

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 248
 (H) Publish Date: 3/13/02

Revision Date/Time (Note if correction): (2/15/02) Dept. Affected: Administration
 Title Retirement contributions under PERS BRU Centralized Administrative Services
 for juvenile detention and correctional institution employees. Component Retirement and Benefits
 Sponsor Representative Williams
 Requester House State Affairs Component No. 64

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation converts the retirement status of juvenile detention employees and juvenile correctional institution employees from "thirty years and out" to "twenty years and out." The bill allows affected employees to claim this status retroactive to their date of hire into these positions; in return, the employee is indebted to the system based on (1) the contributions to the system the employee would have made if the service had counted as twenty and out service; less (2) the contributions the employee actually made; (3) plus interest on that difference. This is not equal to the full actuarial cost of that service. Therefore, this legislation creates both a "past service liability" for service retroactively claimed, and a future actuarial liability for the State of Alaska because 20 and out service is more costly than 30 and out service. 240 employees are affected by this legislation. Our actuarial consultant has estimated the total cost (the net present value of fully projected benefits) of this legislation to be \$7.2 million, producing an increase in the state's contribution rate of 0.14% and an annual cost to the State of \$896 thousand.

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 Approved by: Jim Duncan, Commissioner
 Agency: Department of Administration

Phone 465-4471
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