

SB

504

FISCAL NOTE

REQUEST

Revision Date: _____
Title: Contributions from PFDs to
Yukon Quest International, Ltd.
Sponsor: Finance Committee
Requestor: State Affairs and Finance

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend
Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
OPERATING						
PERSONAL SERVICES	-0-	17.4	8.8	9.8	8.8	8.8
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	11.0	11.0	11.0	11.0	11.0
SUPPLIES	-0-	0.2	0.2	0.2	0.2	0.2
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & 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-	28.6	20.0	20.0	20.0	20.0
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	28.6	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	20.0	20.0	20.0	20.0
TOTAL	-0-	28.6	20.0	20.0	20.0	20.0

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	3	2	2	2	2
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: None required

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Division: Permanent/Fund Dividend Division Date: April 13, 1988

Approved by Commissioner: Hugh Malone Date: 4/14/88
Agency: Revenue

Distribution (by preparer):

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Department of Revenue
Permanent Fund Dividend Division
Fiscal Note Analysis
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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 18 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, 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) Income from the account will not be available until FY90, and a general fund appropriation will be required in FY89. The costs of administering this law will be borne by the trust fund in FY90 and subsequent years.
- 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 booklet 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 and elections 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 Alaska Special Olympics 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.

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1.	<u>Positions</u>		
	1 PPT Analyst/Programmer IV, R19		
	@ \$4,302.28/Mo including salary		
	and benefits for 2 months	=	\$8.6
	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 2 months	=	\$4.2
	This position would assist in the manual review and coding of 370,000 applications for the new contribution decision. This position represents the equivalent of the additional time and effort.		
	1 PPT Data Processing Clerk I, R8,		
	@ \$2,317.72/Mo, including salary and		
	benefits for 1-1/2 months	=	\$4.6
	This position would assist in the data capture of the additional contribution decision. The position represents the equivalent value of the additional time and effort.		
	TOTAL Personal Services		\$17.4
2.	<u>Other Expenditures:</u>		
a)	<u>Travel:</u>		\$0.0
b)	Contractual:		
	Data Processing Chargeback		\$5.0
	Add a page to the PFD Booklet		\$6.0
c)	Supplies:		\$0.2
d)	Equipment: Use existing equipment		<u>0.0</u>
	TOTAL COST		<u>\$28.6</u>

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3. Funding: General Fund in FY90, thereafter from the Special Olympics Account.

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"

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 Summary of Data Processing Requirements
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Wang data entry processing Includes: Data entry Batch lists Corrections Wang to IBM transfer	75.0 hours
IBM Update jobs Includes: Edits Batch listings Log sheets	30.0 hours
DMS Online programs for lookup and changes	37.5 hours
Nightly Update of Changes	22.5 hours
Warrant Jobs Includes: Printing warrants with different amounts. Include check stub messages. Modify warrant registers as needed for balancing. Create new program(s) for transferring accumulated decisions to the Alaska Education Trust Fund, and to account for the reserve necessary due to returned and cancelled PFD warrants.	90.0 hours
Miscellaneous 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.	45.0 hours
TOTAL HOURS	300.0 hours