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SENATE COMMITTEE REPORT

FURTHER

3/22/89

DATE TURNED INTO OFFICE 3/31/89

Mr. President:

Finance Committee considered SB 73

retirement incentive programs for the public employees' retirement system and the teachers' retirement system; efd

and recommended

- replace with CS SB 73 (Finance)) same title
- or adopt CS) new title
- attached amendment(s) and technical title change (HB only)
- Finance letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) zero ^{2 DOA (Ret & Ben; Fin)} fiscal impact appropriation no FN

new updated previous

same as previous fiscal note(s) published _____

MEMBERS SIGNING DO PASS

DUNCAN

[Signature]

OTHER RECOMMENDATIONS

FRANK

[Signature] No Rec

PEARCE

[Signature] No Rec

FISCHER

[Signature] No Rec

Senator Ziaroff subsequently changed his recommendation to "do pass" on the floor.

ZIAROFF

[Signature] No Rec

[Signature] (No Rec)

[Signature]
Chairman signature and recommendation

Committee Backup attached

R/O JFC 3-31-89



Official Business

Alaska State Legislature

Senate

Committee on Finance

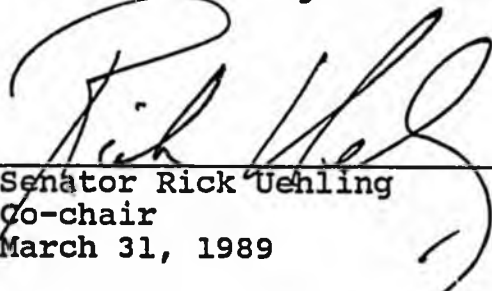
Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT

FOR

CS FOR SENATE BILL NO. 73 (FINANCE)

It is the intent of the legislature that the Office of Management and Budget only allow directors to participate in the retirement incentive program if they are long-term, career state employees and that each director position which is allowed to participate demonstrate an overall cost savings for its agency.



Senator Rick Uehling
Co-chair
March 31, 1989

R/O SFC 3-31-89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

Bill Version: CSSB 73 (FIN)
Publish Date: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to a retirement incentive program. BRU: Retirement and Benefits
 Sponsor: Duncan Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	42.0	318.8	228.1	0	0	0
TRAVEL	2.1	3.5	3.5	0	0	0
CONTRACTUAL	16.7	24.3	3.8	0	0	0
SUPPLIES	.3	2.6	1.7	0	0	0
EQUIPMENT	81.1	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	142.2	349.2	237.1	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	142.2	349.2	237.1	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	142.2	349.2	237.1	0	0	0
TOTAL	142.2	349.2	237.1	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	9	13	13	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See pages 2-9 for detailed discussion of Fiscal Note.

See Attached.

Prepared By: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: 31 Mar 89

Approved by Commissioner: John M. Andrews *JM* Date: 3/31/89
 Agency: Department of Administration

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Committee Substitute for Senate Bill 73 (FIN)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration
 March 21, 1989

ANALYSIS: This bill would place a temporary retirement incentive provision in statute for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS). Active PERS and TRS members could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a police officer, firefighter, or teacher; or with at least 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction for the indebtedness amount for the accelerated period.

The total estimated administrative cost to the division by fiscal year is as follows:

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
PERSONAL SERVICES COSTS			
FY 89			
1 Retirement Spec I (2 mo.)	\$ 5.0		
8 Retirement Tech. I/II (2 mo.)	<u>37.0</u>		
Total FY 89		\$42.0	
FY 90			
1 Retirement Spec I (12 mo.)	\$ 29.5		
8 Retirement Tech. I/II (12 mo)	222.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (10 mo.)	<u>34.5</u>		
Total FY 90		\$318.8	
FY 91			
1 Retirement Spec I (8 mo.)	\$ 19.7		
8 Retirement Tech. I/II (8 mo.)	148.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (8 mo.)	<u>27.6</u>		
Total FY 91			228.1
TRAVEL			
FY 89			
2 trips to ANCH/FBKS		2.1	
FY 90			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 91			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

CONTRACTUAL

FY 89			
Computer hook-up & service for additional 11 PC's.	15.7		
Additional telephone hook-up for 9 phones in current system.	.3		
Telephone service for 9 phones for 2 months.	.2		
Long distance calls.	.5		
Total FY 89	16.7		

FY 90			
RSA to the Division of Finance for 2 Accounting Clerk III for 5 months to provide service and salary verifications.	20.5		
Telephone service for 9 phones.	1.4		
Long distance call expense based upon experience from the previous RIP.	2.4		
Total FY 90		24.3	

FY 91			
Telephone service for 9 phones.	1.4		
Long distance calls	2.4		
Total FY 91			3.8

SUPPLIES

FY 89			
(9 employees X \$200/yr X .17)	.3		
FY 90			
(13 employees x \$200/yr)		2.6	
FY 91			
(13 employees x \$200/yr x .66)			1.7

EQUIPEMENT	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 89			
17 Personal Computers	55.0		
8 Microfiche viewers	6.4		
11 Calculators	1.7		
1 Computer Output Printer	18.0		
Total Equipment	<u>81.1</u>	_____	_____
Total Bill Cost By Fiscal Year	<u>\$142.2</u>	<u>\$349.2</u>	<u>\$237.1</u>

The retirement technicians, retirement specialist, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's Local Area Network.

We are also proposing the purchase of an additional computer output printer. The previous RIP put great demand on our existing two printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our two printers. After comparing the cost of purchasing a new printer with leasing one for two and one/half years, we determined that with our current printer needs, purchasing would be more cost effective.

All administrative costs for this program will be paid in advance by the participating employers as required by Section 2, page 2, line 27.

Committee Substitute for Senate Bill 73 (FIN)
Analysis of Financial Implications on the Retirement Systems
Prepared by Division of Retirement & Benefits
Department of Administration
March 21, 1989

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

Position Title		Accounting Clerk III		No. of Positions	2	Range/Step	10A	Barg. Unit	GGU								
Type Status	FT Nonpermanent	Staff Months	8.0 each = 16.0	Location	AWA		Election District	4									
Type of Expenditure				Justification													
				The two nonpermanent Accounting Clerk III positions will handle the additional accounting duties related to a Retirement Incentive Program (RIP) as follows: member file research; file maintenance, including entering indebtedness, history, and retirement segments into the appropriate system; verification of system output; any adjusting vouchers that are necessary in AKSAS; assisting with the deposits and coding of member indebtedness payments and employer RIP payments; assisting with the member account information that is needed in completing tax excludable statements for the Retirement Section; and any follow through that becomes necessary.													
				The equipment needs are as follows:													
				<table> <tr> <td>2 personal computers</td> <td>\$10,000</td> </tr> <tr> <td>2 microfiche viewers</td> <td>1,600</td> </tr> <tr> <td>2 calculators</td> <td>276</td> </tr> <tr> <td></td> <td><u>\$11,876</u></td> </tr> </table>						2 personal computers	\$10,000	2 microfiche viewers	1,600	2 calculators	276		<u>\$11,876</u>
2 personal computers	\$10,000																
2 microfiche viewers	1,600																
2 calculators	276																
	<u>\$11,876</u>																
				Please refer to page 3 for justification.													
Type of Expenditure				Amount													
1				2		3											
Salary				29,360													
Benefits				3,416													
Premium Pay																	
Other																	
Total Personal Services						32,776											
Travel																	
Contractual (Computer Hook-up fees)						3,280											
Commodities						528											
Equipment						11,876											
Other																	
Total Cost						48,460											
Funding Source for Total Cost																	
Federal Receipts 1002																	
G. F. Match 1003																	
General Fund 1004																	
GF Program Receipts 1005																	
Other PERS 1029						29,076											
IRS 1034						19,384											

4/6K2/012301-9/182

Request For
New Position

Agency Administration
 DRU Retirement and Benefits
 Component Retirement and Benefits

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 Revised Date

FY 90

Position Title Clerk II		No. of Positions 2	Range/Step 7A	Barg. Unit GGU
Time Status FT Nonpermanent	Staff Months 10.0 each = 20.0	Location AWA		Election District 4
Type of Expenditure		Justification		
		These two Clerk II positions are required in the Microfiche Center for the day-to-day file/recordkeeping duties for these new retirees. Duties include: sanitizing and purging files, creating new microfiche files for these retirees from paper documents, creating duplicate microfiche files when requested for the use of division personnel, and filing and refiling all documents.		
		Many calculations affecting members' retirement accounts depend on the files being accurate and up-to-date. The Microfiche Center is currently backlogged.		
Amount				
1	2	3		
Salary	30,900			
Benefits	3,593			
Premium Pay				
Other				
Total Personal Services		34,493		
Travel				
Contractual				
Commodities		440		
Equipment				
Other				
Total Cost		34,933		
Funding Source for Total Cost				
Federal Receipts 1002				
G F Match 1003				
General Fund 1004				
GF Program Receipts 1005				
Other PERS 1029		20,960		
TRS 1034		13,973		

4/6K2/012301-9/384

**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

Page 7 of 9
 Revised Date _____

FY 90

Position Title Retirement and Benefits Technician		No. of Positions 8	Range/Step 12A	Barg. Unit GGU			
Type Status FI Nonpermanent	Staff Months 12.0 each = 96.0	Location AWA		Electing District 4			
Type of Expenditure		Justification					
1	2	3					
Salary	198,912	During the almost two years of managing the first RIP, PERS retirements increased 109%, TRS retirements increased by 151%, projections increased by 235%, correspondence increased by 126%, telephone calls increased by 134% and office visits increased by 147%.					
Benefits	23,136						
Premium Pay							
Other							
Total Personal Services	222,048						
Travel		The additional technical staff will be needed to assist our current staff research member files, prepare projections and retirements, add service that members are eligible to purchase and respond to the many inquiries that we will receive during the concentrated window period of the program.					
Contractual (Computer Hook-up fees)	13,120						
Commodities	1,584						
Equipment	45,904						
Other							
Total Cost	282,656	Equipment needs are as follows:					
Funding Source for Total Cost					8 personal computers \$40,000		
Federal Receipts 1002					6 microfiche viewers 4,800		
G F Match 1003					8 calculators 1,104		
General Fund 1004					\$45,904		
GF Program Receipts 1005		Please refer to page 3 for detailed justification.					
Other PERS 1029	169,594						
Other IRS 1034	113,062						

4/6K2/012301-9/5&6

**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

Page 8 of 9
 Revised Date

FY 90

Position Title Retirement and Benefits Specialist I		No. of Positions 1	Range/Step 13A	Barg. Unit GGU						
Time Status FT Nonpermanent	Staff Months 12.0	Location AWA		Election District 4						
Type of Expenditure		Amount								
1	2	3								
Salary	26,460									
Benefits	3,078									
Premium Pay										
Other										
Total Personal Services		29,538								
Travel										
Contractual (Computer Hook-up fees)		1,640								
Commodities		732								
Equipment		5,138								
Other										
Total Cost		37,048								
Funding Source for Total Cost										
Federal Receipts	1002									
G. F. Match	1003									
General Fund	1004									
GF Program Receipts	1005									
Other PERS	1029	22,229								
TRs	1034	14,819								
<p>Justification</p> <p>During the almost two years of managing the first RIP, PERS retirements increased 109%, TRS retirements increased by 151%, projections increased by 235%, correspondence increased by 126%, telephone calls increased by 134% and office visits increased by 147%.</p> <p>The Retirement Specialist will train and direct the daily activities of the eight additional retirement technicians. They will also be responsible for maintaining a listing of all employees who elect to participate in the RIP and a listing of all employees who are eligible to retire under the RIP. They will also be required to prepare data necessary to calculate actual cost billing information to participating employers.</p> <p>Equipment needs are as follows:</p> <table style="margin-left: 40px;"> <tr> <td>1 personal computer</td> <td style="text-align: right;">\$5,000</td> </tr> <tr> <td>1 calculator</td> <td style="text-align: right;">138</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">\$5,138</td> </tr> </table> <p>Please refer to page 3 for detailed equipment justification.</p>					1 personal computer	\$5,000	1 calculator	138		\$5,138
1 personal computer	\$5,000									
1 calculator	138									
	\$5,138									

4/6K2/012301-9/788

**Request For
New Position**

Agency Administration
 BRU Retirement and Benefits
 Component Retirement and Benefits

Page 9 of 9
 Revised Date

FY 90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act relating to RIP BRU: Finance
 in PERS and TRS.
 Sponsor: Duncan and Kerttula Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	46.9	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	46.9	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 1034 PERS/TRS	0	46.9	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	2	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared By: Keith Busch, Director *Keith H. Busch* Phone: 465-2246
 Division: Finance Date: 3/24/89
 Approved by Commissioner: John M. Andrews *[Signature]* Date: 3/24/89
 Agency: Department of Administration

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

RECEIVED
 MAR 28 1989

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 73 (HESS)

On July 1, 1989, there will be 3,400 State employees eligible for early retirement under this bill. The Division of Finance is responsible for the verification of employment history and the processing of termination pay. Based upon our experience in 1986 and 1987, we anticipate that there could be 1,400 employees participating in the program. We estimate the increased costs to process these employees to be:

Data processing support	\$ 9.0
Two part-time Accounting Technicians I for six months	<u>37.9</u>
Total Cost	\$46.9

All administrative cost for this program will be paid in advance by the participating employer as required by Section 2, page 2, line 27.

Original sponsors: Duncan and Kerttula

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 73 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to retirement incentive programs for
7 the public employees' retirement system and the
8 teachers' retirement system; and providing for an
9 effective date."

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

11 * Section 1. PURPOSE. Since it may be necessary for state agencies and
12 other employers who participate in the state retirement systems to reduce
13 their personal services costs because of declining state revenue, reimple-
14 mentation of the retirement incentive program established by ch. 26, SLA
15 1986, as amended by ch. 76, SLA 1988, encouraging employees to retire
16 voluntarily, will reduce the hardship of layoffs. This program is intended
17 to realize sufficient economies to offset the cost of administration and
18 benefits to state agencies and other employers resulting from the award of
19 retirement credits and to result in a net reduction in personal services
20 costs to the state or other employers during a period of declining revenue.

21 * Sec. 2. RETIREMENT INCENTIVE PROGRAM. (a) An employer may adopt a
22 retirement incentive plan under secs. 3 - 6 of this Act, as appropriate, to
23 designate organizational units of employees eligible to participate in the
24 retirement incentive program.

25 (b) The organizational units of a plan must be selected so that
26 implementation of the plan results in a savings to the employer in personal
27 services costs within three years after the commencement of the plan. The
28 designation may include only representatives from job classifications whose
29 inclusion contributes to the overall cost savings.

