

LEG. FINANCE - BILLS 1981 - 1982 1730

CSSB 842 cont.

1730

1 (a) An individual who is eligible under (b) of this section is
2 entitled to one permanent fund dividend for each full year that the
3 individual is a state resident after January 1, 1982 [1959].

4 * Sec. 3. AS 43.23.020(b)(1) is amended to read:

5 (1) a statement of eligibility and a certification of resi-
6 dency in substantially the following form:

7 I certify that I am a state resident on the date of
8 this application and I have been a state resident for
9 _____ full years and that I understand that my claim
10 for a permanent fund dividend is determined by the
11 length of my residence in the state after January 1,
12 1982 [1959]. I also understand that a false claim of
13 residency to obtain a permanent fund dividend is a
14 criminal offense and that if convicted I will forfeit
15 all permanent fund dividends and that I must repay
16 all permanent fund dividends which have been paid to
17 me. I understand that this penalty is in addition
18 to any criminal penalties imposed.

19 _____
20 (signature of individual)

21 and

22 * Sec. 4. AS 43.23 is amended by adding a new section to read:

23 Sec. 43.23.014. PAYMENTS FOR PRIOR YEARS. (a) Beginning with
24 application for permanent fund dividends filed during 1983 and for each
25 year after that, an individual who becomes 18 years of age on or before
26 the last day for filing an application during a year may file a claim
27 for and receive permanent fund dividends for all prior years in which he
28 would have been eligible under AS 43.23.010 if he had then been 18 years
29 of age.

1 (b) A claim for permanent fund dividends for prior years under
2 this section may be filed even if the individual is not a state resident
3 at the time he makes the claim.

4 (c) In order to receive a permanent fund dividend for a prior
5 year, an individual must file a claim for all prior dividends within one
6 year after reaching the age of 18 and within the time limits established
7 under AS 43.23.060(2) for the current year's application. Failure to
8 file a claim for permanent fund dividends for prior years within this
9 period waives all entitlement to those dividends. The department shall
10 prescribe and make available forms for claims for permanent fund divi-
11 dends for prior years, and may require proof of eligibility in addition
12 to that required for a current year under AS 43.23.020(a).

13 (d) The value of a permanent fund dividend for a prior year is the
14 value published by the commissioner under AS 43.23.030 for that prior
15 year. Interest on permanent fund dividends paid for a prior year under
16 this section is computed and paid from January 1 of the year following
17 that year, using the average rate of return earned since that time by
18 the dividend fund established in AS 43.23.050.

19 (e) Nothing in this section prevents an individual from claiming
20 and receiving a permanent fund dividend under AS 43.23.010 during the
21 current year in which he is eligible.

22 * Sec. 5. AS 43.23.020 is amended by adding new subsections to read:

23 (c) Beginning with application for a permanent fund dividend filed
24 during 1983 and each year after that, an individual who is a parent or
25 legal guardian of a minor child who is a resident of the state, shall
26 provide to the department the following information with respect to each
27 minor child:

- 28 (1) full name;
29 (2) date of birth;

1 (3) current address if different from the parent or guardian's
2 address; and

3 (4) other information required by the department relating to
4 the future eligibility of the child to claim a prior year permanent fund
5 dividend.

6 (d) The department shall maintain a record of the information
7 provided under (c) of this section for each minor child until the time
8 for that child to file a claim for prior year permanent fund dividends
9 has expired. The information required in (c) of this section may be
10 used only to estimate the number of future claims for prior year divi-
11 dends and to verify the eligibility of individuals who have filed claims
12 for prior year dividends. This information may be used in place of
13 other proof of eligibility permitted under (a) of this section and under
14 AS 43.23.014(c). The failure of a parent or guardian to provide the
15 information required by (c) of this section does not affect the child's
16 eligibility in the future to receive payment for a prior year dividend.

17 * Sec. 6. AS 43.23.030(2) is amended to read:

18 (2) determining the number of permanent fund dividends paid
19 during the current year plus an estimate of the number of dividends for
20 that year which individuals under 18 years of age will be eligible in
21 the future to claim as dividends for a prior year under AS 43.23.014;
22 and

23 * Sec. 7. AS 43.23.050 is amended by adding new subsections to read:

24 (d) Each year the department shall pay from the dividend fund all
25 permanent fund dividends payable to eligible individuals for the current
26 year and all permanent fund dividends for prior years, including inter-
27 est, payable that year to eligible individuals. The money remaining
28 each year after these payments are made, and any interest earned from
29 investment of money in the dividend fund, remains in the fund to pay

1 claims for prior year permanent fund dividends.

2 (e) The department shall review the status of the fund every four
3 years beginning in 1985 to determine whether there is sufficient money
4 in the fund to pay future claims for prior year permanent fund divi-
5 dends. On August 1 of the year of a review the commissioner shall
6 certify the amount of excess or deficient funds, as the case may be. If
7 there is an excess, the amount of income described in AS 43.23.030(1)
8 shall be increased by the amount of the excess for purposes of deter-
9 mining the value of a permanent fund dividend under AS 43.23.030 to be
10 paid in the following year. If there is a deficiency, the amount of
11 income described in AS 43.23.030(1) shall be reduced by the amount of
12 the deficiency for purposes of determining the value of a permanent fund
13 dividend under AS 43.23.030 to be paid in the following year.

14 * Sec. 8. AS 43.23.070 is amended by adding a new subsection to read:

15 (d) No exemption is available under this section for permanent
16 fund dividends taken to satisfy child support obligations required by
17 court order.

18 * Sec. 9. AS 43.23.080 is repealed and reenacted to read:

19 Sec. 43.23.080. ELIGIBILITY FOR STATE PROGRAMS. No program admin-
20 istered by the state or any of its instrumentalities or municipalities,
21 the eligibility for which is based on financial need, shall consider a
22 permanent fund dividend as income or resources unless required to do so
23 by federal law or regulation.

24 * Sec. 10. AS 43.23 is amended by adding a new section to read:

25 Sec. 43.23.087. ELIGIBILITY FOR PUBLIC ASSISTANCE. (a) In
26 determining the eligibility of an individual under a public assistance
27 program administered by the Department of Health and Social Services
28 and in which eligibility for assistance is based on financial need,
29 the Department of Health and Social Services may not consider a

1 permanent fund dividend as income or resources for the month the divi-
2 dend was received by the recipient of public assistance unless required
3 to do so by federal law or regulation. The Department of Health and
4 Social Services shall notify all recipients of public assistance of the
5 effects of receiving a permanent fund dividend.

6 (b) An individual who is denied medical assistance under Title
7 XIX of the federal Social Security Act (42 U.S.C. 1396 et seq) solely
8 because of the receipt of a permanent fund dividend is eligible for
9 state-funded medical assistance under the general relief assistance
10 program (AS 47.25.120 - 47.25.300). The individual shall receive the
11 same level of medical assistance as the individual would have received
12 under Title XIX of the federal Social Security Act had there been no
13 permanent fund dividend program.

14 (c) An individual who is denied assistance because permanent
15 fund dividends are counted as income or resources under federal law or
16 regulation is eligible for cash assistance under the general relief
17 assistance program (AS 47.25.120 - 47.25.300). Notwithstanding the
18 limit in AS 47.25.130, the individual shall receive the same amount as
19 the individual would have received under other public assistance
20 programs had there been no permanent fund dividend program.

21 * Sec. 11. 1982 PERMANENT FUND DIVIDEND DISTRIBUTION. (a) This section
22 applies to the distribution of permanent fund dividends under AS 43.23 during
23 1982 only. The provisions of this section relating to the value of a perma-
24 nent fund dividend, eligibility requirements, application procedures, and
25 time limits apply to the distribution of permanent fund dividends during 1982,
26 notwithstanding any contrary provisions of AS 43.23 that are in effect on the
27 effective date of this section or that take effect after the effective date
28 of this section. All other provisions of AS 43.23 in effect on the effective
29 date of this section apply to the distribution of permanent fund dividends

1 under this section.

2 (b) An individual is eligible to receive one permanent fund dividend in
3 1982 if he applies to the department, and if on the date of application the
4 individual

5 (1) is at least 18 years of age;

6 (2) is a state resident; and

7 (3) has been a state resident for a period of at least six con-
8 secutive months immediately preceding the date of application.

9 (c) In determining the minimum period of an individual's residency
10 required under (b)(3) of this section, the department may include months of
11 residency both in 1982 and in 1981.

12 (d) The amount of each dividend for 1982 is \$1,000.

13 (e) An individual meets the requirement of applying to the department
14 under (b) of this section if the individual

15 (1) before the effective date of this section and during 1982
16 filed an application with the department under AS 43.23.010; or

17 (2) files an application with the department under this section
18 within the time limits established by the department in regulations adopted
19 under (g) of this section.

20 (f) As soon as possible after the effective date of this section, the
21 department shall issue warrants for permanent fund dividends to eligible
22 individuals. The department shall make application forms available and may
23 continue to use the application forms prepared under AS 43.23.020(b) for
24 applications under this section.

25 (g) The department may adopt regulations to govern the 1982 dividend
26 distribution as emergency regulations under AS 44.62.250.

27 (h) The income of the Alaska permanent fund for fiscal year 1982 trans-
28 ferred to the dividend fund may not be used for payment of dividends during
29 1982, but must remain in the dividend fund and be used for payment of

1 permanent fund dividends during 1983 along with the fiscal year 1983 earnings
2 of the Alaska permanent fund transferred to the dividend fund.

3 (i) In this section, "department" means the Department of Revenue.

4 * Sec. 12. Section 4, ch. 21, SLA 1980, is repealed.

5 * Sec. 13. AS 43.23.050(c) is repealed.

6 * Sec. 14. AS 43.23.010, 43.23.014, 43.23.020, 43.23.030, 43.23.040,
7 43.23.050, 43.23.060, 43.23.070, 43.23.080, 43.23.090, and 43.23.100 are re-
8 pealed.

9 * Sec. 15. If the United States Supreme Court decides that AS 43.23.010(a)
10 is invalid on the basis of the date specified in that subsection, then the
11 language specifying that date is severable, and all other provisions of
12 AS 43.23, as enacted in ch. 21, SLA 1980, remain in effect.

13 * Sec. 16. Notwithstanding the provisions of AS 43.23.014(c), enacted in
14 sec. 4 of this Act, which require an individual to file an application for
15 prior year permanent fund dividends within one year after reaching 18 years
16 of age, an individual may file a claim during 1983 for permanent fund divi-
17 dends for all prior years for which he is eligible if that individual has
18 turned 18 years of age on or before the last day for filing an application
19 during 1983.

20 * Sec. 17. Sections 2 and 3 of this Act take effect 60 days after the
21 date that the United States Supreme Court decides that AS 43.23.010 is
22 invalid but also decides that AS 43.23.010 would not violate the United
23 States Constitution if the amount of a permanent fund dividend were deter-
24 mined by accumulated years of residency in the state beginning on or after
25 January 1, 1979.

26 * Sec. 18. Sections 1 and 14 of this Act take effect 60 days after the
27 date that the United States Supreme Court decides that AS 43.23.010 is
28 invalid because the amount of a permanent fund dividend is determined by
29 accumulated years of residency in the state whether those years are counted

1 before or after January 1, 1979.

