

HR

5

HOUSE COMMITTEE REPORT

(11)

Date Referred: April 21, 1989

FURTHER REFERRALS:

Date of Committee Action: 5/5/89

The FINANCE Committee considered:

HR 5

HOUSE RESOLUTION NO. 55 [REQUESTING A HIRING FREEZE]
 Requesting a hiring freeze for state employees.

RECOMMENDATIONS:

- [] be replaced with CS HR 5 (Finance) [X] the same title
- [] have attached amendment(s)
- [] do pass [] a new title
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
 (Dept)

APPROVES PREVIOUS: _____ (Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____

- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis OMB 4/21/89

SIGNING DO PASS:

Pamora Barnes Barnes
Dick Shultz Shultz
R. D. E. Phillips Phillips

SIGNING:
 (Check Approp. column)

	Do Not Pass	No Rec	Amend
<u><i>Charles Swackhammer</i></u>	✓		
<u><i>Ron Koponen</i></u>	X		
<u><i>J. Ulmer</i></u>	✓		

Charles Swackhammer *vice chair*
 Chairman's Signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSHR 5 (SA)
PUBLISH DATE: HOUSE 4/21/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: ALL
 Title: "Requesting a Hiring Freeze for State Employees" BRU: _____
 Sponsor: Hanley, Leman, Hudson et al Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY:91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

SEE ATTACHED ANALYSIS

Prepared by: Alison M. Elgee, Director Phone: 465-3568
 Division: Budget Review Date: 03/20/89

Approved by Commissioner: _____ Date: _____
 Agency: _____

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

FISCAL NOTE ANALYSIS

The Administration is unable to ascertain savings, if any, resulting from a hiring freeze. While we can identify positions budgeted which are currently vacant, many of these positions are vacant because of the practice of short-funding personal services for an assumed vacancy and turnover. It is therefore impossible to calculate savings as a result of maintaining these vacancies, as the vacancies represent savings already built in to the FY 89 appropriations.

Additionally, even with a hiring freeze in place, an emergency hire procedure would have to be implemented to allow for hiring of positions which are necessary to maintain security in the prisons, adequate care in pioneer's homes and the Alaska Psychiatric Institute, and other areas of government where, to not do so, would present a direct threat to the health and life safety of Alaskans.

It would not be the intent of the Administration to institute a hiring freeze in areas of seasonal employment, as seasonal employees are hired for specific job functions which are by their nature only performed during specific times of year.

We do not believe a hiring freeze will result in any additional cost savings to the state. We currently exercise restraint in all employment to determine the necessity of any new hire. However, the legislature has directed through statute and subsequent appropriation a menu of services to be provided. Adequate staffing is essential in providing those services. We will continue to hire new employees essential in providing those services which have been directed by the legislature and which the public has a right to expect.

Original sponsors: Hanley, Leman,
Hudson, et al.

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE RESOLUTION NO. 5 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 Requesting a hiring freeze for state
6 employees.

7 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

8 WHEREAS from September 1987 to September 1988 the actual number of
9 state government employees increased by seven percent, an increase of over
10 1,000 jobs; and

11 WHEREAS 31.3 percent of the state operating budget for fiscal year
12 1989 was allocated to the costs of personal services; and

13 WHEREAS the operating budget includes the addition of over 400 new
14 budgeted full-time equivalent positions in the fiscal year 1990 operating
15 budget; and

16 WHEREAS the state is facing a budget shortfall in fiscal year 1990;
17 and

18 WHEREAS reduced spending for state operations will likely be necessary
19 to meet the budget shortfall; and

20 WHEREAS the continued growth of the state budget must be halted in the
21 face of declining oil revenues; and

22 WHEREAS the decision to avoid hiring state employees rather than
23 resorting to layoffs is fairer to current employees; and

24 WHEREAS reducing the number of state positions through the process of
25 attrition allows for both immediate and long-term savings in personnel
26 costs;

27 BE IT RESOLVED that the House of Representatives respectfully requests
28 the Governor to institute an immediate hiring freeze for all positions
29 except those temporary positions needed to respond to emergencies or needed

1 for reasons involving health and safety.