1 (c) A member is eligible to participate in the retirement incentive
2 program only if the member is vested, is employed in a position in a des-
3 ignated organizational unit, and will be qualified to retire under AS 14.-
4 25.110 or AS 39.35.370 after receipt of the retirement incentive. To
5 participate, a member shall apply on a form provided by the administrator.

6 (d) A participating employer shall prepare and file the retirement
7 incentive plan with the administrator. The administrator shall approve the
8 plan if it meets the requirements of this section. For state employees
9 other than university employees, the administrator may approve a designated
10 organizational unit only if the office of management and budget certifies
11 that the unit's participation in the plan meets the requirements of (b) of
12 this section. The administrator shall approve the plan if it meets the
13 requirements of this section. The plan must

14 (1) identify organizational units and employees eligible to
15 participate in the program;

16 (2) include a reimbursement agreement that

17 (A) requires the employer, for each employee who is retired
18 under the plan, to reimburse the system within three years after the
19 end of the fiscal year in which the employee is appointed to retire-
20 ment in an amount equal to

21 (i) the actuarial equivalent of the difference between
22 the benefits the participant receives after the addition of the
23 retirement incentive under this section and the amount the par-
24 ticipant would have received without the incentive, less the
25 amount the participant has paid on the indebtedness determined
26 under (e) or (f) of this section; and

27 (ii) an appropriate share of the administrative costs
28 of the program; and

29 (B) provides that contributions from the employer under

1 this section take priority over other obligations of the employer to
2 the maximum extent permitted by law.

3 (e) A member of the teachers' retirement system who participates in
4 the retirement incentive program is indebted to the system. The amount of
5 indebtedness is equal to 21 percent of the member's actual compensation for
6 the school year, or the calculated school year compensation for a member
7 who works less than the entire school year, for the school year in which
8 the member terminates employment to participate in the program. An out-
9 standing indebtedness at the time a participant is appointed to retirement
10 will require an actuarial adjustment to the benefits payable.

11 (f) A member of the public employees' retirement system who partici-
12 pates in the retirement incentive program is indebted to the system. The
13 amount of indebtedness is equal to 22-1/2 percent for a peace officer or
14 fireman, and 20-1/4 percent for other members, of the member's actual
15 annual compensation, or the calculated annual compensation for a member who
16 works fewer than 12 months, for the year in which the member terminates
17 employment to participate in the program. An outstanding indebtedness at
18 the time a participant is appointed to retirement will require an actuarial
19 adjustment to the benefits payable.

20 (g) A participant in the retirement incentive program receives a
21 credit of three years. The three years must be applied in the following
22 order until exhausted:

23 (1) to meet the age or service required for eligibility for
24 normal retirement under AS 14.25.110 or AS 39.35.370, as appropriate;

25 (2) to meet the age required for early retirement under AS 14.-
26 25.110 or AS 39.35.370, as appropriate;

27 (3) to reduce the actuarial adjustment required for early re-
28 tirement under AS 14.25.110 or AS 39.35.370, as appropriate;

29 (4) as years of credited service for calculating retirement

benefits.

(h) Except as provided in sec. 7 of this Act, in the determination of whether a member will qualify to retire under this section, credited service may include only,

(1) for members of the teachers' retirement system, service credit for employment rendered to an employer, territorial service under AS 14.25.105, and Alaska BIA service under AS 14.25.107;

(2) for members of the public employees' retirement system, service credit for employment rendered to an employer.

* Sec. 3. AUTHORIZATION FOR STATE EMPLOYEE RETIREMENT INCENTIVE. (a) A state agency is authorized to adopt a retirement incentive plan for its employees. A plan adopted under this section shall permit a designated employee to apply to the retirement incentive program under sec. 2 of this Act only from September 30, 1989, through March 31, 1990.

(b) The plan may not permit an employee who is the commissioner, a deputy commissioner, or assistant commissioner of a state department to participate.

(c) A plan adopted under this section may only permit participation by an employee who is otherwise qualified and who

(1) has been continuously employed by the state since January 1, 1989;

(2) was laid off from state employment on or after January 1, 1989;

(3) is a permanent seasonal employee continuously employed by the state in the permanent seasonal position during all of the time since January 1, 1989, in which the position normally was filled;

(4) has a job sharing agreement with a state agency in which two or more employees share a single position identified by a single position control number and in which the employee choosing to participate was

1 continuously employed by the agency during all of the time since January 1,
2 1989, in which the employee normally worked under the job sharing agree-
3 ment; or

4 (5) meets a combination of the requirements of this subsection.

5 (d) Under a plan adopted under this section, the administrator may
6 not accept the application of an employee unless the employee will be
7 appointed to retirement on or before November 1, 1990.

8 (e) In this section "state agency" does not include the University of
9 Alaska or an entity covered by sec. 4 of this Act.

10 * Sec. 4. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES IN
11 THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM. (a) The governing body of a
12 political subdivision of the state or a public organization that has elect-
13 ed to participate in the public employees' retirement system under AS 39.-
14 35.550 - 39.35.650 is authorized to adopt a retirement incentive plan for
15 its employees under sec. 2 of this Act. A plan adopted under this section
16 shall permit designated employees to apply to the retirement incentive
17 program under sec. 2 of this Act from September 30, 1989, through March 31,
18 1990.

19 (b) Under a plan adopted under this section, the administrator may
20 not accept the application of an employee unless the employee will be
21 appointed to retirement on or before November 1, 1990.

22 * Sec. 5. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR THE EMPLOYEES OF
23 THE UNIVERSITY OF ALASKA. (a) The Board of Regents of the University of
24 Alaska is authorized to adopt a retirement incentive plan for its employ-
25 ees. A plan adopted under this section shall permit designated employees
26 to apply to the retirement incentive program under sec. 2 of this Act from
27 June 30, 1989, through December 31, 1989.

28 (b) Under a plan adopted under this section, the administrator may
29 not accept the application of an employee unless the employee will be

1 appointed to retirement on or before August 1, 1990.

2 * Sec. 6. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER EMPLOYEES IN
3 THE TEACHERS' RETIREMENT SYSTEM. (a) An employer under the teachers'
4 retirement system who is not otherwise covered by secs. 3 or 5 of this Act
5 is authorized to adopt a retirement incentive plan for its employees under
6 sec. 2 of this Act. A plan adopted under this section shall permit des-
7 ignated employees to apply to the retirement incentive program under sec. 2
8 of this Act only from June 30, 1989, through December 31, 1989.

9 (b) Under a plan adopted under this section, the administrator may
10 not accept the application of an employee unless the employee will be
11 appointed to retirement on or before August 1, 1990.

12 * Sec. 7. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.
13 Notwithstanding other provisions of law, a vested member who is a state
14 employee and is participating in the retirement incentive program may
15 receive credit for employment with a political subdivision or public orga-
16 nization before the political subdivision or organization became an em-
17 ployer under the system for purposes of determining eligibility for retire-
18 ment under AS 14.25.110 or AS 39.35.370, as appropriate. The member may
19 not receive credit for those years under this subsection for purposes of
20 determining benefits. In order for a state employee to receive credit
21 under this subsection, the employee's participation in the program must
22 contribute to the overall cost savings of the agency.

23 * Sec. 8. RECOVERY OF EMPLOYER DELINQUENCIES. To recover a delinquency
24 owed by an employer other than the state under an agreement entered under
25 sec. 2(d)(2) of this Act, the Department of Administration may

26 (1) bring an action against the employer; or

27 (2) direct that the amount of the delinquency or a lesser amount
28 be withheld from any money payable to the employer by a state department or
29 agency and that the amount withheld be credited to the delinquency.

1 * Sec. 9. REEMPLOYMENT INDEBTEDNESS AND REEMPLOYMENT PROHIBITION. (a)

2 If a participant in the retirement incentive program is reemployed as a
3 member of the public employees' retirement system under AS 39.35 or the
4 teachers' retirement system under AS 14.25 after appointment to retirement
5 under the program, the participant loses the incentive credit received
6 under sec. 2(g) of this Act and is indebted to the system. The amount of
7 the indebtedness is equal to 110 percent of the amount the participant
8 received as a result of participation in the program to which the partici-
9 pant was not otherwise entitled, including the cost of health insurance.
10 The participant is entitled to a credit to be applied against the reemploy-
11 ment indebtedness in the amount the participant has paid under sec. 2(e) or
12 (f) of this Act. Interest accrues on the indebtedness at the rate estab-
13 lished by regulation from the date of reemployment until the member is ap-
14 pointed to retirement and accepts an actuarial adjustment to the member's
15 future benefits or until the amount is paid in full.

16 (b) For one year after the date on which an employee who participated
17 in the program retired, the participant may not be employed by or enter
18 into a contract for personal services with a state department or agency
19 other than a personal services contract with the University of Alaska.
20 This subsection does not prohibit the university from entering into a
21 personal services contract with an employee who has participated in the
22 program during the year immediately following the employee's retirement.

23 * Sec. 10. OFFICE OF MANAGEMENT AND BUDGET. When designating an orga-
24 nizational unit for participation in the retirement incentive program, the
25 executive head of a state agency shall describe in detail the expected
26 effect of the program on the agency's personal services cost and operation.
27 This report shall be filed with the office of management and budget. For
28 each employee who will receive credit for employment under sec. 7 of this
29 Act, the agency head shall establish to the satisfaction of the office that

1 the proposed participation contributes to the overall agency cost savings.
2 The agency shall report as required by the office of management and budget
3 on the cost of each member's participation and the effect on the agency's
4 personal services cost and operation. The office of management and budget
5 shall submit to the legislature annual reports on the retirement incentive
6 program beginning on January 15, 1991, and continuing through January 15,
7 1993, and shall submit a final report on January 15, 1994. Each report
8 shall provide the information necessary for the legislature to evaluate the
9 effectiveness of the program in achieving its objectives. The report
10 should include information on the designated organizational units under the
11 retirement incentive plans including the cost of the retirement incentive
12 program per participant, the cost to the state, the cost to the employee,
13 the annual budgeted amount by agency for the retirement incentive, and the
14 projected or actual net savings over the three-year period.

15 * Sec. 11. PROGRAM CHANGES. An employee does not have a vested or
16 contractual right to any benefit under this Act until an agreement is
17 executed with the administrator that permits the benefits to be offered to
18 an organizational unit of which the employee is a member. The legislature
19 reserves the right to change any aspect of the incentive program as it
20 relates to members of organizational units for which participation agree-
21 ments are executed by the administrator after the effective date of the
22 changes.

23 * Sec. 12. TIMELY APPLICATION. A member who is eligible under secs.
24 2 - 7 of this Act and who has submitted a timely application for participa-
25 tion in the retirement incentive program may be considered for participa-
26 tion in the program notwithstanding sec. 14 of this Act.

27 * Sec. 13. DEFINITIONS. The definitions set out in AS 14.25.220 apply
28 to this Act for members of the teachers' retirement system. The defini-
29 tions set out in AS 39.35.680 apply to this Act for members of the public
CSSB 73(Fin)

1 employees' retirement system.

2 * Sec. 14. Sections 1 - 7 of this Act are repealed July 1, 1991.

3 * Sec. 15. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

March 23, 1989

SUBJECT: Sectional analysis of CSSB 73(HESS)
(Retirement incentive program)

TO: Senator Jim Duncan

FROM: Teresa B. Cramer *JBC*
Legislative Counsel

You have requested a sectional analysis of CSSB 73(HESS), establishing a retirement incentive program.

Section 1 states that the purpose of the program is to reduce the hardship of layoffs caused by declining state revenue.

Section 2 establishes a retirement incentive program. Under subsection (a), an employer may designate organizational units of eligible employees. Subsection (b), limits the organizational units to units in which implementation of the plan will result in a savings in personal services within three years. Under subsection (c), employees who participate must be vested, in a designated organizational unit, and eligible to retire after the retirement incentive is added to their service.

Subsection (d) sets out the requirements that a retirement incentive plan must meet before the administrator of the division of retirement and benefits may approve the plan. Under paragraph (d)(2), the plan must include an agreement that requires the employer to reimburse the retirement system for the costs of the incentive granted to each employee.

Under subsections (e) and (f), employees who receive a retirement incentive must pay the amount they would have paid in retirement contributions for the three years of incentive. Subsection (e) applies to members of the Teachers' Retirement System (TRS). Subsection (f) applies to members of the Public Employees' Retirement System (PERS).

- SECTIONAL ANALYSIS CSS(HESS)

Under subsection (g), each participant receives three years of credit to use to meet eligibility requirements for retirement or to increase the amount of benefits to which the employee is entitled.

Under subsection (h), in determining whether an employee in TRS is eligible to retire, only service credit for an employer, territorial service, and Alaska BIA service may be counted. This excludes outside service and military service. For employees in PERS, only service credit for an employer under the PERS definition may be used in determining eligibility to retire. However, under section 7, certain state employees may receive credit for employment with a political subdivision or public organization before the political subdivision or public organization began to participate in TRS or PERS.

Section 3 authorizes state agencies to adopt retirement incentive plans to be in operation from September 30, 1989, to March 31, 1990. Participation is limited to employees who have been continuously employed by the state since January 1, 1989 or who were laid off on or after that date. Commissioners, deputy commissioners, and assistant commissioners are not eligible to participate. Employees who participate must be appointed to retirement on or before November 1, 1990.

Section 4 authorizes the governing body of a political subdivision or a public organization participating in PERS to implement a retirement incentive plan from September 30, 1989 through March 31, 1990. A participating employee must be appointed to retirement on or before November 1, 1990.

Section 5 authorizes the Board of Regents to adopt a retirement incentive plan for the University of Alaska. Applications will be accepted only from June 30, 1989, through December 31, 1989 and participants must be appointed to retirement on or before August 1, 1990.

Section 6 authorizes employers under TRS who are not covered by the authorization for the state or the university to adopt a retirement incentive plan, to be in operation from June 30, 1989, through December 31, 1989. Participants must be appointed to retirement on or before August 1, 1990.

Section 7 permits certain vested state employees to receive credit for service with a political subdivision or public organization before the political subdivision or organization began to participate in the retirement system. The credited service can only be used to determine eligibility to retire. Use of this credited service is limited to employees whose retirement contributes to the overall cost savings of the agency.

Section 8 sets out remedies the state may use to collect the employer's share of the costs of the program.

