. Bunde

Delete all language on page 1, line 14, after the word "receive," to the end of page 2, line 2.

Insert on page 1, line 14, after the word "receive," "all contributions are void and the applicant will receive the full amount of the dividend."

APRN

VOICES OF ALASKA

Alaska Public Radio Network ★ 810 East Ninth Avenue ★ Anchorage, Alaska 99501-3826
Phone (907) 277-2776 ★ Fax (907) 263-7450

March 13, 1996

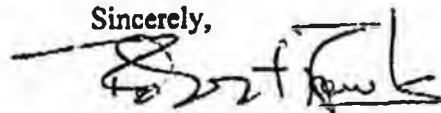
Representative Con Bunde
Alaska State Capital
Juneau, AK 99801

Dear Representative Bunde:

I am writing on behalf of the Alaska Public Radio Network (APRN) in support of House Bill 503. I believe this bill can be an important step for valuable statewide service providers to replace critical operating funds that have been eliminated from the state budget in recent years. Balancing the State of Alaska's budget is crucial to the future of the state. However, simply cutting the budget will only destroy valuable services and throw away significant state investment in facilities and infrastructure. It is critical that a long term plan be developed, and new legislation such as HB 503 be implemented to give service providers the tools to continue serving Alaskans.

As you know, state support to public radio has decreased significantly over the past few years, and people such as myself have been struggling to find ways to protect this unique and valuable service. It has taken over 25 years, and tens of millions of dollars in state, federal and private funds to build Alaska's public radio system. Today, Alaska's public radio system is the finest in the country, bringing valuable news and often life-saving information to virtually every community, village, fishing boat and fish camp in Alaska. This incredible statewide information highway is in great jeopardy, in large part due to cuts in state support. It is encouraging to see legislative leaders such as yourself exploring new ways to protect public radio and the other important services that are valued by Alaskans in both urban and rural Alaska.

Sincerely,



Robert Rawls
President

KSKA-FM Anchorage • KRUA-FM Anchorage • Koahnic Broadcast Corp. • KBRW-AM Barrow • KYUK-AM Bethel • KCUK-FM Chevak
KDIG-AM Dillingham • KUAC-FM Fairbanks • KZPA-AM Ft. Yukon • KIYU-AM Galena • KHNS-FM Haines • KBB1-AM Homer
KTOO-FM Juneau • KCZP-FM Kenai/Soldotna • KRND-FM Ketchikan • KMXT-FM Kodiak • KOTZ-AM Kotzebue
K8KO-AM McGrath • KNOM-AM Nome • KFSK-FM Petersburg • XSDP-AM Sand Point • XSRD-FM Seward • KCAW-FM Sitka
KUHB-FM St. Paul • KTNA-FM Talkeetna • KNSA-AM Unalakleet • XIAL-AM Unalaska • K6TK-FM Wrangell



245 W Fifth Ave., Ste 22
P.O. Box 102059
Anchorage, Alaska 99510
907-274-1572
FAX 272-3148

March 13, 1996

Representative Con Bundy
Alaska House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Bundy:

I am writing in support of HB 503 which will give the residents of Alaska the opportunity to financially support the nonprofit organization of their choice. I am pleased that you have taken the initiative on this issue which suffered a rather sudden death a few years ago. In this era of declining revenues for charities and not-for-profit organizations, I see this as a painless way for many people to have the capacity to be generous.

I strongly suggest, however, that the petition of 10,000 signatures be revisited. I believe for smaller, little known organizations that are doing good works, 10,000, or even 5,000 signatures is unreasonable. There certainly is another avenue for qualification that could become part of this bill. At this time, I am not prepared to suggest an alternative, but it wouldn't be too hard to come up with one.

I would be happy to discuss this further with you or someone from your office. Thank you for pursuing this issue.

Sincerely,

A handwritten signature in cursive script that reads 'Sharon Richards'.

Sharon Richards
Executive Director

CoastAlaska

**KCAW-FM, Sitka • KFSK-FM, Petersburg • KHNS-FM, Haines • KRBD-FM, Ketchikan
KSTK-FM, Wrangell • KTOO-FM, Juneau**

Angoon • Auke Bay • Coffman Cove • Craig • Douglas • Edna Bay • Elfin Cove • Excursion Inlet • Fairweather Grounds • Gustavus
Haines • Hollis • Hoonah • Hydaburg • Icy Strait • Juneau • Kake • Kasaan • Ketchikan • Klawock • Klukwan • Kupreanoff • Metlakatla
Pelican • Petersburg • Point Baker • Port Alexander • Rocky Pass • Skagway • Saxman • Sitka • Sumner Strait • Tenakee Springs
Thom's Place • Thome Bay • Wrangell • Yakutat

March 14, 1996

Representative Con Bunde
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Representative Bunde:

I am writing to support House Bill 503 (Contributions from PFD's to Non-profits). I believe a permanent fund dividend check off would benefit Alaska Public Broadcasting and many other non-profit organizations. CoastAlaska is the regional collaboration of six public radio stations.

I particularly support the need for organizations to qualify for the check-off. While some organizations may have difficulty getting 10,000 signatures, this requirement shows the public support for that organization and the whole system of check offs.

The Legislature and Congress have given public broadcasting and other non-profits a clear message: find other ways of raising money. This program is a good way to do so. Individual Alaskans can choose to send their dividend money to their favorite charity. Only organizations with broad support can qualify and only the individual can decide which organizations to support.

Please let me know if there is anything I can do to help you move HB 503 through the Legislature.

Respectfully,



Jon Newstrom
Coordinator

P.O. Box 22596 • Juneau, AK 99802-2596
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CoastAlask@aol.com (E-Mail)