

Fiscal Note

State of Alaska
2016 Legislative Session

Bill Version: HB 322
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB322-UA-SYSBRA-3-3-16
Title: EXEMPT STATE EMPLOYEE SALARY LIMIT
Sponsor: COLVER
Requester: State Affairs

Department: University of Alaska
Appropriation: University of Alaska
Allocation: Budget Reductions/Additions - Systemwide
OMB Component Number: 1296

Expenditures/Revenues

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

(Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2017	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Personal Services	***	***	***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	***	***	***	***	***	***	***

Fund Source (Operating Only)

None							
Total	***	***	***	***	***	***	***

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues							
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Estimated SUPPLEMENTAL (FY2016) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2017) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency?
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Initial version

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Division:	University of Alaska	Date:	03/02/2016 05:00 PM
Approved By:	Michelle Rizk	Date:	03/02/16
Agency:	University of Alaska		

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2016 LEGISLATIVE SESSION

BILL NO. HB322

Analysis

The fiscal impact of this legislation cannot be accurately determined at this time. The impact would depend on the specific positions that become vacant after July 1, and when they become vacant. There would also be indeterminate costs associated with the inability to recruit well-qualified faculty and administrators, once certain salaries were no longer competitive with salaries at comparable universities or in the private sector.

For its senior administrators, the University uses the annual Administrative Compensation Survey from the College and Universities Personnel Association for Human Resources (CUPA-HR)] to benchmark salaries of administrative positions with peer institutions. This survey reflects the salaries of over 55,000 job incumbents at over 1,200 public and private institutions nationwide. The standard for the University of Alaska is the 45th percentile of the salary reported in the annual survey. In other words, the university usually offers only 90% of the national median for comparable positions to new hires.

Senior faculty members in fields such as business and accounting, engineering, and some sciences, can earn salaries in excess of \$145,000 per year in the private sector and it would be very difficult to recruit well-qualified faculty in these fields.