

# Fiscal Note

State of Alaska  
2015 Legislative Session

|                     |               |
|---------------------|---------------|
| Bill Version:       | CSHB 176(FIN) |
| Fiscal Note Number: | 2             |
| (H) Publish Date:   | 4/13/2015     |

Identifier: HB176-OOG-OMB-4-6-15  
 Title: REPEAL ST EMPL WAGE RAISE;LEGIS EMPL  
 BENE  
 Sponsor: FINANCE  
 Requester: House Finance

Department: Various (for Fiscal Notes only)  
 Appropriation: Various  
 Allocation: Executive Branch  
 OMB Component Number: 0

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

|                               | FY2016<br>Appropriation<br>Requested | Included in<br>Governor's<br>FY2016<br>Request | Out-Year Cost Estimates |            |            |            |            |
|-------------------------------|--------------------------------------|--|-------------------------|------------|------------|------------|------------|
|                               |                                      |  | FY 2017                 | FY 2018    | FY 2019    | FY 2020    | FY 2021    |
| <b>OPERATING EXPENDITURES</b> | <b>FY 2016</b>                       | <b>FY 2016</b>                                 |                         |            |            |            |            |
| Personal Services             | (5,827.5)                            | 5,827.5  |                         |            |            |            |            |
| Travel                        |                                      |  |                         |            |            |            |            |
| Services                      |                                      |  |                         |            |            |            |            |
| Commodities                   |                                      |  |                         |            |            |            |            |
| Capital Outlay                |                                      |  |                         |            |            |            |            |
| Grants & Benefits             |                                      |  |                         |            |            |            |            |
| Miscellaneous                 |                                      |  |                         |            |            |            |            |
| <b>Total Operating</b>        | <b>(5,827.5)</b>                     | <b>5,827.5</b>                                 | <b>0.0</b>              | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Fund Source (Operating Only)

|                |                  |                |            |            |            |            |            |
|----------------|------------------|----------------|------------|------------|------------|------------|------------|
| 1002 Fed Rcpts | (441.7)          | 441.7          |            |            |            |            |            |
| 1003 G/F Match | (32.8)           | 32.8           |            |            |            |            |            |
| 1004 Gen Fund  | (2,398.5)        | 2,398.5        |            |            |            |            |            |
| 1005 GF/Prgm   | (27.0)           | 27.0           |            |            |            |            |            |
| 1037 GF/MH     | (70.1)           | 70.1           |            |            |            |            |            |
| 1178 temp code | (2,857.4)        | 2,857.4        |            |            |            |            |            |
| <b>Total</b>   | <b>(5,827.5)</b> | <b>5,827.5</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> | <b>0.0</b> |

## Positions

|           |  |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |  |

## Change in Revenues

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

**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 (separate supplemental appropriation required)  
 (discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2016) cost:** 0.0 (separate capital appropriation required)  
 (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? No  
 If yes, by what date are the regulations to be adopted, amended or repealed? N/A

## Why this fiscal note differs from previous version:

Not applicable. Initial version.

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 Approved By: Pat Pitney, Director  
 Agency: Office of Management and Budget

Phone: (907)465-4676  
 Date: 04/06/2015 01:00 PM  
 Date: 04/06/15

**REPORTED OUT OF  
HFC 04/13/2015**  
 Control Code: yTNMW

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

This bill will do the following:

1. Exempts employees of the Alaska Legislature from receiving a geographic pay differential.
2. Repeals AS 39.27.011(f). This action will repeal the 2.5% Cost of Living Adjustment (COLA) that is scheduled to go into effect July 1, 2015 for classified and partially exempt employees in the executive branch that are not members of a collective bargaining unit.

The fiscal impact shown here only applies to the executive branch. It is based on the amount that is included in the FY 2016 Governor's budget for non-covered employees cost of living adjustment. This impact does not take into consideration the reduction in positions from the House and the Senate in HB 72. Thus the decrement shown here may be overstated based on the reduction of certain positions.