2 * Sec. 19. Sections 4 - 7, 12, 13, 15, and 16 of this Act take effect
3 immediately in accordance with AS 01.10.070(c).

4 * Sec. 20. Section 11 of this Act takes effect on the date that the United
5 States Supreme Court decides that AS 43.23.010 is for any reason invalid.

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PERMANENT FUND DIVIDENDS--COMPARISON OF BILLS

<u>Issue</u>	<u>House</u>	<u>Senate</u>	<u>Compromise</u>
Frequency of payments	One-shot	Annual	Annual
Amount of 1982 payments	\$1,000 per capita	\$1,000 per capita	\$1,000 per capita
Payments for 1983 and future payments	-----	Depends on PF income	Depends on PF income
Method of 1983 and future payments	-----	If state's AG decides it's possible, prospective accumulation from 1982 forward; if not, per capita payments	Same as Senate
Residency requirement	6 mos.	1 yr.	6 mos.
Minors	Parents and guardians collect	Individuals collect at 18 for back years	If state wins Zobel case, individuals collect at 18; if state loses, parents and guardians collect
Public assistance--substitution of state \$ for federal \$	Unlimited state substitution (\$23 million cost to state)	Unlimited state substitution (\$11.5 million cost to state)	4-mo. substitution (\$11.3-12.7 million cost to state)
Date-certain trigger for distribution	Yes-July 10, 1982	No	Yes--30 days after beginning of U.S. Supreme Court fall term
1982 application and payment procedure under backstop plan	All new aps-- must be returned to state within 120 days after ED of Act; state then pays ASAP	State pays immediately to eligible applicants for 1981; new aps must be returned within 120 days of Act's ED; state then pays ASAP	Same as Senate

- (B) Staff resources necessary to promptly process entire assistance caseload with no adverse effects on accuracy or timeliness of substitute benefits:

Overtime for existing field staff:	100.0
8 seasonal new field staff (4 months each):	75.2
Total	175.2
State Funds	106.2
Federal Funds	68.3

- (C) The current wording of Sec. 43.23.085 of the 5/8/82 Work Draft shows a four-month hold harmless period. Because of repeated legislative interest in options other than a four-month hold harmless, the funding chart below presents the costs of all available options. (The 4/12/82 Fiscal Note on CSSB 842 presents the savings resulting from no hold harmless period.) Costs are in state funds only.

<u>Assistance Program</u>	1 month Hold Harmless	2 months Hold Harmless	3 months Hold Harmless	4 months Hold Harmless	Full Hold Harmless
<u>Food Stamps</u>	2,900.0	3,915.0	4,930.0	4,930.0	4,930.0
<u>Aid to Families with Dependent Children</u>	1,749.7	2,362.1	2,974.5	3,586.9	3,586.9
<u>Adult Public Assistance</u>	1,298.7	1,428.6	1,558.5	1,688.4	1,688.4
<u>Medicaid</u>	(2,106.6)	(2,098.0)	(2,292.0)	(2,486.0)	(2,486.0)
<u>General Relief Cash Assistance</u>	0	0	0	0	0
<u>General Relief-Medicaid</u>	4,213.2	4,196.0	4,584.0	4,972.0	4,972.0
<u>Eligibility Determination</u>	106.9	106.9	106.9	106.9	106.9
Total FY 83 State Funds	8,161.9	9,910.6	11,861.9	12,798.2	12,798.2

Assumptions for Pricing Different Options:

- (1) Base is Governor's FY 83 budget.
- (2) One-month hold harmless based on 100% of caseload becoming ineligible.
2nd and later months use following assumptions concerning continued ineligibility:
 - Food Stamps: 35% of households will be ineligible for 3 additional months.
 - AFDC: 35% of families will be ineligible for 4 additional months.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE INCREASE

I. REQUEST

Bill/Resolution Number: CSSB842(Fin)am

Title: An Act providing for Permanent Fund Dividends.

Requested by: House Finance Committee Date: May 8, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: General Government

BRU, Program, or Subprogram(s) Affected: Administrative & Public Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	58.9	18.9	20.2	21.6	23.1
200 TRAVEL	-	40.0	-	-	-	-
300 CONTRACTUAL	-	241.0	146.0	156.2	167.2	178.9
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	339.9	164.9	176.4	188.8	202.0

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	339.9	164.9	176.4	188.8	202.0
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	10/30mm	3/9mm	3/9mm	3/9mm	3/9mm
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

An amendment to this bill which adds payments to minors upon application of parent or guardian would add 147,000 applications, related processing activities and payments. Forms preparation and distribution, assistance in applying, processing of applications and dividend payment activity is involved.

Expenditure detail is attached. Inflation for FY 84 and following years is estimated at seven percent.

IV. DATE: May 8, 1982

PREPARED BY: P.A. Wall

AGENCY: Revenue

PHONE: 465-2393

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81).

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

May 8, 1982

The Honorable Al Adams, Chairman
House Finance Committee
Alaska House of Representatives
Alaska State Legislature
Pouch V
Juneau, AK 99811

Re: CSSB842(Fin)am

Dear Mr. Adams:

It is my understanding that your committee is considering several amendments to CSSB842(Fin)am which provides for permanent fund dividends. I wish to comment on three proposed amendments which have been indicated to members of my staff:

1. Section 1, line 16, page 1, regarding a period of state residency would be changed from 12 to 6 months.

This amendment will not change the fiscal notes which were submitted to your committee on April 19, 1982.

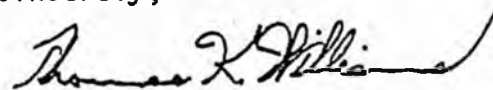
2. An amendment would add a repeal of the present law, AS 43.23, late in calendar 1982, should the United States Supreme Court fail to rule on the appeal which it is presently considering.

This amendment will not change the fiscal notes which were submitted to your committee on April 19, 1982.

3. An amendment would allow the parents or guardians of minor and incompetent individuals who are eligible to claim the dividends for those minor or incompetent individuals.

This amendment will increase expenditures beginning with FY 83 because of forms preparation, distribution, assistance in preparing and processing applications, and dividend payment activities for 147,000 additional individuals. Expenditures which should be added to our fiscal notes for FY 83 are defined in the attached Fiscal Note Increase for CSSB842(Fin)am.

Sincerely,



Thomas K. Williams
Commissioner of Revenue

TKW:PAW:jas

Attachments

Positions:Administrative Services

3 PPT Tax Scanners R8 @ \$1,487 mo
plus 32% costs for 3 months = 17.7

Provide for 147,000 minor and incompetent applications, batch control, correction, dividend print release, data capture, mail opening and distribution, document control, numbering and batching.

Public Services

7 PPT Tax Scanners R8 @ \$1,487 mo.
plus 32% costs for 3 months = 41.2

Additional FY 83 Positions = 58.9

Other Expenditures:Travel - Public Services

For urban and rural assistance = 40.0

Additional FY 83 Travel = 40.0

Contractual - Administrative Services:

Toll calls involving Zenith

Administrative Services = 2.0

Forms and Instructions:

Administrative Services - 200,000 for
handout and response to requests due
to minors being eligible @\$13m = 2.6

Warrant stock: 147,000 @ \$35m = 5.1

Warrant envelopes: 147,000 @\$12.43m = 1.8

Postage:

Administrative Services:

Payments - 147,000 @ .20 = 29.4

Forms 100,000 @ .20 = 20.0

Data Processing (Includes development,
data capture and production):

Computer Resource Units: 40,000
@ 1.25 per unit = 50.0

Common output units: 130 @ \$31
(reports, warrants, COM) = 4.0

Storage units: master and distribution
file: 1,600 @ \$14 = 22.4

Terminals:

Data capture CRT's: 2@ \$3,900 each = 7.8

Contractual - Public Services:

Toll calls including Zenith = 7.0

Postage

Correspondence, 15,000 @ .20 = 3.0

Contracts

For rural application assistance = 70.0

Advertising

Radio, TV, newspaper = 15.0

Additional FY 83 Contractual = 241.0

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE INCREASE

I. REQUEST

Bill/Resolution Number: CSSB842(Fin)am

Title: An Act providing for permanent fund dividends.

Requested by: House Finance Committee Date: May 8, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: General Government

BRU, Program, or Subprogram(s) Affected: Enforcement

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	88.8	142.5	152.5	163.2	174.6
200 TRAVEL	-	5.0	8.0	8.6	9.2	9.8
300 CONTRACTUAL	-	14.0	17.3	18.5	19.8	21.2
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	3.6	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	111.4	167.8	179.6	192.2	205.6

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	111.4	167.8	179.6	192.2	205.6
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	4/32mm	4/48mm	4/48mm	4/48mm	4/48mm
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The addition of minors will result in 147,000 more applications and payments than were considered in the original bill. Determining the eligibility of minors who are not yet in school, who have not received a social security number, and who are involved in name changes will be the most difficult.

Expenditure detail is attached.

IV. DATE: May 8, 1982

PREPARED BY: Marilla Gemmer

AGENCY: Revenue

PHONE: 465-2366

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

CSSB842(Fin)am

<u>Postions:</u>	<u>FY 83</u>	<u>FY 84</u>
1 PFT REO III, R17	27.9	44.7
2 PFT Eligibility Tech II, R14	45.2	72.6
1 PFT Clerk Typist IV, R8	<u>15.7</u>	<u>25.2</u>
	88.8	142.5
 <u>Travel:</u>	 <u>5.0</u>	 <u>8.0</u>
	5.0	8.0
 Contractual		
Two CRT's	9.3	9.3
Space	3.2	5.0
Phone, postage, misc.	<u>1.5</u>	<u>3.0</u>
	14.0	17.3
 Equipment for 4 new positions	 <u>3.6</u>	
	3.6	

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS SB 842 (FIN) am
Title: Providing for Permanent Fund Dividends
Requested by: Senate Rules Committee

Date: 3/10/82

II. FISCAL DETAIL

Agency Affected:

Revenue

Program Category Affected: General Government

BRU, Program, or Subprogram(s) Affected: Administrative & Public Services

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	219.5	642.9	687.9	736.1	787.6	842.7
200 TRAVEL	20.0	25.0	26.8	28.6	30.6	32.8
300 CONTRACTUAL	233.6	521.5	558.0	597.1	638.9	683.6
400 COMMODITIES	-	5.0	5.4	5.7	6.1	6.6
500 EQUIPMENT	-	125.0	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	473.1	1,319.4	1,278.1	1,367.5	1,463.2	1,565.7

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	473.1	1,319.4	1,278.1	1,367.5	1,463.2	1,565.7
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	9/27mm	9/108mm	9/108mm	9/108mm	9/108mm	9/108mm
PART TIME	24/72mm	20/158mm	20/158mm	20/158mm	20/158mm	20/158mm
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Attached.

The FY82 expenditures continue the resources previously authorized for administering AS 43.23 and provide for distribution of dividend payments for eligible individuals who applied in 1981. The expenditure will require supplemental appropriations.

