

SB

113

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 18 FEB 1987 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: FINANCE

**FISCAL NOTE(S) ATTACHED 3 **
IN ACCORDANCE WITH AS 24.08.035
(see below)

DATE TURNED INTO OFFICE 2.25.87

Mr. President:

STATE AFFAIRS

Committee considered

SB 113

Arctic Winter Games; efd.

and recommended:

[] replace with CS _____ [] same title
[] attached amendment(s) and [] new title

[X] do pass

[] do not pass

[] no recommendation

[] individual recommendations

[] further referral to _____

[] letter of intent adopted and attached

** Committee [X] attached or [] adopted fiscal note(s)
[X] zero [X] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Joe Goebel
Walter Kunkle
Jim Smith

Rich Uehy (NO REC)
Walter Kunkle (NO REC)

Rich Uehy
Chairman signature and recommendation

[] Committee Backup Attached

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 113
Publish Date: 02/10/87

REQUEST _____

Revision Date: _____
Title: An Act Relating to The Arctic Winter Games
Sponsor: Bennett
Requestor: Senate Finance

Agency Affected: Administration
BRU: Finance
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | 0 | 0 | 0 | 0 | 0 | 0 |
| GRANTS, CLAIMS | 0 | 0 | 0 | 0 | 0 | 0 |
| MISCELLANEOUS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| OTHER | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: Attach a separate page if necessary

There is zero fiscal impact to the Department of Administration. This version of the bill requires that a Winter Game Account be set up in the State accounting system for use by the Department of Revenue to deposit the \$5 contributions. The Department of Revenue will make the necessary accounting entries in the same manner as they have done for previous Permanent Fund Dividend related contributions.

Prepared By: Ken Bischoff Phone: 465-2240
Division: Finance Date: 02/13/87

Approved by Commissioner: Garrey Peska Date: 2/17/87
Agency: Department of Administration

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

HISTORY OF THE ARCTIC WINTER GAMES

INCEPTION OF THE GAMES

The notion of the Arctic Winter Games germinated from the experiences of northern athletes at the 1967 Canada Winter Games in Quebec City. Athletes from the Northwest Territories and Yukon did not fare well in competition against southern Canadians. It was apparent they had inadequate facilities and training, and few opportunities to compete with other athletes at similar stages of development. In fact, many had had no opportunity to compete at all.

Discussions between Stuart M. Hodgson, Commissioner of the Northwest Territories; James Smith, Commissioner of the Yukon Territory; Walter J. Hickel, Governor of Alaska; and Canadian Members of Parliament from the north confirmed that such conditions were consistent across the north. Further meetings resulted in the formation in April 1969 of the Arctic Winter Games, a concept to be nourished and promoted by the Arctic Winter Games Corporation.

CONCEPT OF THE ARCTIC WINTER GAMES

PARTICIPATION & SPORT DEVELOPMENT

The Arctic Winter Games are intended to be a major developer of northern sport at both the competitive and recreational level. The achievement of individual excellence in athletics, while a desirable result of the competitions, is not a primary motive. Instead, the Corporation has taken the approach that the fundamental purpose of the Games is to encourage maximum participation, by all ages, cultures and walks of life, in a broad range of athletic activity. The increasing level of skill is expected to result from, rather than be, the primary motive of the philosophy.

IMPETUS FOR THE DEVELOPING ATHLETE

Although a developer of competitive athletes, the Arctic Winter Games is not meant to simply replace or supplement competitive opportunities for those athletes already participating in highly competitive regional or national competition. The games aim to serve and stimulate a level of athlete below the highest competitive or elite level. The Games thereby offer impetus for the developing athlete and possibly serve as a "feeder system" for the highly competitive levels of sport.

A CULTURAL & SOCIAL INTERCHANGE

The Arctic Winter Games are intended to be a common ground for promoting cultural and social interchange among northern peoples, and for providing a vehicle for education, understanding and friendship between all peoples, cultures and races inhabiting the northern regions of the continent. The lateral interchange between northern neighbors was to complement rather than replace the north/south contact which is a feature of the athletic and social life of each of the three jurisdictions.

THE HOST ORGANIZATION

GENERAL

The Host Organization is a society registered under the state/territorial incorporation laws. The society has the responsibility to plan, finance and conduct the Arctic Winter Games on behalf of the Host Community. It does this in accordance with the Contract signed between the Host Organization, Host Community (municipality) and the Arctic Winter Games Corporation and in accordance with the Handbook and other related documents.

1988 ARCTIC WINTER GAMES
PAST GAMES INFORMATION SHEET

1. The Fairbanks area hosted the 1982 Arctic Winter Games, the second time the Games have been held in Alaska. In 1974 they were held in Anchorage.
2. The Games are one week long, and as the logo is interpreted, , emphasizes sports competition, cultural exchange and social events.
3. The 1982 Games were funded by a state grant of \$700,000 which passed through the Fairbanks North Star Borough. In 1974, when the Games were held in Anchorage, a state grant was also the source of funding to host the games.
4. In 1982 we hosted 1000 athletes, coaches, and officials for the games. We used a multiplier of \$100.00 per participant for spending in our area which equals \$100,000 new dollars in our community.
5. We estimated that an additional 1000 visitors were in town for the games. Using the same multiplier that is another \$100,000.
6. The volunteer effort in the community was substantial. 1800 local residents volunteered an average of 20 hours each, totaling at least 36,000 hours.
7. The philosophy of the 1982 Games, as well as for the 1988 Games, is to buy locally.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB113

