

SENATE JOURNAL SUPPLEMENT

April 1, 1986

TUESDAY

No. 60

FISCAL NOTE

CSSB
341
(JUD)

REQUEST

Bill/Resolution No. : CS SB 341 (Fin)
 Title : Act relating to state procurement practices & procedures
 Sponsor : Rules by Request
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept of Administr
 BRU : General Services & Sup
 Components : Purchasing

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		350.0	367.5	385.9	405.2	425.4

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		350.0	367.5	385.9	405.2	425.4
FEDERAL FUNDS						
OTHER						
TOTAL		350.0	367.5	385.9	405.2	425.4

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-chairman
 Division : Senate Finance Committee

Phone : 465-4523
 Date : 4/1/86

SENATE JOURNAL SUPPLEMENT

No. 60

4/1/86

CSSSSB
430
(FIN)

REQUEST

Bill/Resolution No. CSSSSB 430 (Fin)
Title: Revoke/Reduce Royalty Increase

Sponsor: Fahrenkamp
Requestor: Senate Finance
Date of Request: 03-21-86

FISCAL DETAIL

Agency Affected: Natural Resources
BRU: Petroleum Management

Components:

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE	(2260.0)	(2150.0)	(1900.0)	(1660.0)	(1460.0)	

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attached Explanation

Revenue reduction figures are based on a calendar year, not a fiscal year.

Prepared by: Kay Brown Phone: 762-4241
 Division: Oil and Gas Date: 03-21-86
 Approved by Commissioner: Wm D Zimmell, Deputy Date: 03-21-86
 Agency: Natural Resources

4/1/86

SENATE JOURNAL SUPPLEMENT

No. 60

CSSSSB
430
(FIN)

This amended fiscal note is necessary because CONOCO last week revised downward their projected rate of production. This fiscal impact (Revenue) is estimated on the basis of several assumptions:

... The bill would affect only Milne Point unit production;

... Milne Point Unit production at:

1986	18,500 bpd
1987	17,600 bpd
1988	15,500 bpd
1989	13,600 bpd
1990	11,900 bpd

... Royalty reduction from 20% to 12.5% under SSSB 430;

... Wellhead price is assumed to be \$5.45/barrel

SCS CSHB
252
(FIN)

REQUEST

Bill/Resolution No. : SCS CSHB 252 (Fin)
Title : An Act relating to state retirement benefits

Sponsor : M M Miller
Requestor : _____
Date of Request : _____

FISCAL DETAIL

Agency Affected : Administrative
BRU : _____
Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		143.3	77.5	77.5	77.5	77.5
TRAVEL		0	0	0	0	0
CONTRACTUAL		0	0	0	0	0
SUPPLIES		0	0	0	0	0
EQUIPMENT		0	0	0	0	0
LAND & STRUCTURES		0	0	0	0	0
GRANTS, CLAIMS		0	0	0	0	0
MISCELLANEOUS		0	0	0	0	0
TOTAL OPERATING		143.3	77.5	77.5	77.5	77.5
CAPITAL		0	0	0	0	0
REVENUE		0	0	0	0	0

FUNDING : (Thousands of Dollars)

GENERAL FUND		143.3	77.5	77.5	77.5	77.5
FEDERAL FUNDS		0	0	0	0	0
OTHER		0	0	0	0	0
TOTAL		143.3	77.5	77.5	77.5	77.5

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senator Jan Faiks, Co-Chairman Phone : 465-4523
 Division : Senate Finance Committee Date : 4/1/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

4/1/86

SENATE JOURNAL SUPPLEMENT

No. 60

SCS CSHB
252
(FIN)

REQUEST Draft (3/28/86) FISCAL DETAIL
 Bill/Resolution No. SCSCSHB252 (FIN) Agency Affected: All State Agencies
 Title: "An Act relating to state retirement benefits; ..." BRU: Retirement & Benefits
 Sponsor: M.M. Miller and Duncan Components: PERS
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
OPERATING						
PERSONAL SERVICES		77.6				
RTMNT & BNFTS		[1,641.1]	[1,772.4]	[1,914.2]	[2,067.3]	[2,232.7]
TRAVEL						
CONTRACTUAL		242.7				
SUPPLIES		1.0				
EQUIPMENT		10.0				
LAND & STRUCTURES						
GRANTS, CLAIMS		2.4	2.4	2.4	2.4	2.4
TRS MATCH						
TOTAL OPERATING	-0-	[1,307.4]	[1,770.0]	[1,911.8]	[2,064.9]	[2,230.3]
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		[1,181.9]	[1,600.1]	[1,728.3]	[1,866.7]	[2,016.2]
FEDERAL FUNDS		[60.1]	[81.4]	[87.9]	[95.0]	[102.6]
OTHER		[65.4]	[88.5]	[95.6]	[103.2]	[111.5]
TOTAL		[1,307.4]	[1,770.0]	[1,911.8]	[2,064.9]	[2,230.3]

POSITIONS:

	-0-	-0-	-0-	-0-	-0-	-0-
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Revised to include the University of Alaska in cost savings to the state per instructions from OMB.

