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415

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

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REQUEST

(State) FISCAL DETAIL

Bill/Resolution No.: CSSB 415 - Affairs Agency Affected: All State Agencies
 Title: "An act relating to PERS" Program Category Affected: PERS

Sponsor: Ray BRU, Program or Subprogram(s) Affected: _____
 Requester: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 Personal Svcs						
100 Rtmnt & Bnfts		392.6	424.0	457.9	494.6	534.1
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
800 TRS Match		379.3	409.6	442.4	477.8	516.0
TOTAL OPERATING	-0-	771.9	833.6	900.3	972.4	1050.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

General Fund		734.2	792.9	856.3	921.0	998.8
Federal Funds		18.1	19.5	21.1	22.8	24.5
Other		19.6	21.2	22.0	24.7	26.7
Total	-0-	771.9	833.6	900.3	972.4	1050.1

POSITIONS: NONE

Full-Time						
Part-Time						
Temporary						

SOURCE OF FUNDS TO OFFSET IMPACT OF BILL:

Prepared based on 2/27/84 draft CSSB 415 (State Affairs) passed out 2/27/84.

ANALYSIS: Attach a separate page for analysis

Prepared By: J.K. Humphreys, Director Phone: 465-4460
 Division: Retirement & Benefits Date: 3-1-84

Approved by Commissioner: Lisa Rudd Date: 3-1-84
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CSSB 415 (state affairs)
Fiscal Note Analysis
Prepared by the Division of Retirement & Benefits
Department of Administration

March 1, 1984

IV Analysis: Passage of this bill would allow retirees in the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) to be reemployed with a participating employer and use the highest salaries over their entire period of service under the PERS or the TRS respectively for calculating their additional benefit. We have estimated that approximately 2½% of all retirees would exercise this option and that it would result in an average increase of 20% in their benefit.

This is estimated to result in a .07% increase in the PERS employer contribution rate and a .1% increase in the TRS employer contribution rate. The PERS state salaries for FY 85 are estimated to be \$469,878,512.00 and the TRS state salaries for FY 85 are estimated to be \$63,713,497.00. The FY 85 TRS State Match salaries are estimated to be \$379,349,180.00.

This would result in an increase in Political Subdivision contributions of the following.

<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>
\$549.6	\$593.6	\$641.1	\$692.3	\$747.7

The present value of the cost of this bill in PERS is \$2,380,000.00 resulting in a .29% decrease in the funding ratio. The present value of the cost of this bill in TRS is \$1,900,000.00 resulting in a .20% decrease in the funding ratio.

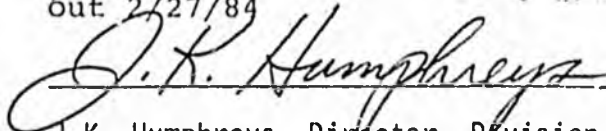
Position Paper

CSSB 415 (State Affairs)

The Department of Administration supports this legislation. Passage of this bill would allow retirees in the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) to be reemployed with a participating employer and use the highest salaries over their entire period of service under the PERS or the TRS respectively in calculating their benefit upon subsequent retirement. It also provides for an equitable actuarial adjustment of benefits in certain cases involving reemployed early retirees or those who chose a level income option.

Passage of this bill would be consistent with the statutory purpose of both retirement systems which is to attract and retain qualified employees. Retired employees who are still ready, willing and able to work are a valuable resource to employers and this bill would remove an impediment to their rehire.


Prepared based on 2/27/84 draft CSSB 415 (State Affairs) passed out 2/27/84



J.K. Humphreys, Director, Division of Retirement & Benefits

3/1/84

Date



Lisa Rudd, Commissioner, Department of Administration

3/1/84

Date

SB 415

The State Affairs Committee considered SENATE BILL NO. 415 (employee benefits under the Alaska Employees' Retirement System) and recommended it be replaced with

CS FOR SENATE BILL NO. 415 (SA), entitled:

"An Act relating to employee benefits under the Public Employees' Retirement System and the Teachers' Retirement System; and providing for an effective date."

with a majority do pass. The report was signed by Senator Vic Fischer, Chairman and concurred in by Senators Sturgulewski and Ray.

Fiscal note appears in Senate Supplement No. 60.

SENATE BILL NO. 415 was referred to the Finance Committee.

SB 439

The Labor and Commerce Committee considered SENATE BILL NO. 439 (extending the termination date of the Board of Chiropractic Examiners) and a majority of the committee recommended do pass. The report was signed by Senator Eliason, Chairman and concurred in by Senators Pettyjohn and Mulcahy.

SENATE BILL NO. 439 was referred to the Rules Committee.

HB 31

The Finance Committee submitted a fiscal note for CS FOR HOUSE BILL NO. 31 (C&RA) am (certain tax benefits for disabled veterans and senior residents) which appears in Senate Supplement No. 59.