Section 9 establishes penalties for a person who has retired under the retirement incentive program if the person returns to work in any job that is covered by either PERS or TRS. Subsection (b) prohibits a participant in the retirement incentive program from being employed by or entering into a personal services contract with the state for one year after the person retired.

Section 10 requires state agencies to report to the Office of Management and Budget on the effect of the retirement incentive program on the agency's personal services cost and operation. OMB is required to report to the legislature from 1991 to 1994 on the effect of the program on state operations and personal services costs.

Section 11 makes clear that an employee does not have a right to receive a retirement incentive until the organizational unit in which the employee works has been designated and a participation agreement signed.

Section 12 permits eligible TRS and PERS members who file timely applications to participate in the retirement incentive program even though the program is repealed in bill section 14.

Section 13 applies the TRS and PERS definitions to this bill.

Section 14 repeals the retirement incentive program and authorizations on July 1, 1991.

Section 15 is an immediate effective date clause.

If I may be of further assistance, please advise.

3/31/89

A M E N D M E N T

OFFERED IN THE SENATE

BY DUNCAN

TO: CSSB 73 (HESS)

Page 7, line 18, after "agency":

Insert "other than a personal services contract with the University of Alaska. This subsection does not prohibit the university from entering into a personal services contract with an employee who has participated in the program during the year immediately following the employee's retirement"

*Addresses concern of UofA
as expressed by Wendy
Redman*

JD: Moved

No Ob

ADOPTED

CS (Fin)

3/31/89

Duncan

(at request of
Hebling)

ADOPTED

SB 73 - LETTER OF INTENT 3/31/89

IT IS THE LEGISLATURE'S INTENT THAT THE OFFICE OF MANAGEMENT AND BUDGET ONLY ALLOW DIRECTORS TO PARTICIPATE IN THE RETIREMENT INCENTIVE PROGRAM IF THEY ARE LONG-TERM, CAREER STATE EMPLOYEES AND THAT EACH DIRECTOR POSITION WHICH IS ALLOWED TO PARTICIPATE DEMONSTRATE AN OVERALL COST SAVINGS FOR THEIR AGENCY.

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510 • (907) 586-1083

March 28, 1989

Senator John Binkley, Co-Chair
Senator Rick Uehling, Co-Chair
Senate Finance Committee
Box V
Juneau, Alaska 99811

Re: Senate Bill 73 - An Act relating to retirement incentive programs for the public employees' retirement system and the teachers' retirement system.

Dear Senators Binkley and Uehling:

The Association of Alaska School Boards would like to lend its support to SB 73, which would reimplement the retirement incentive program established in 1986.

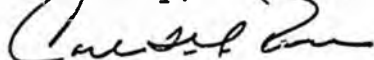
When school districts around the state were faced with a serious reduction in revenues in 1986 they were able to realize considerable savings and reduce professional staff through attrition by encouraging the use of the retirement incentive program.

Districts are still in a position of trying to cut budgets, but find that there are not many areas that they have much latitude to cut. By having the opportunity to utilize the retirement incentive program again, economies could possibly be effected.

We would encourage the Senate Finance Committee to take favorable action on this bill.

Thank you for your consideration.

Sincerely,



Carl F.N. Rose
Executive Director

Alaska State Legislature

Senate Advisory Council



PO. Box V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

MEMORANDUM

TO: Senator Mitch Abood
Alaska State Senate

ATTN: Carol Horos

FROM: Paula d. Scavera 
Researcher

DATE: March 13, 1987

RE: Retirement Incentive Program

Attached are my findings on the people who have retired under the Retirement Incentive Program. I have also included comments from various personnel officers on how RIP is working or not working in their departments and school districts.

I was not able to include the University retirees in my research, because my letter of February 19, 1987 (copy attached) was never answered, nor were any of my phone calls.

If you have any questions, please contact me.

Attachment:

RETIREMENT INCENTIVE PROGRAM (RIP)

The benefits and costs of the Early Retirement Incentive Program can be looked at from several angles as different departments had different philosophies on what the objectives were for this particular program. One school district has a formula that if a persons age and years of service equaled 70, then you qualify. Using this formula the school district immediately is able to show whether there is a savings on someone who fills that position. No other department or school district has a similar approach on who qualifies for RIP and who doesn't. I did not come across any other formulas.

The school districts and state departments also have different unions and personel rules. In general, school districts have more flexibility by filling positions at a lower pay scale. When a teacher with many years of service at the highest pay scale retires, the school district can hire a teacher right out of college at the lowest pay scale showing significant savings. State employee union and personel rules dictate that when a position is open in state government, the position is available to other state employees regardless of years of service. The position can be filled at a lower, equal, or even higher pay step, resulting in less cost savings, if any at all.

Chart 1 shows that there are 165 vacancies within the retiree positions. These positions are vacant for various reasons which include:

1. To help relieve the "budget crisis".
2. To help pay for a position somewhere else that was filled at a higher range or step.
3. The position may be deleted or,
4. Position not filled yet, recruitment in progress.

There are as many state personnel officers opposed to extending the program as there are in favor of extending the program. Some personnel officers indicate that if the program is extended the "old timers will stay till the very end, and we need them to leave now for the savings".

Chart 2 shows exempt positions that retired under the Retirement Incentive Program.

The "Other" column includes exempt positions with commissions and corporations that are contained within these departments.

Those departments not listed did not have any exempt employee that retired under RIP. I might add that one department's personnel officer had the understanding that exempt employees were not eligible for the RIP program.

Chart 3 is a list of the state employees that retired under RIP and the department's cost was more than \$ 50,000.

School district personnel officers made the most comments on whether or not RIP was working. They pointed out that there is bigger savings in their Teacher Retirement/RIP as opposed to their Public Employee/RIP.

I talked to nine school districts with the largest number of retired teachers. They all agreed that there are substantial savings as they could hire teachers at the lowest pay scale to fill the highest pay scale retirees because of the flexibility of the hiring regulations. Two of the personnel officers were adamant that RIP not be extended until next year or the year after. The school district finds it necessary to get rid of their highest paid teachers now, since they desperately need the savings. In fact one school district is paying a monetary bonus if a teacher will sign up for RIP before the end of this month (the bonus is based at \$50 per year of service and 2% of the teacher's salary).

Since the Anchorage School District has not performed any analysis or tracking of their RIP positions, Chart 4 does not include the Anchorage School District.

STATUS OF POSITIONS VACATED BY RIP

AGENCY	*DELETED	VACANT	FILLED AT HIGHER RANGE	FILLED AT HIGHER STEP	FILLED AT LOWER RANGE	FILLED AT LOWER STEP	CHANGED FROM FULLTIME TO PARTTIME	FILLED AT LOWER MONTHLY SALARY	FILLED AT EQUAL RANGE \STEP	TOTAL

Governor	2		**2				1			5
Revenue		4		1	1	4		1		11
M. Affair	1				1					2
Correc.		2			4	7				13
CRA		1							1	2
LEG.AFF.	3	1								4
DEC		1				1			1	3
LAW	2	1								3
DOT	9	69	1	3	3	44			13	142
DNR	15	2				6			3	26
COMM.	4	3			1	1			2	11
LEG.Audit	1									1
Labor	2	7		1		4			1	15
ADMIN	5	5			7	10	2			29
EDUC	6	6	1		1	3				17
P.Safety	2	26				14				42
HESS	3	30		2	6	31			1	73
Fish&Game	11	7	2		3	8			2	33
TOTALS	66	165	6	7	41	119	3	1	24	432

*Deleted in FY 87 or FY 88 Budget
 ** 1 of these positions is now vacant

EXEMPT EMPLOYEES RETIRED UNDER RIP

CHART 2

Agency	Commissioner	Deputy Commissioner	Director	Other	TOTAL

Governor				5	5
Revenue				1	1
Education			1		1
DOT		1	3		4
Corrections			1		1
CRA	1				1
Public Safety	1		3		4
Leg. Affairs				4	4
Leg. Audit				1	1
Fish & Game			1	2	3
DNR			3		3
Commerce				4	4
DEC			1		1
Admin			3	1	4
HESS				1	1
TOTALS	2	1	16	19	38

EMPLOYEES RETIRED UNDER RIP
THROUGH FEBRUARY 1, 1987
WITH EMPLOYER COST HIGHER THAN \$50,000

AGENCY	NAME	EST COST
Department of Administration		
	Krefting, Carl T.	\$ 64,545
	Wheeler, Micheal H.	78,707
Department of Revenue		
	Kimlinger, Ralph W.	62,592
Department of Health and Social Services		
	Smith, Eugene A.	59,704
	McCombs, Jack G.	53,005
	Eldemar, Mary	64,625
	Jenkins, Peter	54,872
Department of Military Affairs		
	Hoyt, John V.	71,468
Department of Natural Resources		
	Gallamore, Paul	56,185
Department of Fish and Game		
	Pegau, Robert E.	56,995
	Eaton, Martin Frank	57,170
	Gwartney, Louis A.	52,600
	Moberly, Stanley A.	73,559
Department of Public Safety		
	Preston, Charles	55,001
	Johnston,	54,119
	Lucking, John	89,433
	Rieth, Lewis	65,793
	Koziczowski, Stanley	57,513
	Henslee, Lawrence	63,988
	Miller, Charles E.	55,180
	Detemple, Joseph	66,297
	Short, Floyd	52,281
	Brown, Robert	55,264

Troutman, Mark	\$ 55,134
Kolivosky, Michael	50,987
Barnard, Samuel	90,337
Cole, George B.	57,597

Department of Transportation

Harrington, Basil R.	58,358
Jennings, Kenneth	55,769
Johnson, Donald	54,928
Dittman, William S.	79,947
Ross, Doyle W.	84,276
Whitehead, Jack G.	58,855
Wiebe, Ray	54,773
Paul, Eldred	51,567
Cameron, Harold A.	86,455
Vanness, Michael C.	51,907
Koebelin, Howard	60,349
Benham, Loran	51,369
Johnson, Melvin	65,367
Bellville, Maurice G.	71,265
Brown, Wilson E. Jr.	53,374
Sparks, Warren S.	80,653
Davis, Paul R.	52,819
Banks, Robert F.	92,080
Gill, Larry S.	78,378

UNIVERSITY PERS

Brooks, Glenn P.	52,807
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STATUS OF TEACHING POSITIONS VACATED BY RIP

CHART 4

SCHOOL DISTRICT	DELETED POSITIONS	FILLED AT HIGHER PAY SCALE	FILLED AT LOWER PAY SCALE	FILLED AT EQUAL PAY SCALE	TOTAL

Fairbanks	1		15		16
Kodiak		1	3		4
Nenana	1		2	1	4
Mat-Su	6		1	2	9
Sitka			1		1
Kenai	7		7		14
Cooper River	2		4	1	7
Juneau			3		3
TOTALS	17	1	36	4	58

Alaska State Legislature

Senate Advisory Council



PO Box V
State Capitol
Juneau, Alaska 99811
Phone (907) 465-3114

February 20, 1987

Wendy Redman, Acting Director
Human Resource Development
University of Alaska
1 Bunnell Building
Fairbanks, AK 99775

Dear Ms. Redman;

The Senate Advisory Council has been requested to research the Early Retirement Incentive Program. Specifically what happened to the position that the retiree held? Was the position filled by an individual at a lower or equal pay scale? Or was the position filled by someone at a higher pay scale and savings taken from a position elsewhere in the department?

Enclosed you will find a list of the people in your department who retired under the Early Retirement Incentive Program. Your timely response in answering the above questions concerning the positions and people listed would be greatly appreciated.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paula D. Scavera".

Paula D. Scavera
Researcher

PDS:jts

Enclosure

DIVISION OF RETIREMENT AND BENEFITS
 UNIVERSITY OF ALASKA PERS AND TRS
 EMPLOYEES RETIRED UNDER RIF
 THROUGH FEBRUARY 1, 1987

UNIVERSITY PERS

SHUE, JANE	86-11	RF 13-00-01	4124
DOWDING, FIELDER G	86-11	RF 13-00-01	4241
CROWE, RONALD G.	86-11	RF 13-00-01	20774
TAYLOR, YOUNG S	86-11	RF 13-00-01	10981
LANGFELDT-HAALAND, S	86-11	RF 13-00-01	19470
WATSON, JEANNE A	86-11	RF 13-00-01	11633
LAMBERT, MARGARET M	86-11	RF 13-00-01	13037
HENDRICKSON, JAMES A	86-11	RF 13-00-01	29293
NETTLE, ROBERT W	86-11	RF 13-00-01	18507
MANSELL, CLARKE S	86-11	RF 13-00-01	23977
OUTCALT, DAVID L	86-11	RF 13-00-01	11420
SMALL, GEORGE E	86-11	RF 13-00-01	13903
ALLISON, CAROL W	86-11	RF 13-00-01	20914
ANDERSON, JOY M	86-11	RF 13-00-01	22825
CHALDER, CHRISTINE A	86-11	RF 13-00-01	4190
HONG, YANG M	86-11	RF 13-00-01	4591
GRANT, JULIUS	86-12	RF 13-00-01	23735
PFISTERER, FRITZ	86-12	RF 13-00-01	7735
MENDENHALL, KEITH J	86-12	RF 13-00-01	16455
SHILLING, ANNA F	86-12	RF 13-00-01	45767
NELSON, JOAN	86-12	RF 13-00-01	17662
BLAHUTA, LUDVIK A	86-12	RF 13-00-01	25278
KIRKMAN, BURREL G	86-12	RF 13-00-01	28255
LANDERS, JAMES E	87-01	RF 13-00-01	19016
DAVIS, CHARLES	87-01	RF 13-00-01	13049
ATKINS, WILBUR E	87-01	RF 13-00-01	21584
RIEWE, DOLLY V	87-01	RF 13-00-01	20689
LYTLE, RICHARD F	87-01	RF 13-00-01	24526
BROOKS, GLENN F	87-01	F 13-00-01	52807
OWENS, LUKE	87-02	F 13-00-01	10212
SFOONER, MARLENE W	87-02	F 13-00-01	27882

TOTALS 31 RETIREES

588,392

UNIVERSITY TRS

DE STEFANO, PETER	86-11	RT 33-00-01	17182
MCLAUGHLIN, LAUREL	87-01	T 33-00-01	37256
MOORE, ANNABELLE F	87-01	RT 33-00-01	21728
FULLER, WILLIAM B	87-01	RT 33-00-01	19024
FENNERAKER, WILLIAM	87-01	T 33-00-01	21551
LOGAN, FORDYCE B JR	87-01	RT 33-00-01	17221
SMITH, JAMES A	87-01	RT 33-00-01	29466

STETSON, MARGUERITE 87-02 T 33 00-01 26923

TOTALS 15 RETIREES 355,550

BY DAVE STOUT 2/13/87

PROVIDED BY SENATOR ~~JIM DUNCAN~~ 3/1/89

PUBLIC EMPLOYEES' RETIREMENT SYSTEM RETIREMENT
INCENTIVE PROGRAM AUDIT

SUMMARY OF SCHEDULE OF RIP COST SAVINGS, PAGES 9-11

TOTAL POSITIONS MATCHED WITH FY 89 PAYROLL FILE:

731 POSITIONS	
SALARY OF RIP RETIREES	\$30,147,783
SALARY OF CURRENT OCCUPANTS	<u>26,847,437</u>
SAVINGS/LOSS	\$ 3,300,346

TOTAL POSITIONS NOT BUDGETED IN FY 89 PACS FILE:

158 POSITIONS	
SALARY OF RIP RETIREES	\$7,378,704
SALARY OF CURRENT OCCUPANTS	<u>0</u>
SAVINGS/LOSS	\$7,378,704

TOTAL POSITIONS BUDGETED IN PACS FILE BUT CURRENTLY UNFILLED:

83 POSITIONS	
SALARY OF RIP RETIREES	\$3,265,215
SALARY OF CURRENT OCCUPANTS	<u>0</u>
SAVINGS/LOSS	\$3,265,215

3/29/89 xm

THE FOLLOWING DOCUMENT HAS
NOT BEEN FILMED BUT IS
AVAILABLE IN THE ORIGINAL
FILE

A REPORT ON THE
DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREMENT INCENTIVE PROGRAM

May 16, 1986 - October 1, 1987

Audit Control Number

02-1327-89-S

Commissioner, Department of
Administration

John M. Andrews

Deputy Commissioners, Department
of Administration

Charles E. Taylor
James J. Fox

STATE OF ALASKA

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

AUDIT DIVIS. 3N
P.O. BOX W
JUNEAU, ALASKA 99811-3300

February 8, 1989

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska
Statutes, the attached report is submitted for your review.

