

# Fiscal Note

State of Alaska  
2019 Legislative Session

Bill Version: HB 79  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB079-DOA-DRB-3-27-19  
Title: PEACE OFFICER/FIREFIGHTER RETIRE  
BENEFITS  
Sponsor: KOPP  
Requester: (H)Labor and Commerce

Department: Department of Administration  
Appropriation: Centralized Administrative Services  
Allocation: Office of the Commissioner  
OMB Component Number: 45

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2020 Appropriation Requested	Included in Governor's FY2020 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2020	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Personal Services	174.9						
Travel	15.0		12.0	12.0	12.0	12.0	12.0
Services	671.6		10.2	10.2	10.2	10.2	10.2
Commodities	12.4						
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>873.9</b>	<b>0.0</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>

## Fund Source (Operating Only)

1029 PERS Trust (Other)	655.4		16.7	16.7	16.7	16.7	16.7
1034 Teach Ret (Other)	218.5		5.5	5.5	5.5	5.5	5.5
<b>Total</b>	<b>873.9</b>	<b>0.0</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>

## Positions

Full-time							
Part-time							
Temporary	2.0						

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimated SUPPLEMENTAL (FY2019) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2020) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No  
(Supplemental/Capital/New Fund - 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? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/20

## Why this fiscal note differs from previous version/comments:

Not applicable, initial version based on the 2-13-19 Governor's FY2020 request.

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Agency: Office of Management and Budget  
Phone: (907)465-4471  
Date: 03/27/2019 09:20 AM  
Date: 03/27/19

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2019 LEGISLATIVE SESSION

BILL NO. HB 79

### Analysis

This bill proposes to open the PERS Benefit Plan by adding a new benefit tier for peace officers and firefighters. New employees will be enrolled into the defined benefit plan and existing PERS P/F DCR members will be allowed an opportunity to convert to the new defined benefit tier.

The Division of Retirement and Benefits will require two non-permanent employees, an Accountant III and a Publications Technician III (personal services) plus computer, phone, cubicle, supplies (commodities) for the first fiscal year to complete the preparation work to account for the participant contributions and produce new program literature and forms. The Division will need to reprogram its computer systems, program a plan comparison tool for employees and print/post online the necessary documents and election forms for the inception of the new tiers as well as update existing publications (services).

Education to employers will be required to properly electronically report service and salaries of new employees and existing employees of the PERS DCR Plan that elect to convert. Education to employees will be required for PERS DCR employees to make an informed decision during the election period and for new members of the new tier which will require travel to employer worksites (travel).

A fiscal note that includes an actuarial analysis will be submitted once the analysis has been received. The estimated administrative costs to the division by fiscal year are as follows:

*Dollars are in thousands*

	<b>FY 20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY 25</b>
Personal Services	174.9	0.0	0.0	0.0	0.0	0.0
Travel	15.0	12.0	12.0	12.0	12.0	12.0
Services	671.6	10.2	10.2	10.2	10.2	10.2
Commodities	<u>12.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<b>873.9</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>	<b>22.2</b>