IV. DATE: 4/16/82

PREPARED BY: P. A. Wall

AGENCY: Revenue

PHONE: 455-2393

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

SB 842

Analysis:

SB 842 contains alternatives to the existing Permanent Fund Dividend program:

ALTERNATIVE 1 -

If the U.S. Supreme Court decides that it is invalid to determine the amount of a dividend payment by accumulated years of state residency, then Sections 1 and 14 would be effective:

- a. The present program in AS 43.23 is repealed.
- b. An ongoing new program is established.
- c. New program distribution is to Alaskans on a per capita basis.
- d. The new program is run on a current calendar year basis.
- e. Individuals apply by having already filed a 1981 application or by filing an application now.
- f. The base year is 1982.
- g. Individuals reaching 18 years of age claim prior year payments back to the 1982 base year.

ALTERNATIVE 2 -

If the U.S. Supreme Court decides that the existing program would have been constitutional if the years of residency had begun to accumulate prospectively, then Sections 2, 3 and 7 would be effective:

- a. Provisions of the present program in AS 43.23 would continue in effect, except,
- b. the base year would be changed from 1959 to 1982.
- c. Individuals reaching 18 years of age claim prior year payments back to the 1982 base year.

ALTERNATIVE 3 -

If the U. S. Supreme Court decides that AS 43.23.010 is invalid for any reason, then section 11 would be effective:

- a. Distribution for 1982 only is to Alaskans on a per capita basis.
- b. Each eligible person receives a dividend payment of \$1,000.
- c. Individuals apply by having already filed a 1981 application or by filing an application now.

Assumptions:

272,000 payments for 1982.

40,000 additional applications received for 1982, 7,000 are 18 years old.

5% growth.

Program Summary:

Payment to the 272,000 eligible individuals who filed 1981 dividend applications will be prepared and mailed. The processing and computer programs will be designed and implemented. Application forms will be designed, ordered and distributed. Applications will be opened, placed in control, reviewed, batched, data captured, edited and corrected, and payments prepared and mailed. Appropriate files, reports and enforcement processing will be performed. Forms and processing for 1983 and following years will include the making of payments for prior years back to and including 1982. Payments matching garnishments and other attachments will be adjusted as required.

Positions -

FY82

9 positions - to continue positions presently authorized in support of AS 43.23 which provide:

- a. Recruitment, hiring, EEO and contract administration, lease accounting and related personnel/payroll services.
- b. Design and/or modification of computerized distribution system for eligible individuals. Maintain existing system which provides for the immediate distribution of dividend payments to eligible individuals who applied in 1980 and 1981.
- c. Forms procurement and distribution, accounts payable including voucher preparation. Supply services.
- d. Assistance to the public through response to phone, mail and in-person inquiries at service counters and in rural communities.

Administrative Services:

PFT PCN 1100, R 12C @ \$1,870 mo
plus 32% costs for 3 mos = 7.4

PFT PCN 1124, R 18F @ \$3,153 mo
plus 32% costs for 3 mos = 12.5

PFT PCN 1104, R 8A @ \$1,393 mo
plus 32% costs for 3 mos = 5.5

6 PPT Tax Scanners R 8 @ \$1,487 mo
plus 32% costs for 3 mos = 35.3

Batch control, correction, dividned payment release, stop payments on
garnishments and other attachments, data capture of address changes, mail
opening and distribution, document control, numbering, batching.

Total Administrative Services positions: 60.7

Public Services

PFT PCN 2018, R 12B @ \$1,814 mo plus
32% costs for 3 mos = 7.2

PFT PCN 2019, R 20F @ \$3,623 mo plus
32% costs for 3 mos = 14.3

PFT PCN 2027, R 7A @ \$1,319 mo plus
32% costs for 3 mos = 5.2

PFT PCN 2030, R 15F @ \$2,548 mo plus
32% costs for 3 mos = 10.1

PFT PCN 2033. R 18A @ \$2,640 mo plus
= 10.5

PFT PCN 2099 R 8A @ \$1,393 mo plus
32% costs for 3 mos = 5.5

18 PPT Tax Scanners R 8 @ \$1,487 mo
plus 32% costs for 3 mos = 106.0

Phone, letter, and counter response to inquiries at Juneau, Anchorage,
and Fairbanks. Application assistance in urban and rural communities,
receipt, filing and re-issue of returned and undeliverable or unclaimed
dividend payments. Furnish copies of applications upon authorized
request.

Total Public Services positions 158.8

Total FY82 positions 219.5

FY83

Administrative Services -

PFT PCN 1100, R 12D @ \$2,073 mo plus
32% costs = 32.8

PFT PCN 1124, R 18F @ \$3,371 mo plus
32% costs = 53.4

PFT PCN 1104, R 8A @ \$1.393 mo plus
32% costs = 22.1

9 PPT Tax Scanners R 8 @ \$1,487 mo plus
32% costs for 9 mos = 159.0

Batch control, correction dividend payment release, stop payments on garnishments and other attachments, data capture of applications, address changes and amendments, mail opening and distribution, document control, numbering, batching.

Total Administrative Services positions for FY83 = 267.3

Public Services -

PFT PCN 2018, R 12 C @ \$2,010 mo plus
32% costs = 31.8

PFT PCN 2019, R 20F @ \$3,851 mo plus
32% costs = 61.0

PFT PCN 2027, R 7A @ \$1.408 mo plus
32% costs = 22.3

PFT PCN 2030, R 15F @ \$2,379 mo plus
32% costs = 43.4

PFT PCN 2033, R 18B @ \$2,640 mo plus
32% costs = 41.8

PFT PCN 2099, R 8B @ \$1,530 mo plus
32% costs = 24.2

11 PPT Tax Scanners R 8 @ \$ 1,487 mo
plus 32% costs for 7 mos =151.1

Phone, letter and counter response to inquiries at Juneau, Anchorage and Fairbanks. Application assistance in urban and rural communities. Receipt, filing and re-issue of returned undeliverable and unclaimed dividend payments. Furnish copies of applications upon authorized request.

Total Public Services Positions for FY83 = 375.6

Total Positions for FY83 642.9

Other Expenditures -

FY82

Total calls including Zenith calls -	=	4.0
Forms and instructions: 100,000 for handout and response to requests @ \$13 mm	=	1.3
Postage: Forms Distribution - 40,000 @ .20 Dividend payments - 272,000 @ .20	=	8.0 54.4
Data processing (includes development, data capture and production): computer resource units: 25,000 @ 1.25 per unit	=	31.3
common output units: 100 @ \$31 (reports, warrants, com)	=	3.0
storage units: Master and Distribution file, 1,750 @ \$14 disk	=	24.5
Misc. storage including garnishments, 500 @ \$14, disk	=	7.0
Back up file - tape	=	.1
Public Services Contracts for rural application assistance	=	70.0
Advertising and Media - Public Services	=	30.0
Total Contractual for FY82	=	<u>233.6</u>
Travel: Public Services rural application assistance	=	20.0
Total Travel For FY82		<u>20.0</u>

FY83

Contractual:

Forms and Instructions:

250,000 pre-addressed @ \$78 mm	=	19.5
150,000 for handout and response to requests @ \$13 mm	=	2.0

Postage:

Correspondence - 10,000 @ .25	= 2.5
Forms and instructions - 250,000 @ .22	= 55.0
50,000 @ .25	= 12.5
Dividend payment warrants - 287,000 @ .25	= 71.8

Data Processing (includes development, data capture and production:

Computer Resource Units: 90,000 @ 1.25 per unit	= 112.5
Common output units: 275 @ 31 (reports, warrants, com)	= 8.5
Storage Units: Master and distribution file: 3,700 @ \$14	= 51.8
Miscellaneous including garnishments: 500 @ \$14	= 7.0
Backup - Tape:	= .1
Warrant stock: 287,000 @ \$35 mm	= 10.0
Warrant Envelopes: 287,000 @ \$12.43 mm	= 3.6

Terminals:

Data Capture CRT's: @\$3,900 each	= 15.6
Data Management CRT's @ 4,600 each	= 18.4
Printer - 1 @ \$7,026	= 7.0
Controller - 1 @ \$4,679	= 4.7
Toll calls including Zenith:	
Administrative Services	= 4.0
Public Services	= 15.0
Public Services advertising, radio, TV, newspapers	= 20.0

Public Services contracting for applicant assistance	=	70.0
Miscellaneous contractual:		
Administrative Services	=	4.0
Public Services	=	6.0
Total Contractual for FY83	=	<u>521.5</u>
Travel:		
Public Services travel to provide application assistance	=	25.0
Total travel	=	<u>25.0</u>
Commodities: Administrative Services	=	2.0
Public Services	=	3.0
Total Commodities	=	<u>5.0</u>
Equipment - Microfilm System	=	125.0
Total Equipment	=	<u>125.0</u>

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

CSSB 842

(Fin) am

(Administrative Costs,
Dividend Fund)

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 842 (Fin)am (4/12/82)

Title: Providing for Permanent Fund Dividends

Requested by: Senate Rules Committee Date: 4/15/82

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Treasury Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	42.1	46.3	50.9	56.0	61.6
200 TRAVEL	-	4.0	4.4	4.8	5.3	5.9
300 CONTRACTUAL	-	90.0	99.0	108.9	119.8	131.8
400 COMMODITIES	-	3.0	3.0	3.2	3.2	3.4
500 EQUIPMENT	-	5.0	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	144.1	152.7	167.8	184.3	202.7

FUNDING (Thousands of Dollars)

GENERAL FUND	-	144.1	152.7	167.8	184.3	202.7
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

FULL TIME	-	1	1	1	1	1
PART TIME	-	1	1	1	1	1
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Dividend Fund established as separate fund in Treasury. Used to pay permanent fund dividends annually.

Personal Services is for half-time Investment Officer II (R22,X) and full-time Accounting Tech. II (R14,G) for associated accounting and reporting. Contractual Services: Comm. \$5.0; Print & Adv. \$10.0; Safekeeping and related reporting/accounting \$50.0; Audit \$20.0; Misc. \$5.0. Equipment is for new positions.

A. Staack

IV. DATE: April 16, 1982

PREPARED BY: Anselm C. Staack, Treasury Comptroller

AGENCY: Dept. of Revenue, Treasury Division

PHONE: 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 842 am

Title: An Act providing for Permanent Fund Dividends

Requested by: Senate Rules

Date: April 16, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection & Management

BRU, Program, or Subprogram(s) Affected: Enforcement Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	101.8	559.7	604.5	652.9	705.1	761.5
200 TRAVEL	2.0	36.0	39.6	43.6	48.0	52.8
300 CONTRACTUAL	21.8	54.5	59.4	64.7	70.5	76.8
400 COMMODITIES	.6	4.8	5.2	5.7	6.2	6.8
500 EQUIPMENT	-	10.8	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	126.2	665.8	708.7	766.9	829.8	897.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	126.2	655.8	708.7	766.9	829.8	897.9
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	13/156mm	18/216mm	18/216mm	18/216mm	18/216mm	18/216mm
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

For the purpose of this fiscal note it is assumed that all funding for the current program will cease on the date the U.S. Supreme Court publishes their decision.

Expenditures for FY 82 at the current program level are included as a supplemental for FY 82.

Expenditures for FY 83 include 6 new positions: One Revenue Enforcement Officer, three Eligibility Technicians, one Accounting Technician I and one Clerk Typist III. See attached Form 13's.

See attached memorandum to Joseph K. Donohue from Marilla L. Gemmer dated 4/16/82.