See attached

Prepared By *J.K. Humphreys* J.K. Humphreys, Director Phone: 465-4470
 Division: Retirement & Benefits Date: 3/28/86
 Approved by Commissioner: *Eleanor Andrews* Eleanor Andrews Date: 3/28/86
 Agency: Department of Administration

SENATE JOURNAL SUPPLEMENT

No. 60

4/1/86

SCS CSHB
252
(FIN)

ANALYSIS:

March 28, 1986

This bill applies primarily to the Public Employees' Retirement System (PERS). It would provide for an automatic, post retirement pension adjustment (PRPA) and an increased benefit multiplier for covered members. It increases the employee contribution rate by an additional 2½% of salary, increases the indebtedness contributions for military service credit by 2½% and provides for the employer to withhold employee contributions before taxes rather than the current after tax contributions to begin effective January 1, 1987. The bill also contains several cost containment provisions which would affect only those members first hired after the effective date. Those cost containment provisions are: a partial pay provision for health coverage for retirees; no COLA before age 65; no military credit shall be granted if the member is eligible to receive a benefit for the same service from the Federal Government and increasing the normal retirement age from 55 to 60. The bill also increases benefits for the two territorial retirees by \$100.00 per month. It retroactively removes the requirement that a person receiving occupational disability benefits from the Public Employees' Retirement System (PERS) for a period of one year must secure a Social Security disability award in order to continue receiving benefits. It would also require employees who are appointed to receive either occupational or non-occupational disability benefits to undergo training with the Division of Vocational Rehabilitation and modifies the definitions of both occupational and non-occupational disability. It allows employees of municipalities to receive credit as peace officers or firemen for employment with the municipalities between January 1961 and January 1976.

This bill also provides that military service credit can be claimed for merchant marine service between 1941 and 1945 and certain service in Vietnam, Cambodia, Laos with the United States Department of State between 1964 and 1975.

It would prohibit using any area cost-of-living adjustment if the member has not received an area cost-of-living differential during at least 50 percent of the member's credited service in the three highest consecutive years' salary, used for benefit calculation in the Public Employees' Retirement System (PERS). The bill would also provide for refunding any contributions paid on area-differentials if the salaries used for benefit calculation do not include area-differential.

It also removes the deadline for claiming part-time employment with the state prior to January 1, 1976 and charges those who missed the deadline, but wish to claim the service, an additional year's interest on the indebtedness.

SCS CSHB
252
(FIN)

March 28, 1986

This is estimated to result in a .2486% decrease in the PERS employer contribution rate for FY 87. The total state and University of Alaska PERS salaries for FY 87 are estimated to be \$660,115,002.00 and are estimated to increase at 8% per year.

The state savings of \$1307.4 is calculated as follows:

The change in the PERS employer contribution rate (.2486%) times the estimated FY 87 state PERS salaries (\$590,176,728) equals [\$1,467.2]

The change in the PERS employer contribution rate (.2486%) times the estimated FY 87 University of Alaska PERS salaries (\$69,938,274) equals [173.9]

Increased benefits for two territorial retirees per year 2.4

Plus administrative costs displayed on the following page 331.3

Total state FY 87 savings [\$1,307.4]

In addition to the State savings above, this would result in savings in Political Subdivision contributions as follows:

FY 87	FY 88	FY 89	FY 90	FY 91
<u>[\$1,003.8]</u>	<u>[\$1,085.4]</u>	<u>[\$1,173.5]</u>	<u>[\$1,268.7]</u>	<u>[\$1,371.5]</u>

SCS CSHB
252
(FIN)

March 28, 1986

FY 87 Administrative Costs

Personal Services:

2 permanent retirement technicians for 12 months \$ 77.6

Contractual:

Telephone and other contractual costs for 2 positions 2.0
Contractual costs for enhancing the PERS data processing system 170.7
Contractual costs for enhancing the state payroll system 70.0

Supplies:

Supplies for 2 positions 1.0

Equipment:

Equipment accommodations for 2 non-permanent positions 10.0

Total FY 87 administrative costs \$331.3