

"An Act making a supplemental appropriation to the Department of Administration for state salaries covered by the General Government Contract Settlement; and providing for an effective date."

COMMITTEE REPORT

4/16/75

HOUSE

FINANCE

Mr. Speaker:

Date 21 Apr 75

The Committee on STATE AFFAIRS has had HB 439

under consideration. A Majority of the members of the Commi

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

() recommends it BE REPLACED WITH CS FOR 613 439 *(same title)* AND THAT

CS FOR HB 439 DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

<u><i>Bill Pugh</i></u>	<u><i>Allen M. Linder</i></u>	_____
<u><i>Jim J. Sullivan</i></u>	_____	_____
<u><i>By the way</i></u>	_____	_____
<u><i>Joe McKinnon</i></u>	<u><i>_____</i></u>	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

*Bill Pugh* Chairman

"An Act making a supplemental appropriation to the Department of Administration for state salaries covered by the General Government Contract Settlement; and providing for an effective date."

COMMITTEE REPORT

4/26/75

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 439

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT  
CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

\_\_\_\_\_  
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\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:  
\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/26/75  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 439

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
7 Department of Administration for state salaries  
8 covered by the general government contract settlement;  
9 and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$4,698,200 is appropriated to the Department of  
12 Administration for the purpose of paying the salaries of state employees  
13 covered by the general government contract settlement for fiscal year 1975.  
14 The sources of this appropriation are as follows:

15 Fiscal Year 1975

16	General Fund	\$3,973,200
17	International Airport Revenue Fund	135,300
18	Fish and Game Fund	45,100
19	Highway Working Capital Fund	15,500
20	Teachers Retirement System	10,800
21	Public Employees Retirement System	10,800
22	Agricultural Revolving Loan Fund	1,900
23	Veterans Revolving Loan Fund	19,700
24	FICA Fund Reserve Account	1,900
25	Surplus Property Account	8,500
26	Second Injury Fund	1,900
27	Sick and Disabled Fishermen's Fund	1,900
28	Donated Commodities Fee Reserve Account	1,900
29	Federal Program Receipts	<u>469,800</u>

\$4,698,200

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
070(c).

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Introduced: 4/16/75  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 439

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

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7 Department of Administration for state salaries  
8 covered by the General Government Contract Settlement;  
9 and providing for an effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. The sum of \$4,968,200 is appropriated from the general  
12 fund to the Department of Administration for the purpose of paying the  
13 salaries of state employees covered by the General Government Contract  
14 Settlement, for Fiscal Year 1975.

15 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
16 10.070(c).

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COMMITTEE COPY

HB 439

April 16, 1975

The Honorable Mike Bradner  
Speaker of the House  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. Speaker:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill appropriating to the Department of Administration for the purpose of paying the salary increases due under the General Government Contract Settlement.

Sincerely,

Jay S. Hammond  
Governor

GENERAL GOVERNMENT CONTRACT FY 75/FY 76

Estimated FY 75 and FY 76 Operating Budget Cost increase for the General Government Contract as applied to the General Government Bargaining unit employees are as follows:

		<u>FY 75</u>	<u>FY 76</u>
Total Estimated Cost		<u>\$4,698,200</u>	<u>\$9,572,300</u>
Funding:			
General Fund	84.57%	3,973,200	8,095,500
International Airport Revenue Fund	2.88%	135,300	275,700
Fish and Game Fund	.96%	45,100	91,900
Highway Working Capital Fund	.33%	15,500	31,600
Teachers Retirement System	.23%	10,800	22,000
Public Employees Retirement System	.23%	10,800	22,000
Agricultural Revolving Loan Fund	.04%	1,900	3,800
Veteran's Revolving Loan Fund	.42%	19,700	40,200
FICA Fund Reserve Account	.04%	1,900	3,800
Surplus Property Account	.18%	8,500	17,200
Second Injury Fund	.04%	1,900	3,800
Sick and Disabled Fishermen's Fund	.04%	1,900	3,800
Donated Commodities Fee Reserve Account	.04%	1,900	3,800
Federal Program Receipts	10.00%	469,800	957,200

GENERAL GOVERNMENT FY 76 COSTS

Cost calculated by adjusting the FY 75 cost for the following factors:

- 1) increase to 12 month funding
- 2) increase for new positions 5.7%
- 3) merit increase 1.5%
- 4) reclassifications and full funding 2.8%

Items 2, 3, and 4 would result in a 10% increase for FY 76 which appears reasonable when compared to the personal services in the FY 75 budget plus revised of \$230,237,700 versus the FY 76 request of \$252,324,600. This represents a 9.6% increase.

