

HB

605



Resolution to get with

- 1) Strong reason w/ + legis to mean rather employees w/ get out of ss that they do so only after they conduct a vote w/ + plan of opting out before they opt out

Whereas - find w/ + of counsel
 Under - also resolved
 also see w/ + of leg
 that employees
 shall to max extent possible
 involve employees w/ + to
 what benefit will opt out
 ss w/ +

(7)

COMMITTEE REPORT

HOUSE

1/23/80

FURTHER: FINANCE

Date: 2-9-80

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 605

"An Act authorizing municipalities to participate in the program of supplementary employee benefits; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 605 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

John Bull

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Terry [Signature] - No rec.

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]
CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE
(REVISED)

I. REQUEST

Bill/Resolution No. CSHB 605
Title An Act Relating to Participation in the State Supplemental Employee Benefits
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Labor Services
BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		68.1	72.9	78.0	83.5	89.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.5	21.1	23.2	25.5	28.1
400 COMMODITIES		.4	.4	.5	.5	.6
500 EQUIPMENT		4.5	5.0	5.5	6.1	6.7
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		150.5	101.6	109.6	118.3	127.6

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
<u>SUPPLEMENTAL BENEFITS</u>		<u>150.5</u>	<u>101.6</u>	<u>109.6</u>	<u>118.3</u>	<u>127.6</u>

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan.
4. Administrative costs per attachment.
5. This fiscal note revises the fiscal note to CSHB 605 dated 2/20/80 by removing the position of deputy director.

Paul B. Arnoldt

IV. DATE 3/11/80 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement and Benefits
PHONE 465-4360

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named) Representative Mike Miller
Office of the Governor (Keith Specking)

Attachment for CSHB 605

Personal Services FY 81 -- Assume 7% inflation on personal services.

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 =	\$21,768
	Benefits	3,298
	FICA	1,448
	Health	1,524
		<u>\$28,038</u>

Retirement & Benfits Specialist III, Range 18A	Salary \$2,640 x 12 =	\$31,680
	Benefits	4,800
	Supplemental Benefits	2,107
	Health	1,524
		<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
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Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing Design and Implementation Cost	70,000
Telephone (\$250 x 2 positions)	500
	<u>\$75,500</u>

Contractual FY 82 -- Assume 10% inflation.

Printing and Advertising	\$ 5,500
Data Processing Maintenance Cost	15,000
Telephone (\$275 x 2 positions)	550
	<u>\$21,050</u>

Equipment FY 81

(2) Work Stations @ \$900.00 each	\$ 1,800
(2) Calculators @ \$240.00 (printing)	480
(1) Side Chairs @ \$185.00	185
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 4,465</u>

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAP
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG	

3	TYPE OF EXPENDITURE	AMOUNT
	1	2
4	PERSONAL SERVICES: SALARY 1814/Month	21,768
5	BENEFITS	3,298
6	FICA	1,448
7	HEALTH INS.	1,524
8	TOTAL PERSONAL SERVICES	28,038
9	TRAVEL	
10	CONTRACTUAL	250
11	COMMODITIES	200
12	EQUIPMENT	1,050
13	OTHER	
14	TOTAL COST	29,538

JUSTIFICATION:

In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.

	CODE	FUNDING SOURCE	
15		FED RCPTS	
16		GF MATCH	
17		GEN FUND	
18		I-A RCPTS	
19		PGM RCPTS	Suppl. Benefits, 29,538
20		OTHER	

21	CONTINUATION	
22	ADDITION	FOR B&M USE ONLY

AA KEY NUMBER _____ COLUMN NO. _____

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

13 REQUEST FOR NEW POSITION.

FY 81

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG.	
3	TYPE OF EXPENDITURE			AMOUNT					
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	2,640/Month	31,680						
5	BENEFITS		4,800						
6	FICA		2,107						
7	HEALTH INS.		1,524						
8	TOTAL PERSONAL SERVICES		40,111						
9	TRAVEL		2,000						
10	CONTRACTUAL		250						
11	COMMODITIES		200						
12	EQUIPMENT		1,325						
13	OTHER								
14	TOTAL COST		43,886						
JUSTIFICATION:									
This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulations and benefits provisions to the municipality participants and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.									
15	CODE	FUNDING SOURCE							
16		FED RCPTS.							
17		GF MATCH.							
18		GEN. FUND							
19		J-A RCPTS							
20		PGM RCPTS	Supple. Ben.	43,886					
21	CONTINUATION								
22	ADDITION	XXX	FOR B&M USE ONLY						
4A KEY NUMBER _____ COLUMN NO. _____									

