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# LEGISLATIVE REPORTING SERVICE

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May 4, 1981

REPORT NO. 16

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader  
Senator Bradley, Whip

INTRODUCTION OF BILLS (Senate)

Personal and Terminal Leave (payment for) SENATE BILL NO. 520, by the Rules Committee by request of the Governor. Amends statutes relating to compensation and allowances for public officers and employees to allow payment for accrued personal leave. Also allows for payment for terminal leave to be determined by multiplying the number of hours of accrued leave by the hourly pay rate in effect on the date of termination of the officer or employee. Provides for an immediate effective date.

Introduced April 27 and referred to State Affairs, then to Finance.

In his message accompanying the bill, Governor Hammond stated:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to payment for personal and terminal leave of state employees.

The bill amends AS 39.20.250(a) to provide for calculating the value of an employee's accrued personal leave at termination according to the rate of pay then in effect. Under existing law, an employee's terminal leave is equal to the amount which he or she would have earned by remaining in service for the period of accumulated leave. Thus, terminal leave would include a pay raise which is not in effect before termination and will be in effect while the officer or employee is on terminal leave. The Department of Administration has consistently calculated terminal leave at the rate of pay in effect at the date of termination. This will conform the statute to the longstanding administrative practice, and removes administrative difficulties in calculating terminal leave.

This bill also provides for payment instead of personal leave, not to exceed 75 hours per year for each officer or employee. This option is currently available under most collective bargaining agreements for covered employees, and under this bill, will be available to all employees.

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

April 24, 1981

The Honorable Jalmar Kerttula  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

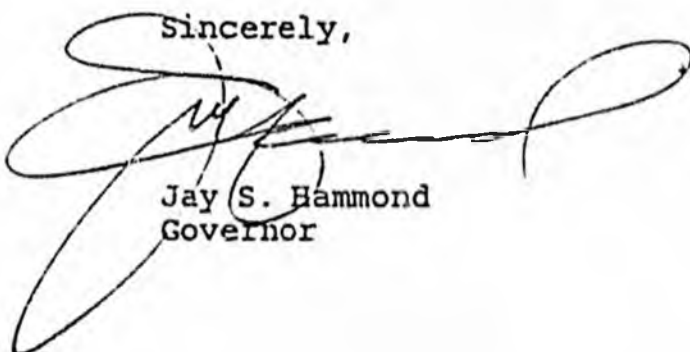
Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to payment for personal and terminal leave of state employees.

The bill amends AS 39.20.250(a) to provide for calculating the value of an employee's accrued personal leave at termination according to the rate of pay then in effect. Under existing law, an employee's terminal leave is equal to the amount which he or she would have earned by remaining in service for the period of accumulated leave. Thus, terminal leave would include a pay raise which is not in effect before termination and will be in effect while the officer or employee is on terminal leave. The Department of Administration has consistently calculated terminal leave at the rate of pay in effect at the date of termination. This will conform the statute to the longstanding administrative practice, and removes administrative difficulties in calculating terminal leave.

This bill also provides for payment instead of personal leave, not to exceed 75 hours per year for each officer or employee. This option is currently available under most collective bargaining agreements for covered employees, and under this bill, will be available to all employees.

Sincerely,



Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST JB 520  
 Bill/Resolution No. \_\_\_\_\_  
 Title An Act Relating to Payment for Accrued Personal & Terminal Leave  
 Requested by Governor \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected All  
 Program Category Affected All  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The current law is unclear. This change clarifies how payment will be made and is in accordance with current practice. Therefore there is no additional cost to the State.

IV. DATE April 23, 1981 PREPARED BY Judy Crondahl *QC-RJ*  
 AGENCY Administration  
 Original: Legislative Finance PHONE 465-2277