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A M E N D M E N T

OFFERED IN HOUSE FINANCE COMMITTEE

BY HANLEY

TO: CS HR 5 (State Affairs)

*mit incorporate
CS HR 5 (SA)*
Page 1, Line 13

DELETE "WHEREAS the Governor has proposed the addition of 307 new
budgeted"

INSERT "WHEREAS the operating budget includes the addition of over
400 new budgeted"

Page 1, Line 17

DELETE "\$250,000,000"

INSERT "\$90,000,000"

BALANCE SHEET

HOUSE FINANCE COMMITTEE

	GOV	GOV AMD	HOUSE
FY 88 CARRY FORWARD	224.0	224.0	224.0
FY 89 Unrestricted Revenues [1]	1,956.8	2,106.0	2,106.0
FY 89 Adjustments to Revenues	120.8	128.5	128.5
FY 89 AVAILABLE	2,301.6	2,458.5	2,458.5
FY 89 Expenditures			
Operating--Agency	1,076.3	1,076.4	1,076.4
Formula Programs	904.4	904.4	904.4
Debt Service			
-G.O. Debt	135.6	135.6	135.6
-Other Debt	11.8	11.8	11.8
Capital	118.4	118.4	118.4
Loans	16.7	16.7	16.7
Special Appropriations		54.0	20.0
FY 89 Supplementals			
-Health Benefits	15.3	11.9	8.0
-Other	19.4	21.1	20.0 + \$ 621.0 Supp
FY 89 EXPENDITURES	2,297.9	2,350.3	2,311.3
FY 89 CARRY FORWARD	3.7	108.2	147.2
FY 90 Unrestricted Revenues [1]	1,640.9	1,995.8	1,995.8
FY 90 Adjustments to Revenue	57.8	61.9	64.0
ELF Revision			131.0 <#131.0>
FY 90 AVAILABLE	1,702.4	2,165.9	2,338.0
FY 90 Expenditures			
Operating--Agencies	1,123.4	1,126.3	1,067.4
Formula Programs	949.3	953.8	918.7
Exxon Valdez Oil Spill			
Debt Service			
-G.O. Debt	120.4	120.4	120.4
-Other Debt	12.1	12.1	12.1
Capital	98.9	100.0	90.0 + 9.0
Loans	13.0	13.0	10.0
New Legislation	0.0	0.0	5.0
FY 90 EXPENDITURES	2,317.1	2,325.6	2,223.6
FY 90 CARRY FORWARD	-614.7	-159.7	114.4 <#87.6>

NOTES:

[1] Spring forecast--FY89 HIGH/FY90 Mid Scenario

4/23/89

STATE OF ALASKA
BUDGETED NEW POSITIONS BY AGENCY

SALHOPSA

PAGE 3

MMM AGENCY SUMMARY TOTALS

TITLE	GOVERNOR'S BUDGET		HOUSE BUDGET		SENATE BUDGET		C. C. BUDGET	
	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS	APPROVED POSITIONS	SALARY & BENEFITS
MMM TOTAL ALL AGENCIES								
	FULL TIME	418	19867.6	436	19585.3			
	PART TIME	36	774.9	31	625.5			
	TEMPORARY	113	1278.3	40	418.2			
	MMM TOTAL	559	21112.4	527	20621.0			

MMM TOTAL NEW POSITION FUNDING

FEDERAL RECEIPTS	3198.7	3167.7
GENERAL FUND MATCH	657.1	636.7
GENERAL FUND	11646.9	10886.0
GF/PROGRAM RECEIPTS	758.4	846.0
GF/MENTAL HEALTH TRUST	356.3	306.1
INTER-AGENCY RECEIPTS	974.1	970.1
STATE CORP RECEIPTS	3058.8	3958.6
FISH AND GAME FUND	230.4	230.4
PUBLIC EMPLOYEES RETIRE	11.8	11.8
TEACHERS RETIREMENT	11.7	11.7
U/A STUDENT TUITION/FEE	9.3	16.6
PUBLIC LAW 81-874	43.0	43.0
PERMANENT FUND DIV FUND	28.0	60.2
CAPITL IMPRV PROJ RCPTS	127.7	275.9
MMM TOTAL FUNDING	21112.2	20620.8

all funds
** discrepancy*
new decrease
Temp & perm
countdown
permanent



Alaska State Legislature

House of Representatives

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(907) 561-2033

REPRESENTATIVE
ALYCE HANLEY
DISTRICT 9, SEAT B

DURING SESSION
P.O. BOX V
JUNEAU, ALASKA 99811
(907) 465-4939

April 24, 1989

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
REGULATION REVIEW COMMITTEE