AGENCY Administration PROGRAM AREA Labor Services

BRU Retirement & Benefits

COMPONENT Other-Supplement Benefits

FY 81

13 REQUEST FOR NEW POSITION.

Page 4 of 4

REVISED DATE _____

STATE OF ALASKA
Inter-Department Route Slip

TO: *Cap 102*
MAIL STATION NUMBER 3100
DEPARTMENT Alaska State Legislature
ATTENTION Representative Miller

- | | |
|--|--|
| <input type="checkbox"/> Approval | <input type="checkbox"/> Note & Return |
| <input type="checkbox"/> Signature | <input type="checkbox"/> Initial & Return |
| <input type="checkbox"/> Comment | <input type="checkbox"/> Return As Requested |
| <input type="checkbox"/> Contact Me | <input type="checkbox"/> Return For Approval |
| <input type="checkbox"/> Prepare Reply | <input type="checkbox"/> Necessary Action |
| <input type="checkbox"/> For Your File | <input type="checkbox"/> Your Information |

Remarks:

FROM:
MAIL STATION NUMBER 0208
Admin/Admin Services
DEPARTMENT _____
BY Judy Crondahl DATE 2/21

02-002 (REV. 10/73)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 505
 Title An Act Authorizing Municipalities to Participate in the Program of Supplemental
 Requested by _____ Date _____ Benefits

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-02-00 (OTHER BENEFITS)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		125.3	134.1	143.5	153.5	164.3
200 TRAVEL		2.0	2.2	2.4	2.7	2.9
300 CONTRACTUAL		75.8	21.3	23.4	25.7	28.3
400 COMMODITIES		.6	.7	.7	.8	.9
500 EQUIPMENT		5.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
TOTAL		209.4	158.3	170.0	182.7	196.4

FUNDING (Thousands of Dollars)

GENERAL FUND (Health)		2.9	3.1	3.3	3.6	3.8
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND Deferred Comp.		2.9	3.1	3.3	3.6	3.8
AIRPORT FUND						
CAPITAL FUND Supple. Benefits		175.0	171.5	130.6	140.5	151.4
PERS		14.3	15.3	16.4	17.5	18.7
TRS		14.3	15.3	16.4	17.5	18.7

POSITIONS

FULL TIME		3.0	3.0	3.0	3.0	3.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimate that there are approximately 20,000 employees and 150 employers under the current FICA program.
2. Estimate that 15 employers (2,500 employees) will join the SBS program in FY 81.
3. Assume all cost will be borne by the Supplemental Benefits Plan with the exception of the costs of the Deputy Director that are transferred to PERS, TRS and Deferred Compensation and Health Insurance under the Other Benefits categories.
4. Administrative costs per attachment.

IV. DATE 02/07/80 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits
 PHONE 465-4460
 Original Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Representative Miller
 Office of the Governor (Keith Specking)

Personal Services FY 81 - Assume 7% inflation on personal services

Deputy Director, Range 23A	Salary \$3,809 x 12 =	\$45,708
	Benefits	6,925
	FICA	3,040
	Health	1,524
		<u>57,197</u>

Accounting Tech. I, Range 12B	Salary \$1,814 x 12 =	\$21,768
	Benefits	3,298
	FICA	1,448
	Health	1,524
		<u>\$28,038</u>

Retirement & Benefits Specialist III, Range 18A	Salary \$2,640 x 12 =	\$31,680
	Benefits	4,800
	Supplemental Benefits	2,107
	Health	1,524
		<u>\$40,111</u>

Travel FY 81

(3) trips to political subdivisions	\$ 2,000
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Contractual FY 81

Printing and Advertising	\$ 5,000
Data Processing	70,000
Telephone (\$250 x 3 positions)	750
	<u>\$75,750</u>

Contractual FY 82 - Cost with 10% inflation excepting:

Data Processing Maintenance Cost	\$15,000
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Equipment FY 81

(3) Work Stations @ \$900.00 each	\$ 2,700
(1) Calculator @ \$150.00	150
(2) Calculator @ \$240.00 (printing)	480
(2) Side Chairs @ \$185.00	370
(1) Microfilm Viewer @ \$2,000	2,000
	<u>\$ 5,700</u>

