

SB

387

SENATE COMMITTEE REPORT

FURTHER

2/11/88

DATE TURNED INTO OFFICE 3/31/88

Mr. President:

Finance Committee considered SB 387

contributions from permanent fund dividends for the Iditarod Trail Committee, Inc.; efd

and recommended

[ ] replace with \_\_\_\_\_ CS \_\_\_\_\_ ) [ ] same title  
[x] or adopt \_\_\_\_\_ CS SB 387 (SA) ) [ ] new title

[ ] attached amendment(s) and

[x] do pass

[ ] do not pass

[ ] no recommendation

[ ] individual recommendations

[ ] further referral to \_\_\_\_\_

[ ] letter of intent adopted \_\_\_\_\_

Committee [ ] attached or [ ] adopted fiscal note(s)  
[ ] new [ ] updated or [x] previous  
[ ] zero [x] fiscal impact 32.4

MEMBERS SIGNING DO PASS

[Signature]  
Paul Grish  
[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

OTHER RECOMMENDATIONS

[Signature] No Rec -  
DO NOT PASS UNLESS AMMENDED  
TO INCLUDE THE TWO OTHER  
PREVIOUS DOG SLED RACES IN ALASKA  
THE YUKON QUEST & THE KUSKOKWIM  
300!  
[Signature]  
[Signature]

[Signature] do not pass without  
Chairman signature and recommendation  
overall policy.

[ ] Committee Backup attached

FISCAL NOTE

REQUEST

Revision Date: \_\_\_\_\_ Agency Affected: Revenue  
 Title: Contributions from PFD's to  
Iditarod Trail Committee, Inc. BRU: Permanent Fund Dividend Division  
 Sponsor: Hannley, et al Components: Permanent Fund Dividend  
 Requestor: Senate State Affairs Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
<b>OPERATING</b>						
PERSONAL SERVICES		21.2	11.2	11.2	11.2	11.2
TRAVEL	-	-	-	-	-	-
CONTRACTUAL	-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-	.2	.2	.2	.2	.2
EQUIPMENT	-	-	-	-	-	-
LANDS & STRUCTURES	-	-	-	-	-	-
GRANTS, CLAIMS	-	-	-	-	-	-
MISCELLANEOUS	-	-	-	-	-	-
<b>TOTAL OPERATING</b>	-	32.4	22.4	22.4	22.4	22.4
<b>CAPITAL</b>	-	-	-	-	-	-
<b>REVENUE</b>	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	32.4	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (trust acct)	-	-	22.4	22.4	22.4	22.4
<b>TOTAL</b>	-	32.4	22.4	22.4	22.4	22.4

POSITIONS:

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

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

Prepared By: Ervin Jones  
 Division: Permanent Fund Dividend Division

Phone: 465-2323  
 Date: 2/10/88

Approved by Commissioner: [Signature]  
 Agency: Revenue

Date: 2/10/88

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Department of Revenue  
Permanent Fund Dividend Division  
Fiscal Note Analysis  
SB 387  
2/10/88

Assumptions:

- 1) The bill will take effect for the 1989 permanent fund dividend year and application. The 1988 dividend application has already been printed.
- 2) There are seventeen other bills which if signed into law, would result in some form of "check-off" on the 1989 dividend application. The Department of Revenue has no insight as to which, and how many, of these bills will become law. This fiscal note, and all related fiscal notes, is prepared on the assumption that the subject bill is the only bill of this nature which will become law. The passage of multiple bills with varying formulas (\$5, \$25, half of dividend, all or part of dividend, etc.) will inevitably have a compounding effect. Whereas there may be savings in some areas, there will be increased costs in others.
- 3) All FY89 costs of administering this law will be borne by the general fund, since no funds will be available to the trust party account until October 1, 1989. Funding for administrative costs in FY90 and thereafter will be taken from the political party account as appropriated by the legislature.
- 4) The incremental cost of computer resources will result in a chargeback by the Department of Administration.
- 5) Whereas the cost of programming changes will be a one-time cost, the cost of document review, data capture, data processing chargeback, and the extra page in the dividend application will be continuing.
- 6) Contributions will only be honored to the extent of available funds. Garnishments and assignments will take precedence in the order established by statute. Contributions will then be honored in the order listed on the form schedule, which will be in the order they become law.

Program Summary:

The provision of a new contribution decision on the dividend application will cause additional administrative cost in several areas:

- a) An additional page added to each application, a schedule of contribution decisions.
- b) The computer system will need to be changed to account for the change in the program, to establish new accounting controls and to provide for the transfer of funds to the trust account (see Attachment A).

- c) Each of approximately 540,000 PFD applications will need to be visually reviewed and coded as to decision on the contribution decision. Each application will be data captured with additional attention and keystrokes expended on each positive decision.
- d) The accounting for the political party account will be performed by existing staff in the Fiscal Section of Administrative Services.

1. Positions

1 PPT Analyst/Programmer V, R21  
 @ \$4,999.72/Mo including salary  
 and benefits for 2 months = \$10.0

PCN 04-1125 would be funded for an additional two months, in accordance with Attachment A. Ongoing maintenance of new programs would be accomplished by existing staff.

1 PPT Document Processor I, R7  
 @ \$2,212.37/Mo, including salary and  
 benefits for 3 months = \$6.6

This position would assist in the manual review and coding of 540,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.

