



COMMITTEE REPORT

4/19

HOUSE

( 7 )

FURTHER: Finance

1/18/85

Date: April 17, 1985

The Committee on State Affairs has had HB 91

"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back ~~without~~ <sup>industrial</sup> recommendation  Zero Fiscal Note Attached  
*w/analysis sup 52*
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO/PASS

M.M. Miller *M.M. Miller* Hurley

\_\_\_\_\_ Boucher

\_\_\_\_\_ Jenkins

\_\_\_\_\_ Navarre

\_\_\_\_\_ Cato

\_\_\_\_\_

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Katie Hurley - no rec.*

*Pat Boucher no rec*

*Roger Jenkins NO REC.*

*Mike Navarre - no rec*

*Bette Cato no rec*

\_\_\_\_\_

\_\_\_\_\_

*Katie Hurley*  
CHAIRMAN

44-0098  
Cromer

+

Introduced: 1/18/85  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY KOPONEN AND GRUSSENDORF

2 HOUSE BILL NO. 91

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act allowing retirement credit for the unused  
7 sick leave of an employee of a political subdivision  
8 or public organization participating in the public  
9 employees' retirement system."

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

11 \* Section 1. AS 39.35 is amended by adding a new section to read:

12 Sec. 39.35.375. CREDIT FOR UNUSED SICK LEAVE. (a) An employee  
13 of a participating political subdivision or participating public  
14 organization who is employed on or after July 1, 1984, and who retires  
15 after July 1, 1985, may elect to add unused sick leave credit to the  
16 total number of years of credited service under AS 39.35.370(c).  
17 Unused sick leave shall be credited on a day-for-day basis. Employee  
18 contributions may not be required for credited unused sick leave.

19 (b) An employee retiring before July 1, 1985, who returns to  
20 membership service with a participating political subdivision or  
21 participating public organization on or after July 1, 1985, and who  
22 subsequently retires is eligible for unused sick leave credit only  
23 with respect to sick leave accrued during membership service on or  
24 after July 1, 1985.

25 (c) Unused sick leave may be added to credited service under  
26 this section as of the first day of the month after which

27 (1) the employee meets the eligibility requirements of this  
28 section;

29 (2) the employee is terminated from covered employment; and

1 (3) the employee's written election regarding unused sick  
2 leave is received and verified by the administrator.  
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STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

*Sup 52*

Revision Date: \_\_\_\_\_ Page 1 of 2

**REQUEST**  
 Bill/Resolution No.: House Bill 91  
 Title: An act allowing retirement credit for unused sick leave  
 Sponsor: Representative Koponen  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**  
 Agency Affected: No state agencies  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>Operating</b>						
100 Personal Svcs						
100 Rtmnt & Bnfts						
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match						
<b>TOTAL OPEATING</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>GENERAL FUND</b>						
<b>FEDERAL FUNDS</b>						
<b>OTHER</b>						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	-0-

**POSITIONS:**

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>FULL-TIME</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>PART-TIME</b>						
<b>TEMPORARY</b>						

**ANALYSIS:** (Attach a separate page if necessary)

Prepared By: J.K. Humphreys, Director *J.K. Humphreys HC* Phone: 465-4470  
 Division: Retirement & Benefits Date: 1/22/85

Approved by Commissioner: Lisa Rudd *LJR* Date: 1/27/85  
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

House Bill 91  
 Fiscal Note Analysis  
 Prepared by Division of Retirement & Benefits  
 Department of Administration

January 22, 1985

IV Analysis: The cost of this bill will be borne entirely by the PERS employers other than the State of Alaska. The individual employer contribution rates will increase on an average of .24% of PERS payroll.

The total costs to non-state employers who are participating in PERS is expected to be as follows:

<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
\$828.4	\$894.7	\$966.3	\$1,043.6	\$1,127.1	\$1,217.3

If this bill becomes law the funding ratio in PERS will decrease by .2%

The total actuarial present value of the cost of this bill is \$2,100,000.00.

Position Paper

HB 91

The treatment of sick leave is an area to be addressed through the collective bargaining process by individual employers; retirement benefits are not. We do not feel it is appropriate for the legislature to force this type of liability on employers in the system through a change in retirement law. Other avenues such as personal leave or various forms of cash pay out are available and can be exercised locally taking into account differences that exist in both practice and philosophy.

The department is opposed to this bill for these reasons and the dangerous precedent it would establish.

J.K. Humphreys

1/22/85

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

Date

Lisa Rudd

1/27/85

Lisa Rudd, Commissioner of Administration

Date

**ALASKA STATE LEGISLATURE**

14th.... Legislature FIRST.. Session

HOUSE ....BILL..... NO. 91....

By ...KOPONEN,GRUSSENDORF.....

"An Act allowing retirement credit for the unused sick leave of an employee of a political subdivision or public organization participating in the public employees' retirement system."

Sick Leave Retirement Credit

Introduced in the House ....1/18, 19..85

**HISTORY IN THE HOUSE**

19 85		Read first time and referred to Committee on
Jan. 18		<b>STATE AFFAIRS AND FINANCE</b> Reported back with recommendation that
		Read second time and
		Read third time and
		<b>PASS</b> <b>Effective Date</b> Yeas                              Yeas Nays                                Nays Absent                             Absent Excused                          Excused
		<b>Reconsideration</b> <b>PASS</b> <b>Effective Date</b> 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
		<b>PASS</b> <b>Effective Date</b> Yeas                              Yeas Nays                                Nays Absent                             Absent Excused                          Excused
		<b>Reconsideration</b> <b>PASS</b> <b>Effective Date</b> 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
		Concurred in Senate amendment thus adopting: <b>VOTE</b>
		Failed to concur in Senate amendment; asked Senate to recede <b>VOTE</b>
		Senate receded from amendment <b>VOTE</b>
		Senate failed to recede from amendment <b>VOTE</b>
		CC appointed by House
		CC appointed by Senate
		CC adopted by House <b>VOTE</b>
		CC adopted by Senate <b>VOTE</b>
		To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

Introduced: 1/18/85  
Referred: State Affairs and  
Finance

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3