

HR

5

HOUSE COMMITTEE ON STATE AFFAIRS

**RECAP OF
HR 5**

Requesting a Hiring Freeze

Received March 10, 1989

**by Reps. Hanley, Leman, Hudson, Collins, Taylor,
Furnace, Sharp, Zawacki, Phillips, Martin,
C. Davis, Miller and Schultz**

Heard April 18, 1989

Heard April 20, 1989

Committee Substitute adopted April 20, 1989

Passed Out of Committee April 20, 1989

4 Do Pass

2 No Recommendation

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Furnace, Sharp, Zawacki, Phillips, Martin,
C. Davis, Miller and Shultz
- CS HR 5
- Item 2:** Fiscal Note and Analysis
- Item 3:** Memorandum from Rep. Hanley
April 12, 1989

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 10, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee considered:

HR 5

HOUSE RESOLUTION NO. 5 [REQUESTING A HIRING FREEZE]
 Requesting a hiring freeze for state employees.

RECOMMENDATIONS:

- be replaced with CS HR 5 (SA) 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 _____ fiscal note(s) _____
- zero fiscal note _____ zero fiscal note(s) _____
- zero with analysis Bud Review zero fn/analysis _____

SIGNING DO PASS:

Alice Harley

Jim ...

Richard ...

...

SIGNING:
 (Check approp. column)

David ...

...

	Do Not Pass	No Rec	Amend
<i>David ...</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>...</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

...
 Chairman's signature

Item 2

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HR 5
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

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

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						
REVENUE						

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.

Item 3



Alaska State Legislature House of Representatives

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ANCHORAGE, ALASKA 99503
(907) 561-2033

REPRESENTATIVE
ALYCE HANLEY
DISTRICT 9, SEAT B

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

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE
REGULATION REVIEW COMMITTEE

April 12, 1989

MEMORANDUM

TO: Representative Red Boucher, Chairman
House State Affairs Committee
House State Affairs Committee Members

FROM: Representative Alyce Hanley *AH.*

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.

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.

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.

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.

STATE AGENCIES RANKED
BY CHANGE IN NUMBER OF EMPLOYEES
Sept. '87 to Sept. '88

<u>Rank</u>	<u>State Agency</u>	<u>Change in Employment</u>
1	DOC	203
2	DOT	123
3	H&SS	120
4	DOA	94
5	DF&G	87
6	DNR	81
7	DOE	57
8	GOV.	52
9	DMVA	45
10	DPS	37
11	DEC	34
12	DCED	29
13	DOR	25
14	LEG.	24
15	LAW	19
16	C. SYS.	11
17	DCRA	10
18	DOL	-44

TOTAL GROWTH 1,007

STATE AGENCIES RANKED
BY PERCENTAGE CHANGE IN EMPLOYEES
Sept. '87 to Sept. '88

<u>Rank</u>	<u>State Agency</u>	<u>Change in Employment</u>
1	DMVA	33%
2	GOV.	20%
3	DOC	17%
4	DEC	13%
5	DOE	12%
6	DNR	8%
7	DOA	8%
8	DCED	7%
9	DOR	7%
10	H&SS	7%
11	DF&G	7%
12	LEG.	6%
13	DCRA	6%
14	LAW	6%
15	DPS	4%
16	DOT	4%
17	C. SYS.	2%
18	DOL	-7%

OVERALL GROWTH RATE 7%

Source: AkDOL
Division of Policy, 11/4/88 .

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
D

TABLE 1
Average Value of State Employee Compensation
 Annual rates computed by the Division of Retirement
 and Benefits from June 30 payroll data.

	1984	1985	1986	1987	1988
Employer retirement contributions	\$5,027	\$4,989	\$5,320	\$4,499	\$3,872
Supplemental benefits cost	\$1,855	\$1,902	\$2,010	\$2,042	\$2,062
Other benefit costs	\$3,945	\$3,932	\$4,118	\$4,801	\$6,181
subtotal: Benefit costs per employee	\$10,727	\$10,823	\$11,448	\$11,342	\$12,115
Salary	\$33,790	\$34,281	\$36,052	\$35,703	\$36,053
Average total compensation per employee	\$44,517	\$45,104	\$47,500	\$47,045	\$48,168
Percent change from prior year	N/A	1.3%	5.3%	-1.0%	2.4%

TABLE 2
 Real (Inflation Adjusted)
 Average Value of State Employee Compensation
 Adjusted to 1988 \$ using Anchorage CPI (U).
 CPI datum for 1988 is estimated based on 6 mo.

	1984	1985	1986	1987	1988
Employer retirement contributions	\$5,290	\$5,126	\$5,364	\$4,520	\$3,872
Supplemental benefits cost	\$1,952	\$1,954	\$2,027	\$2,051	\$2,062
Other benefit costs	\$4,046	\$4,040	\$4,152	\$4,823	\$6,181
subtotal: Benefit costs per employee	\$11,288	\$11,120	\$11,544	\$11,394	\$12,115
Salary	\$35,556	\$35,221	\$36,353	\$35,868	\$36,053
Average total compensation per employee	\$46,844	\$46,340	\$47,897	\$47,262	\$48,168
Percent change from prior year	N/A	-1.1%	3.4%	-1.3%	1.9%

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/PF 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; NYC 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, and 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	

Introduced: 3/10/89
Referred: State Affairs
and Finance

Item 1
6-0992A

balloons
[SAWILL STAFF]
202
201
200
200
JOHN POWELLEN
MARK QUINN

BY HANLEY, LEMAN, HUDSON,
COLLINS, TAYLOR, FURNACE,
SHARP, ZAWACKI, PHILLIPS,
MARTIN, C. DAVIS, MILLER
AND SHULTZ

1 IN THE HOUSE

2 HOUSE RESOLUTION NO. 5

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 Governor has proposed the addition of 307 new budgeted
14 full-time equivalent positions in the fiscal year 1990 operating budget;
15 and

16 WHEREAS the state is facing a budget deficit in excess of \$600,000,000
17 in fiscal year 1990; and

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

check

OMD

*MA -
Require new
positions.
REASSIGNED*

*add where - enough savings and laws
added ↑ 5*

*state employees → # increased in 1988
-1- 12 M of House HR 5
Referred to → ACW # 5*

HR0005A

Amendments

then. auc some exceptions)