1 PPT Data Processing Clerk I, R8,  
 @ \$2,317.81/Mo, including salary and  
 benefits for 2 months = \$4.6

This position would assist in the data capture of the additional contribution decisions. The position represents the equivalent value of the additional time and effort.

TOTAL Personal Services \$21.2

2. Other Expenditures:

a) Travel: None.

b) Contractual:

Data Processing Chargeback \$5.0  
 Add additional page to PFD  
 booklet \$6.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$32.4

3. Funding: General Fund.

4. Section Cost Analysis: N/A.

Computations: N/A.

Economic Impact: N/A.

Impact on Local Government: N/A.

Suggested Amendments: none

Attachments: Attachment A "Summary of DP Needs"

Department of Revenue  
Permanent Fund Dividend Division  
Fiscal Note Analysis  
SB 387  
Summary of Data Processing Requirements  
4/10/88

Wang data entry processing	75.0 hours
Includes:	Data entry Batch lists Corrections Wang to IBM transfer
IBM Update jobs	30.0 hours
Includes:	Edits Batch listings Log sheets
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs	90.0 hours
Includes:	Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated contributions to the trust account, and to account for the reserve necessary due to returned and cancelled PFD warrants.
Miscellaneous	45.0 hours
Includes:	Setting up test files on IBM Systems testing Administrative functions, i.e. paper work required by Admin. DP to add files and programs to tables.
TOTAL HOURS	300.0 hours

Original sponsors: Hensley, Faiks,  
Sturgulewski, et al.

1 IN THE SENATE BY THE STATE AFFAIRS COMMITTEE  
2 CS FOR SENATE BILL NO. 387 (State Affairs)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends for the Iditarod Trail Committee, Inc.; and  
8 providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 43.23 is amended by adding a new section to read:  
11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-  
12 ment shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have money subtracted from the dividend check  
14 and contributed to the Iditarod Trail Committee, Inc., for expenses of  
15 conducting the annual Iditarod dog sled race.  
16 (b) The amount of a contribution elected under (a) of this  
17 section is \$5.00. Contributions shall be deposited in a special  
18 dividend contribution account and allocated by the department to the  
19 Iditarod Trail Committee, Inc., except that the department shall use  
20 money in the account to pay administrative costs incurred under this  
21 section.  
22 \* Sec. 2. This Act takes effect January 1, 1989.

5-1781L  
Cook  
3/29/88

Original sponsors: Hensley, Faiks,  
Sturgulewski, et al.

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 387 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund  
7 dividends for sled dog races; and providing for an  
8 effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. AS 43.23 is amended by adding a new section to read:

11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. (a) The depart-  
12 ment shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have money subtracted from the dividend check  
14 and contributed to the Iditarod Trail Committee, Inc., Yukon Quest  
15 International, Ltd., and the Kuskokwim 300 Sled Dog Race Committee,  
16 Inc. for expenses of conducting the sled dog races.

17 (b) The amount of a contribution elected under (a) of this  
18 section is \$10.00. Contributions shall be deposited in a special  
19 dividend contribution account and allocated by the department in equal  
20 portions to the Iditarod Trail Committee, Inc., Yukon Quest Inter-  
21 national, Ltd., and the Kuskokwim 300 Sled Dog Race Committee, Inc.  
22 except that the department shall use money in the account to pay  
23 administrative costs incurred under this section.

24 \* Sec. 2. This Act takes effect January 1, 1989.

BY HENSLEY, FAIKS,  
STURGULEWSKI, KELLY,  
KERTTULA AND SZYMANSKI

1 IN THE SENATE

2

SENATE BILL NO. 387

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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7 dividends for the Iditarod Trail Committee, Inc.; and  
8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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11 Sec. 43.23.016. CONTRIBUTIONS FROM DIVIDENDS. The department  
12 shall prepare the permanent fund dividend application to allow an  
13 applicant to elect to have \$5.00 subtracted from the dividend check  
14 and contributed to the Iditarod Trail Committee, Inc., for expenses of  
15 conducting the annual Iditarod dog sled race. Contributions shall be  
16 deposited in a special dividend contribution account and allocated by  
17 the department to the Iditarod Trail Committee, Inc., except that the  
18 department shall use money in the account to pay administrative costs  
19 incurred under this section.

20 \* Sec. 2. This Act takes effect January 1, 1989.

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 2-3-88 5-DAY NOTICE  
IN ACCORDANCE WITH UNIFORM RULE 23

\*\*FISCAL NOTE(S) ATTACHED  \*\*  
IN ACCORDANCE WITH AS 24.08.035  
(see below)

FURTHER: Financed  
2/11/88

2/3/88  
Mr. President:

DATE TURNED INTO OFFICE 2/11/88

State Affairs Committee considered SB 387

relating to contributions from permanent fund dividends for the  
Iditarod Trail Committee, Inc.; efd

may  
and recommended:

replace with CS SB 387 (SA)  same title  
 attached amendment(s) and and do pass  new title

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

letter of intent adopted and attached

\*\* Committee  attached or  adopted fiscal note(s)  
 zero  fiscal impact

FN

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

1 Rich Kelly  
\_\_\_\_\_  
1 Joe Jensen  
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1 Don [Signature]  
Chairman signature and recommendation

Committee Backup Attached