

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: **HB30**
 () Publish Date: _____

Identifier (file name): **HB30-UA-Sysbra-03-17-09** Dept. Affected: University of Alaska
 Title An act repealing the defined contribution retirement plans for RDU University of Alaska
 teachers and public employees... Component Sysbra
 Sponsor Representatives Harris, Hawker, and Munoz
 Requester Labor and Commerce Component Number

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services		1,536.2	1,605.3	1,677.5	1,753.0	1,831.9	1,914.3
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	1,536.2	1,605.3	1,677.5	1,753.0	1,831.9	1,914.3

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts			192.6	201.3	210.4	219.8	229.7
1003 GF Match							
1004 GF		1,536.2	963.2	1,006.5	1,051.8	1,099.1	1,148.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts			449.5	469.7	490.8	513.0	536.0
TOTAL	0.0	1,536.2	1,605.3	1,677.5	1,753.0	1,831.9	1,914.3

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This fiscal note estimates the incremental cost of HB30 above amounts which will impact the University of Alaska's FY10 operating budget. Currently (FY09), new UA employees may choose between the State's Defined Contribution (DC) plans or the University's Optional Retirement Plan (ORP) and Pension Plan (Pension). If HB30 passes, new employees will choose the State's Defined Benefit (DB) Plan and possibly the Pension* or ORP and Pension. The University assumes that new employees will choose the DB and Pension combination because of the perceived benefit and security of a DB plan, especially in the backdrop of recent huge market losses. This fiscal note assumes that the DB employer contribution rates will be the same as the effective DC rates, currently 22% and 12.56% for PERS and TRS, respectively. Finally, this estimate assumes all DC participants will elect to transfer to the DB plans and that they will have the Pension plan option.

FY11 through FY15 increase at 4.5% per year.

*At the time of request for this fiscal note, University management/Regents have not determined whether it would offer the Pension with the DB plan and whether it would allow DC participants electing the DB plan the Pension option.

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