Marilla L. Gemmer

IV. DATE: April 16, 1982

PREPARED BY: Marilla L. Gemmer, Director
AGENCY: Department of Revenue - Enforcement Division
PHONE: 465-2366

Original: Legislative Finance

cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

MEMORANDUM

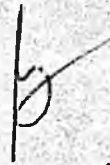
State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE: April 16, 1982

FILE NO:

TELEPHONE NO:

FROM: Marilla L. Gemmer 
Director
Division of Enforcement

SUBJECT: CSSB 842 am

Committee Substitute for Senate Bill 842 amended provides for several contingencies which are dependent on how the U.S. Supreme Court rules on AS 43.23.

Under this bill, the impact on the Enforcement Division will be Sec. 43.23.025 which will require the determination of an individual's proof of eligibility; Sec. 43.23.045 which allows for the collection of permanent fund dividends that are improperly made and Sec. 43.23.075 (or 070) which allows for the levy, execution, garnishment or attachment of 50% of an individual's Permanent Fund Dividend payment.

For the base year which is 1982, the filing period will be re-opened to allow all those individuals to file who qualified for 1979 and 1980 dividends but for any reason did not. With the reduction in the eligibility requirements it will also allow a greater number of residents to apply who did not qualify in 1980 or 1981. With this in mind, we estimate 276,971 applications for the 1982 base year.

To fulfill the requirements of Sec. 43.23.025, we will need 3 Eligibility Technicians commencing in F/Y 83.

To fulfill the requirements of Sec. 43.23.045, we will need one Revenue Enforcement Officer position.

To fulfill the requirements of Sec. 43.23.075 (or 070) we will need one Accounting Technician I.

The Clerk Typist III position will provide clerical support for the Enforcement Officer and 2 of the Eligibility Technicians who will be stationed in Anchorage.

Summary - F/Y 83 major expenditures:

Personal Services - (new positions)		
Revenue Enforcement Officer	\$35,297	
Eligibility Technician II		
3 positions X \$31,138	93,414	
Clerk Typist III	23,643	
Accounting Technician I	<u>30,972</u>	\$192,326

Joseph K. Donohue
Deputy Commissioner - Taxation

April 16, 1982
Page 2

Travel and Per diem - (all positions)		
Eligibility	<u>36,000</u>	36,000
Contractual		
Four CRT's in Anchorage	18,500	
One CRT in Juneau	4,634	
Space	15,200	
Tele: Postage, Misc.	<u>13,000</u>	51,334
Equipment		
For 6 new positions	10,800	<u>10,800</u>
Total		\$290,460

MLG:lw

1	POSITION TITLE <i>Revenue Enforcement Officer II</i>			RANGE/STEP <i>15A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Anchorage</i>	DDV	APPROV	BIBAP
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	<i>2,295 X 12</i>	<i>27,540</i>
6	BENEFITS	<i>27,540 X .1550</i>	<i>4,269</i>
8	SBS	<i>X .0613</i>	<i>1,688</i>
7	FIXED BENEFITS		<i>1,800</i>
8	TOTAL PERSONAL SERVICES	<i>01</i>	<i>35,297</i>
9	TRAVEL	<i>02</i>	<i>6,000</i>
10	CONTRACTUAL	<i>03</i>	<i>3,600</i>
11	COMMODITIES	<i>04</i>	<i>200</i>
12	EQUIPMENT	<i>05</i>	<i>1,800</i>
13	OTHER		
14	TOTAL COST		<i>46,897</i>

JUSTIFICATION:

To provide an employee at the professional level to collect permanent fund dividends which are improperly made.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	<i>46,897</i>
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP 13A	DEPT. UNIT. G	LOCATION Juneau	BOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE		AMOUNT		JUSTIFICATION: <i>To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.</i>				
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	2,010 X 12	24,120						
5	BENEFITS	24,120 X .1550	3,739						
6	SBS	X .0613	1,479						
7	FIXED BENEFITS		1,800						
8	TOTAL PERSONAL SERVICES		01	31,138					
9	TRAVEL		02	2,000					
10	CONTRACTUAL		03	3,600					
11	COMMODITIES		04	200					
12	EQUIPMENT		05	1,800					
13	OTHER								
14	TOTAL COST			38,738					
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		38,738					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION		FOR B&M USE ONLY						
22	ADDITION								
4A KEY NUMBER				COLUMN NO.					

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12 A	BARG. UNIT. GGU	LOCATION Juneau	APPROV.	APPROV.	BIBAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: To fulfill the requirements of Sec. 43.23.075 (or 070).			
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY 1889 X 12	22,668							
5	BENEFITS 22,668 X .1550	3,514							
6	SBS X .0613	1,390							
7	FIXED BENEFITS	1,800							
8	TOTAL PERSONAL SERVICES	01	29,372						
9	TRAVEL	02							
10	CONTRACTUAL	03	7,800						
11	COMMODITIES	04	1,000						
12	EQUIPMENT	05	1,800						
13	OTHER								
14	TOTAL COST		39,972						
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		39,972					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION	FOR B&M USE ONLY							
22	ADDITION								
4A KEY NUMBER		COLUMN NO.							

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP 13A	BARG. UNIT. G	LOCATION <i>Anchorage</i>	BOV.	APPROV.	DISAP.
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	REQ.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: <i>To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.</i>			
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	<i>2,010 X 12</i>	<i>24,120</i>						
5	BENEFITS	<i>24,120 X .1550</i>	<i>3,739</i>						
6	SBS	<i>X .0613</i>	<i>1,479</i>						
7	FIXED BENEFITS		<i>1,800</i>						
8	TOTAL PERSONAL SERVICES	01		<i>31,138</i>					
9	TRAVEL	02		<i>2,000</i>					
10	CONTRACTUAL	03		<i>3,600</i>					
11	COMMODITIES	04		<i>200</i>					
12	EQUIPMENT	05		<i>1,800</i>					
13	OTHER								
14	TOTAL COST			<i>38,738</i>					
	RECEIPT CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004		<i>38,738</i>					
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER							
21	CONTINUATION								
22	ADDITION	FOR B&M USE ONLY							
4A KEY NUMBER		COLUMN NO.							

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY. 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP 13A	BARG. UNIT. G	LOCATION Anchorage	APPROV.	BIBAPP
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	REQ.	
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:		
	1	2	3		<p>To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.</p>			
4	PERSONAL SERVICES:							
	SALARY 2,010 X 12		24,120					
5	BENEFITS 24,120 X .1550		3,739					
6	SBS X .0613		1,479					
7	FIXED BENEFITS		1,800					
8	TOTAL PERSONAL SERVICES 01		31,138					
9	TRAVEL 02		2,000					
10	CONTRACTUAL 03		3,600					
11	COMMODITIES 04		200					
12	EQUIPMENT 05		1,800					
13	OTHER							
14	TOTAL COST		38,738					
	RECEIPT CODE	FUNDING SOURCE						
15		FED RCPTS. 1002						
16		GF MATCH. 1003						
17		GEN. FUND 1004		38,738				
18		I-A RCPTS. 1005						
19		PGM RCPTS 1028						
20		OTHER						
21	CONTINUATION							
22	ADDITION				FOR B&M USE ONLY			
4A KEY NUMBER				COLUMN NO.				

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

1	POSITION TITLE <i>Clerk Typist III</i>			RANGE/STEP 8A	BARG. UNIT. G	LOCATION <i>Anchorage</i>	APPROV.	BIBAPP.
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.	

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES:	
	SALARY <i>1,487 X 12</i>	<i>17,844</i>
5	BENEFITS <i>17,844 X .1550</i>	<i>2,905</i>
6	SBS <i>X .0613</i>	<i>1,094</i>
7	FIXED BENEFITS	<i>1,800</i>
8	TOTAL PERSONAL SERVICES 01	<i>23,643</i>
9	TRAVEL 02	
10	CONTRACTUAL 03	<i>3,600</i>
11	COMMODITIES 04	<i>200</i>
12	EQUIPMENT 05	<i>1,800</i>
13	OTHER	
14	TOTAL COST	<i>29,243</i>

JUSTIFICATION:

This position will provide clerical support to the current program staff in Anchorage and the three new positions required to fulfill Sec. 43.23.025 and Sec. 43.23.045.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	<i>29,243</i>
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____

COLLUM NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS for Senate Bill 842 (Finance) am

Title: An Act providing for permanent fund dividends.

Requested by: Finance Committee

Date: April 16, 1982

II. FISCAL DETAIL

Agency Affected:

Program Category Affected:

BRU, Program, or Subprogram(s) Affected:

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

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

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The proposed backstop legislation encompasses three basic scenarios dependent partially on a favorable or unfavorable decision of the United States Supreme Court relative to currently existing law.

IV. DATE: April 16, 1982

PREPARED BY: Vincent D. Wright

AGENCY: Revenue

PHONE: 465-2174

Original: Legislative Finance
cc: Budget and Management

Case A

Existing Law Plus Children Accrue Payments
From Commencement of Program in 1979
(Continuous Residency Since 1959)

FY	Dividend Expenditures (millions of \$)
1981	\$142
1982	156
1983	172
1984	88
1985	107

Case B

Per Capita Payment Approach

FY	Dividend Expenditures (millions of \$)
1983	\$416
1984	151
1985	107

Case C

Prospective Accumulation of Shares
(Continuous Residency Since 1981)

FY	Dividend Expenditures (millions of \$)
1983	\$416
1984	151
1985	107

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CSSB 842 am
 Title: An Act providing for Permanent Fund Dividends
 Requested by: Senate Rules Date: April 16, 1982

II. FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: Revenue Collection & Management
 BRU, Program, or Subprogram(s) Affected: Enforcement Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	101.8	559.7	604.5	652.9	705.1	761.5
200 TRAVEL	2.0	36.0	39.6	43.6	48.0	52.8
300 CONTRACTUAL	21.8	54.5	59.4	64.7	70.5	76.8
400 COMMODITIES	.6	4.8	5.2	5.7	6.2	6.8
500 EQUIPMENT	-	10.8	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	126.2	665.8	708.7	766.9	829.8	897.9

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	126.2	655.8	708.7	766.9	829.8	897.9
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	13/156mm	18/216mm	18/216mm	18/216mm	18/216mm	18/216mm
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

For the purpose of this fiscal note it is assumed that all funding for the current program will cease on the date the U.S. Supreme Court publishes their decision.

Expenditures for FY 82 at the current program level are included as a supplemental for FY 82.

Expenditures for FY 83 include 6 new positions: One Revenue Enforcement Officer, three Eligibility Technicians, one Accounting Technician I and one Clerk Typist III. See attached Form 13's.

See attached memorandum to Joseph K. Donohue from Marilla L. Gemmer dated 4/16/82.



IV. DATE: April 16, 1982

PREPARED BY: Marilla L. Gemmer, Director
 AGENCY: Department of Revenue - Enforcement Division
 PHONE: 465-2366

Original: Legislative Finance

cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

MEMORANDUM

State of Alaska

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE: April 16, 1982

FILE NO:

TELEPHONE NO:

FROM: Marilla L. Gemmer
Director
Division of Enforcement

SUBJECT: CSSB 842 am

Committee Substitute for Senate Bill 842 amended provides for several contingencies which are dependent on how the U.S. Supreme Court rules on AS 43.23.