\$7,233,700 x 9% x 12	(9% raise)	\$7,812,400
\$7,233,700 x 15% x 3.75% x 12 x (1.09)	(area differential)	532,200
300 (employees) x 11 (days) x \$48	(holidays)	158,400
43,800 (days) x \$5	(per diem)	219,000
10% adjustment to pay items		<u>850,300</u>
Total FY 76 Cost		\$9,572,300

Article II Section 2 (d) (I) requires that temporary employees receive pay for holidays. There are an estimated 300 budgeted temporaries that will receive an additional 11 days of pay per year at an estimated rate of \$48 per day (Rg 9c)

300 (employees) x 1 (day) x \$48 x (1/2 year)

\$ 14,400

Article XXXIX Section I adjusted the basic per diem rate upward by \$5 per day to a short term minimum rate of \$40.

Budgeted travel for FY 75 is \$10,500,000 of which 50% is estimated for per diem at an average rate of \$40 per day which yields 131,250 days of per diem. An estimated 1/3 of this would be applicable to General Governments employees for 1/2 year equals 21,900 days of travel

21,900 x \$5

109,500

\$ 4,698,200

COST CALCULATIONS FOR GENERAL GOVERNMENT UNIT

	<u># of Employees</u>	<u>Average Salary</u>	<u>Total</u>
Total per 3/26/75 Report	5,365	14,001	75,118,900
Less Capital Improvement positions	<u>367</u>	<u>15,139</u>	<u>5,556,200</u>
	4,998	13,918	69,562,700
Estimated Overtime			<u>4,000,000</u>
Yearly base salary at March Rates benefits @ 18%			73,562,700 <u>13,241,300</u>
Yearly Cost in Operating Budget			\$86,804,000
		divided by	<u>12</u>
Monthly Cost at March rates			7,233,700
		divided by	<u>1.04</u>
Monthly Cost at February rates			6,955,400

COST CALCULATIONS

Article XXXVIII Section 1a Requires payment of 19.82% pay received for period ending 2/15/75

$$\$6,955,400 \times 19.82\% = \$ 1,378,600$$

Section 1b and c and 2a require adjustment of 9% of pay for periods ending 3/15 and 4/15 and implementation of the pay schedule effective 4/16/75. The effect of these is the same as an adjustment of 9% for the remainder of the year based on March rates of pay

$$\$7,233,700 \times 9\% \times 4.5 \text{ months} = \$ 2,929,600$$

Section 3 provides for geographic pay differentials. The major change being a 1 step (3.75%) increase for Fairbanks and Valdez. The estimated % affected by this change is 15%. Period of coverage starts 1/1/75. After 19.82% retroactive adjustment 1/1/75 to 2/15/75 pay approximates March pay rates. Therefore the calculation is based upon March rates.

$$(1.09) 7,233,700 \times 15\% \text{ (eligible)} \times 3.75\% \text{ (rate)} \times 6 \text{ (months)} = \$ 266,100$$

(4)

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE BILL NO. 439

By THE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

"An Act making a supplemental appropriation to the Department of Administration for state salaries covered by the General Government Contract Settlement and providing for an effective date."

Gen Govt salary increase

Introduced in the House 4/16/75

HISTORY IN THE HOUSE

19 75

Apr 16

Read first time and referred to Committee on State Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No .....

Original sponsor: Rules Committee by  
request of the Governor

Offered: 4/26/75  
Referred: Finance

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\$4,698,200

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2 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
3 070(c).  
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Introduced: 4/16/75  
Referred: State Affairs and  
Finance

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MB 4-39

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