MEMORANDUM

TO: Representative Ron Larson, Co-Chairman
Representative Lyman Hoffman, Co-Chairman
Members of the House Finance Committee

FROM: Representative Alyce Hanley *A.H.*

SUBJECT: House Resolution No. 5 - Requesting a hiring freeze for
state employees

On behalf of myself as well as the co-sponsors, I want to thank you for scheduling the above resolution for a committee hearing.

HR 5 calls for an immediate employee hiring freeze in order to reduce the number of employees by attrition rather than subject employees to the uncertainty of job layoffs.

We in the legislature are presented with charts and graphs of anticipated revenues and expenditures on a daily basis. The result of the revenue projections is that the State of Alaska will receive less revenue because less oil is being pumped through the pipeline at a lower price.

The number of state employees is increasing every year and we as responsible public officials must halt this trend. The public reaction to increased taxes at the recent budget forum in Anchorage was unanimously against increased taxes without budget cuts.

It is in the public interest to reduce the number of state employees in a manner which causes the least amount of anxiety and reduced morale. This resolution provides the administration with a very viable method of avoiding employee layoffs due to reduced revenues.

We all need to think of ways to reduce the number of employees while at the same time reducing the uncertainty of job layoffs.

Enclosures

MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Mary

DATE: November 4, 1988

FROM: Gregg

SUBJECT: State Government Employment Growth

State government employment increased by 7 percent-- over 1000 jobs--in the last year. The attached table shows which agencies have grown the most in absolute and in percentage terms.

The data shows the number of paychecks issued by each agency for the pay period including the 12th of the month.

Comparable data is not yet available for the University of Alaska. Based on recent trends, Labor's economists expect an increase of about 100 jobs (2 percent) on a base of 4,411 in Sept. 1987.

cc: Allison

attachment

MEMORANDUM

State of Alaska
Office of the Governor
Division of Policy

TO: Mary Halloran
Director

DATE: December 13, 1988

FROM: Gregg Erickson *GKE*
Senior Economist

PHONE: 465-3568

SUBJECT: Trends in State Employee Compensation and Numbers

Salary and benefits received by the average state employee in 1988 increased by \$1,123 over the previous year, from \$47,045 to \$48,168, according to official figures just available. The figures are annual rates recorded as of June 30. The gain this year reverses a \$455 decrease in total compensation between 1986 and 1987.

State employee benefits increased more than salaries. The value of the total benefit package grew by \$773, from \$11,342 to \$12,115, a gain of 7 percent. The benefits increase would have been even larger had the state not made a 14 percent cut in its contributions to employee retirement funds.

Comparable data on private sector benefits are not available, but looking at salary alone, state employees did better than Alaskans working in the private sector. The salary component of state compensation increased by \$350, from \$35,703 to \$36,053. By comparison, the average private sector salary decreased by \$444, from \$25,490 in 1987 to \$25,046 in 1988. The changes amounted to a 1 percent average increase for state employees and an almost 2 percent decrease for private workers.

The number of state employees is also increasing. The number of state (including University of Alaska) paychecks issued in November 1988 was up by 1,312 over the same month in 1987, from 17,903 to 19,215. An agency-by-agency breakdown of the growth, analysing September data, is found in my earlier memorandum on the subject, copy attached.

Table 1 (attached) shows the historical statistics on state employee compensation. Table 2 shows the same data adjusted for inflation. Statistics in the tables were compiled by the Division of Policy from Division of Retirement and Benefits data. Information on private sector pay is from the Alaska Department of Labor's *Statistical Quarterly*, second quarter 1987, 1988 (in press). State government employment figures are from *Economic Trends* estimates, also compiled by DOL.

Attachments:

Tables 1 and 2.

