

HCR

19

STATE OF ALASKA, 1987-LEGISLATIVE SESSION
 FISCAL NOTE

No. 2

Bill Version: CSHCR 19(Fin)
 Publish Date: HOUSE 5/1/87

REQUEST _____

Revision Date: _____
 Title: Relating to dependent care
benefits under SBS
 Sponsor: Frank and Boyer
 Requestor: House, State Affairs

Agency Affected: Administration
 BRU: Retirement and Benefits
 Components: Retirement and Benefits

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: Attach a separate page if necessary

Any costs required by changes in Supplemental Benefits System (SBS) will be borne by SBS participants through the program's administrative fees.

Prepared By: Michael R. Coughlin, Deputy Director Phone: 465-4470
 Division: Retirement and Benefits Date: April 15, 1987

Approved by Commissioner: Garrey Peska Date: 4/16/87
 Agency: Department of Administration

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)
 Senate Secretary

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 Sponsor: _____ Components: Retirement and Benefits
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

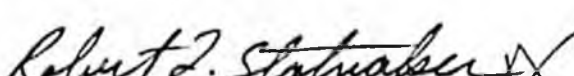
FUNDING: (Thousands of Dollars)


GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Robert F. Stalnaker 
 Division: Retirement and Benefits
 Phone: 465-4470
 Date: 01/28/88

Approved by Commissioner: John M. Andrews 
 Agency: Department of Administration
 Date: 2/3/88

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

Alaska State Legislature

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House of Representatives

RECEIVED
JAN 20 1988

TO: Senator Mitch Abood, Chairman
Senate State Affairs Committee

FROM: Rep. Steve Frank

RE: House Concurrent Resolution 19

DATE: January 14, 1988

Following is a synopsis of HCR 19 which I introduced last session and which is now in your committee. I would like to ask for a hearing on this resolution at your earliest convenience. If you need any further information or have questions, my staff and I would be happy to be of assistance.

The purpose of this resolution is to encourage the administration to include dependent care benefits in the list of options offered under the Supplemental Benefits System (SBS). This will allow state employees to pay for dependent care services with pre-tax dollars, instead of after-tax dollars.

In order to conform with the 1986 Tax Act, SBS will be revised and will requalify under a different section of the tax code (IRC 125). As such, SBS will be able to offer a dependent care plan, whereas previously their treatment by the IRS would not allow that.

Three compelling arguments for this legislation are:

- 1) as mentioned, SBS will be revised to conform to the new tax code,
- 2) the cost of dependent care will be paid for by those who opt for it, and
- 3) the state can set a standard that, hopefully, the private sector will adopt.

Probably the best model to look at regarding flexible benefit plans that offer dependent care services is the Anchorage Municipality. According to their benefits director they are pleased with the program and have about a 5.2% participation rate.

Statutory changes will be necessary later to accomplish the SBS requalifying. HCR 19 will send a message to the administration encouraging them to include dependent care in the revised SBS.

Thank you for your consideration.