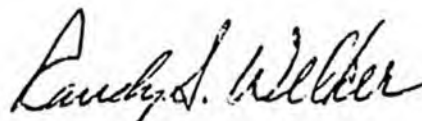
A REPORT ON THE
DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREMENT INCENTIVE PROGRAM

May 16, 1986 - October 1, 1987

Audit Control Number

02-1327-89-S

As stated in the Report Objectives, Scope, and Methodology
Section, the Audit primarily involved determining the
estimated cost savings to the State of Alaska as a result of
state employees enrolled in the Public Employees' Retirement
System and participating in the Retirement Incentive Program
as enacted by Chapter 26, SLA 1986. This audit was con-
ducted in accordance with generally accepted governmental
performance auditing standards.



Randy S. Welker, CPA
Legislative Auditor
Division of Legislative Audit

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Organization and Function	5
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REPORT OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with the provisions of Title 24 of the Alaska Statutes, a review was conducted to determine the estimated cost savings resulting from State of Alaska employees participating in the Retirement Incentive Program (RIP). The objectives, scope, and methodology of our review were as follows:

Objectives

Chapter 26, SLA 1986 created a retirement incentive program for members of the Public Employees' Retirement System and Teachers' Retirement System. The stated purpose of this legislation, effective May 16, 1986 was:

Since it is necessary for state agencies and may be necessary for other employers who participate in the state retirement systems to reduce their personal services costs because of declining state revenue, a program encouraging employees to retire voluntarily may reduce the hardship of layoffs. This program is intended to realize sufficient economies to offset the cost of administration and benefits to the state agencies and other employers resulting from the award of retirement credits and to result in a net reduction in personal services costs to the state or other employer during a period of declining revenue.

The objective of our review was to determine the amount of cost savings as a result of state employees participating in RIP. The scope of our review and methodology used to meet this objective follows.

Scope and Methodology

All executive branch employees (excluding the University of Alaska) enrolled in the Public Employees' Retirement System, participating in RIP between May 16, 1986 to October 1, 1987, and having position control numbers (PCNs) were reviewed.

In order to calculate the estimated cost savings in personal service costs as a result of employees participating in RIP, we obtained a listing of retirees from the Department of Administration, Division of Retirement and Benefits. The listing, dated November 9, 1987 provided us with the retiring employee's name, social security number, and employer's RIP cost by department.

A computer match of social security numbers with the State's payroll history file was done in order to identify the PCN from which the employee retired. The match also provided us with the monthly salary or hourly rate the employee was paid. To derive at an annual salary, monthly employees' salaries were multiplied by 12 months, if budgeted for 12 months, and hourly employees' salaries were multiplied by 1,950 hours, if budgeted for 12 months. The match of social security number to PCN showed that some employees did not have a PCN such as retirees from the Permanent Fund Corporation and marine employees. These were excluded from our analysis.

The new listing of PCNs generated above was matched with the State's payroll history file for the period August 1988 through December 1988. If a match occurred, we determined the annual salary of the current occupant based on the monthly/hourly rate. In addition, we matched the PCN with the FY 89 PACS (Position Accounting Control System) file that is maintained by the Office of the Governor, Office of Management and Budget. This match provided us with the number of months a position was budgeted.

In order to show a more accurate comparison of annual salary savings, we adjusted the annual salary for the retired employee and the current employee if the number of months budgeted was less than twelve. The salary of employees retiring from PCNs that remain vacant or was unbudgeted in the FY 89 PACS file is considered as a savings because there are no current costs associated with the vacated PCN. Furthermore, our review did not indicate that employees retired from positions currently vacant had been replaced with a new position which is currently filled.

Next, we compared the retired employees' salaries to the current occupants' salaries by position to determine if the participation in RIP resulted in a "savings" or "loss." "Savings" is defined as the current occupant's salary being less than the retired employee's salary. "Loss" is defined as the current occupant's salary being greater than the retired employee's salary.

In the final analysis, total savings/loss by department was multiplied by three years because the State had three years to pay for the employer's share of the RIP cost, although the benefit could affect more than three years. The employer's net cost of RIP by department which excludes the cost for positions not included in the comparison was compared with the department's three-year savings/loss in order to arrive at a net savings/loss.

Limitations

In addition to the methodology used to determine the cost savings of the RIP program, the following are some limitations we identified.

1. Our computation of savings only shows the savings in the position that retired. It doesn't take into account the savings from other positions affected within the State if the position was filled by another state employee.
2. Some positions were reclassified after the employee was retired. Consequently, the cost savings/loss comparison may be skewed for these positions.
3. Our comparison excludes employees in which the PCN had more than one employee participate in RIP. In those instances, only the first employee to participate in RIP and the current occupant were presented on the schedule.
4. The calculation of savings/loss was only determined for annual salaries; employee benefits are not included. In addition, the effect of employee merit increases during the year was excluded.
5. The net cost of RIP represents the employer's cost excluding administrative charges for those positions we analyzed.
6. Some executive branch employees took mandatory and voluntary pay cuts prior to retiring while the current occupant's salary in that position reflects the reinstated salary. We did not adjust our schedule for these differences.

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ORGANIZATION AND FUNCTION

Chapter 26, SLA 1986 became effective on May 16, 1986 and created a retirement incentive program for members of the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS). The program provided for vested members of each retirement system, who were eligible to retire within three years, a credit of three years. The aim of the program was to reduce personal service costs and to minimize the number of involuntary layoffs.

The Office of the Governor, Office of Management and Budget (OMB), Division of Budget Review issued detailed guidelines on June 11, 1986 to state agencies to follow in implementing the Retirement Incentive Program (RIP). Employees wishing to participate in the program had to meet three requirement levels in order to qualify for RIP.

1. Personal Eligibility - Basic requirements of age, length of service, and status with regard to PERS or TRS had to be met.
2. Designated Organizational Units - The individual had to be employed in a position falling within an agency assigned job classification, and authorized in and paid from a designated organizational unit. Savings then had to be shown to occur within job classifications within designated organizational units before any individual could retire under the program. Agencies were given complete freedom to select job classifications and organization units of the greatest or least detail.
3. Certification of Savings - Agencies were required to forward evidence of cost savings to OMB based on the job classifications and organizational units participating in RIP. Once OMB certified the savings, funds could be encumbered to pay for the cost of RIP.

In calculating the savings, OMB required agencies to include all those individuals meeting personal eligibility requirements and who wished to participate in the program. Within a job classification and designated organizational unit either all those individuals must have been able to participate or none could. In other words, an organizational unit could not be designated unless all those who met basic requirements and wanted to participate were included in the calculation of savings.

Savings could be achieved in one of four ways. A position held by a person retiring under the program could be filled by someone at a lower step or range within its existing job class; the position could be reclassified downward; or the position could be held vacant. In addition, agencies could consider a savings for a position held vacant even though it was not last filled by someone retiring under the program.

Because payment of the participant costs to the Division of Retirement and Benefits must have been made within three years of the end of the fiscal year in which he or she retired, agencies could calculate savings stemming from lower range, lower step, and vacancy over four full years rather than three, beginning with the fiscal year in which the retirement took place. According to OMB, the generous rounding was due to the fact that the State would benefit financially long after the three year payment period ended.

AUDITOR'S CONCLUSIONS

Comparing the salaries of employees participating in the Retirement Incentive Program (RIP) with the salaries of replacement employees and positions remaining vacant shows the State benefited in a reduction of personal service costs. Taking into consideration the employer's cost to credit the retired employees with three years of service produces an estimated net savings of \$14,449,000 over three years. (See Schedule of RIP Cost Savings/(Loss) on page 9 of this report.)

Except for the Department of Corrections and the Department of Community and Regional Affairs, all executive branch agencies we reviewed showed a net savings to the State. For the most part this exception was due to OMB allowing agencies to calculate their savings over a four-year time period whereas our calculations were based over a three-year period. (See Report Objectives, Scope, and Methodology section of this report.) In addition, provisions were made by OMB that agencies could demonstrate savings by keeping open a vacated position even though the employee did not retire through the RIP program. We did not identify these positions or follow that methodology for calculating savings.

Net cost savings by state agency were mainly generated by the replacement of employees whose salary was based on longevity with employees paid at lower rates, the reclassification of positions to lower pay ranges, and leaving positions vacant. Positions employees retired from and currently occupied by an employee resulted in lower annual salaries for all agencies, except for the Office of the Governor. Current salaries in the Governor's Office were greater by \$1,000 in those positions where employees retired. We believe this variance is due to the retiring employee's salary reflecting a 10 percent pay cut while the current occupant's salary is after the pay cuts were restored.

Review of some individual significant variances in pay between the retired employee's salary and the current employee's salary indicated the variances were mainly caused by position reclassifications. We did not determine the justification for these position reclassifications.

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STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREMENT INCENTIVE PROGRAM (RIP)
SCHEDULE OF RIP COST SAVINGS/(LOSS)
May 16, 1986 to October 1, 1987

Description	Number of Positions	Salary of RIP Retiree	Current Occupant's Salary of Position Vacated	Difference - Savings (Loss)	Savings (Loss) Over Three-Year Period	Net Cost of RIP	Three-Year Net RIP Savings (Loss)
Office of the Governor							
Positions Matched with FY 89 Payroll File	3	\$ 121,368	\$ 122,412	\$ (1,044)	\$	\$	\$
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	2	83,568	-0-	83,568			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	2	83,568	-0-	83,568			
Total Office of the Governor	5	204,936	122,412	82,524	247,572	106,746	140,626
Department of Administration							
Positions Matched with FY 89 Payroll File	78	2,757,338	2,426,751	330,587			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	17	757,569	-0-	757,569			
Budgeted in PACS File but Currently Unfilled	3	63,028	-0-	63,028			
Budgeted in PACS File with Zero Months Budgeted	1	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	21	820,597	-0-	820,597			
Total Department of Administration	99	3,577,935	2,426,751	1,151,184	3,453,552	2,194,937	1,258,615
Department of Law							
Positions Matched with FY 89 Payroll File	9	359,364	347,508	11,856			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	2	109,224	-0-	109,224			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	2	109,224	-0-	109,224			
Total Department of Law	11	468,588	347,508	121,080	363,240	277,016	86,224
Department of Revenue							
Positions Matched with FY 89 Payroll File	14	504,180	438,504	65,676			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	2	84,168	-0-	84,168			
Budgeted in PACS File but Currently Unfilled	5	147,648	-0-	147,648			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	7	231,816	-0-	231,816			
Total Department of Revenue	21	735,996	438,504	297,492	892,476	431,635	460,841
Department of Education							
Positions Matched with FY 89 Payroll File	16	716,604	592,860	123,744			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	12	382,971	-0-	382,971			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	12	382,971	-0-	382,971			
Total Department of Education	28	1,099,575	592,860	506,715	1,520,145	558,184	961,961
Department of Health and Social Services							
Positions Matched with FY 89 Payroll File	133	5,153,660	4,493,323	660,337			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	9	377,954	-0-	377,954			
Budgeted in PACS File but Currently Unfilled	8	314,086	-0-	314,086			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	17	692,040	-0-	692,040			
Total Department of Health and Social Services	150	5,845,700	4,493,323	1,352,377	4,057,131	1,198,795	856,336

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREMENT INCENTIVE PROGRAM (RIP)
SCHEDULE OF RIP COST SAVINGS/(LOSS)
May 16, 1986 to October 1, 1987