Publish Date: _____

REQUEST: _____

Revision Date: _____

Agency Affected: Department of Revenue

Title: Relating to the Arctic Winter Games
& providing for an effective date

BRU: Revenue - Operating

Sponsor: Bennett

Components: _____

Requestor: State Affairs & Finance

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | - | - | - | - | - | - |
| TRAVEL | - | - | - | - | - | - |
| CONTRACTUAL | - | - | - | - | - | - |
| SUPPLIES | - | - | - | - | - | - |
| EQUIPMENT | - | - | - | - | - | - |
| LAND & STRUCTURES | - | - | - | - | - | - |
| GRANTS/CLAIMS | - | - | - | - | - | - |
| MISCELLANEOUS | - | - | - | - | - | - |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| CAPITAL | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

| | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|
| REVENUE | -0- | -0- | -0- | -0- | -0- | -0- |
|---------|-----|-----|-----|-----|-----|-----|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-----|-----|-----|-----|-----|
| GENERAL FUND | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | - | - | - | - | - | - |
| PART-TIME | - | - | - | - | - | - |
| TEMPORARY | - | - | - | - | - | - |

ANALYSIS: Attach a separate page if necessary

Prepared by: Sally Smith *Sally Smith*

Phone: 465-2392

Division: Public Services

Date: February 24, 1987

Approved by: H. Maloe *H. Maloe*

Date: 2/24/87

Agency: Revenue

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management & Budget
- Impacted Agency(ies)
- Senate Secretary

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 113

Publish Date: _____

REQUEST _____

Revision Date: _____

Title: "An act relating to the Arctic winter games..."

Sponsor: Bennett

Requestor: Senate State Affairs

Agency Affected: Revenue

BRU: Administrative Services

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|------------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | - | 21.9 | 10.7 | 10.7 | 10.7 | 10.7 |
| TRAVEL | - | - | - | - | - | - |
| CONTRACTUAL | - | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| SUPPLIES | - | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| EQUIPMENT | - | - | - | - | - | - |
| LANDS & STRUCTURES | - | - | - | - | - | - |
| GRANTS, CLAIMS | - | - | - | - | - | - |
| MISCELLANEOUS | - | - | - | - | - | - |
| TOTAL OPERATING | - | 27.1 | 15.9 | 15.9 | 15.9 | 15.9 |
| CAPITAL | - | - | - | - | - | - |
| REVENUE | - | - | - | - | - | - |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|------|------|------|------|------|
| GENERAL FUND | - | 27.1 | 15.9 | 15.9 | 15.9 | 15.9 |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |
| TOTAL | - | 27.1 | 15.9 | 15.9 | 15.9 | 15.9 |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313
Date: 2/25/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 2/25/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 113
2/25/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are seven other bills which if signed into law, would result in some form of "check-off" on the 1988 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, 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 costs of administering this law will be borne by the general fund, of which the trust fund is an account.
- 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.

1. Positions

1 PPT Analyst/Programmer V, R21
@ \$5,638.47/Mo including salary
and benefits for 2 months = \$11.2

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
@ \$2,117.76/Mo, including salary and
benefits for 3 months = \$6.3

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,
@ \$2,221.64/Mo, including salary and
benefits for 2 months = \$4.4

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 \$21.9

2. Other Expenditures:

a) Travel: None.

b) Contractual:

 Data Processing Chargeback \$5.0

c) Supplies: \$0.2

d) Equipment: Use existing equipment 0.0

TOTAL COST \$27.1

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
Administrative Services Division
Fiscal Note Analysis
SB 113
Summary of Data Processing Requirements
2/25/87

| | |
|--|--|
| 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 Arctic winter games 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 |

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

Bill Version: SB 113

Publish Date: _____

REQUEST _____

Revision Date: 3/4/87

Title: "An act relating to the Arctic winter games..."

Sponsor: Bennett

Requestor: Senate State Affairs

Agency Affected: Revenue

BRU: Administrative Services

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 |
|--------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | - | 21.9 | 10.7 | 10.7 | 10.7 | 10.7 |
| TRAVEL | - | - | - | - | - | - |
| CONTRACTUAL | - | 11.0 | 11.0 | 11.0 | 11.0 | 11.0 |
| SUPPLIES | - | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| EQUIPMENT | - | - | - | - | - | - |
| LANDS & STRUCTURES | - | - | - | - | - | - |
| GRANTS, CLAIMS | - | - | - | - | - | - |
| MISCELLANEOUS | - | - | - | - | - | - |
| TOTAL OPERATING | - | 33.1 | 21.9 | 21.9 | 21.9 | 21.9 |
| CAPITAL | - | - | - | - | - | - |
| REVENUE | - | - | - | - | - | - |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|------|------|------|------|------|
| GENERAL FUND | - | 33.1 | 21.9 | 21.9 | 21.9 | 21.9 |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |
| TOTAL | - | 33.1 | 21.9 | 21.9 | 21.9 | 21.9 |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

(See attached)

Prepared By: Ervin B. Jones
Division: Administrative Services

Phone: 465-2313

Date: ~~2/25/87~~ 3/4/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/5/87

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 113
2/25/87
Rev. 3/4/87

Assumptions:

1. The bill will take effect for the 1988 permanent fund dividend year and application. The 1987 dividend application has already been printed.
2. There are seven other bills which if signed into law, would result in some form of "check-off" on the 1988 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, 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 costs of administering this law will be borne by the general fund, of which the trust fund is an account.
- 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.
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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 \$21.9

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 \$33.1

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
Administrative Services Division
Fiscal Note Analysis
SB 113

Summary of Data Processing Requirements
2/25/87

| | |
|--|--|
| 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 Arctic winter games 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 |