

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 121(STA)
 Fiscal Note Number 1
 (S) Publish Date 2/17/12

Identifier (file name) SB121-DOA-DRB-12-13-11 Dept. Affected Department of Administration
 Title Teachers & Pub Employee Retirement Plans Appropriation Centralized Administrative Services
 Allocation Division of Retirement and Benefits
 Sponsor Senators Egan
 Requester Senate State Affairs OMB Component Number 64

Expenditures/Revenues (Thousands of Dollars)

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

| | FY13 Appropriation Requested | Included in Governor's FY13 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|------------------------------------|--|-------------------------|-------------|-------------|-------------|-------------|-------------|
| | | | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | 122.0 | | | | | | | |
| Travel | 12.5 | | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Services | 635.2 | | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants, Benefits | | | | | | | | |
| Miscellaneous | | | | | | | | |
| TOTAL OPERATING | 769.7 | 0.0 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 |

FUND SOURCE (Thousands of Dollars)

| | | | | | | | | |
|--------------|------------------|--------------|------------|-------------|-------------|-------------|-------------|-------------|
| 1002 | Federal Receipts | | | | | | | |
| 1003 | GF Match | 769.7 | 0.0 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 |
| 1004 | GF | | | | | | | |
| 1005 | GF/Prgm (DGF) | | | | | | | |
| 1037 | GF/MH (UGF) | | | | | | | |
| 1178 | temp code (UGF) | | | | | | | |
| TOTAL | | 769.7 | 0.0 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 |

POSITIONS

| | | | | | | | | |
|-----------|-----|--|---|---|---|---|---|---|
| Full-time | | | | | | | | |
| Part-time | | | | | | | | |
| Temporary | 2.0 | | 2 | 2 | 2 | 2 | 2 | 2 |

CHANGE IN REVENUES

| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|
| | | | | | | | | |
|--|--|--|--|--|--|--|--|--|

Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Administrative fiscal note update

Prepared by Jim Puckett, Director
 Division Division of Retirement and Benefits
 Approved by John Cramer, Deputy Commissioner
Department of Administration

Phone 465-4471
 Date/Time 12/1/11 4:00 PM
 Date 12/13/2011

FISCAL NOTE #1

**STATE OF ALASKA
2012 LEGISLATIVE SESSION**

BILL NO. CSSB 121(STA)

Analysis

The Division of Retirement and Benefits will require two non-permanent employees to complete the preparation work to account for and produce the necessary documents and forms for the inception of the new tiers. Education to employers will be required to properly electronically report service and salaries of new employees and existing employees of the defined contribution plans who elect to convert to the new tier. Education to employees will be required for defined contribution employees to make an informed decision during the election period and for new members of the new tiers.

The division will be required to reprogram its existing system, the Combined Retirement System, which tracks all service and salaries reported by employers to the system, to accommodate the new provisions of the new tiers.

The estimated administrative costs to the division by fiscal year are as follows:

| Dollars are in thousands | | | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | |
| PERSONAL SERVICES | | | | | | | |
| 1-Non Permanent Account III | 106.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 1-Non Permanent Publications Technician III | 16.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Non Perm Training | 13.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 135.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TRAVEL | | | | | | | |
| Employer Reporting Training/Plan Educat | 7.5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| Reg. Counselor Travel/Employee Ed. | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| | 12.5 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| SERVICES | | | | | | | |
| Communication/Postage | | | | | | | |
| -Choice Kit for new employee election | 30.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| -Conversion notification to DC employee | 8.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| -Update to PERS DB handbooks/brochure | 322.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Computer System Redesign | 207.9 | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 |
| Computer System User Testing | 36.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increased audit fees | 5.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 610.5 | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 | 9.3 |
| COMMODITIES | | | | | | | |
| Computer, phone, cubicle, supplies | 11.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 769.7 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 |