Under this bill, the impact on the Enforcement Division will be Sec. 43.23.025 which will require the determination of an individual's proof of eligibility; Sec. 43.23.045 which allows for the collection of permanent fund dividends that are improperly made and Sec. 43.23.075 (or 070) which allows for the levy, execution, garnishment or attachment of 50% of an individual's Permanent Fund Dividend payment.

For the base year which is 1982, the filing period will be re-opened to allow all those individuals to file who qualified for 1979 and 1980 dividends but for any reason did not. With the reduction in the eligibility requirements it will also allow a greater number of residents to apply who did not qualify in 1980 or 1981. With this in mind, we estimate 276,971 applications for the 1982 base year.

To fulfill the requirements of Sec. 43.23.025, we will need 3 Eligibility Technicians commencing in F/Y 83.

To fulfill the requirements of Sec. 43.23.045, we will need one Revenue Enforcement Officer position.

To fulfill the requirements of Sec. 43.23.075 (or 070) we will need one Accounting Technician I.

The Clerk Typist III position will provide clerical support for the Enforcement Officer and 2 of the Eligibility Technicians who will be stationed in Anchorage.

Summary - F/Y 83 major expenditures:

Personal Services - (new positions)

Revenue Enforcement Officer	\$35,297	
Eligibility Technician II		
3 positions X \$31,138	93,414	
Clerk Typist III	23,643	
Accounting Technician I	30,972	\$192,326

Joseph K. Donohue
Deputy Commissioner - Taxation

April 16, 1982
Page 2

Travel and Per diem - (all positions)		
Eligibility	<u>36,000</u>	36,000
Contractual		
Four CRT's in Anchorage	18,500	
One CRT in Juneau	4,634	
Space	15,200	
Tele: Postage, Misc.	<u>13,000</u>	51,334
Equipment		
For 6 new positions	10,800	<u>10,800</u>
Total		\$290,460

MLG:lw

1	POSITION TITLE <i>Revenue Enforcement Officer II</i>			RANGE/STEP <i>15A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Anchorage</i>	APPROV. <i>LEG</i>	SIGAP				
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE					
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:						
	1	2	3									
4	PERSONAL SERVICES: SALARY <i>2,295 X 12</i>		<i>27,540</i>		<p><i>To provide an employee at the professional level to collect permanent fund dividends which are improperly made.</i></p>							
5	BENEFITS <i>27,540 X .1550</i>		<i>4,269</i>									
6	SBS <i>X .0613</i>		<i>1,688</i>									
7	FIXED BENEFITS		<i>1,800</i>									
8	TOTAL PERSONAL SERVICES		<i>01</i>	<i>35,297</i>								
9	TRAVEL		<i>02</i>	<i>6,000</i>								
10	CONTRACTUAL		<i>03</i>	<i>3,600</i>								
11	COMMODITIES		<i>04</i>	<i>200</i>								
12	EQUIPMENT		<i>05</i>	<i>1,800</i>								
13	OTHER											
14	TOTAL COST			<i>46,897</i>								
15	RECEIPT CODE	FUNDING SOURCE										
16		FED RCPTS. 1002										
17		GEN. FUND 1004		<i>46,897</i>								
18		I-A RCPTS. 1005										
19		PGM RCPTS 1028										
20		OTHER										
21	CONTINUATION			FOR B&M USE ONLY								
22	ADDITION											
4A KEY NUMBER		COLUMN NO.										

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

FY 83

13 REQUEST FOR NEW POSITION.

COMPONENT _____

1	POSITION TITLE <i>Eligibility Technician II</i>	RANGE/STEP <i>13A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Juneau</i>	APPROV.	DISAP.
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS. <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY <i>2,010 X 12</i>	<i>24,120</i>
5	BENEFITS <i>24,120 X .1550</i>	<i>3,739</i>
6	SBS <i>X .0613</i>	<i>1,479</i>
7	FIXED BENEFITS	<i>1,800</i>
8	TOTAL PERSONAL SERVICES	<i>31,138</i>
9	TRAVEL	<i>2,000</i>
10	CONTRACTUAL	<i>3,600</i>
11	COMMODITIES	<i>200</i>
12	EQUIPMENT	<i>1,800</i>
13	OTHER	
14	TOTAL COST	<i>38,738</i>

JUSTIFICATION:
To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1003
17		GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER

21 CONTINUATION
 22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12 A	BARG. UNIT. GGU	LOCATION Juneau	GOV.	APPROV.	BIBAPP						
2	TYPE OF POSITION PFT	STAFF MONTHS. 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:									
	1	2	3												
4	PERSONAL SERVICES:			To fulfill the requirements of Sec. 43.23.075 (or 070).											
5	SALARY 1889 X 12									22,668					
6	BENEFITS 22,668 X .1550									3,514					
8	SBS X .0613									1,390					
7	FIXED BENEFITS									1,800					
8	TOTAL PERSONAL SERVICES 01									29,372					
9	TRAVEL 02														
10	CONTRACTUAL 03									7,800					
11	COMMODITIES 04									1,000					
12	EQUIPMENT 05									1,800					
13	OTHER														
14	TOTAL COST									39,972					
	RECEIPT CODE	FUNDING SOURCE													
16		FED RCPTS. 1002													
16		GF MATCH. 1003													
17		GEN. FUND 1004			39,972										
18		I-A RCPTS. 1005													
19		PGM RCPTS 1028													
20		OTHER													
21	CONTINUATION			FOR B&M USE ONLY											
22	ADDITION														
4A KEY NUMBER COLUMN NO.															

AGENCY Department of Revenue PROGRAM Revenue Collection & Management
 BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP 13A	BARG. UNIT. G	LOCATION <i>Anchorage</i>	ASOV.	APPROV.	DIRA
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS. 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	2,010 X 12	24,120
5	BENEFITS	24,120 X .1550	3,739
6	SBS	X .0613	1,479
7	FIXED BENEFITS		1,800
8	TOTAL PERSONAL SERVICES	01	31,138
9	TRAVEL	02	2,000
10	CONTRACTUAL	03	3,600
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		38,738

JUSTIFICATION:
To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	38,738
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION		FOR B&M USE ONLY
22	ADDITION		

1A KEY NUMBER COLUMN NO.

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP 13A	BARG. UNIT. G	LOCATION Anchorage	APV	SUBV	SIBAPP
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LHC	

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY 2,010 X 12		24,120
5	BENEFITS 24,120 X .1550		3,739
6	SBS X .0613		1,479
7	FIXED BENEFITS		1,800
8	TOTAL PERSONAL SERVICES	01	31,138
9	TRAVEL	02	2,000
10	CONTRACTUAL	03	3,600
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		38,738

JUSTIFICATION:
To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	38,738
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
 22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUHH NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE <i>Clerk Typist III</i>				RANGE/STEP <i>8A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Anchorage</i>	APPROV.	APPROV.	SIG.
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	APPROV.	APPROV.	SIG.

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES:	
	SALARY <i>1,487 X 12</i>	<i>17,844</i>
5	BENEFITS <i>17,844 X .1550</i>	<i>2,905</i>
6	SBS <i>X .0613</i>	<i>1,094</i>
7	FIXED BENEFITS	<i>1,800</i>
8	TOTAL PERSONAL SERVICES 01	<i>23,643</i>
9	TRAVEL 02	
10	CONTRACTUAL 03	<i>3,600</i>
11	COMMODITIES 04	<i>200</i>
12	EQUIPMENT 05	<i>1,800</i>
13	OTHER	
14	TOTAL COST	<i>29,243</i>

JUSTIFICATION:
This position will provide clerical support to the current program staff in Anchorage and the three new positions required to fulfill Sec. 43.23.025 and Sec. 43.23.045.

	RECEIPT CODE	FUNDING SOURCE
15		FED RCPTS. 1002
16		GF MATCH. 1007
17		GEN. FUND 1004
18		I-A RCPTS. 1005
19		PGM RCPTS 1028
20		OTHER
21	CONTINUATION	
22	ADDITION	

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS for Senate Bill 842 (Finance) am
 Title: An Act providing for permanent fund dividends.
 Requested by: Finance Committee Date: April 16, 1982

II. FISCAL DETAIL

Agency Affected:
 Program Category Affected:
 BRU, Program, or Subprogram(s) Affected:
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)						
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Thousands of Dollars)						
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS						
	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The proposed backstop legislation encompasses three basic scenarios dependent partially on a favorable or unfavorable decision of the United States Supreme Court relative to currently existing law.

IV. DATE: April 16, 1982
 Original: Legislative Finance
 cc: Budget and Management

PREPARED BY: Vincent D. Wright
 AGENCY: Revenue
 PHONE: 465-2174

Case A

Existing Law Plus Children Accrue Payments
From Commencement of Program in 1979
(Continuous Residency Since 1959)

FY	Dividend Expenditures (millions of \$)
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1982	156
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1985	107

Case B

Per Capita Payment Approach

FY	Dividend Expenditures (millions of \$)
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1984	151
1985	107

Case C

Prospective Accumulation of Shares
(Continuous Residency Since 1981)

FY	Dividend Expenditures (millions of \$)
1983	\$416
1984	151
1985	107

POSITION PAPER
on
Committee Substitute for Senate Bill No. 842

"An Act providing for permanent fund dividends; and providing for an effective date."

This Act provides for a contingency permanent fund distribution should the Supreme Court rule against all or part of the original distribution plan.

The Department strongly supports Senate Bill No 842 as the best alternative to the original permanent fund distribution plan before the Legislature. We wish to restrict our comments on this bill to its effects on Alaska's low-income citizens, particularly those served by our public assistance programs.

We worked closely with those who developed the original dividend distribution plan. It was very clear to us then that almost everyone involved shared a desire to structure a dividend distribution system by which all low-income families could actually receive a net disposable income benefit. The approach successfully constructed at that time seemed likely to benefit many of our recipients, and unlikely to result in significant hardship to those who were so situated that they would temporarily lose assistance eligibility when they received a dividend payment. Unfortunately, after passage of the original permanent fund legislation, several of our major assistance programs either underwent or are about to undergo major federal changes.

We believe the following effects would occur, were CSSB 842 to pass substantially as proposed:

1. Federal assistance program regulations would require most applicants and recipients to apply for permanent fund benefits. It would not be possible for a person to choose not to apply for dividends in order to retain or maximize assistance benefits.
2. Low-income Alaskans who do not currently apply for public assistance at all, or do not use it regularly, would clearly benefit from any substantial dividend distribution. Though it is impossible to measure the potential "preventive" aspects of such a distribution, we believe that the dividends would most likely help a significant number of marginally self-sufficient families and individuals to avoid having to use public assistance.
3. The vast majority of our adult assistance recipients and many of our assistance families would become ineligible for assistance for

at least one month. With adequate medical coverage protection in CSSB 842 very few recipients would be financially harmed by this one month of ineligibility. Attached to this position paper is a summary of the effects of distribution upon 3 sample cases which are typical of approximately 90% of all of our cases. These examples show that typical cases will not suffer a loss; they will actually profit from the dividend. The actual net advantage will vary widely, from \$50 to over \$950, depending on what the family circumstances are and how many different types of assistance they receive.