Description	Number of Positions	Salary of RIP Retiree	Current Occupant's Salary of Position Vacated	Difference - Savings (Loss)	Savings (Loss) Over Three-Year Period	Net Cost of RIP	Three-Year Net RIP Savings (Loss)
Department of Labor							
Positions Matched with FY 89 Payroll File	42	\$ 1,771,523	\$1,597,985	\$ 173,538	\$	\$	\$
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	2	66,678	-0-	66,678			
Budgeted in PACS File but Currently Unfilled	9	326,116	-0-	326,116			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	11	392,794	-0-	392,794			
Total Department of Labor	53	2,164,317	1,597,985	566,332	1,698,996	2,116,175	582,821
Department of Commerce and Economic Development							
Positions Matched with FY 89 Payroll File	19	851,652	724,308	127,344			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	9	410,784	-0-	410,784			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	9	410,784	-0-	410,784			
Total Department of Commerce and Economic Development	28	1,262,436	724,308	538,128	1,614,384	646,136	968,248
Department of Military and Veterans' Affairs							
Positions Matched with FY 89 Payroll File	3	176,016	162,372	13,644			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	1	77,268	-0-	77,268			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	1	77,268	-0-	77,268			
Total Department of Military and Veterans' Affairs	4	253,284	162,372	90,912	272,736	230,541	42,195
Department of Natural Resources							
Positions Matched with FY 89 Payroll File	37	1,338,597	1,241,732	96,865			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	20	908,676	-0-	908,676			
Budgeted in PACS File but Currently Unfilled	7	222,802	-0-	222,802			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	27	1,131,478	-0-	1,131,478			
Total Department of Natural Resources	64	2,470,075	1,241,732	1,228,343	3,685,029	1,400,476	2,284,553
Department of Fish and Game							
Positions Matched with FY 89 Payroll File	47	2,107,741	1,780,873	326,868			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	14	710,953	-0-	710,953			
Budgeted in PACS File but Currently Unfilled	12	505,591	-0-	505,591			
Budgeted in PACS File with Zero Months Budgeted	4	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	30	1,216,544	-0-	1,216,544			
Total Department of Fish and Game	77	3,324,285	1,780,873	1,543,412	4,630,236	2,686,220	1,944,016
Department of Public Safety							
Positions Matched with FY 89 Payroll File	64	3,022,535	2,745,096	277,439			
Positions Not Matched with FY 89 Payroll File:							
Not Budgeted in FY 89 PACS File	34	1,802,508	-0-	1,802,508			
Budgeted in PACS File but Currently Unfilled	3	126,427	-0-	126,427			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
Total Positions Not Matched with FY 89 Payroll File	37	1,928,935	-0-	1,928,935			
Total Department of Public Safety	101	4,951,470	2,745,096	2,206,374	6,619,122	4,209,418	2,409,704

STATE OF ALASKA
DEPARTMENT OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
RETIREMENT INCENTIVE PROGRAM (RIP)
SCHEDULE OF RIP COST SAVINGS/(LOSS)
May 16, 1986 to October 1, 1987

Description	Number of Positions	Salary of RIP Retiree	Current Occupant's Salary of Position Vacated	Difference - Savings (Loss)	Savings (Loss) Over Three-Year Period	Net Cost of RIP	Three-Year Net RIP Savings (Loss)
<u>Department of Environmental Conservation</u>							
Positions Matched with FY 89 Payroll File	10	\$ 435,636	\$ 381,884	\$ 53,752	\$	\$	\$
<u>Positions Not Matched with FY 89 Payroll File:</u>							
Not Budgeted in FY 89 PACS File	1	38,712	-0-	38,712			
Budgeted in PACS File but Currently Unfilled	1	43,248	-0-	43,248			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
<u>Total Positions Not Matched with FY 89 Payroll File</u>	<u>2</u>	<u>81,960</u>	<u>-0-</u>	<u>81,960</u>			
<u>Total Department of Environmental Conservation</u>	<u>12</u>	<u>517,596</u>	<u>381,884</u>	<u>135,712</u>	<u>407,136</u>	<u>241,097</u>	<u>166,049</u>
<u>Department of Corrections</u>							
Positions Matched with FY 89 Payroll File	36	1,482,921	1,292,028	190,893			
<u>Positions Not Matched with FY 89 Payroll File:</u>							
Not Budgeted in FY 89 PACS File	1	45,744	-0-	45,744			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
<u>Total Positions Not Matched with FY 89 Payroll File</u>	<u>1</u>	<u>45,744</u>	<u>-0-</u>	<u>45,744</u>			
<u>Total Department of Corrections</u>	<u>37</u>	<u>1,528,665</u>	<u>1,292,028</u>	<u>236,637</u>	<u>709,911</u>	<u>988,194</u>	<u>(278,293)</u>
<u>Department of Community and Regional Affairs</u>							
Positions Matched with FY 89 Payroll File	6	287,112	269,256	17,856			
<u>Positions Not Matched with FY 89 Payroll File:</u>							
Not Budgeted in FY 89 PACS File	1	37,356	-0-	37,356			
Budgeted in PACS File but Currently Unfilled	0	-0-	-0-	-0-			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
<u>Total Positions Not Matched with FY 89 Payroll File</u>	<u>1</u>	<u>37,356</u>	<u>-0-</u>	<u>37,356</u>			
<u>Total Department of Community and Regional Affairs</u>	<u>7</u>	<u>324,468</u>	<u>269,256</u>	<u>55,212</u>	<u>165,636</u>	<u>174,106</u>	<u>(8,470)</u>
<u>Department of Transportation and Public Facilities</u>							
Positions Matched with FY 89 Payroll File	214	9,061,536	8,230,545	830,991			
<u>Positions Not Matched with FY 89 Payroll File:</u>							
Not Budgeted in FY 89 PACS File	31	1,484,571	-0-	1,484,571			
Budgeted in PACS File but Currently Unfilled	35	1,516,269	-0-	1,516,269			
Budgeted in PACS File with Zero Months Budgeted	0	-0-	-0-	-0-			
<u>Total Positions Not Matched with FY 89 Payroll File</u>	<u>66</u>	<u>3,000,840</u>	<u>-0-</u>	<u>3,000,840</u>			
<u>Total Department of Transportation and Public Facilities</u>	<u>280</u>	<u>12,062,376</u>	<u>8,230,545</u>	<u>3,831,831</u>	<u>11,495,493</u>	<u>8,924,609</u>	<u>2,570,884</u>
<u>Total RIP Program</u>	<u>977</u>	<u>\$40,791,702</u>	<u>\$26,847,437</u>	<u>\$13,944,265</u>	<u>\$41,517,795</u>	<u>\$27,344,275</u>	<u>\$14,173,520</u>

See the Report Objectives, Scope, and Methodology section of this report for the methodology used to prepare this schedule and the limitations of this schedule.

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Alaska State Legislature

SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100
(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR -
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

MEMORANDUM

MARCH 21, 1989

TO: SENATOR RICK UEHLING, CO-CHAIR
SENATE FINANCE COMMITTEE

FROM: SENATOR JIM DUNCAN

SUBJECT: CS SENATE BILL 73 (HESS), AN ACT RELATING TO RETIREMENT INCENTIVE PROGRAMS FOR THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM.

I REQUEST THAT YOU SCHEDULE CSSB 73, RE-ESTABLISHING THE RETIREMENT INCENTIVE PROGRAM FOR PUBLIC EMPLOYEES FOR A HEARING AS SOON AS POSSIBLE. THE PROPOSED PROGRAM IS ESSENTIALLY THE SAME AS THE ORIGINAL RETIREMENT INCENTIVE PROGRAM.

THE RETIREMENT INCENTIVE PROGRAM WILL ONCE AGAIN PROVIDE A THREE YEAR INCENTIVE TO ENCOURAGE LONG-TERM, HIGHLY PAID EMPLOYEES TO RETIRE FROM STATE, MUNICIPAL, UNIVERSITY, AND SCHOOL EMPLOYMENT. THE INTENT OF THE PROGRAM IS TO RETAIN EMPLOYEES AT THE LOWER END OF THE PAY SCALE BY RETIRING OTHERS. IN MANY CASES, POSITIONS CAN BE HELD VACANT OR REFILLED AT A LOWER LEVEL RESULTING IN PAYROLL SAVINGS TO THE EMPLOYER.

THE RETIREMENT INCENTIVE WINDOW PERIODS CURRENTLY IN CSSB 73 ARE AS FOLLOWS:

<u>EMPLOYEE TYPE</u>	<u>APPLICATION PERIOD</u>	<u>EMPLOYEE MUST RETIRE ON OR BEFORE</u>
SCHOOL	JUNE 30, 1989 - DEC. 31, 1989	AUGUST 1, 1990
UNIVERSITY	" "	" "
STATE	SEPT. 30, 1989-MARCH 31, 1990	Nov. 1, 1990
MUNICIPAL	" "	" "

THE RETIREMENT INCENTIVE PROGRAM HAS THE ADDED ATTRACTION OF RETAINING RETIREMENT INCOME IN THE STATE OF ALASKA. MANY LOWER

SENATOR RICK UEHLING
MARCH 21, 1989
PAGE 2

LEVEL EMPLOYEES IF LAID OFF WOULD LEAVE ALASKA TO SEEK WORK ELSEWHERE. THIS RESULTS IN AN ECONOMIC DOWNTURN SUCH AS OCCURRED A FEW YEARS AGO WHEN MANY HOMES STOOD VACANT AND BUSINESSES WERE FORCED TO CLOSE. BECAUSE ALMOST 70 PERCENT OF OUR RETIREES REMAIN IN ALASKA, WE RETAIN THE BENEFIT OF MUCH OF THE RETIREMENT COMPENSATION WHICH IS PAID OUT. THE NET EFFECT OF THESE FACTORS IS A GAIN IN COMPENSATION DOLLARS IN OUR ECONOMY.

I HAVE ATTACHED A COPY OF THE LEGISLATIVE AUDIT OF THE RETIREMENT INCENTIVE PROGRAM WHICH SHOWS THAT, CONSERVATIVELY, \$14.5 MILLION WAS SAVED BY THE STATE IN THE LAST INCENTIVE PROGRAM. ALSO ATTACHED IS A REPORT FROM THE DIVISION OF RETIREMENT AND BENEFITS CONCERNING THE SAVINGS WHICH ACCRUED TO MUNICIPALITIES, SCHOOL DISTRICTS, AND THE UNIVERSITY FROM THE LAST WINDOW PERIOD OF THE RETIREMENT INCENTIVE PROGRAM. TO SUMMARIZE, SCHOOL DISTRICTS SAVED AT LEAST \$31.2 MILLION, MUNICIPALITIES ALMOST \$5.0 MILLION, AND THE UNIVERSITY \$22.3 MILLION OVER A FIVE YEAR PERIOD.

BECAUSE I FEEL SO STRONGLY THAT THE RETIREMENT INCENTIVE PROGRAM WILL ONCE AGAIN RESULT IN SUBSTANTIAL SAVINGS TO PUBLIC BUDGETS, I URGE YOU TO SCHEDULE SB 73 FOR A HEARING AS SOON AS POSSIBLE.

ATTACHMENTS

Public Employees' Retirement System
Teachers' Retirement System
Judicial Retirement System
Elected Public Officers Retirement System
National Guard Retirement System
Territorial Retirement System
Retirees' Voluntary Dental-Vision-Audio Plan
Supplemental Benefits System
Group Health/Life Insurance Benefits
Deferred Compensation Plan
Public Employers Social Security Contributions

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

PLEASE REPLY TO:

P.O. BOX CR
JUNEAU, ALASKA 99811-0203
PHONE: (907)465-4460

701 EAST TUDOR ROAD, SUITE 240
ANCHORAGE, ALASKA 99503-7445
PHONE: (907) 563-5885

STEVE COWPER, GOVERNOR

March 1, 1989

The Honorable Jim Duncan
Alaska State Senator
P.O. Box V
Juneau, AK, 99811

Dear Senator *Jim Duncan*:

Re: Senate Bill 73

The additional information requested in your letter of February 21, 1989 is enclosed. We have updated a copy of Table 1 from the Retirement Incentive Program status report dated January 15, 1988. A current status report on our 1988 RIP survey is also enclosed.

You have also requested the number of active Public Employees' (PERS) and Teachers' Retirement System (TRS) members who, by age and length of service, would be eligible under SB 73. The total number of eligible employees are: State of Alaska PERS, 2,292; all TRS, 2,259; and political subdivision PERS, 2,420.

The actual number of eligible PERS employees may be somewhat less than stated due to terminations and retirements of employees during FY 89. Since most teachers terminate at the end of the school year, TRS projections should be accurate. However, many employees may delay a decision to terminate employment or retire pending the outcome of SB 73.

I hope that this provides you with the information you were seeking. Please don't hesitate to contact us if we can provide you with any additional information on the RIP.

Sincerely,

Bob
Robert F. Stalnaker
Deputy Director

RFS/cam/1
Enclosures
cc: Dean Gott hrer
Special Assistant to the Commissioner

Sally Smith, Director
Division of Retirement and Benefits

- Information on RIP supplied by Retirement & Benefits -

RETIREMENT INCENTIVE PROGRAM
STATUS REPORT
February 27, 1989

Employer	Eligible By Age/Svc	Designated By Empl.	Retired
Governor's Office	30	5	5
Administration	229	174	101
Law	41	18	11
Revenue	55	29	23
Education - PERS	72	71	28
Education - TRS	38	36	19
Health & Social Svc.	335	304	150
Labor	147	138	54
Commerce	88	55	28
Military Affairs	29	6	4
Natural Resources	160	139	65
Fish & Game	160	143	78
Public Safety	193	182	101
Environmental Consv.	36	34	12
Corrections	154	139	38
Comm. & Regional Aff.	21	18	7
Transportation	854	809	355
Ombudsman	1	0	0
Legislative Affairs	53	20	13
Legislative Finance	2	0	0
Legislative Audit	5	3	3
Court System	98	0	0
Total State PERS	2762	2287	1076
Total State TRS	38	36	19
University of Ak - PERS	325	319	107
University of Ak - TRS	372	349	95
Geophysical Inst - PERS	27	27	7
Geophysical Inst - TRS	38	35	8
Total University - PERS	352	346	114
Total University - TRS	410	384	103
Total Poly - Subs PERS	2661	1272	412
Total Schl Dists TRS	1773	1668	603
Grand Total PERS	5775	3905	1602
Grand Total TRS	2221	2088	725
Overall Total	7996	5993	2327

DIVISION OF RETIREMENT AND BENEFITS
 RETIREMENT INCENTIVE PROGRAM (RIP)
 SUMMARY RESULTS OF POLITICAL SUBDIVISION SURVEY
 March 14, 1989

EMPLOYER	NUMBER RETIREED	POS. REFILLED	COST OF POSITIONS FOR 5 YRS (\$1000's)	COST TO RE- FILL POS. (over 5 yrs (\$1000's)	RIP COST (\$1000's)	SAVINGS or (COST) FOR 5 YRS (\$1000's)
S.E. Resource center	3	0	800.0	0.0	83.0	717.0
Unalaska City School District	1	1	322.5	165.8	34.1	122.6
Copper River School District	11	10	2,854.7	1,904.9	279.3	670.5
Galena City School District	1	1	264.6	198.0	60.0	6.6
Petersburg Public Schools	2	2	437.5	338.6	55.1	43.8
Yukon Koyukuk School District	5	4	2,006.5	1,414.4	177.0	414.6
Alaska Gateway School District	4	4	1,055.5	745.0	180.8	129.7
Bristol Bay School District	1	1	273.8	186.7	50.3	36.8
Kodiak Island School District	17	16	4,487.7	3,380.0	579.9	527.8
Delta/Greely School District	2	2	700.9	644.0	96.4	(- 39.6)
Yukon Flats School District	5	4	Not Provided	Not Provided	128.5	Not Provided
L. Kuskokwim School District	31	26	7,535.6	4,637.6	677.2	2,220.8
North Slope School District	28	23	7,643.0	5,600.5	727.0	1,315.5
Dillingham City Schools	6	2	1,231.7	180.0	277.8	773.9
Craig City School District	1	1	277.2	210.1	21.8	45.2