The 2.5% FY16 COLA reduction is included in the Senate version of HB72 for both covered and non-covered employees. This fiscal note needs to be modified if the Senate version of the operating bill (HB 72) is adopted. The conference committee on the operating budget will adjust the fiscal note as needed.

Fund Source 1178 (Temp Code) represents more than 50 other funding sources that together, add up to the \$2,857.4. The list of these funding sources is attached.

Scenario: FY2016 PS Base Rates &amp; COLA (11889)

| Fund Code  | Amount  |
|--|---------|
| 1002 Federal Receipts (Federal)  | 441.7   |
| 1003 General Fund Match (UGF)  | 32.8    |
| 1004 General Fund Receipts (UGF)                                       | 2,398.5 |
| 1005 General Fund/Program Receipts (DGF)                               | 27.0    |
| 1007 Interagency Receipts (Other)                                      | 767.3   |
| 1017 Benefits Systems Receipts (Other)                                 | 6.0     |
| 1018 Exxon Valdez Oil Spill Settlement (Other)                         | 13.6    |
| 1024 Fish and Game Fund (Other)  | 1.1     |
| 1026 Highways/Equipment Working Capital Fund (Other)                   | 2.0     |
| 1027 International Airport Revenue Fund (Other)                        | 14.6    |
| 1029 Public Employees Retirement System Fund (Other)                   | 9.4     |
| 1031 Second Injury Fund Reserve Account (DGF)                          | 0.7     |
| 1032 Fishermen's Fund (DGF)  | 0.5     |
| 1034 Teachers Retirement System Fund (Other)                           | 3.8     |
| 1036 Commercial Fishing Loan Fund (DGF)                                | 2.2     |
| 1037 General Fund / Mental Health (UGF)                                | 70.1    |
| 1040 Real Estate Surety Fund (DGF)                                     | 0.3     |
| 1045 National Guard & Naval Militia Retirement System (Other)          | 0.2     |
| 1046 Student Revolving Loan Fund (Other)                               | 0.1     |
| 1050 Permanent Fund Dividend Fund (DGF)                                | 3.5     |
| 1052 Oil/Hazardous Prevention/Response Fund (DGF)                      | 5.0     |
| 1054 State Employment & Training Program (DGF)                         | 2.2     |
| 1055 Interagency/Oil & Hazardous Waste (Other)                         | 9.0     |
| 1061 Capital Improvement Project Receipts (Other)                      | 191.3   |
| 1066 Public School Trust Fund (DGF)                                    | 0.7     |
| 1070 Fisheries Enhancement Revolving Loan Fund (DGF)                   | 0.2     |
| 1076 Marine Highway System Fund (DGF)                                  | 16.6    |
| 1081 Information Services Fund (Other)                                 | 6.7     |
| 1092 Mental Health Trust Authority Authorized Receipts (Other)         | 58.7    |
| 1093 Clean Air Protection Fund (Other)                                 | 0.1     |
| 1094 Mental Health Trust Administration (Other)                        | 50.0    |
| 1101 Alaska Aerospace Development Corporation Receipts (Other)         | 32.5    |
| 1102 Alaska Industrial Development & Export Authority Receipts (Other) | 78.5    |
| 1103 Alaska Housing Finance Corporation Receipts (Other)               | 579.9   |
| 1104 Alaska Municipal Bond Bank Receipts (Other)                       | 2.6     |
| 1105 Alaska Permanent Fund Corporation Receipts (Other)                | 188.1   |
| 1106 Alaska Student Loan Corporation Receipts (Other)                  | 191.5   |
| 1108 Statutory Designated Program Receipts (Other)                     | 129.9   |
| 1133 CSSD Administrative Cost Reimbursement (Federal)                  | 10.1    |
| 1141 RCA Receipts (DGF)  | 62.4    |
| 1147 Public Building Fund (Other)                                      | 1.6     |
| 1151 Technical Vocational Education Program Account (DGF)              | 0.5     |
| 1156 Receipt Supported Services (DGF)                                  | 35.4    |
| 1157 Workers Safety and Compensation Administration Account (DGF)      | 13.9    |
| 1162 Alaska Oil & Gas Conservation Commission Rcpts (DGF)              | 104.6   |
| 1166 Commercial Passenger Vessel Environmental Compliance Fund (DGF)   | 0.5     |
| 1168 Tobacco Use Education and Cessation Fund (DGF)                    | 3.0     |

Note: This report ignores included scenarios.

