

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1
 Bill Version: SB86
 (S) Publish Date: 2/23/99

Revision Date: _____
 Title: An act relating to boat registration...
 Sponsor: Governor
 Requestor: Rules

Department Affected: Administration
 BRU: Motor Vehicles
 Component: _____
 COMPONENT SERIAL NO. 2348

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

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES	170.7	160.1	137.6	137.6	137.6	137.6
TRAVEL						
CONTRACTUAL	80.5	49.0	49.0	49.0	49.0	49.0
SUPPLIES						
EQUIPMENT	50.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	301.2	209.1	186.6	186.6	186.6	186.6

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	300.0	600.0	600.0	600.0	600.0	600.0
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FUND SOURCE: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	301.2	209.1	186.6	186.6	186.6	186.6
1037 GF/Mental Health						
OTHER						
TOTAL	301.2	209.1	186.6	186.6	186.6	186.6

Estimate of any current year (FY 99) cost: \$ _____

POSITIONS:

FULL-TIME	3	3	3	3	3	3
PART-TIME						
TEMPORARY	2	2				

ANALYSIS: (Attach a separate page if necessary.)

The analysis will assume that the program will start on January 1, 2000. The positions that will be needed to administer the program will be hired on October 1, 1999, to allow time for training and establishing the program. Costs shown for FY 00 will only reflect partial year costs for 9 months of personal services costs and 6 months of registration activity.

(Continued on the attached sheet)

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 Date: _____

Approved by Commissioner: Robert Poe Jr.
 Agency: Department of Administration

Robert M. Elger

Date: 2/11/99

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ANALYSIS CONTINUED:
Discussions and Assumptions

The Coast Guard currently requires registration of boats used on navigable waterways and has approximately 33,000 registered boats. Assuming that an equal number of registrations expire in each year, this results in a registration workload of 11,000 boats per year. To process this workload the Coast Guard has 1.5 positions (1 dedicated full time and 1 which assists in administration and during the peak season) and has requested an additional full time position to prevent backlogs. These registrations are maintained on a stand alone computer system using specially developed software known as SABRE (State of Alaska Boat Registration). This system is a windows based system that is not networked or available to other users.

Under the proposed law all powered boats would be registered by DMV not just those on navigable waterways. Increased enforcement by law enforcement agencies and Division of Parks would increase the number of registered boats. There is no accurate number of the total number of boats in the state however estimates from the various sources place the number between 50,000 to 100,000. This is mainly based on boat sales of 10,000 per year. For purpose of this fiscal note it is assumed that there will be 75,000 registered boats. The registration period will be three years resulting in an annual registration workload of 25,000 boat registrations.

The Coast Guard has offered to give the SABRE registration system to the state however there are problems with using it. The rationale for having DMV register boats is the fact that there are offices located throughout the state and there is an information system available to these offices, to law enforcement, and to other agencies as required. The DMV system has an integrated accounting module to properly account for state revenues. The SABRE system is not compatible with the current DMV system and would require extensive modification to make it so. It would be more cost effective and efficient to create a new application on the DMV system by modifying the vehicle registration system to accommodate boat registration.

Initial Start-up Costs

During the first year there will be additional costs to modify the DMV information system for the boat registration program and to convert the existing boat registration data base to the DMV system. The programming needs will be done by contract programmers and the conversion of the data base will require either manual data entry or manual verification of each entry due to the differences between the two operating systems. The data entry will be done by non-perm project employees. These costs will be incurred in the first calendar of the program which will cross fiscal years. With an assumed start date of Jan 1, 2000, all employees will start on Oct 1, 1999, so that they can receive initial training, test the computer systems, and provide training for both the boat dealers and DMV employees

The costs associated with the start-up are as follows:

	<u>FY 00</u>	<u>FY 01</u>
2 non-perm employees MVCSR I (rng 10) for 12 months	\$67.5	\$22.5
300 hours contract programming @ \$125/hr	\$37.5	
Equipment (computer workstations)	\$20.0	
Total	\$125.0	\$22.5

These costs will be incurred only in the first year of the program.

On-going Operating Budget Costs

In addition to the initial costs to establish the system and to convert the data from the SABRE system to the DMV system, there will be the regular costs to renew registrations of boats that are expiring and to register boats as they are sold by the dealers. Dealers are required to have a customer complete an application for any boat sold at retail and then send the registration application along with the appropriate fees to DMV. Boats due for registration renewal will be incorporated into the normal renewal system the same as vehicle. This will include an initial renewal notice and the opportunity to renew by mail, by phone, by internet, or in person at any DMV office. The on-going costs will be based on an annual registration workload for 25,000 boats.

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Cost Detail

	<u>FY 00</u>	<u>FY 01+</u>
1 PFT MVCSR III (rng 14) lead worker	\$35.7	\$47.6
2 PFT MVCSR Is (rng 10)	\$67.5	\$90.0
Postage costs (postage envelopes)	\$ 6.0	\$12.0
Forms cost (applications and registrations)	\$ 4.5	\$ 4.5
Validation Decals (45,000* @ \$0.50 ea.)	\$22.5	\$22.5
Training Costs (for Boat Dealers and DMV employees)	\$10.0	\$10.0
Equipment (computer workstations)	\$30.0	
Total	\$176.2	\$186.6

Revenue

There will be 25,000 boat registrations processed each year at \$24 for the three year period generating \$600.0 in GF revenue annually.