RETIREMENT INCENTIVE PROGRAM (RIP)
SUMMARY RESULTS OF POLITICAL SUBDIVISION SURVEY
PAGE 2

EMPLOYER	NUMBER RETIRED	POS. REFILLED	COST OF POSITIONS FOR 5 YRS (\$1000's)	COST TO RE- FILL POS. (over 5 yrs (\$1000's)	RIP COST (\$1000's)	SAVINGS or (COST) FOR 5 YRS (\$1000's)
Wrangell Public School	2	2	455.5	330.6	43.7	81.2
Valdez City Schools	10	3	2,519.1	604.4	284.4	1,630.3
Adak Region School District	3	3	817.1	611.6	111.4	94.1
Fairbanks School District	71	71	17,998.0	13,592.1	1,826.8	2,579.1
Haines School District	5	1	1,529.6	384.8	131.3	1,013.5
Cordova Public Schools	1	1	185.3	112.4	19.3	53.6
Juneau School District	42	40	3,750.0	1,449.0	1,010.6	1,290.4
Lake and Penin. School District	2	2	675.0	600.0	53.6	21.4
Kenai Pen. School District	67	67	16,285.6	11,767.7	1,586.3	2,931.6
Southwest Regional School	4	4	666.5	527.7	91.0	47.8
Anchorage School District	373	368	81,249.1	59,225.1	8,580.7	13,473.2
Nenana City School District	7	7	1,611.1	1,209.2	173.7	228.2
Northwest Arct Bor Sch Dist	31	30	5,562.6	4,046.3	763.2	753.0
TOTAL SAVINGS						31,182.6

RETIREMENT INCENTIVE PROGRAM (RIP)
 SUMMARY RESULTS OF POLITICAL SUBDIVISION SURVEY
 PAGE 3

EMPLOYER	NUMBER RETIREED	POS. REFILLED	COST OF POSITIONS FOR 5 YRS (\$1000's)	COST TO RE- FILL POS. (over 5 yrs (\$1000's)	RIP COST (\$1000's)	SAVINGS or (COST) FOR 5 YRS (\$1000's)
City of Skagway	1	1	18.8	Not Provided	Not Provided	0.0
City of Wrangell	1	0	220.0	0.0	33.5	186.5
City of Palmer	4	3	1,024.1	715.3	101.0	207.8
City of Soldotna	2	1	482.8	212.7	47.8	222.3
City of Ketchikan	11	8	4,093.0	2,358.6	519.5	1,214.9
Kenai Peninsula Borough	14	7	3,234.0	2,270.4	324.2	639.4
City/Borough Juneau	13	9	3,574.1	2,134.8	298.9	1,140.4
City of Valdez	7	4	2,676.3	1,241.1	289.6	1,145.5
TOTAL SAVINGS						4,756.8
University PERS	113	76	26,052.1	15,308.0	2,455.3	8,288.8
University TRS	103	70	39,972.6	22,792.7	3,163.3	14,016.6
TOTAL SAVINGS						22,305.4

ASSOCIATION OF ALASKA SCHOOL BOARDS

316 W. 11th St. • Juneau, Alaska 99801-1510 • (907) 586-1083

March 28, 1989

Senator John Binkley, Co-Chair
Senator Rick Uehling, Co-Chair
Senate Finance Committee
Box V
Juneau, Alaska 99811

Re: Senate Bill 73 - An Act relating to retirement incentive programs for the public employees' retirement system and the teachers' retirement system.

Dear Senators Binkley and Uehling:

The Association of Alaska School Boards would like to lend its support to SB 73, which would reimplement the retirement incentive program established in 1986.

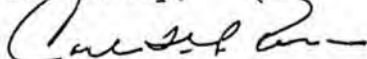
When school districts around the state were faced with a serious reduction in revenues in 1986 they were able to realize considerable savings and reduce professional staff through attrition by encouraging the use of the retirement incentive program.

Districts are still in a position of trying to cut budgets, but find that there are not many areas that they have much latitude to cut. By having the opportunity to utilize the retirement incentive program again, economies could possibly be effected.

We would encourage the Senate Finance Committee to take favorable action on this bill.

Thank you for your consideration.

Sincerely,



Carl F.N. Rose
Executive Director



RECEIVED JAN 11 1989

ALASKA ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
ALASKA ASSOCIATION OF SCHOOL ADMINISTRATORS

• ALASKA COUNCIL OF SCHOOL ADMINISTRATORS •
326 Fourth St., Suite 408 Juneau, Alaska 99801 586-9702

RESOLUTION TO ENACT THE RETIREMENT INCENTIVE PROGRAM (RIP)

The Alaska Council of School Administrators urges the Legislature and Governor to again enact the Retirement Incentive Program.

RATIONAL:

- (A) The State of Alaska had initiated an early retirement incentive program which has appeared to be of benefit to the retiree and the State of Alaska.
- (B) it will be established over time that the intent of the previous program has been accomplished.
- (C) That the TRS and PERS will remain financially sound.
- (D) It has provided a positive incentive to long term employees to change careers without penalty.



Fantam
ANCHORAGE
SCHOOL DISTRICT

4600 DeBarr Avenue
P.O. Box 196614
Anchorage, Alaska 99519-6614
AREA CODE [907] 333-9561

SCHOOL BOARD

William Frick
President

Bettye Davis
Vice President
Past President
1985-86

Carol Stolpe
Clerk

Darryl Jordan
Treasurer

Betty Bruckman

Jean Buchanan
Past President
1983-84, 1986-87

Sharon Richards

SUPERINTENDENT

William Coats, Ph.D.

March 17, 1989

The Honorable Jim Duncan
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

Just a note to indicate that we have reviewed the changes in SB 73 prepared by the State Affairs Committee. We strongly support the change which provides to District employees the opportunity to act this year for appointment to retirement after July 1.

We believe there is cost justification for another Retirement Incentive Plan at the present time. Almost thirty (30) secondary teachers are listed as surplus at the present time and may be subject to lay off next fall if circumstances justifying their retention do not arise. Four Notices of Non-Retention were issued to tenured teachers this week, some of whom have more than five years of experience with us. Moreover, since almost one-third of District teachers are placed at the top of the current salary schedule, replacing those teachers with junior employees would result in cost savings.

Thank you for your continued good work in behalf of public education; if I can be of further help please let me know.

Sincerely,

Leland C. Wilson
Executive Director, Employee Relations

cc William Coats
Guy Bellville
Mike Malone

LW:ccs



Rouleau

DON VALESKO
BUSINESS MANAGER

VALERIE K. BAFFONE
SECRETARY/TREASURER

HEADQUARTERS

2510 Arctic Blvd.
Anchorage, Alaska 99503

208 Wendell, Room 205
Fairbanks, Alaska 99701

710 W. 9th Street
Juneau, Alaska 99801



March 20, 1989

Senate HESS Committee
Senator Paul Fischer, Chairman
Senator Jim Duncan, Vice-Chairman

Public Employees Local 71, LTC, is in support of SB-73, Retirement Incentive Program.

This legislation not only benefits state employees who wish to retire early but also benefits the state through cost-savings and is in fact, a cost-containment measure.

We urge your support of this legislation. Thank you.

Sincerely,

Don Rouleau, Business Representative
Local 71/Juneau

DR/tc



UAS

University of Alaska Southeast
Juneau • Ketchikan • Sitka

Office of the Chancellor

Juneau Campus
11120 Glacier Highway
Juneau, Alaska 99801-8697
(907) 789-4472
FAX: 789-4595

March 14, 1989

The Honorable James Duncan
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Duncan:

As Chancellor of University of Alaska Southeast, I want to express my support of SB 73.

At the University of Alaska Southeast, we had 16 employees who took advantage of the retirement incentive program as established in 1986. The early retirement option resulted in a substantial salary saving for our institution. That savings gave us added flexibility in meeting our budget reductions--without major employee layoffs. The desired goal of this legislation was clearly met at UAS.

A renewed opportunity for early retirement may not provide us the same level of savings but would afford us the opportunity for job redesign, program direction changes, and employing at entry level with lower salaries--ultimately resulting in flexibility and salary savings without taking adverse personnel actions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Marshall L. Lind".

Marshall L. Lind
Chancellor

sa



Matanuska-Susitna Borough

P.O. BOX 1608, PALMER, ALASKA 99645-1608 • PHONE 745-9689

BOROUGH MANAGER

January 24, 1989

RECEIVED JAN 20 1989

The Honorable Jim Duncan
Alaska State Legislature
P. O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

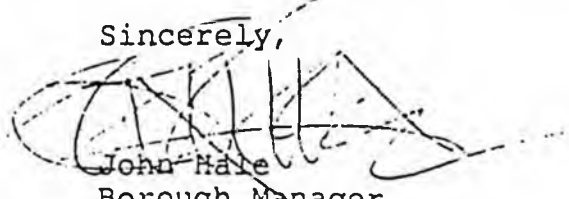
Thank you for the letter informing me of the introduction of your bill, Senate Bill 73 - Retirement Incentive Program.

I support your bill which could result in a savings in personnel services cost.

It will be necessary for the Matanuska-Susitna Borough and the Matanuska-Susitna Borough School District to analyze the possible impact of the program before a recommendation is made whether to participate.

Since your bill allows for each government entity to make the decision whether or not to participate, it provides the needed flexibility. Good luck with the legislature.

Sincerely,


John Hale
Borough Manager

er



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

ANCHORAGE REGIONAL OFFICE

1411 W 33RD AVENUE
ANCHORAGE, ALASKA 99503
(907) 274-0777

JUNEAU OFFICE

105 MUNICIPAL WAY, SUITE 302
JUNEAU ALASKA 99801
(907) 586-3090

FAIRBANKS REGIONAL OFFICE

2118 CUSHMAN STREET
FAIRBANKS ALASKA 99701
(907) 456-4435

March 13, 1989

To: Senator Paul Fischer, Chair
Members, Senate HESS Committee

Re: CS for Senate Bill No. 73 (State Affairs); "An Act relating to the retirement incentive programs for the public employees' retirement system and the teachers' retirement system; and providing for an effective date."

NEA-Alaska endorses, strongly supports, and encourages your favorable consideration of the CS for SB 73.

With the probability of substantial funding cuts being made to the state, local government, and school district operating budgets it is essential that an early retirement incentive program be available as a means of reducing the adverse impact from employee lay-offs.

Employee lay-offs may give the appearance of saving money on the front end but there are longer term consequences which can have the effect, through unemployment, of costing government more than was originally saved by the lay-off.

Retirement incentive programs represent not only an initial savings to government but have a long term cumulative savings potential no matter whether the retiring employee is replaced or not.

The data from the last RIP is overwhelmingly conclusive that the financial savings to government was substantial.

SB 73 effectively addresses concerns which pertain to the last RIP and provides the potential for an even greater level of savings in personnel costs. This legislation meets both the financial and the human needs of the people of Alaska.

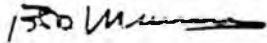
NEA-Alaska asks that the Committee consider an amendment to the window period which will increase the savings potential for school districts more immediately.

On page 6, line 8, we suggest that the window open during the month of June, 1989, so that retirement can be effective on July 1, 1989.

Such a change would provide the potential for additional savings to school districts of at least one month of payroll costs, probably more, and would take into consideration the fact that salary increments and raises, when given, usually occur on July 1.

Thank you for your consideration of our position.

Respectfully submitted,



Bob Manners
Executive Secretary

cc: Senator Jim Duncan

*Nome Education Association
Nome, Alaska 99762*

March 9, 1989

*Raymond
Reed*

Senator Jim Duncan
P.O. Box V
Juneau, Alaska 99811

Dear Senator Duncan:

In response to your letter regarding your sponsorship of Senate Bill 73, the members of Nome Education Association requested at our last meeting that I write you that our membership supports this Bill. When in effect previously, it was not implemented in our school district, but probably could have been with positive results. We want to thank you and the Bill's other sponsors for bringing it back before the legislature.

Yours truly,

Gladys Bibb

Gladys Bibb President

JAN

Stephen A. Norrell
5018 Knights Way
Anchorage, Alaska 99508

January 5, 1989

Hon. Jim Duncan
Alaska State Senate
P. O. Box V (Mail Stop 3100)
Juneau, Alaska 99811

Dear Senator Duncan:

*Raymond
C. Taylor
about
repeal*

I was pleased to notice your submission of SB 73, reestablishing early retirement incentives for State employees. In general, I strongly support the bill and am prepared to offer whatever assistance I can to assure its passage. Toward that end, allow me to offer some comments and suggestions which I believe will strengthen the bill and make it more attractive.

PURPOSE

While the cost-saving advantages of early retirement programs are relatively clear and easily understood, the positive effects of these programs on personnel turnover should not be ignored. Many organizations that rely on professional staff, including many state agencies and the University, profit significantly by continued infusion of new ideas and directions that would occur with a reasonable turn-over of their employees. I do not believe that an early retirement program will cause a "brain drain", but it would make it possible to turnover some professionals, freeing their positions for replacements.

APPLICATION "WINDOWS"

Retirement is a significant step that causes a high level of apprehension and anxiety in some employees. Wider "windows of opportunity" would allow both retirees and their employers more time to plan for this significant step. I suggest that you consider expanding the time allowed for the submission of applications. Also, I suggest allowing a window during 1989 (for those who are able to make that decision) as well as during 1990.

The timing of the "windows" may not coincide with the time during which vacant or new positions are traditionally filled. For example, Universities typically recruit during the Fall and Spring for positions that are to be filled by the beginning of the next academic year. In the case of Section 6 of your bill (relating to the University of Alaska), the application window would be more appropriately placed in December through April, with retirement on or before the beginning of the next academic year. By the way, I applaud your apparent desire to prevent retirement during the academic year.

Please let me know if I can do anything more to support this bill. Although I am writing this letter as a private individual, I will, in my position of President of the University of Alaska Anchorage Assembly, attempt to generate support for the legislation from that body.