Memorandum of 11/4/88 with attached tables.

cc: A. Elgee, OOG/DBR
B. Cummings, DOA

RECEIVED
JAN 24 1989

Juneau Report March 1989

Changes in Alaska State Employment September 1987 to September 1988

Agencies Ranked By Change In Number Of Employees

<i>State Agency</i>	<i>Change in Employment</i>	<i>Increase</i>
Corrections	203	17%
Transportation and Public Facilities	123	4%
Health and Social Services	120	7%
Administration	94	8%
Fish and Game	87	7%
Natural Resources	81	8%
Education	57	12%
Governor's Office	52	20%
Military/Veteran's Affairs	45	33%
Public Safety	37	4%
Environmental Conservation	34	13%
Commerce, Economic Development	29	7%
Revenue	25	7%
Legislative	24	6%
Law	19	6%
Courts	11	2%
Community and Regional Affairs	10	6%
Labor	-44	-7%
Total Growth	1,007	
Overall Growth Rate		7%

NOTE: Updated data from November show 1,312 new state workers compared to November 1987, or 19,215 compared to 17,903.

Source: OMB

POSITIONS/FY 87 ACTUAL - FY 89 CONFERENCE COMMITTEE

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Governor	PFT	198	196	203	199	Transfer of the EEO function from DOT/PFT 3 PFT.
	PPT	7	7	7	7	
Administration	PFT	1,061	1,012	1,050	1,061	State operation of Juneau Pioneer Home 40 PFT and 14 PPT; State telephone network billing 1 PFT; reclass of 7 PPT to PFT in Palmer, Anchorage and Central Office Pioneer Homes, Longevity Bonus Admin., and Commissioner's office; Ketchikan Pioneers Home reclass of 2 PFT to PPT; transfer of 8 PFT/2 PPT to DOE for Archives function; 1 PFT associated with HB 7 Fiscal Note; Fiscal Notes: 2 PFT in OAC for SB 442 & SCR 50; 8 PFT in Retirement for SB 56.
	PPT	89	98	105	105	
Law	PFT	361	315	345	341	Prisoner Rights Litigation 2 PFT; Federal Anti-drug Enforcement 2 PFT; Human Services 7 PFT; Debt Collection 4 PFT; Interagency 5 PFT; Anti-trust Litigation 1 PFT; 1 PFT Acct. Clerk; and Oil & Gas Litigation 7 PFT.
	PPT	8	7	6	6	
Revenue	PFT	395	391	428	431	25 PFT AHFC, 4 PFT in audit section, 9 PFT in Child Enforcement, 3 PFT in Permanent Fund; convert 1 PPT to PFT; transfer 5 PFT/1 PPT to Commerce; and 3 PFT/12 PPT Fiscal Note positions.
	PPT	26	25	23	35	
Education	PFT	443	403	429	435	3 PFT Data Mgmt; 2 PFT/2 PPT Correspondence Study increased enrollment; 1 PFT Mining Educ.; 1 PFT AK. Native Arts; 1 PFT Library Maintenance of Effort; 8 PFT/2 PPT Archives transfer from DOA; 1 PFT Museum Conservator; 10 PFT Student Loan Repayment; 1 PFT/1 PPT Gov. Council on Career & Voc. Ed.; Misc. Reclasses 4 PFT/-4 PPT.
	PPT	104	104	109	105	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Health & Social Services	PFT	1,703	1,633	1,738	1732	GICCY increments 27 PFT; Bethel Youth Facility 16 PFT and reclass of 2 PPT to PFT; Nome Youth Facility reclass of 5 PPT to PFT; MYC 5 PFT. Cost management initiatives such as Title IVE Eligibility Reviewer (1 PFT/2 PPT), Health Surveyor (1), Patient Care Info System (1), AIDS (5), Rural Service Delivery (3), Medicaid Auditors (1); reclasses of 14 PPT to PFT; miscellaneous adjustments and corrections -4 PFT/-2 PPT); Mental Health/Suicide 6 PFT; Fiscal Notes: SB 348, 8 PFT.
	PPT	88	135	114	118	
Labor	PFT	618	592	613	609	Additional 8 PFT to enforce and monitor employment preference statutes, reclass of 11 PPT to PFT; delete 3 PFT/11 PPT due to unrealized GF or Federal Funds; delete 1 PFT Admin. Asst.; Add 1 PPT clerk and 1 PPT special asst; Fiscal Notes: 1 PFT for SB 141, Hazardous Painting.
	PPT	178	202	181	181	
Commerce	PFT	398	364	392	390	Business Development Program 2 PFT, Insurance 2 PFT; APA position count correction 5 PFT; Tourism 4 PFT; Housing Marketing Council 6 PFT. Transfer Business Licensing from Revenue 5 PFT. Convert 2 PPT to PFT in Occupational Licensing.
	PPT	21	19	18	18	
Military Affairs	PFT	98	95	100	100	Convert 2 PPT to PFT for Corrected position count; 1 PFT Communications Officer; 1 PFT Recording Clerk; 1 PFT Construction Engineer.
	PPT	9	8	6	6	
Natural Resources	PFT	707	573	595	596	Industrial Materials Development 2 PFT; TAGS Project 2 PFT; Citizens Advisory Commission on Federal Areas 2 PFT/1 PPT. Convert PPT positions to PFT. Delete 1 PFT Info. Officer.
	PPT	286	335	320	321	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
Fish & Game	PFT	748	722	722	725	Game Division - 3 PFT; add PPT positions in Sport Fisheries & Commercial Fisheries to support expanded management presence; add 3 PPT positions in the Commercial Fisheries Entry Comm.
	PPT	912	882	911	913	
Public Safety	PFT	832	751	782	787	Add 18 Troopers, 2 Fire Marshalls, 2 Educ. Specialists, 3 Criminalists, 1 Latent Fingerprint Exam., 1 Analyst/Programmer, and 5 support staff. Reclass four PPT to PFT.
	PPT	89	79	75	75	
Environmental Conservation	PFT	247	239	308	293	Additional 32PFT/2PPT for first year phase in of three year program to bring DEC to a core level of funding for mandated functions, 22 PFT for federal programs.
	PPT	19	21	25	23	
Community & Regional Affairs	PFT	194	174	194	186	2 foster; 2 Redi; 1 job training; 2 in base for Senior Citizens tax for FY 88; 1 Housing Loans; 2 Dislocated Workers; less 1 for 88 fiscal note and 3 PPT to PFT.
	PPT	2	3	3	0	
Corrections	PFT	999	1,150	1,265	1,269	Opening of Spring Creek CC - 84 PFT; Probation Officer staffing statewide and clerical support - 9 PFT; security staffing: Fairbanks (2), Anvil Mtn. (4), Yukon Kuskokwim (3), Mat-Su (3), Wildwood (7), combined Hiland Mtn (1); Delete 3 PFT at Goose Bay (not using facility); Major Medical staff - 5 PFT/1 PPT; 5 PFT in Wildwood (cooks and support); Miscellaneous: 1 PFT to PPT in Training unit.
	PPT	0	0	2	2	
Transportation	PFT	2,798	2,780	2,794	2,793	Implementation of management system for capital projects 3 PFT; Convert 10 PPT positions to PFT; Delete 1 PFT SE Maintenance & Operations Director. Add 1 PFT and 8 PPT at Anchorage International Airport.
	PPT	982	1,012	1,010	1,010	

DEPARTMENT		FY 87 ACTUAL	FY 88 AUTHORIZED	FY 89 GOV. AMENDED	FY 89 CONF. COMM.	FY 89 CONF. COMM. COMMENTS
University	PFT	3,024	3,312	3,269	3,271	Reduce 75 PFT/3 PPT for Restructuring savings, add 7 PFT for Hazardous Material Management, New Facilities 3 PFT, Library Enhancements 3 PFT, Fisheries 4 PFT, 4 PFT Advising, Research & UAS Counseling, 2 PFT Rural College; Other Misc. adjust. +11 PFT/9 PPT.
	PPT	268	287	284	293	
Alaska Court System	PFT	603	606	611	608	Increase Trial Courts by adding two new Court Clerks.
	PPT	35	35	32	35	
Legislature	PFT	275	303	303	303	
	PPT	40	48	48	48	
TOTAL	PFT	15,702	15,615	16,141	16,129	
	PPT	3,163	3,308	3,279	3,301	