

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version:	HB 376
Fiscal Note Number:	2
(H) Publish Date:	4/16/2018

Identifier: HB376-DCCED-DAS-04-11-18
Title: ESTABLISH THE ALASKA STATE BANK
Sponsor: TUCK
Requester: (H) Labor & Commerce

Department: Department of Commerce, Community and
Economic Development
Appropriation: Executive Administration
Allocation: Administrative Services
OMB Component Number: 1028

Expenditures/Revenues

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

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES								
Personal Services	287.5		287.5	287.5	287.5	287.5	287.5	287.5
Travel	6.4		6.4	3.2	3.2	3.2	3.2	3.2
Services	245.0		245.0	45.0	45.0	45.0	45.0	45.0
Commodities	30.0		1.5	1.5	1.5	1.5	1.5	1.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	568.9	0.0	540.4	337.2	337.2	337.2	337.2	337.2

Fund Source (Operating Only)

1004 Gen Fund (UGF)	568.9						
1007 I/A Rcpts (Other)			540.4	337.2	337.2	337.2	337.2
Total	568.9	0.0	540.4	337.2	337.2	337.2	337.2

Positions

Full-time	3.0		3.0	3.0	3.0	3.0	3.0
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If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

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Division:	Administrative Services, DCCED	Date:	04/12/2018
Approved By:	Catherine Reardon, Director	Date:	04/12/18
Agency:	Divison of Administrative Services, DCCED		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

Analysis

HB376 establishes the Alaska State Bank (ASB) as a corporate entity within the Department of Commerce, Community, and Economic Development (DCCED). Corporate entities within the department receive different levels of service from the Division of Administrative Services (DAS), depending on their corporate structure. The ASB is anticipated to receive human resources, budget, financial, travel, and information technology support from the DAS. The DA positions were reduced by over 26% between FY2015 and FY2018; the additional work associated with the ASB cannot be absorbed by existing staff. The positions in this fiscal note are not ASB positions, a separate fiscal note estimates that approximately 50 positions will be needed to staff that agency.

DAS staff will work closely with the ASB board and executive staff to establish financial structures and policies. The ASB will be funded by the Alaska State Bank Fund; DAS will coordinate revenue transfers to and from that fund for the ASB. Payroll for the ASB will be administered using the state's accounting system, IRIS, and facilitated by staff within the DAS. DAS staff will perform periodic review of financial projections for the ASB, and will assist in resolving accounting errors and year end closeout. The ASB will be a budgeted appropriation within the department, and the ASB will receive significant support from budget staff as the ASB is established. The Accountant III and an Accounting Technician II will take on accounting work within the division, which will allow the division's lead financial and budget staff to work with the ASB.

The ASB is anticipated to operate a separate financial processing system for bank operations. Division Information Technology (IT) staff will be needed to ensure that systems implemented by the ASB can connect to department and statewide systems, and to ensure that IT systems implemented by the ASB meet state security standards. The flexibly staffed Analyst Programmer I/II/III will support these needs.

This fiscal note includes the following costs which will be funded by general funds in the first year and interagency receipts from the ASB in later years:

Personal Services:	\$287.5 (one Analyst/Programmer I/II/III, one Accountant III, one Accounting Technician II, all in Juneau)
Travel:	\$6.4 for four trips in each of the first two years for accounting and IT staff to assist with the ASB's establishment; two trips per year in the following years for continued coordination and IT support.
Services:	\$200.0 in each of the first two years to fund IT resource acquisition and contracting costs. \$45.0 per year for statewide core services and other allocated costs related to the new positions.
Commodities:	\$30.0 in the first year for equipment and startup costs for the three new positions (computers, desks, etc.) \$1.5 per year beginning in the second year for office supplies.

Inter-agency receipts within the Division of Administrative Services are collected from divisions and corporate entities that receive services based on a cost allocation methodology. The costs included in this fiscal note will be billed based on anticipated and actual usage.