Sincerely yours,

Stephen A. Norrell
Stephen A. Norrell



UNIVERSITY OF ALASKA, ANCHORAGE

3211 Providenc. Drive
Anchorage, Alaska 99508

COLLEGE OF ARTS AND SCIENCES
DEPARTMENT OF BIOLOGICAL SCIENCES

MEMORANDUM

TO: Nancy Sanders and Jackie Pflaum, Co-Chairpersons,
Committee on Faculty and Academic Matters

Cheryl Griffin, Chairperson,
Staff Affairs Committee

FROM: Steve Norrell, President *Steve Norrell*
University Assembly

SUBJECT: Early Retirement Options for University Employees

DATE: January 5, 1988

There appears to be continued interest in reopening the early retirement options that were available about two years ago. Senator Duncan has prefiled the attached bill for consideration by the legislature this year.

Please ask your committees if it is interested in reviewing and commenting on the legislation. I specifically call your attention to the sections dealing with University of Alaska employees in PERS or TERS, and the surprisingly narrow "windows" for applying for early retirement incentives. I have also attached a personal letter to Senator Duncan that outlines my comments (as a private citizen) on the subject.

The UAA Assembly will carefully consider any recommendations your committee may offer.

cc: J. Connors, President, Faculty Senate
R. LaCasse, President, APT Council
C. Burton, President, Classified Council
D. Behrend, Chancellor

cc. Sen. Duncan



Office of the City Clerk
832-5441

Incorporated November 17, 1921

Rayson

City of Nenana

State of Alaska

February 27, 1989

Senator Jim Duncan
P.O. Box V
Juneau, AK 99811

Dear Senator Duncan,

I am quite pleased to see you introduce Senate Bill 73 again, with the addition of SB 14. The Nenana City Schools have saved approximately \$220,000 for the two years period since the original program went into effect. This bill was one of the best things to happen to school finance in a long time. It gave Nenana the equivalent of a 10% increase in funding. The school business manager has stated that the new bill would save Nenana about \$157,000 over the first five years of its operation. It would be less than the first time due to fewer qualifying personnel. SB 14 also fills some needed gaps in the program, especially with part time teachers.

I would make two suggestions to the current bill:

1) Open the window for teachers to include this school year as well as next year. Savings to Nenana would be up to \$50,000 this year if the teachers that would qualify took the program.

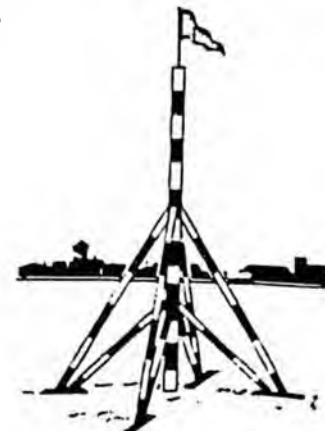
2) The only concern I have with the program is that last time some districts chose not to participate in the program even though it would have saved them money. It seems somewhat unfair to me that those staff members were not allowed to take part in the program. The only way I know that it could be done would be for the Retirement System to offer the program instead of the local districts with an increase in Retirement System contributions to cover the cost plus the retiring members cost paid back by themselves.

Suggestion one would really help the City this year and suggestion two is just something to think about.

RECEIVED MAR 01 1989

RECEIVED

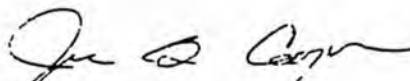
1989



Senator Jim Duncan, 2/27/89, Page 2

Thanks again for the re-introduction of the bill as it is to me the fairest way to save money in the schools without penalizing the employees with wage cuts.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe B. Cooper".

Joe B. Cooper, Mayor
City of Nenana

North Slope Borough School District



January 31, 1989

RECEIVED FEB 1 1989

Rayanne

Senator Jim Duncan
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

RE: Senate Bill 73, Early Retirement

Dear Senator Duncan:

The North Slope Borough School District supports the passage of Senate Bill 73, related to the retirement incentive program for PERS and TRS employees.

We believe this legislation would be in the best interest of the NSB School District and the North Slope residents. Because of prior legislation on early retirement incentive programs, our retirees have been able to be assured a lifetime income; and at the same time, we have been able to increase the number of local residents in our hiring practices, especially younger employees, at a lower and more affordable salary scale.

However, we respectfully request your consideration to increase the window period to 14 months, making the law effective May 1, 1989 through June 30, 1990. Passing the bill in its present form would discourage employees from retiring this year and instead may encourage them to wait until the following year to receive additional retirement income. Having a larger window period would also allow the District to work with potential retirees and give us more planning time to employ new hires at lower salaries.

Most agencies including the NSB School District, need relief now and forestalling retirements for another year would add more financial burdens. Having the effective date in 1989 through 1990 would allow individual Districts to work out staffing arrangements in FY 90, resulting in additional savings and a smoother transition period.

Senator Jim Duncan
January 31, 1989
Page Two—

Thank you for soliciting our thoughts on SB 73. We appreciate your interest and sensitivity toward school districts throughout Alaska. If you have any questions please feel free to contact me or my Special Assistant Brenda Itta.

Sincerely,

Shirley Holloway, Ed.D.
Superintendent

BI/ma

cc: Senator Al Adams
Representative Eileen MacLean
Brenda Itta, Special Assistant to the Superintendent
Ashley Reed, Lobbyist, NSBSD

NORTH SLOPE BOROUGH SCHOOL DISTRICT

TRAPPER SCHOOL

NUIQSUT, ALASKA 99789
(907) 480-6712 or 480-6620



Barrow Wranglers
Barrow High School
Pouch 2950
Barrow, Alaska 99723
(907) 852-2950

Erso Icaicok Elementary School
P.O. Box 450
Barrow, Alaska 99723
(907) 852-4711

Nunamut Wolves
Nunamut School
Anaktuvuk Pass, Alaska 99721
(907) 561-3225

Albasuk Eagles
Meade River School
Albasuk, Alaska 99723
(907) 633-6315

Kaveoook Pams
Narcod Kaveoook School
P.O. Box 10
Kaktovik, Alaska 99747
(907) 640-6626

Nuqsut Trappers
Nuqsut School
Nuqsut, Alaska 99724
(907) 480-6712

Tukigag Harpooners
Tukigag School
P.O. Box 125
Point Hope, Alaska 99766
(907) 368-2662 or 368-2663

Point Lay School
Point Lay, Alaska 99759
(907) 933-2312

Aiak Huskies
Aiak School
P.O. Box 10
Nainwright, Alaska 99782
(907) 763-2541 or 763-2551

Dear Senator Duncan,
We are in favor of the early retirement incentive plan for the following reasons:

1) It would encourage high priced teachers to retire, allowing lower priced teachers to enter the job market - a substantial savings to school districts.

2) It would free those teachers who would rather move on to new adventures and open the door for those teachers seeking the Alaska adventure. These new professionals would have fresh ideas to add to our educational base.

3) It provides teachers an option. Those who are still interested in teaching can continue to use their expertise, but those who "want out" can "get out" - instead of just putting in their time. This would provide a much better educational climate for the student.

Benefits:

- 1) Save Money
- 2) Promote fresh ideas
- 3) Provides an Option

We believe this is an educationally sound proposal that would benefit Alaskan education in many ways and not prove detrimental to our state.

Sincerely,

Jack Wilfong



Raymond

SCHOOL DISTRICT REAA 16

P.O. Box 226, Tok, Alaska 99780
907 - 883-5151

Senator Jim Duncan
State Capital
Room #119
P. O. Box V
Juneau, Alaska 99811

January 30, 1989

Dear Senator Duncan,

Thank you very much for inquiring about our interest in the Retirement Incentive Program.

Several years before the State of Alaska began offering a Retirement Incentive Program, the district had offered two (2) comparable programs. As a result, we have probably had more retirement from our faculty than others and do not have as strong a need as some other school districts may have shown in recent years.

It is obvious that we believe in the concept and as long as the retirement system retains full viability and the districts can enter the program under their own discretion and is not required, we will certainly support your efforts.

There are always a few people who would appreciate the opportunity and if you find the numbers are too few, please take time to reintroduce the concept again in several years.

Sincerely, -

Spike Jorgensen
Spike Jorgensen
Superintendent of Schools

SJ/lm

"Where Teachers Are The Gateway To Learning"

Dot Lake
907 - 883-2663

Eagle
907 - 547-2210

Mentasta
907 - 291-2317

Northway
907 - 778-6301

Tok
907 - 883-5161

Tetlin



MT. VIEW ELEMENTARY SCHOOL

315 SWIRES ROAD, KENAI, ALASKA 99611
(907) 283-6148

Rayan

February 3, 1989

Senator Jim Duncan
P. O. Box V
Juneau, Ak 99811

Dear Senator Duncan:

I am writing in support of S.B 73. Evidence seems to indicate that there are both financial and other benefits associated with the passage of this bill.

Sincerely,

R. L. Boudreau
R. L. Boudreau
Principal

RB:mk

Sterling Elementary School

Kenai Peninsula Borough School District

Drawer 89 • STERLING, ALASKA 99672
Phone 262-4944

February 7, 1989

Rep. Mike Navarre
Box V
Juneau, AK 99811-3101

Dear Rep. Navarre:

I am very much interested in HB77 and the whole issue encompassing the Retirement Incentive Program (RIP).

The concept of RIP is popular and I also believe fiscally responsible in terms of costs. When all the facts and figures are tallied on the last RIP, we'll be able to recognize a great savings for the State of Alaska.

I don't think we need to worry about the effect of the so called "brain drain" that such a program allegedly causes. In fact, it has been my experience to note a much more negative effect when observing employees who have stayed too long in a particular field or profession i.e. teaching, administration, and related state jobs with similar responsibilities. Not telling what long-term health benefits these early out programs will produce for retirees.

Additionally, there are many of us out here in the trenches who feel that the window period should be extended to include 1989. Perhaps a short window period for many of us who do not need another year to plan or wait for the 1990 RIP could be included in the bill. The window period could be, for example, 30 days in May or June, this would allow people time to make their decision this year, thereby presenting no imposition to a school district or agency for staffing next year.

Rep. Navarre, I would certainly hope that you will be able to give your support to this important legislation. I am looking forward to hearing from you regarding this proposed bill and how you feel about it.

Sincerely,



Vic Varick
Principal

sg

Interior Public Employees Coalition

452-2023

2118 Cushman
Fairbanks, Alaska 99701

February 6, 1989

Barry

The Honorable Jim Duncan
Alaska State Senate
P. O. Box V
Juneau, AK 99811

Dear Senator Duncan:

The Interior Public Employees Coalition wishes to go on record in support of Senate Bill 73.

The previous retirement incentive program was of great value to local government. In the case of the Fairbanks Fire Department; had nine employees not retired there would have been a dozen or more on permanent layoff status.

If a new "RIP" program is established, a significant number of high seniority city employees have told me they will participate.

Sincerely,

Barry
Barry Haight
Chairman

Sponsored by: Meehan

CITY OF SEWARD, ALASKA
RESOLUTION NO. 89-011

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, SUPPORTING LEGISLATION WHICH WOULD RE-ESTABLISH THE PERS RETIREMENT INCENTIVE PROGRAM

WHEREAS, the 1986 Alaska Legislature enacted legislation which allowed members of the Public Employees Retirement System and the Teachers' Retirement System to take advantage of early retirement; and

WHEREAS, the Retirement Incentive Program resulted in reduced personnel costs for many municipalities and school districts throughout the state; and

WHEREAS, the 1986 Retirement Incentive Program has lapsed; and

WHEREAS, Senator Jim Duncan has introduced SB 73, which would re-establish the Retirement Incentive Program by offering early retirement incentives to public employees in 1990;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, that:

Section 1. The Legislature is hereby urged to give its support to SB 73, re-establishing the PERS Retirement Incentive Program.

Section 2. Copies of this resolution shall be forwarded to Governor Cowper; Senators Duncan, Kerttula and Szymanski; and Representative Cato.

Section 3. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF SEWARD, ALASKA, this 13 day of February, 1989.

THE CITY OF SEWARD, ALASKA


HARRY E. GIESELER, MAYOR

CITY OF SEWARD, ALASKA
RESOLUTION NO. 89-011

AYES: GIESELER, DUNHAM, HILTON, MEEHAN, NOLL, O'BRIEN, SIMUTIS
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

ATTEST:

APPROVED AS TO FORM:

PERKINS COIE, Attorneys for
the City of Seward, Alaska

Linda S. Murphy

Linda S. Murphy, CMC/AAB
City Clerk

Fred B. Arvidson

Fred B. Arvidson
City Attorney

(City Seal)

RECEIVED FEB 16 1989



RESOLUTION 89-2



HOUSTON, ALASKA
A BICENTENNIAL COMMUNITY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HOUSTON, ALASKA,
IN SUPPORT OF SENATE BILL 73.

WHEREAS, the City Council is in support of re-establishing the Retirement Incentive Program for members of the Public Employee's Retirement System and the Teacher's Retirement System and providing for an effective date, and

WHEREAS, the City Council feels that re-establishing the Retirement Incentive Program will encourage employees to retire voluntarily and will reduce the hardships of lay offs.

NOW, THEREFORE BE IT RESOLVED that the Houston City Council does fully support and urge the passage of Senate Bill 73.

ADOPTED BY a duly constituted quorum of the City Council of Houston, Alaska this 26th day of January, 1989.

Marcella P. Padie
MAYOR

ATTEST:

Linda L. Padie
CITY CLERK/TREASURER



CITY OF KOTZEBUE
P.O. BOX 46 • KOTZEBUE, ALASKA 99752

Duncan

RECEIVED FEB 16 1989

February 6, 1989

The Honorable Jime Duncan
Senator
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

City Hall
442-3401
Police Dept.
442-3351
Fire Department
442-3404
Public Works
Dept.
442-3465
Day Care Center
442-3157
Planning Dept.
442-3465
Building Inspector
442-2623
George Francis
Memorial Library
442-3816
Recreation Center
442-3066
Teen Center
442-3979
Regional Fire
Training Center
442-3921

Dear Senator Duncan;

At it's February 2nd, 1989 meeting the Kotzebue City Council reviewed the legislation you have introduced re-establishing the Retirement Incentive Program for members of the Public Employees' Retirement System and the Teachers' Retirement System.

The City has benefited from the program in the past and would like to support it's re-establishment. We appreciate all of your efforts to assist with the financial savings to municipalities. Keep up the good work!

Sincerely,

Zonna Lie
City Clerk

cc: City Manager
File

Senator Jim Duncan
P. O. Box V
Juneau, Alaska 99811

1743 Morningtide
Anchorage, Alaska
January 9, 1989

*R. Ryan
Dadul
we review
as summer
Bill
Rep*

Dear Senator Duncan:

I am writing in reference to SB 73, prefiled by you this year.