HB 426

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 426 (L&C) (group life insurance) and a majority of the committee recommended do pass. The report was signed by Senator Eliason, Chairman and concurred in by Senators Pettyjohn and Mulcahy.

CS FOR HOUSE BILL NO. 426 (L&C) was referred to the Rules Committee.

SJR 42

The Rules Committee considered SENATE JOINT RESOLUTION NO. 42 (Environmental Protection Agency regional office in Alaska) and a majority of the committee recommended calendar March 2. The report was signed by Senator Faiks, Chairman and concurred in by Senators Bennett, Ferguson and Kelly.

SENATE JOINT RESOLUTION NO. 42 appears on the calendar.

SB 320

The Rules Committee considered SENATE BILL NO. 320 (dissolution of marriage) and recommended calendar March 2 and the Judiciary Committee Substitute be adopted. The report was signed by Senator Faiks, Chairman and concurred in by Senators Ray, Bennett, Kelly and Ferguson.

SENATE BILL NO. 320 appears on the calendar.

SB 397

The Rules Committee considered SENATE BILL NO. 397 (extending the termination date of the Alcoholic Beverage Control Board) and recommended calendar March 2. The report was signed by Senator Faiks, Chairman and concurred in by Senators Kelly, Ray, Bennett and Ferguson.

SENATE BILL NO. 397 appears on the calendar.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 320

SENATE BILL NO. 320 (dissolution of marriage) was read the second time.

SB 407

The Resources Committee considered SENATE BILL NO. 407 (prevention and abatement of water pollution) and recommended it be replaced with

CS FOR SENATE BILL NO. 407 (RES)

with a majority do pass. The report was signed by Senator Fahrenkamp, Chairman and concurred in by Senators Sturgulewski, Ziegler and Paul Fischer. Senator Mulcahy signed "no recommendation".

Letter of Intent

CS FOR SENATE BILL NO. 407 (RES)

It is the intent of the legislature that the Department of Environmental Conservation make a conscientious and diligent effort to implement Section 5 of this bill. The Department should utilize all available information on past and present uses, existing water quality and in-stream data in determining which streams are suitable for a placer mining classification.

/s/ Bettye Fahrenkamp
Bettye Fahrenkamp, Chairman

SENATE BILL NO. 407 was referred to the Rules Committee.

SB 415

The Finance Committee considered SENATE BILL NO. 415 (employee benefits under the Alaska Employees' Retirement System; efd) and recommended the State Affairs Committee Substitute be adopted. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Vic Fischer and Sackett. Senators Josephson, Mulcahy, Ferguson and Faiks signed "no recommendation".

SENATE BILL NO. 415 was referred to the Rules Committee.

SB 417

The Finance Committee considered SENATE BILL NO. 417 (establishing the Kenai River Special Management Area; efd) and a majority of the committee recommended the Resources Committee Substitute and Letter of Intent be adopted.

SB 417 cont'd

Senator Bennett, Co-Chairman and Senators Faiks and Ferguson signed "no recommendation". Senators Mulcahy, Josephson, Vic Fischer and Sackett signed "do pass".

Fiscal note is the same as fiscal note dated 2/3/84 in Senate Supplement No. 49 with the exception that the Resources Committee Substitute fiscal note deletes "***0" in "CAPITAL", "***Note: \$160.0 for the Kenai River Comprehensive Plan is in the Governor's FY 85 Capital budget"

SENATE BILL NO. 417 was referred to the Rules Committee.

SB 424

The Finance Committee considered SENATE BILL NO. 424 (recovery of medical assistance expenses; efd) and a majority of the committee recommended do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Mulcahy, Josephson, Ferguson, Faiks and Vic Fischer.

SENATE BILL NO. 424 was referred to the Rules Committee.

SB 533

The Finance Committee considered SENATE BILL NO. 533 (supplemental appropriation to the Department of Health and Social Services for residential care facilities for children; efd) and a majority of the committee recommended do pass. The report was signed by Senator Bennett, Co-Chairman and concurred in by Senators Mulcahy, Josephson, Ferguson, Faiks and Vic Fischer.

SENATE BILL NO. 533 was referred to the Rules Committee.

HB 510

The Labor and Commerce Committee considered CS FOR HOUSE BILL NO. 510 (FIN) (accidents involving state or municipal aircraft; efd) and a majority of the committee recommended do pass. The report was signed by Senator Eliasor, Chairman and concurred in by Senators Rodey and Pettyjohn. Senator Mulcahy signed "no recommendation".

CS FOR HOUSE BILL NO. 510 (FIN) was referred to the Judiciary Committee.

