

SB

322

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FILE

FISCAL NOTE

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 Bill Version: SB 322
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STATE OF ALASKA
1998 LEGISLATIVE SESSION

Revision Date: _____
 Title: An act relating to the Alaska children's dividend fund
 Sponsor: Senator Duncan
 Requestor: State Affairs

Department: Department of Revenue
 BRU: Revenue Operations
 Component: Treasury Division
 COMPONENT SERIAL NO. 121

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY02	FY 03	FY 04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	116.0	42.8	40.0	47.6	52.8	58.3
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	116.0	42.8	40.0	47.6	52.8	58.3
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 General Fund	116.0		(17.2)	(17.2)	(17.2)	(17.2)
1005 GF/Program Receipts						
1006 GF/Mental Health						
AK Children's Dividend Fund		42.8	57.2	64.8	70.0	75.5
TOTAL	116.0	42.8	40.0	47.6	52.8	58.3

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)
 See attached breakdown of costs.

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 Division: Treasury Division, Department of Revenue Date: February 23, 1998
 Approved by Commissione Deborah Vogt, Deputy Commissioner Date: February 23, 1998
 Agency: Department of Revenue

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SB 322
Fiscal Note Analysis of Costs

	FY99	FY00	FY01	FY02	FY03	FY04
Cumulative Participants		5,000	10,000	15,000	18,000	21,000
Dividend amount		\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Funds added this fiscal year		\$ 7,500,000	\$ 15,000,000	\$ 22,500,000	\$ 27,000,000	\$ 31,500,000
Total funds during fiscal year		\$ 7,500,000	\$ 22,500,000	\$ 45,000,000	\$ 72,000,000	\$ 103,500,000
% allocated to externally managed equity accounts		35%	35%	35%	35%	35%
Direct Costs - Increase to budget						
Legal opinion and IRS ruling	100,000					
Printing costs for PFD application	16,000	16,000	16,000	16,000	16,000	15,000
External management fees (@ 1.5 basis points)		394	1,181	2,363	3,780	5,434
Postage (4 quarterly mailings @ 32 cents)		6,400	12,800	19,200	23,040	26,880
Start-up record keeping system		10,000				
Ongoing costs of record keeping system		10,000	10,000	10,000	10,000	10,000
Total direct costs	116,000	42,794	39,981	47,563	52,820	58,314
Allocation of Treasury costs for internal management -						
Will not increase budget - Change in Funding source only						
Personal Services (allocation includes personal services, audit, supplies, equipment and other overhead)			11,200	11,200	11,200	11,200
Custody contract allocation			6,000	6,000	6,000	6,000
Total Costs reallocated from GF to AK Children's Dividend Fund		-	17,200	17,200	17,200	17,200
Total funding from AK Children's Dividend Fund	GF in 1st yr	42,794	57,181	64,763	70,020	75,514
Equivalent basis point fee to participants		57.1	25.4	14.4	9.7	7.3