State of Alaska

Page 1 of 2

Office of Management and Budget

3-27-2015 12:43 pm

Scenario: FY2016 PS Base Rates &amp; COLA (11889)

| Fund Code  | Amount              |
|--|---------------------|
| 1169 PCE Endowment Fund (DGF)  | 0.8                 |
| 1172 Building Safety Account (DGF)                                     | 1.0                 |
| 1200 Vehicle Rental Tax Receipts (DGF)                                 | 0.7                 |
| 1201 Commercial Fisheries Entry Commission Receipts (DGF)              | 82.5                |
| 1205 Berth Fees for the Ocean Ranger Program (DGF)                     | 0.4                 |
| 1220 Crime Victim Compensation Fund (Other)                            | 3.1                 |
| 1229 AK Gasline Development Corporation In-state Pipeline Fund (Other) | 127.8               |
| 1230 Alaska Clean Water Administrative Fund (Other)                    | 0.2                 |
| 1231 Alaska Drinking Water Administrative Fund (Other)                 | 0.2                 |
| 1232 In-state Pipeline Fund Interagency (Other)                        | 7.4                 |
| 1235 Alaska Liquefied Natural Gas Project Fund (AGDC-LNG) (Other)      | 32.5                |
|  | <hr/> <hr/> 5,827.5 |

**Subcategory: Sal - UGF/DGFF/Other/Fed Summary by Department Ignoring Included (1137)**  
**Non-covered**  
**Scenario: FY2016 PS Base Rates & COLA (11889)**

| Department  | Unrestricted   |              |                | Designated   | Other          | Federal  | Total    | PFT      | PPT      | NP Positions | Total    |
|---|----------------|--------------|----------------|--------------|----------------|----------|----------|----------|----------|--------------|----------|
|   |                |              |                |              |                |          |          |          |          |              |          |
| Department of Administration                                | 504.1          | 108.2        | 99.4           | 2.7          | 714.4          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Commerce, Community, and Economic Development | 24.4           | 96.5         | 495.3          | 1.2          | 617.4          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Corrections                                   | 77.7           | 0.0          | 0.0            | 0.0          | 77.7           | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Education and Early Development               | 49.5           | 0.0          | 209.6          | 29.7         | 288.8          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Environmental Conservation                    | 23.6           | 5.9          | 1.6            | 8.7          | 39.8           | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Fish and Game                                 | 55.3           | 82.5         | 23.8           | 6.2          | 167.8          | 0        | 0        | 0        | 0        | 0            | 0        |
| Office of the Governor                                      | 388.9          | 0.0          | 4.9            | 1.9          | 395.7          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Health and Social Services                    | 127.5          | 3.8          | 135.4          | 58.0         | 324.7          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Labor and Workforce Development               | 34.5           | 18.8         | 23.1           | 10.7         | 87.1           | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Law   | 667.7          | 18.6         | 306.5          | 2.7          | 995.5          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Military and Veterans Affairs                 | 135.4          | 0.0          | 33.7           | 7.9          | 177.0          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Natural Resources                             | 233.4          | 3.6          | 148.6          | 1.0          | 386.6          | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Public Safety                                 | 39.9           | 4.5          | 2.1            | 1.1          | 47.6           | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Revenue                                       | 96.6           | 5.0          | 916.9          | 320.0        | 1,338.5        | 0        | 0        | 0        | 0        | 0            | 0        |
| Department of Transportation/Public Facilities              | 42.9           | 17.2         | 108.8          | 0.0          | 168.9          | 0        | 0        | 0        | 0        | 0            | 0        |
| <b>Total:</b>   | <b>2,501.4</b> | <b>364.6</b> | <b>2,509.7</b> | <b>451.8</b> | <b>5,827.5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b>     | <b>0</b> |