4. There would be a substantial decrease in the amount of federal and state funds expended in all ten major assistance programs in Alaska. The total federal and state savings are estimated to be in excess of \$12,000,000.
5. There would be an unprecedented workload impact on department staff, particularly those within the Division of Public Assistance. The new work involved could only be accommodated without additional staff by a serious reduction of service levels for new applicants or reapplicants during the period that the permanent fund distribution occurs.

After careful study of these points, the Department strongly recommends passage of CSSB 842 with the proposed Sec. 43.23.085, offering a General Relief - Medical "safety net" to protect assistance clients against serious financial harm due to suffering necessary medical expenses.

Passage of this change in the General Relief - Medical program offers what the Department believes is a sufficient level of protection for its clients. Suggestions have been made that further amendments to assistance statutes could and should offer a full "hold-harmless" to welfare recipients. This could be done, by amendment and by providing substantial new state funds to substitute state monies for federal monies in all major assistance programs. ;

If this were done, full aid could be continued to a dividend recipient who would be ineligible to receive federal matching assistance funds. We do not think this is necessary or wise, for four reasons:

- (1) Under just the medical safety net alternative almost every recipient will actually profit from the dividend distribution without the full hold-harmless coverage;

- (2) A full hold-harmless would be extremely expensive to the state; assuming a "best case" of only one month of client ineligibility for federal funds, a full hold-harmless would cost at least \$9,900,000; and,
- (3) A full hold-harmless would result in special protection being offered to a small segment of Alaska's population, in that no other group would receive any similar guarantee that they would be able to retain 100% of their dividend payments. (For example, an upper-middle class family would likely have to pay almost as much in Federal income taxes on their dividend as the Old Age Assistance recipient loses in example II on the attachment example sheet); and, perhaps most importantly,
- (4) There is a subtle but significant advantage offered to needy Alaskans by the opportunity to receive a share of Alaska's wealth in lieu of "charity" in the form of public assistance. No matter how small their net financial gain from the dividend may be, we believe that most of Alaska's needy citizens would find such a sharing of the state's wealth preferable to being totally dependent upon public assistance.

We strongly support passage of CSSB No. 842. We believe that this bill in its current form is, of all legislation concerning Permanent Fund Dividend distribution, by far the most beneficial to those needy persons we serve.

Recommended By: Rod Betit
Rod Betit, Director

Date: April 12, 1982

Approved By: Helen D. Beirne
Helen D. Beirne, Commissioner

Date: 4-12-82

Attachment To Position Paper
On Committee Substitute For Senate Bill No. 842

4/8/82

Typical case examples of the financial effect upon Public Assistance recipients of permanent fund dividend distribution.

E X A M P L E I

AFDC Family of 4
 With No Income

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
AFDC	\$ 7608	\$ 634.00	\$ 6974	\$ 581.16
Food Stamps	3264	272.00	2992	249.33
Energy	425	35.42	425	35.42
Medicaid	4560	380.00	4560	380.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>1000</u>	<u>83.33</u>
	\$15857	\$1321.42	\$15951	\$1329.24

E X A M P L E II

OAA Single Household
 With \$250 ALB

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
Old Age Assistance	\$ 6312	\$526.00	\$ 5786	\$482.17
Food Stamps	-0- Ineligible	-0-	-0- Ineligible	-0-
Energy	425	35.42	425	35.42
Alaska Longevity Bonus	3000	250.00	3000	250.00
Medicaid	1140	95.00	1140	95.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>1000</u>	<u>83.33</u>
	\$10877	\$906.42	\$11351	\$945.92

E X A M P L E III

Family of 3 (2 adults)
 \$950 Gross Income
 With Rent of \$400

	<u>Normal Program Without Permanent Fund</u>		<u>CSSB-842 Finance</u>	
	<u>Annual</u>	<u>Monthly</u>	<u>Annual</u>	<u>Monthly</u>
Food Stamps	\$ 1368	\$ 114.00	\$ 1254	\$ 104.50
Energy	425	35.42	425	35.42
Earnings	11400	950.00	11400	950.00
Permanent Fund	<u>-0-</u>	<u>-0-</u>	<u>2000</u>	<u>166.66</u>
	\$13193	\$1099.42	\$15079	\$1256.58

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811
PHONE: (907) 465-2300

April 7, 1982

The Honorable Don Bennett
The Honorable M. E. Dankworth
Co-Chairmen
Senate Finance Committee
Room 525 - Capitol Building
Juneau, Alaska

Re: Senate Bill No. 842

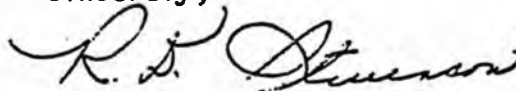
Dear Senators Bennett and Dankworth:

Senate Bill No. 842, an Act providing for permanent fund dividends, was introduced in the Senate on March 9, 1982 and was referred to the Senate Finance Committee.

For the consideration of the Senate Finance Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Phil A. Wall, Director, Public Services Division for the Administrative Services Division and the Public Services Division; Mr. Anselm C. Staack, Treasury Comptroller and Ms. Marilla L. Gemmer, Director, Enforcement Division of the Department of Revenue.

There is also enclosed a Fiscal Note prepared by Mr. Vincent Wright, Chief, Research Section, Department of Revenue based on a Work Draft of a CS for Senate Bill No. 842.

Sincerely,



R. D. Stevenson
Special Assistant

Enclosures

cc: Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Phil A. Wall, Director
Public Services Division
Department of Revenue

Anselm C. Staack
Treasury Comptroller
Department of Revenue

Marilla L. Gemmer, Director
Enforcement Division
Department of Revenue

Vincent Wright, Chief
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill 842
 Title Providing for Permanent Fund Dividends
 Requested by Senate Finance Committee Date 3/10/82

II. FISCAL DETAIL
 Agency Affected Revenue
 Program Category Affected General Government
 BRU, Program, Or Subprogram(s) Affected Administrative & Public Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	219.5	642.9	687.9	736.1	787.6	842.7
200 TRAVEL	20.0	25.0	26.8	28.6	30.6	32.8
300 CONTRACTUAL	233.6	521.5	558.0	597.1	638.9	683.6
400 COMMODITIES		5.0	5.4	5.7	6.1	6.6
500 EQUIPMENT		125.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	473.1	1,319.4	1,278.1	1,367.5	1,463.2	1,565.7

FUNDING (Thousands of Dollars)

	473.1	1,319.4	1,278.1	1,367.5	1,463.2	1,565.7
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	9/27mm	9/108mm	9/108mm	9/108mm	9/108mm	9/108mm
FULL TIME						
PART TIME	24/72mm	20/158mm	20/158mm	20/158mm	20/158mm	20/158mm
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III) ..

Attached:

The FY 82 expenditures continue the resources previously authorized for administering AS 43.23 and provide for distribution of dividend payments for eligible individuals who applied in 1980 and 1981. The expenditure will require supplemental appropriations.

IV. DATE 3/13/82 PREPARED BY Phil A. Wall
 AGENCY Revenue
 PHONE 465-2392
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

SB 842

Analysis:

SB 842 contains alternatives to the existing Permanent Fund Dividend program:

ALTERNATIVE 1 -

If the U.S. Supreme Court decides that it is invalid to determine the amount of a dividend payment by accumulated years of state residency, then Sections 1 and 2 would be effective:

- a. The present program in AS 43.23 is repealed.
- b. An ongoing new program is established.
- c. New program distribution is to Alaskans on a per capita basis.
- d. The new program is run on a current calendar year basis.
- e. Individuals apply by having already filed a 1979 or 1980 application or by filing an application now.
- f. The base year is 1982.
- g. Individuals reaching 18 years of age claim prior year payments back to the 1982 base year.

ALTERNATIVE 2 -

If the U.S. Supreme Court decides that the existing program would have been constitutional if the years of residency had begun to accumulate prospectively, then Sections 3, 4 and 8 would be effective:

- a. Provisions of the present program in AS 43.23 would continue in effect, except,
- b. the base year would be changed from 1959 to 1982.
- c. Individuals reaching 18 years of age claim prior year payments back to the 1982 base year.

ALTERNATIVE 3 -

If the U. S. Supreme Court decides that AS 43.23.010 is invalid for any reason, then section 6 would be effective:

- a. Distribution for 1982 only is to Alaskans on a per capita basis.
- b. Each eligible person receives a dividend payment of \$1,000.
- c. Individuals apply by having already filed a 1979 or 1980 application or by filing an application now.

Assumptions:

272,000 payments for 1982.

40,000 additional applications received for 1982, 7,000 are 18 years old.

5% growth.

Program Summary:

Payment to the 211,500 eligible individuals who filed 1979 or 1980 dividend applications will be prepared and mailed. The processing and computer programs will be designed and implemented. Application forms will be designed, ordered and distributed. Applications will be opened, placed in control, reviewed, batched, data captured, edited and corrected, and payments prepared and mailed. Appropriate files, reports and enforcement processing will be performed. Forms and processing for 1983 and following years will include the making of payments for prior years back to and including 1982. Payments matching garnishments and other attachments will be adjusted as required.

Positions -

FY82

9 positions - to continue positions presently authorized in support of AS 43.23 which provide:

- a. Recruitment, hiring, EEO and contract administration, leave accounting and related personnel/payroll services.
- b. Design and/or modification of computerized distribution system for eligible individuals. Maintain existing system which provides for the immediate distribution of dividend payments to eligible individuals who applied in 1980 and 1981.
- c. Forms procurement and distribution, accounts payable including voucher preparation. Supply services.
- d. Assistance to the public through response to phone, mail and in-person inquiries at service counters and in rural communities.

Administrative Services:

PFT PCN 1100, R 12C @ \$1,870 mo
plus 32% costs for 3 mos = 7.4

PFT PCN 1124, R 18F @ \$3,153 mo
plus 32% costs for 3 mos = 12.5

PFT PCN 1104, R 8A @ \$1,393 mo
plus 32% costs for 3 mos = 5.5

6 PPT Tax Scanners R 8 @ \$1,487 mo
plus 32% costs for 3 mos = 35.3

Batch control, correction, dividned payment release, stop payments on
garnishments and other attachments, data capture of address changes, mail
opening and distribution, document control, numbering, batching.

Total Administrative Services positions: 60.7

Public Services

PFT PCN 2018, R 12B @ \$1,814 mo plus
32% costs for 3 mos = 7.2

PFT PCN 2019, R 20F @ \$3,623 mo plus
32% costs for 3 mos. = 14.3

PFT PCN 2027, R 7A @ \$1,319 mo plus
32% costs for 3 mos = 5.2

PFT PCN 2030, R 15F @ \$2,548 mo plus
32% costs for 3 mos = 10.1

PFT PCN 2033. R 18A @ \$2,640 mo plus = 10.5

PFT PCN 2099 R 8A @ \$1,393 mo plus
32% costs for 3 mos = 5.5

18 PPT Tax Scanners R 8 @ \$1,487 mo
plus 32% costs for 3 mos = 106.0

Phone, letter, and counter response to inquiries at Juneau, Anchorage,
and Fairbanks. Application assistance in urban and rural communities,
receipt, filing and re-issue of returned and undeliverable or unclaimed
dividend payments. Furnish copies of applications upon authorized
request.