1	POSITION TITLE Deputy Director				RANGE/STEP 23A	BARG. UNIT G	LOCATION Juneau	GOV	APPROV.	DISAPP				
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY		FORM 12 PAGE/LINE	LEG.						
3	TYPE OF EXPENDITURE				AMOUNT		JUSTIFICATION:							
	1		2		3									
4	PERSONAL SERVICES SALARY 3809/mo.		45,708				This position is requested with intent of dividing the vastly expanding Division of Retirement and Benefits under the management of two deputies. One will handle the Teachers' Retirement System (TRS) and the Public Employees' Retirement Sections. The other deputy director will manage the Research Unit and the Benefits Section including programs such as health and life insurance, deferred compensation, FICA, EPORS, and supplemental benefits. Duties will include maintaining liaisons with employers and carriers, making recommendations on statutory and regulatory changes, analyzing collective bargaining agreements and supervising dissemination of benefit information. The need for this position is in partly due to increased time needed by the director to testify on legislation and attend regularly scheduled board meetings.							
5	BENEFITS		6,925											
6	FICA		3,040											
7	HEALTH INS		1,524											
8	TOTAL PERSONAL SERVICES		57,197											
9	TRAVEL													
10	CONTRACTUAL		250											
11	COMMODITIES		200											
12	EQUIPMENT		1,235											
13	OTHER													
14	TOTAL COST		58,852											
	CODE	FUNDING SOURCE												
15		FED REPTS	DC	4.8%	2,826									
16		GP MATCH	FICA	4.8%	2,826									
17		GEN FUND												
18		FED REPTS	PERS	24.1%	14,191									
19		PERM REPTS	TRS	24.1%	14,191									
20		CHMFR	SBS	42.2%	24,844									
21	CONTINUATION													
22	ADDITION							FOR B&M USE ONLY						
4A KEY NUMBER					COLUMN NO.									

AGENCY _____ PROGRAM AREA _____

13 REQUEST FOR NEW POSITION

BRU _____
COMPONENT _____

FY 81

1	POSITION TITLE Accounting Technician I			RANGE/STEP 12B	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12	PAGE/LINE	LEG							
3	TYPE OF EXPENDITURE			JUSTIFICATION:											
	1	2	3												
4	PERSONAL SERVICES:			In accordance with personnel guidelines, an Accounting Technician I is needed to prepare source documents to be input into the system and to adjust or correct dollar amounts. This position will review the computer transaction journals and error reports, making the necessary corrections. Twice a year this position will audit employee statements. The Accounting Technician I will work closely with State payroll. This position will additionally work with the carriers to reconcile premium amounts. We are estimating 2,500 new accounts in FY 81 which will necessitate this addition of a position.											
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6	BENEFITS		3,298												
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11	CONTRACTUAL		250												
12	COMMODITIES		200												
13	EQUIPMENT		1,050												
14	OTHER														
15	TOTAL COST		29,538												
15	CODE	FUNDING SOURCE													
16		FED RCPTS													
17		GE MATCH													
18		GEN FUND													
19		I-A RCPTS													
20		PGM RCPTS		Suppl. Benefits,	29,538										
21		OTHER													
21	CONTINUATION														
22	ADDITION		FOR B&M USE ONLY												
4A KEY NUMBER _____ COLUMN NO. _____															

AGENCY Administration PROGRAM AREA Labor Services

DRU Retirement & Benefits

COMPONENT Other-Supplemental Benefits

13 REQUEST FOR NEW POSITION

FY 81

1	POSITION TITLE Retirement and Benefits Specialist III			RANGE/STEP 18A	BARG. UNIT G	LOCATION Juneau	GOV	APPROV.	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION:									
	1	2	3												
4	PERSONAL SERVICES:			This position is responsible for establishing, implementing and maintaining the Supplemental Benefits Program for the political subdivisions. This position interfaces with the consultants for the program, the carrier(s), Data Processing and State payroll. This position explains all laws, regulation and benefits provisions to the municipality participants and employers. Travel throughout the State to the respective municipalities has necessitated the addition of a specialist for increased services to the participants.											
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12	EQUIPMENT		1,325												
13	OTHER														
14	TOTAL COST		43,886												
	CODE	FUNDING SOURCE													
15		FED RCPTS													
16		GF MATCH													
17		GEN FUND													
18		I - A RCPTS													
19		PGM RCPTS Supple. Ben.		43,886											
20		OTHER													
21	CONTINUATION														
22	ADDITION		XXX	FOR B&M USE ONLY											
4A KEY NUMBER _____ COLUMN NO. _____															

AGENCY Administration PROGRAM AREA Labor Services
 BRU Retirement & Benefits
 COMPONENT Other-Supplement Benefits

13 REQUEST FOR NEW POSITION

FY 81