HB 258 cont'd

CONFERENCE CSHB 258

Yeas: 14 Bennett, Fahrenkamp, Faiks,
Ferguson, Fischer Paul, Gilman,
Halford, Kelly, Moss, Mulcahy,
Pettyjohn, Rodey, Sturgulewski,
Ziegler

Nays: 6 Eliason, Fischer Vic, Josephson,
Kerttula, Ray, Sackett

and so, CONFERENCE CS FOR HOUSE BILL NO. 258 passed the Senate.

Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

The Secretary was requested to notify the House.

INTRODUCTION AND REFERENCE OF SENATE BILLS

SB 551

SENATE BILL NO. 551 by the Finance Committee, entitled:

"An Act authorizing the expenditure of more than \$1,000,000 from the disaster relief fund for water and sewer system failures; and providing for an effective date."

was read the first time and referred to the Finance Committee.

CONSIDERATION OF THE CALENDAR

SECOND READING OF SENATE BILLS

SB 415

SENATE BILL NO. 415 (employee benefits under the Public Employees' Retirement System; efd) was read the second time.

SB 415 cont'd

Senator Vic Fischer moved and asked unanimous consent for the adoption of the State Affairs Committee Substitute and title change offered on page 2238. Without objection, CS FOR SENATE BILL NO. 415 (SA) (employee benefits under the Public Employees' Retirement System and the Teachers' Retirement System; efd) was adopted.

CS FOR SENATE BILL NO. 415 (SA) was read the second time.

Senator Ray moved and asked unanimous consent that CS FOR SENATE BILL NO. 415 (SA) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 415 (SA) was read the third time.

Senator Fahrenkamp moved and asked unanimous consent that she be allowed to abstain from voting because of a conflict of interest. Senator Kelly objected.

Senator Vic Fischer moved and asked unanimous consent that he be allowed to abstain from voting because of a conflict of interest. Senator Halford objected.

The question being: "Shall CS FOR SENATE BILL NO. 415 (SA) (employee benefits under the Public Employees' Retirement System and the Teachers' Retirement System; efd) pass the Senate?" The roll was taken with the following result:

CSSB 415 SA 3RD

Yeas: 16 Bennett, Fahrenkamp, Faiks,
Ferguson, Fischer Paul, Fischer Vic,
Halford, Josephson, Kerttula, Moss,
Mulcahy, Ray, Rodey, Sackett,
Sturgulewski, Ziegler

Nays: 4 Eliason, Gilman, Kelly, Pettyjohn

and so, CS FOR SENATE BILL NO. 415 (SA) passed the Senate.

SB 415 cont'd

Senator Ray moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. Without objection, it was so ordered.

Senator Gilman gave notice of reconsideration on CS FOR SENATE BILL NO. 415 (SA).

SB 445

SENATE BILL NO. 445 (child abuse) was read the second time.

Senator Ray moved and asked unanimous consent that SENATE BILL NO. 445 be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

SENATE BILL NO. 445 was read the third time.

Senator Ray moved that SENATE BILL NO. 445 be held until Thursday's calendar. Without objection, it was so ordered and the bill will appear on the May 10 calendar in third reading.

SB 472

SENATE BILL NO. 472 (preliminary examinations in prosecutions for sexual assault and sexual abuse of a minor) was read the second time.

Senator Josephson moved and asked unanimous consent for the adoption of the Health, Education and Social Services Committee Substitute offered on page 2620. Without objection, CS FOR SENATE BILL NO. 472 (HESS) (admissibility of certain hearsay evidence in grand jury proceedings for certain sexual offenses and amending Rule 6(r), Alaska Rules of Criminal Procedure) was adopted.

CS FOR SENATE BILL NO. 472 (HESS) was read the second time.

SB 472 cont'd

Senator Ray noted the title change.

Senator Ray moved and asked unanimous consent that CS FOR SENATE BILL NO. 472 (HESS) be considered engrossed, advanced to third reading and placed on final passage. Without objection, it was so ordered.

CS FOR SENATE BILL NO. 472 (HESS) was read the third time.

Senator Kelly moved and asked unanimous consent that CS FOR SENATE BILL NO. 472 (HESS) be returned to second reading for the purpose of a specific amendment. Without objection, it was so ordered.

Senator Kelly offered Amendment No. 1:

Page 1, line 15: After "child" insert "younger than" and after "age" delete "or younger"

Senator Kelly moved Amendment No. 1. Senator Ziegler asked unanimous consent. Senator Josephson objected, then withdrew his objection. There being no further objection, Amendment No. 1 was adopted.

CS FOR SENATE BILL NO. 472 (HESS) am was before the Senate in third reading.

The question being: "Shall CS FOR SENATE BILL NO. 472 (HESS) am (admissibility of certain hearsay evidence in grand jury proceedings for certain sexual offenses and amending Rule 6(r), Alaska Rules of Criminal Procedure) pass the Senate?" The roll was taken with the following result: