

HB

515

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 515

PERS Credit: Noncertificated School Emp.

Received February 12, 1990
by Rep. Ellis

Heard March 7, 1990

Passed Out of Committee March 7, 1990
5 Do Pass

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HOUSE COMMITTEE REPORT

(7)

Date Referred: February 12, 1990

FURTHER REFERRALS:

FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

HB 515

HOUSE BILL NO. 515

PERS CREDIT: NONCERTIFICATED SCHOOL EMP.

"An Act relating to credited service in the Public Employees' Retirement System; and providing for an effective date."

RECOMMENDATIONS:

- [] be replaced with _____ [] the same title
[] have attached amendment(s) [] a new title
 do pass
[] 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 DOA/DE
[] zero fiscal note _____
[] zero with analysis _____

- [] fiscal note(s) _____
[] zero fiscal note(s) _____
[] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Do Not
Pass
No Rec
Amend

Steve Stealey
Carl Manning
Jim ...
...
...

	Do Not Pass	No Rec	Amend

...
Chairman's Signature

Item 2

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to credited BRU: Retirement and Benefits
services in the PERS
 Sponsor: Ellis Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	50.0	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	50.0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	50.0	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	50.0	0	0	0	0	0
TOTAL	50.0	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) THIS IS ANTICIPATED TO INCREASE SCHOOL DISTRICT PERS CONTRIBUTION RATES BY 1.46 PERCENT AND PERSONAL SERVICES COSTS BY \$1,1961.6. SINCE THIS BILL ONLY AFFECTS NONCERTIFICATED SCHOOL DISTRICT EMPLOYEES, THE STATE'S CONTRIBUTION WILL NOT BE INCREASED.

Please refer to page 2 for a discussion of the fiscal implications.

Prepared by: Sally Smith *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: 02/23/90
 Approved by Commissioner: Frank S. Baxter *Frank S. Baxter* Date: 2/27/90
 Agency: Department of Administration

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

House Bill 515
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration
February 23, 1990

Analysis: This bill would allow non-certificated employees of school districts to receive credited service in the PERS on the same basis as teachers under the TRS. A two-tiered system would then exist in the PERS for credited service. Some school district employees would be required to work for 9 months and earn a full year of credited service and others may be required to work for 12 months while earning the same year of service.

The total estimated administrative cost to the division of \$50.0 for FY 91 is for contractual services to implement necessary changes to the TRS automated system. Current staff would not be able to absorb this increased workload.

House Bill 515
Analysis of Financial Impact to the Retirement Fund
Prepared by Division of Retirement & Benefits
Department of Administration
February 23, 1990

Analysis: To fund this bill the school district Public Employees' Retirement System (PERS) contribution rate would increase by 1.46% in FY 91. The school district PERS payroll is estimated to be \$134,357,016 in FY 91 and remain stable thereafter.

The school districts' cost of \$1,961,600 is calculated as follows:

School district FY 91 estimated PERS salaries	\$134,357.0
Increase in PERS rate	<u>X 1.46%</u>
TOTAL SCHOOL DISTRICT COST...	<u><u>\$ 1,961.6</u></u>

Passage of this bill will result in an increase in the PERS unfunded liability of \$20,968,000. It will also result in a decrease in the PERS funding ratio of .9%.

FISCAL NOTE

REQUEST:

Revision Date: _____
 Title: PERS Credit: Noncertificated
school employees
 Sponsor: Ellis
 Requestor: House State Affairs

Agency Affected: Education
 BRU: Mt. Edgcumbe
 Components: Residential Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	3.9	3.9	3.9	3.9	3.9	3.9
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3.9	3.9	3.9	3.9	3.9	3.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	3.9	3.9	3.9	3.9	3.9	3.9
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

This estimate is based upon the projected increase in employer cost for non-certificated employees of Mt. Edgcumbe's residential program. The Department of Administration estimates this increase at 1.46% of each employee's base salary.

Prepared by: Mary Hakala Phone: 465-2800
 Division: Commissioner's Office Date: 2/28/90
 Approved by Commissioner: William G. Demmert Date: 2/28/90
 Agency: Education

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

February 16, 1990

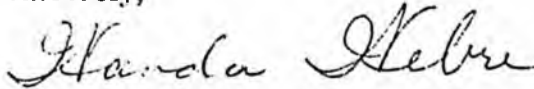
Mr. Red Boucher
Senate Health, Education & Social Service Committee
P.O. Box V
Juneau, Alaska

Dear Mr. Boucher,

I am an Anchorage School District employee and my bargaining group is Totem. Currently, people in this group get credit toward PERS retirement for the actual months worked. Our work year is based on the school year. We can no longer draw unemployment for the months we do not work because we do have a job and will be returning to our job. Some people work nine months, some ten months others work eleven and twelve months. Without receiving credit for the full year like TRS employees we will be very, very old before we accrue enough years to retire from our jobs with a fair retirement income.

Please give us the equality and fairness long overdue by supporting SB444 and HB 515. Please give a copy of this letter to all the members of the committee.

Sincerely,



Wanda Webre



EDUCATION SUPPORT STAFF ASSOCIATION
2118 Cushman Street
Fairbanks, Alaska 99701
(907) 452-2023

February 13, 1990

Representative Johnny Ellis
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, AK 99811

Dear Representative Ellis:

Thank you for introducing HB 515. The issue of providing a full year of retirement credit for education support personnel who work the same school year as teachers is a priority issue for our members.

There are approximately 465 non-certificated employees in the Fairbanks North Star Borough School District and two-thirds of them work nine or ten months each year. In a recent survey of our members, an overwhelming 77% of the respondents indicated this was a major concern.

We will actively support this bill and its companion, SB 444, following both with the utmost interest.

Very truly yours,

Susan B. Annis
President

cc: Bob Manners
Nea-Alaska

SBA/nr



Alaska State Legislature

Please enter into the record my testimony to the State Affairs
 committee name

committee on HB 515/PERS Credit , dated March 7, 1990
 bill/subject

My name is Karen Mahurin. I am Vice-President and Acting President of the Kenai Peninsula Educational Support Association. I am writing you today on behalf of our 175 members and also for all educational support employees who will be affected by the passage of HB 515. This issue of establishing credit in PERS according to the same formula used for teachers in TRS is more than just an issue of equity among school employees. This is an issue that has been a number one priority of our employees for the past 7 - 8 years. We are not only being discriminated against as non-certificated employees, but we are being penalized because school does not last 12 month a year. I'm sure you have heard the arguments that we should have a year for a year because we no longer receive unemployment benefits. That is a valid argument. The State of Alaska DOES recognize us as year round employees with assurance of a job each fall, therefore, the State of Alaska should also recognize our work year as a year's credit towards retirement. As it stands now, educational support personnel have to work 24 school years to receive 20 years of retirement credit. We would like for our educational support employees to be able to retire while they are still young enough and in good enough health to stay in Alaska - the state we have lived in, worked in and love. Educational support personnel make up a large percentage of Alaska residents - most of us having made Alaska our home for all or most of our lives. We are the backbone, not only of school districts, but also of our communities as workers, tax payers, and through involvement as volunteers in youth, religious and civic organizations.

I ask for your support for the quick movement of this bill out of your committee and for your continued support for passage of HB 515. Thank you.

Signed: Karen J. Mahurin *Karen J. Mahurin*
 Testifier

Kenai Peninsula Educational Support Association
 Representing (Optional)

P. O. Box 1073, Kenai, Alaska 99611
 Address

283-4796 (home), 283-4826 (work)
 Phone No.

b. Example / Checklist Contact Sheet

LEGISLATIVE SPONSOR: House State Affairs

TC DATE/DAY: Wed, Mar 7

Pub. Hear Work Ses. Inv. Hear

TIME: 8:30-10 AM

LEGISLATIVE REFERENCE: HB 515

JUNEAU ROOM: Cap 102

SUBJECT: PPRS Credit: Noncert.

BRIDGE: _____

School Em'ees

OF PORTS: _____

CONTACT: Ann PH: 4963

DATE TAKEN/BY: Peggy 3/1/90

TELECONFERENCE SITES:

LIO'S

LTC'S

VTS'S

- Anchorage
- Barrow *
- Bethel
- Delta Junction *
- Dillingham *
- Fairbanks
- Glennallen *
- Juneau
- Ketchikan
- Kodiak
- Kotzebue
- Mat-Su
- Nome
- Petersburg *
- Sitka
- Soldotna
- Valdez *

- Homer
- Wrangell

See List on Reverse Side
Kenai

ALL LIO'S

OTHER SITES WELCOME WITH PRIOR NOTIFICATION

OFFNETS: _____

CHAIRING SITE: Juneau

CHAIRPERSON: Maclean

[] CONFORMS TO LEGISLATIVE COUNCIL POLICY 4/85

SIGNATURE OF SPONSOR/CONTACT PERSON

DATE

SPECIAL INSTRUCTIONS