

# Fiscal Note

State of Alaska  
2022 Legislative Session

Bill Version: HB 55  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB055-DOA-DRB-01-21-2022  
Title: PEACE OFFICER/FIREFIGHTER RETIRE  
BENEFITS  
Sponsor: JOSEPHSON  
Requester: (S) L&C

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)

	FY2023 Appropriation Requested	Included in Governor's FY2023 Request	Out-Year Cost Estimates				
			FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>OPERATING EXPENDITURES</b>	<b>FY 2023</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Personal Services	193.5						
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>892.5</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)	892.5		22.2	22.2	22.2	22.2	22.2
<b>Total</b>	<b>892.5</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 (FY2022) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2023) 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If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/22

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

This fiscal note reflects the cost to the agency to implement the new law. The prior fiscal note reflects the actuarial costs of the Public Employee Retirement System (PERS).

Prepared By: Ken Truitt, Legislative Liaison	Phone: (907)465-8484
Division: Department of Administration	Date: 01/21/2022
Approved By: Leslie Isaacs, Administrative Services Director	Date: 01/22/22
Agency: Office of Management of Budget	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2022 LEGISLATIVE SESSION

BILL NO. HB 55

**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 updated actuarial analysis will be submitted once the analysis has been received. This fiscal note only addresses the estimated administrative costs to the Division.