Total Public Services positions 158.8

Total FY82 positions 219.5

FY83

Administrative Services -

PFT PCN 1100, R 12D @ \$2,073 mo plus
32% costs = 32.8

PFT PCN 1124, R 18F @ \$3,371 mo plus
32% costs = 53.4

PFT PCN 1104, R 8A @ \$1.393 mo plus
32% costs = 22.1

9 PPT Tax Scanners R 8 @ \$1,487 mo plus
32% costs for 9 mos = 159.0

Batch control, correction dividend payment release, stop payments on garnishments and other attachments, data capture of applications, address changes and amendments, mail opening and distribution, document control, numbering, batching.

Total Administrative Services positions for FY83 = 267.3

Public Services -

PFT PCN 2018, R 12 C @ \$2,010 mo plus
32% costs = 31.8

PFT PCN 2019, R 20F @ \$3,851 mo plus
32% costs = 61.0

PFT PCN 2027, R 7A @ \$1,408 mo plus
32% costs = 22.3

PFT PCN 2030, R 15F @ \$2,379 mo plus
32% costs = 43.4

PFT PCN 2033, R 18B @ \$2,640 mo plus
32% costs = 41.8

PFT PCN 2099, R 8B @ \$1,530 mo plus
32% costs = 24.2

11 PPT Tax Scanners R 8 @ \$1,487 mo
plus 32% costs for 7 mos = 151.1

Phone, letter and counter response to inquiries at Juneau, Anchorage and Fairbanks. Application assistance in urban and rural communities. Receipt, filing and re-issue of returned undeliverable and unclaimed dividend payments. Furnish copies of applications upon authorized request.

Total Public Services Positions for FY83 = 375.6

Total Positions for FY83 642.9

Other Expenditures -

FY82

Total calls including Zenith calls -	= 4.0	
Forms and instructions: 100,000 for handout and response to requests @ \$13 mm	= 1.3	
Postage: Forms Distribution - 40,000 @ .20	= 8.0	
Dividend payments - 272,000 @ .20	= 54.4	
Data processing (includes development, data capture and production):		
computer resource units: 25,000 @ 1.25 per unit	= 31.3	
common output units: 100 @ \$31 (reports, warrants, com)	= 3.0	
storage units: Master and Distribution file, 1,750 @ \$14 disk	= 24.5	
Misc. storage including garnishments, 500 @ \$14, disk	= 7.0	
Back up file - tape	= .1	
Public Services Contracts for rural application assistance	= 70.0	
Advertising and Media - Public Services	= 30.0	
Total Contractual for FY82	=	<u>233.6</u>
Travel: Public Services rural application assistance	= 20.0	
Total Travel For FY82		<u>20.0</u>

FY83

Contractual:

Forms and Instructions:

250,000 pre-addressed @ \$78 mm	= 19.5
150,000 for handout and response to requests @ \$13 mm	= 2.0

Postage:

Correspondence - 10,000 @ .25	= 2.5
Forms and instructions - 250,000 @ .22	= 55.0
50,000 @ .25	= 12.5
Dividend payment warrants - 287,000 @ .25	= 71.8

Data Processing (includes development, data capture and production:

Computer Resource Units: 90,000 @ 1.25 per unit	= 112.5
Common output units: 275 @ 31 (reports, warrants, com)	= 8.5
Storage Units: Master and distribution file: 3,700 @ \$14	= 51.8
Miscellaneous including garnishments: 500 @ \$14	= 7.0
Backup - Tape:	= .1
Warrant stock: 287,000 @ \$35 mm	= 10.0
Warrant Envelopes: 287,000 @ \$12.43 mm	= 3.6
Terminals:	
Data Capture CRT's: @\$3,900 each	= 15.6
Data Management CRT's @ 4,600 each	= 18.4
Printer - 1 @ \$7,026	= 7.0
Controller - 1 @ \$4,679	= 4.7
Toll calls included by Zenith:	
Administrative Services	= 4.0
Public Services	= 15.0
Public Services advertising, radio, TV, newspapers	= 20.0

Public Services contracting for applicant assistance	=	70.0
Miscellaneous contractual:		
Administrative Services	=	4.0
Public Services	=	6.0
Total Contractual for FY83	=	<u>521.5</u>
Travel:		
Public Services travel to provide application assistance	=	25.0
Total travel	=	<u>25.0</u>
Commodities: Administrative Services	=	2.0
Public Services	=	3.0
Total Commodities	=	<u>5.0</u>
Equipment - Microfilm System	=	125.0
Total Equipment	=	<u>125.0</u>

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

SB 842
(Administrative Costs,
Dividend Fund)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 842 (3/9/82)

Title Providing for Permanent Fund Dividends

Requested by Senate Finance Committee

Date 3/11/82

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, Or Subprogram(s) Affected Treasury Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		42.1	46.3	50.9	56.0	61.6
200 TRAVEL		4.0	4.4	4.8	5.3	5.9
300 CONTRACTUAL		90.0	99.0	108.9	119.8	131.8
400 COMMODITIES		3.0	3.0	3.2	3.2	3.4
500 EQUIPMENT		5.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		144.1	152.7	167.8	184.3	202.7

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		144.1	152.7	167.8	184.3	202.7
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME			1			
PART TIME		1	1	1	1	1
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Dividend Fund established as separate fund in Treasury. Used to pay permanent fund dividends annually.

Personal Services is for half-time Investment Officer II (R22,X) and full-time Accounting Tech. II (R14,G) for associated accounting and reporting. Contractual Services: Comm. \$5.0; Print & Adv. \$10.0; Safekeeping and related reporting/accounting \$50.0; Audit \$20.0; Misc. \$5.0. Equipment is for new positions.

IV. DATE March 11, 1982

PREPARED BY Anselm C. Staack, Treasury Comptroller
AGENCY Dept. of Revenue, Treasury Division

Original: Legislative Finance
cc: Budget and Management

PHONE 465-2350

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 842

Title An Act providing for Permanent Fund Dividends

Requested by Senate Finance Date 3/15/82

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection & Management

BRU, Program, Or Subprogram(s) Affected Enforcement Division

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	94.5	530.3	572.7	618.5	668.0	721.4
200 TRAVEL	2.0	36.0	39.6	43.6	48.0	52.8
300 CONTRACTUAL	21.8	46.7	50.9	55.5	60.5	65.9
400 COMMODITIES	.6	3.8	4.1	4.5	4.9	5.3
500 EQUIPMENT	-0-	9.0	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	118.9	625.8	667.3	722.1	781.4	845.4

FUNDING (Thousands of Dollars)

GENERAL FUND	118.9	625.8	667.3	722.1	781.4	845.4
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME	12/36mm	17/204mm	17/204mm	17/204mm	17/204mm	17/204mm
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

For the purpose of this fiscal note it is assumed that all funding for the current program will cease on the date the U.S. Supreme Court publishes their decision.

Assuming an April 1, 1982 date, expenditures for 3 months operations in FY 82, at the current program level are included as a supplemental for FY 82.

Expenditures for FY 83 include 5 new positions: One Revenue Enforcement Officer, three Eligibility Technicians and one Clerk Typist III. See attached Form 13's.

See attached memorandum to Joseph K. Donohue from Marilla L. Gemmer dated 3/15/82.

Marilla L. Gemmer

IV. DATE March 15, 1982

PREPARED BY Marilla L. Gemmer, Director

AGENCY Department of Revenue - Enforcement Division

Original: Legislative Finance

PHONE 465-2366

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

STATE
of ALASKA


MEMORANDUM

TO: Joseph K. Donohue
Deputy Commissioner - Taxation

DATE :

March 15, 1982

FROM:

Marilla L. Gemmer 
Director
Division of Enforcement

SUBJECT:

SB 842

Senate Bill 842 provides for several contingencies which are dependent on how the U.S. Supreme Court rules on AS 43.23.

Under this bill, the impact on the Enforcement Division will be Sec. 43.23.025 which will require the determination of an individual's proof of eligibility and in Sec. 43.23.045 which allows for the collection of permanent fund dividends that are improperly made.

For the base year which is 1982, the filing period will be re-opened to allow all those individuals to file who qualified for 1979 and 1980 dividends but for any reason did not. With the reduction in the eligibility requirements it will also allow a greater number of residents to apply who did not qualify in 1980 or 1981. With this in mind, we estimate 276,971 applications for the 1982 base year.

To fulfill the requirements of Sec. 43.23.025, we will need 3 Eligibility Technicians commencing in F/Y 83.

To fulfill the requirements of Sec. 43.23.045, we will need one Revenue Enforcement Officer position.

The Clerk Typist III position will provide clerical support for the Enforcement Officer and 2 of the Eligibility Technicians who will be stationed in Anchorage.

Summary - F/Y 83 major expenditures.

Personal Services - (new positions)		
Revenue Enforcement Officer	\$35,297	
Eligibility Technician II		
3 positions X \$31,138	93,414	
Clerk Typist III	<u>23,643</u>	\$152,354
Travel & Per diem - (all positions)		
Eligibility	<u>36,000</u>	36,000
Contractual		
Four CRT's in Anchorage	18,500	
Space	12,000	
Tele: Postage, Misc.	<u>13,000</u>	43,500
Equipment		
For 5 new positions	9,000	<u>9,000</u>
Total		\$240,854

MLG:lw

1	POSITION TITLE <i>Revenue Enforcement Officer II</i>			RANGE/STEP <i>15A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Anchorage</i>	APPROV.	DISAPP.
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	
4	PERSONAL SERVICES:		
	SALARY	<i>2,295 X 12</i>	<i>27,540</i>
5	BENEFITS	<i>27,540 X .1550</i>	<i>4,269</i>
6	SBS	<i>X .0613</i>	<i>1,688</i>
7	FIXED BENEFITS		<i>1,800</i>
8	TOTAL PERSONAL SERVICES		<i>01 35,297</i>
9	TRAVEL	<i>02</i>	<i>6,000</i>
10	CONTRACTUAL	<i>03</i>	<i>3,600</i>
11	COMMODITIES	<i>04</i>	<i>200</i>
12	EQUIPMENT	<i>05</i>	<i>1,800</i>
13	OTHER		
14	TOTAL COST		<i>46,897</i>

JUSTIFICATION:

To provide an employee at the professional level to collect permanent fund dividends which are improperly made.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	<i>46,897</i>
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ BUDGET NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION.

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP <i>13A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Juneau</i>	BY	APPROV.	DATE
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE		

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES:	
	SALARY <i>2,010 X 12</i>	<i>24,120</i>
5	BENEFITS <i>24,120 X .1550</i>	<i>3,739</i>
6	SBS <i>X .0613</i>	<i>1,479</i>
7	FIXED BENEFITS	<i>1,800</i>
8	TOTAL PERSONAL SERVICES	<i>31,138</i>
9	TRAVEL	<i>2,000</i>
10	CONTRACTUAL	<i>3,600</i>
11	COMMODITIES	<i>200</i>
12	EQUIPMENT	<i>1,800</i>
13	OTHER	
14	TOTAL COST	<i>38,738</i>

JUSTIFICATION:

To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	<i>38,738</i>
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21	CONTINUATION	
22	ADDITION	

FOR B&M USE ONLY

4A	KEY NUMBER		DDMMYY NO.	
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AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

13 REQUEST FOR NEW POSITION

COMPONENT _____

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>				RANGE/STEP 13A	BARG. UNIT. G	LOCATION Anchorage	ASST. DIR.	SUPV.	ASST. DIR.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	ASST. DIR.	SUPV.	ASST. DIR.

