

Fiscal Note

State of Alaska
2019 Legislative Session

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

Identifier: HB079-DOA-DRB-4-16-19
Title: PEACE OFFICER/FIREFIGHTER RETIRE
BENEFITS
Sponsor: KOPP
Requester: (H) Finance

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							
Total Operating	873.9	0.0	22.2	22.2	22.2	22.2	22.2

Fund Source (Operating Only)

1029 PERS Trust (Other)	873.9		22.2	22.2	22.2	22.2	22.2
Total	873.9	0.0	22.2	22.2	22.2	22.2	22.2

Positions

Full-time							
Part-time							
Temporary	2.0						

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/20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. Correct funding source on original fiscal note dated 3-27-19.

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Division:	Retirement and Benefits	Date:	03/27/2019
Approved By:	Cheryl Lowenstein, Director	Date:	03/27/19
Agency:	Office of Management and Budget		

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

	FY 20	FY21	FY22	FY23	FY24	FY 25
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>
Total	873.9	22.2	22.2	22.2	22.2	22.2