

SB

156

Original sponsors: Hensley, Coghill,
Duncan, et al.

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 156 (State Affairs)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to contributions from permanent fund
7 dividends for political parties; 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 treasurer or central committee of the political
15 party designated by the applicant. In this subsection, "political
16 party" means an organized group of voters that represents a political
17 program and that nominated a candidate for governor who received at
18 least three percent of the total votes cast at the preceding general
19 election for governor.

20 (b) The amount of each contribution elected under (a) of this
21 section is \$5. Contributions shall be deposited in a special dividend
22 contribution account in the general fund and allocated by the depart-
23 ment in accordance with the contribution elections made by applicants
24 except that the department shall use money in the account to pay
25 administrative costs incurred under this section.

26 * Sec. 2. This Act takes effect July 1, 1987.
27
28
29



Democratic Party of Alaska

MAR 23 1987

Jack Roderick
State Chair

March 20, 1987

Virgie King
1st Vice Chair

State Affairs Committee
Pouch V
Juneau, AK 99811

Hilda Woods
Treasurer

Dear Committee Members;

Carolyn Covington
Secretary

This letter is in support of SB #156, which would allow individuals to donate to political parties by a "check off" system from one's Permanent Fund Dividend application.

Pegge Begich
Finance Director

Bob Goldberg
Legal Counsel

There seems to be public concern with the way political campaigns are financed. The common thread that runs through legislation pending before the 15th Session of the Alaska Legislature is that too much "special interest" money is bankrolling campaigns in Alaska. I see much of the campaign related legislation as intending to strengthen the political parties as a way of negating the affects of the "special interest" contributions. Senate Bill #156 works toward the goal of strengthening political parties in Alaska. This is a step in the right direction towards lessening the influence of "special interest" contributions, thereby helping to reform campaign practices in Alaska.

Doris Volske
National Committeewoman

Vander Pearson
National Committeeman

Chancy Croft
Policy Commission

Peg Tileston
Alaska Democrat

The Alaska Democratic Party is solidly behind this legislation. Thank you.

Sincerely,

Jack Roderick

Jack Roderick,
Party Chair

WDB

Bill Bobrick
Exec. Director

Susie Barnett
Office Manager

(907) 562-3050

P.O. Box 10-4199 • Anchorage, AK 99510

The Republican Party of Alaska



Jim Crawford
Chairman

Marilyn Paine
National Committeewoman

Eldon Ulmer
National Committeeman

Jack Wilbur
Vice Chairman

Gall Phillips
Secretary

Tim McKeever
Treasurer

Charlot Thickstun
Asst. Secretary

Lloyd Hames
Asst. Treasurer

Dave Harbour
Finance Chairman

Cliff Groh
Legal Counsel

750 E. Fireweed Lane, Suite 102
Anchorage, Alaska 99503
(907) 276-4467

March 25, 1987

Senator Willie Hensley
P.O. Box V
Juneau, AK 99811

Dear Senator Hensley:

Thank you for your request for comments from the Republican Party of Alaska in regard to SB 156. This bill would provide a check off on Permanent Fund applications that would allow Alaskans to direct a portion of their dividend to support political parties.

We appreciate your recognition that political parties deserve financial support from the citizenry because of their role in charting the future of our state. We want to thank you and your fellow sponsors for their intentions.

The most important part of the bill as we read it is that it protects the Permanent Fund from administrative charges that would be incurred by the establishment of this new program. Our party has spoken strongly about defending the Permanent Fund. We believe that, even if our party benefits from a program, the program should not impair the ability of the Fund to provide for future needs of our state's citizens.

Current Alaska law forbids the contribution of money to a political party in the name of another. We strongly urge you to continue to honor that principle by slightly revising the current bill. Political parties should be given the names of those who direct a portion of their dividend to the party of their choice. That way we could thank each donor and report their contribution according to the APOC regulations.

Thank you for your efforts, and thank you for offering us the opportunity to comment on your bill.

With best regards,


Jim Crawford
Chairman, Republican Party of Alaska

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST _____

Bill Version: SB 156
Publish Date: _____

Revision Date: _____
Title: Contributions from PFD's to political parties
Sponsor: Hensley, et al
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	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (political party acct)	-	-	21.9	21.9	21.9	21.9
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: 3/19/87

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/20/87

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 156
3/19/87

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 nine 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, \$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 FY88 costs of administering this law will be borne by the general fund, since no funds will be available to the political party account until October 1, 1988. Funding for administrative costs in FY89 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.
- 7) The Department of Revenue will determine qualifying political parties in cooperation with the Division of Elections and will list the parties by name on the PFD application.
- 8) It is assumed that each applicant will contribute to only one political party.

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
 @ \$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
 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: The following amendment #1 should be considered.

1. Sec. 1, line 12-16 is amended to read:

" . . . The Department of Revenue shall prepare the permanent fund dividend application to allow [AN APPLICANT] individuals who are 18 years of age or older to direct that \$25 of their dividend be subtracted from the check and contributed to the political party designated by the applicant."

Current state law (AS15.13.120(a)(4)) prohibits an individual from making a political contribution in the name of another person. Since the child's permanent fund dividend application is filed on behalf of the child by the parent or other sponsor, it is arguable that an election on the PFD Child's application, executed by the parent, may be contrary to the above referenced statute.

2. Sec. 1, line 18-20 is amended to read:

" . . . The Department of Revenue [MAY] shall use money in the account to pay administrative costs incurred under this section [.] as appropriated by the legislature. . . ."

Attachments: Attachment A: "Summary of DP Needs"

Department of Revenue
Administrative Services Division
Fiscal Note Analysis
SB 156
Summary of Data Processing Requirements
3/19/87

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 Political Party 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

POSITION PAPER
SB 156

SB 156 creates an option on the Permanent Fund Dividend Application so applicants can direct that \$25 of their dividend be donated to the political party they indicate. The Department of Revenue may use a portion of the funds to pay administrative costs.

The Department of Administration must hold the funds in trust for distribution to the political parties.

The bill has no direct impact on the Alaska Public Offices Commission. The political parties would not receive a list of the individuals who donated through this method but that would not be particularly troublesome. Under the Commission's regulations, an organization may hold a fund-raiser at which the names of contributors are not recorded so long as there are 25 or more paying participants and no one contributes more than \$50. Since SB 156 would limit the maximum donation per individual to \$25, the proposal could be considered consistent with the regulation which was designed to alleviate some of the recordkeeping burdens associated with low cost fund-raisers where large numbers of people attended.

The Commission's position on SB 156 is neutral.

Sheda Pittman 3/20/87
Exec. Director, Alaska Public Offices Commission Date

Jan Rogers /bm 3-23-87
Chairman, Alaska Public Offices Commission Date

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

REQUEST: _____

Bill Version: SB 156

Publish Date: _____

Revision Date: _____
Title: An act relating to contributions from permanent fund...

Agency Affected: Administration
BRU: Alaska Public Offices Commission

Sponsor: Hensley, Coghill, et. al.

Components: _____

Requestor: Senate State Affairs

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
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS: 0 0 0 0 0 0

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: Theda Pittman *Theda Pittman*
Division: Alaska Public Offices Commission

Phone: 276-4176
Date: 3/20/87

Approved by Commissioner: Jean Rogers *Jean Rogers*
Agency: Chairman, Alaska Public Offices Commission

Date: 3-23-87

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

ALASKA LEGISLATURE COMMITTEE FILES 1987-1988 8672

5519 SSTA SB 157 - SB 171

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