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY 2,010 X 12	24,120	
6	BENEFITS 24,120 X .1550	3,739	
8	SBS X .0613	1,479	
7	FIXED BENEFITS	1,800	
8	TOTAL PERSONAL SERVICES	01	31,138
9	TRAVEL	02	2,000
10	CONTRACTUAL	03	3,600
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		38,738

JUSTIFICATION:
 To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	38,738
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
 22 ADDITION

FOR B&M USE ONLY

4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 83

1	POSITION TITLE <i>Eligibility Technician II</i>			RANGE/STEP <i>13A</i>	BARG. UNIT. <i>G</i>	LOCATION <i>Anchorage</i>	400V	4000V	4000V
2	TYPE OF POSITION <i>PFT</i>	STAFF MONTHS <i>12</i>	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	400		

	TYPE OF EXPENDITURE		AMOUNT
	1	2	
4	PERSONAL SERVICES:		
4	SALARY	<i>2,010 X 12</i>	<i>24,120</i>
5	BENEFITS	<i>24,120 X .1550</i>	<i>3,739</i>
6	SBS	<i>X .0613</i>	<i>1,479</i>
7	FIXED BENEFITS		<i>1,800</i>
8	TOTAL PERSONAL SERVICES	<i>01</i>	<i>31,138</i>
9	TRAVEL	<i>02</i>	<i>2,000</i>
10	CONTRACTUAL	<i>03</i>	<i>3,600</i>
11	COMMODITIES	<i>04</i>	<i>200</i>
12	EQUIPMENT	<i>05</i>	<i>1,800</i>
13	OTHER		
14	TOTAL COST		<i>38,738</i>

JUSTIFICATION:
 To fulfill the requirements of AS 43.23.025 and to provide an employee at the para-professional level to assist in the determination of eligibility of applicants for permanent fund dividends. The additional applications under the reduced eligibility requirements will necessitate the need for investigative support to the current program.

	RECEIPT CODE	FUNDING SOURCE	
16		FED RCPTS: 1002	
18		GF MATCH. 1003	
17		GEN. FUND 1004	<i>38,738</i>
18		I-A RCPTS. 1005	
19		PGM RCPTS 1028	
20		OTHER	

21 CONTINUATION
 22 ADDITION

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4A KEY NUMBER _____ COLUMN NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

13 REQUEST FOR NEW POSITION.

FY 83

1	POSITION TITLE <i>Clerk Typist III</i>			RANGE/STEP 8A	BARG. UNIT. G	LOCATION Anchorage	BOV	APPROV	LIBAPP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG		

3	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
4	PERSONAL SERVICES:		
	SALARY	1,487 X 12	17,844
5	BENEFITS	17,844 X .1550	2,905
6	SBS	X .0613	1,094
7	FIXED BENEFITS		1,800
8	TOTAL PERSONAL SERVICES	01	23,643
9	TRAVEL	02	
10	CONTRACTUAL	03	3,600
11	COMMODITIES	04	200
12	EQUIPMENT	05	1,800
13	OTHER		
14	TOTAL COST		29,243

JUSTIFICATION:

This position will provide clerical support to the current program staff in Anchorage and the three new positions required to fulfill Sec. 43.23.025 and Sec. 43.23.045.

	RECEIPT CODE	FUNING SOURCE	
15		FED RCPTS. 1002	
16		GF MATCH. 1003	
17		GEN. FUND 1004	29,243
18		I-A RCPTS. 1005	
19		PQM RCPTS 1028	
20		OTHER	
21	CONTINUATION		
22	ADDITION		

FOR B&M USE ONLY

4A KEY NUMBER _____ COUNTY NO. _____

AGENCY Department of Revenue PROGRAM Revenue Collection & Management

BRU Enforcement Division

COMPONENT _____

13 REQUEST FOR NEW POSITION

FY 83

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: CS for Senate Bill 842

Title: An Act providing for permanent fund dividends.

Requested by: Finance Committee

Date: April 7, 1982

II. FISCAL DETAIL

Agency Affected:

Program Category Affected:

BRU, Program, or Subprogram(s) Affected:

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 COMMODITIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

FUNDING (Millions of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

(See narrative below)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The proposed backstop legislation encompasses three basic scenarios dependent partially on a favorable or unfavorable decision of the United States Supreme Court relative to currently existing law.

IV. DATE: April 7, 1982

PREPARED BY: Vincent D. Wright

AGENCY: Revenue

PHONE: 465-2174

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Case A

Existing Law Plus Children Accrue Payments
From Commencement of Program in 1979
(Continuous Residency Since 1959)

FY	Dividend Expenditures (millions of \$)
1981	\$142
1982	156
1983	172
1984	88
1985	107

Case B

Per Capita Payment Approach

FY	Dividend Expenditures (millions of \$)
1981	\$416
1982	151
1985	107

Case C

Prospective Accumulation of Shares
(Continuous Residency Since 1981)

FY	Dividend Expenditures (millions of \$)
1983	\$416
1984	151
1985	107

GROSS & BURKE

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW

319 SEWARD ST., SUITE 203
JUNEAU, ALASKA 99801
(907) 586-2777

AVRUM M. GROSS
SUSAN A. BURKE

April 9, 1982

The Honorable Arliss Sturgulewski
Senate Finance Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: CS SB⁸⁴²~~824~~ (Fin.) --
Permanent Fund Dividends

Dear Senator Sturgulewski:

Enclosed is a revised sectional analysis of CS SB842 (Fin.), an Act providing for permanent fund dividends. The revisions in the analysis reflect the drafting changes in the bill made by the Legal Services Division of Legislative Affairs as well as the additional language in AS 43.23.075 adopted by the Senate Finance Committee denying an exemption for dividends for child support obligations.

If I can be of any further assistance, please let me know.

Sincerely,



Susan A. Burke

SAB:yw
Encl.

SECTIONAL ANALYSIS--CS SB 842 (Fin)
PERMANENT FUND DIVIDENDS

Section 1. This section contains new provisions of AS 43.23, establishing an on-going annual per capita distribution of one-half the annual distributable earnings of the Permanent Fund. This alternative program would go into effect only if the U.S. Supreme Court holds that the existing dividend program is invalid, and does so on the ground that the amount of an individual's Permanent Fund Dividend is determined by accumulated years of residency -- regardless of whether those years are counted retrospectively back to statehood or are accumulated prospectively. The provisions of this alternative include the following:

Sec. 43.23.005. An individual would be eligible for a dividend if he or she makes timely application to the department and on the date of application the individual is at least 18 years of age, is a state resident, and has been a state resident for at least six consecutive months before the date of application. The reasons for requiring a six month minimum period of residency are outlined in the Governor's letter transmitting SB 842 to the legislature. Subsection (b) was added to this provision as originally introduced because there had been some confusion expressed about whether the six months of residency must all occur between January 1 and July 1 of the current year of dividend distribution. This was not intended, and subsection (b) clarifies the intent.

Sec. 43.23.015. This section allows persons to receive dividends, once they turn 18, for prior years during which they were minors but were in all other respects eligible for a dividend. There is substantial, if not unanimous, agreement among those who are knowledgeable about constitutional issues that a failure to include children in a dividend distribution program would lead to a serious constitutional challenge. Subsection (b) provides that a person may file a claim for prior years' dividends even if he or she is no longer a resident. This provision is also necessary to avoid a serious constitutional challenge. The reasons for choosing this approach to including children in the program over other approaches -- particularly immediate payments through parents and guardians -- are outlined in the Governor's transmittal letter.

Sec. 43.23.025. This section relates to proof of eligibility. Subsections (a) and (b) are substantially the same as the analagous proof of eligibility provisions in the existing statutes. Subsection (c) is new, and is intended to provide a means for the department to verify more easily and accurately a person's eligibility for prior year dividends.

Requiring parents and guardians to provide information about their minor children and wards will also provide the department with information concerning the amounts and timing of future liabilities for claims for prior years' dividends. The information could not be used for any other purpose.

Sec. 43.23.035. This section establishes the formula for determining the value of a dividend each year. Because this would be a per capita program, one-half of distributable permanent fund income would be divided each year by the number of eligible adult applicants plus an estimate of the number of children who will be eligible in the future to claim this year's dividend as a prior year dividend. Unlike the existing law, there is no provision for loans from the general fund or for a minimum dividend value.

Sec. 43.23.045. Under this section, penalties for falsely claiming a dividend and for recovery by the Department of an improperly paid dividend are virtually identical to the existing penalties and enforcement provisions under the existing program. A 10-year statute of limitations has been added.

Sec. 43.23.055. This section establishes the dividend fund. It is similar to

the provisions of the existing program, except that the money for dividends that would otherwise be paid immediately to children is kept in the fund from year to year so that there will be sufficient money available in the future to pay prior year dividend claims as they are filed.

(Because children are included in the denominator of the formula for determining dividend value under AS 43.23.035, money for their dividends will be left over each year after adults receive their payments.) The number of minor children in any one year who may later make a claim for that year's dividend must necessarily be an estimate. Thus, provision is made in subsection (d) for a periodic review of the sufficiency of the fund to pay future claims for prior year dividends. If the review discloses an excess in the fund, the amount of permanent fund income available for dividends that year would be increased by the amount of the excess for purposes of determining the value of that year's dividend. If there is a deficiency, the income amount used to determine the value

Sec. 43.23.065. This section requires the department to pay dividends for each year, to adopt regulations governing time limits so that payments are made before December 31 of each year, and to assist residents, particularly in rural areas of the state, to establish eligibility and to apply for dividends. Similar provisions are in the existing statutes.

Sec. 43.23.075. This section provides for an exemption from execution or levy of one-half of an individual's permanent fund dividend. A similar provision is in existing law. This section adds a sentence which provides that the exemption does not apply to child support obligations.

Sec. 43.23.085. This section provides a measure of protection for welfare recipients who also receive permanent fund dividends. The vast majority of social assistance programs are funded in part by federal money. Because the eligibility requirements for these programs are mandated by federal law, persons receiving benefits under those federally funded programs will lose their eligibility during the month they receive a

of that year's dividend would be reduced by the amount of the deficiency. In this way, periodic adjustments are made to correct any inaccuracies in estimating the number of resident children in any year. Subsection (e) was added to authorize the Department of Revenue to establish a plan for persons to defer federal income taxes on the receipt of dividends. There is similar authority in the existing statutes. That language was included in the original 1980 bill in the hope that some type of I.R.S. approved "deferred compensation" program could be developed to ease the federal tax bite attending receipt of dividends for many Alaskans. While it soon became clear that a deferred compensation program was not feasible, it now appears that an Individual Retirement Account program may well be feasible under the Economic Recovery Act of 1981. The language in the existing statute, like the language of AS 43.23.055(e) in this bill, is sufficiently general to permit the establishment of a voluntary IRA program for recipients of permanent fund dividends.

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