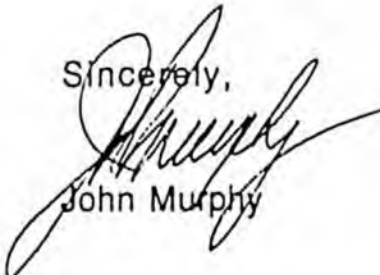
The purpose of this bill is to save money for the state and school districts. It will do this by permitting the long time, higher paid employees to retire and allow districts to replace them with newer personnel at a lower salary. This bill will also reduce the financial and emotional trauma and hardship associated with staff layoffs.

The effective date of this bill is January 1, 1990.

With state revenues being uncertain, why wait until next year to enact this bill? I would encourage you amend to SB 73 to provide a local option for school districts this year. This amendment would give districts and employees a two year transition into the program so those districts facing layoffs could offer the retirement opportunity to their employees this year and those employees eligible to retire this year could do so, but those who are uncertain would have another year to decide. The two or three month application time frame could be kept as recommended in the bill. The suggested amendment would just allow employees to choose it this year or next. This bill would then resemble a successful, similar bill introduced by you three years ago. Providing the option this year would seem to have no detrimental effect on the bill. Indeed, it would seem to provide the expected savings one year earlier than planned.

Any assistance you can provide in this effort will be appreciated.

Sincerely,


John Murphy

STATE OF ALASKA

RECEIVED MAR 13 1989

STEVE COWPER, GOVERNOR

**DEPARTMENT OF MILITARY
AND VETERANS AFFAIRS**
ALASKA DIVISION OF EMERGENCY SERVICES

3501 E. BOGARD RD.
WASILLA, AK 99687
PHONE: (907) 249-1370
(907) 376-2337

March 9, 1989

The Honorable Jim Duncan
Alaska State Senate
P.O. Box V
Juneau, Alaska 99811-3100

Stamp
R. J. [Signature]

Dear Senator Duncan:

I am writing in regards to Senate Bill 73, the Retirement Incentive Program, which you introduced this year. I am in favor of the bill but feel the windows for application and actual retirement are too narrow to provide the savings that seem to be required for the upcoming year.

To provide any savings to the State for the upcoming fiscal year employees should be given the opportunity to retire as early in the State fiscal year as possible. This would require that the period of application start on June 1, 1989, (Retirement Division requires 30 days notice for retirement), with the opportunity to retire beginning July 1, 1989.

The savings to the State with retirements beginning on July 1, 1989, as opposed to May 1, 1990, can be shown using just one case in my Division. The savings for one individual retiring in July 89, has been computed at \$20,000 for the fiscal year whereas if he is allowed to retire on May 1, 1990, the State will realize a savings of only \$3,300.00 for the fiscal year. Taking into consideration, the expected shortfall in the upcoming fiscal year budget, it would seem prudent to allow retirement as early in the year as possible.

An additional concern would be the impact on State government with a large number of senior employees retiring in a relatively short period of time. This loss, with no major corresponding savings to the State for the fiscal year, does not seem to be to the advantage of the State.

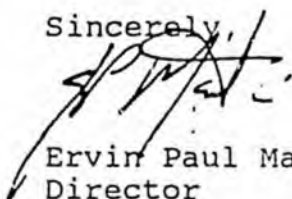
I would like to recommend that the window for application for the Retirement Incentive Program for State employees be from June 1, 1989 to June 1, 1990, and that the State employee must retire on or before June 30, 1990.

The Honorable Jim Duncan
Page 2
March 9, 1989

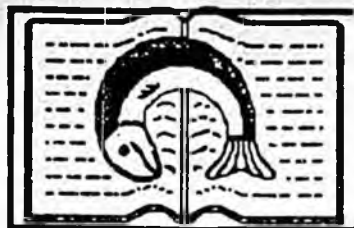
I cannot address the window for application and retirement for the Teachers or University but the current dates seem logical based on the need for the schools to advertise for teachers for the upcoming year and the desire of the teachers to retire at the end of the school year if given the opportunity.

I would like to thank you for your efforts in this matter and your consideration of my proposal. If I can be of any assistance please call me at 249-1370.

Sincerely,



Ervin Paul Martin
Director



Lower
Kuskokwim
School
District

Parsons

EEK SCHOOLS

'J' M. Gilman, Principal
P. O. Box 050 Eek, Alaska 99578
(907) 536-5229

Senator Duncan
Alaska State Legislature
Box V
Juneau, Ak. 99811

Dear Senator Duncan:

Thank you for sponsoring SB #73. There are a large number of us here in the field who would like to see an amendment. An amendment which would allow for a "window" in 1989 as well as 1990.

Our feeling is that the school districts and state would save even more money with this additional opportunity. In addition some of us would just plain appreciate having an opportunity to retire this year instead of next. Your support and consideration is greatly appreciated.

Sincerely,

J. M. Gilman

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11
11

*Roxanne
Rapp*

March 6, 1989

Dear Senator Duncan,

I'm writing to thank you for your sponsorship of SB 75 (Early Retirement Incentive Program) and to seek your support for an amendment to allow it to go into effect for the 1989-1990 school year. As a Junior High teacher ripe for the "bumping", I know that the decrease in the number of senior high level students in the Anchorage area will cause many high school teachers to be transferred to the junior high level. Although more elementary students are anticipated, this will do little to alleviate the pressure on those of us with secondary degrees. We can't transfer to the elementary level. I really feel that many junior high teachers will find themselves pushed out of their jobs next year. The effect on the overall economy would not be good. Individually, for many, it would be disastrous.

Offering an Incentive for Early Retirement this next year would not only save the school districts money, but would also offer the younger teachers a chance to stay in Alaska and continue to be a vital part of its economy.

Sincerely,

Kay Abrams

Kay Abrams
13710 Savage Dr.
Eagle River, AK
99577

RECEIVED MAR 08 1989

CITY of HOONAH

P.O. Box 360
Hoonah, Alaska 99829
(907) 945-3663

RECEIVED MAR 06 1989

CCR-89-05

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF HOONAH, ALASKA, SUPPORTING SENATE BILL NO. 73, WHICH WILL RE-ESTABLISH THE RETIREMENT INCENTIVE PROGRAM FOR MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM AND THE TEACHERS' RETIREMENT SYSTEM WHICH WAS ENACTED IN THE 1986 SESSION.

WHEREAS, this program is intended to realize sufficient economies to offset the cost of administration and benefits to state agencies and other employers resulting from the award of retirement credits; and

WHEREAS, to result in a net reduction in personal services costs to the state or other employers during a period of declining revenue.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Hoonah, Alaska is in support of Senate Bill No. 73, to re-establish the Retirement Incentive Program for members of the Public Employees' Retirement System and the Teachers' Retirement System which was enacted in the 1986 session.

PASSED AND APPROVED this 27th, day of February 1989.

VOTES: 5 YEAS, 0 NAYS, 1 ABSENT

Liv C. Gray
Liv C. Gray, Mayor

ATTEST:

Sharon A. Parks
Sharon A. Parks, City Clerk

Lee, rip

NORTH SLOPE EDUCATIONAL ADMINISTRATORS ASSOCIATION

Raymond Pope

Senator Jim Duncan
Alaska State Legislature
Pouch V
Juneau, Alaska
99811

Dear Senator Duncan,

I am writing to express the support of the North Slope Educational Administrators Association for Senate Bill 73 and House Bill 77. However, we concur with the position paper submitted to you by the North Slope Borough School District, and urge you to consider expanding the window for early retirement to include the period May 30, 1989 to June 30, 1990.

We further suggest that, these bills be moved through the legislative process as quickly as possible, in order to allow sufficient time for employees who would become eligible under the provisions of the bills to have sufficient planning time in which to make their decision about early retirement.

We feel that these changes would be in the best interest of our association and our school district.

Your consideration of these suggestions, is appreciated.

Sincerely,

Johnnie Lee

Johnnie Lee, President
NSEAA

JUNEAU SCHOOL DISTRICT BOARD OF EDUCATION

RESOLUTION #5-89

A RESOLUTION OF THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU SUPPORTING SENATE BILL 73 OFFERING A RETIREMENT INCENTIVE PROGRAM FOR 1990.

Whereas, many Juneau School District employees participated in the Retirement Incentive Program (RIP) in 1986-87; and

Whereas, the Juneau School District realized a significant savings in salaries because of early retirements; and

Whereas, the economy of the State of Alaska appears to be changing with the decline of certain opportunities for revenues; and

Whereas, adjustments need to be made to reconcile the declining revenues and continued expenses; and

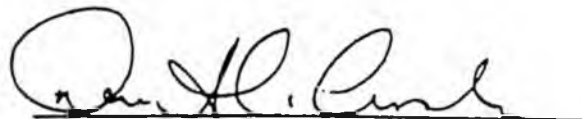
Whereas, personnel costs are the largest item in the budget of the Juneau School District; and

Whereas, a reinstatement of the RIP will allow a cost savings to Juneau School District;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

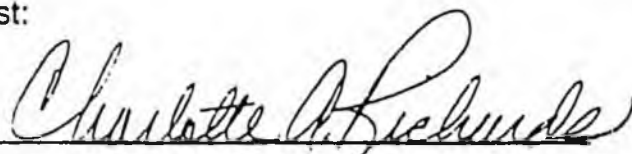
1. That the Board of Education of the City and Borough of Juneau supports the passage of Senate Bill 73 offering a Retirement Incentive Program for 1990.
2. Effective date. This resolution shall be effective immediately upon adoption.

Adopted this 7th day of February, 1989.



David Crosby, President

Attest:



Charlotte Richards, Clerk

PUBLIC OPINION MESSAGE

Rayanne

DEAR: SENATOR DUNCAN

NAME: PAN MCCARL
TITLE: PRESIDENT; ANCH. EDUCATION ASSOC.
ADDRESS: 1411 WEST 53RD
CITY: ANCHORAGE ZIP: 99503
PHONE: 274-0536
BILL NO: SB 73

SUBJECT: RETIREMENT INCENTIVE PROGRAM/PERS & TRS
MESSAGE: THE ANCHORAGE EDUCATION ASSOCIATION HAS TAKEN A POSITION IN SUPPORT FOR SB 73. LETTER WILL FOLLOW. URGE YOU TO PLEASE SUPPORT AND PASS IT OF COMMITTEE. APPRECIATE YOUR COMMITMENT TO THIS LEGISLATION.

FORMID: 03111849
DATE: 03/01/89
TIME: 11:18:49
LOCATION: ANCHORAGE LIO

COPIES: SENATOR
FOURCHOT

PUBLIC OPINION MESSAGE

DEAR: SENATOR DUNCAN

NAME: TERRY GORLICK
TITLE:
ADDRESS: 1501 WEST 41ST
CITY: ANCHORAGE ZIP: 99503
PHONE: 563-1952
BILL NO: SB 134

SUBJECT: PRACTICE OF ACUPUNCTURE
MESSAGE: I AM IN SUPPORT OF SB 134 FOR COVERAGE UNDER REIMBURSABLE MEDICAL PLANS.

FORMID: 03111852
DATE: 03/01/89
TIME: 11:18:52
LOCATION: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COSHILL
COTTEN	DAVIDSON	ELIASON
DAVIS, C.	DAVIS, M.	FARRERKAMP
DONLEY	ELLIS	FAIKS
FOSTER	FURNACE	FISCHER
COLL	GRUENBERG	FRANK
GRUSSENDORF	HANLEY	HALFORD
HOFFMAN	HUDSON	JONES
JACKO	KOFCHEK	KELLY
LARSON	LEHAN	KERTTULA
MACLEAN	MARTIN	PEARCE
NEHARD	HILLER	FOURCHOT
NAVARRA	PETTYJOHN	ROEY
PHILLIPS	RIESER	STURGULENSKI
SHARP	SHULTZ	SZYMANSKI
SPORNHOLZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZANACKI	

Rec'd 5/11/89
H (Fed)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: House CS for SB 75 (State Affairs)
PUBLISH DATE:

REQUEST: FISCAL NOTE

Revision Date: 3/31/89
Title: An Act relating to the identification of and disclosures on and about state publications; and providing for an effective date.:
Sponsor: Pearce, Uehling & Faiks

Agency Affected: DOT&PF
BRU: Design & Construction
Maintenance & Operations
Engineering & Operations
AMHS

Requestor:

Components:

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
CONTRACTURAL	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)

*There will be some minor costs associated with complying but these costs will be absorbed in the administrative costs.

Prepared by: Loren Rasmussen
Division: Engineering & Operations Standards

Phone: 465-2960
Date: 05/02/89

Approved by Commissioner: Mark S. Hickey
Agency: Department of Transportation and Public Facilities

Date: 05/02/89

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

RECEIVED
MAY 3 1989

Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: House CS for SB 75 (State Affairs)
An Act relating to the identification of and
disclosures on and about state publications;
TITLE: and providing for an effective date.

APPROVED:

A handwritten signature in black ink, appearing to be "M. L. S. H.", written over the "APPROVED:" label.

DATE: May 2, 1989

The department does not support nor oppose the House committee substitute for committee substitute for Senate Bill No. 75 (State Affairs).

Although there will be some minor costs associated with complying with the bill requirements, the cost will be minimal and will be absorbed by the administrative costs of producing publications.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act relating to RIP BRU: Finance
in PERS and TRS.
 Sponsor: Duncan and Kerttula Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	46.9	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	46.9	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 1034 PERS/TRS	0	46.9	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	2	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared By: Keith Busch, Director *Keith Busch* Phone: 465-2246
 Division: Finance Date: 3/24/89
 Approved by Commissioner: John M. Andrews *[Signature]* Date: 3/24/89
 Agency: Department of Administration

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

RECEIVED
 MAR 28 1989

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CS SB 73 (HESS)

On July 1, 1989, there will be 3,400 State employees eligible for early retirement under this bill. The Division of Finance is responsible for the verification of employment history and the processing of termination pay. Based upon our experience in 1986 and 1987, we anticipate that there could be 1,400 employees participating in the program. We estimate the increased costs to process these employees to be:

Data processing support	\$ 9.0
Two part-time Accounting Technicians I for six months	<u>37.9</u>
Total Cost	\$46.9

All administrative cost for this program will be paid in advance by the participating employer as required by Section 2, page 2, line 27.

FISCAL NOTE

REQUEST:

Revision Date: March 23, 1989 Agency Affected: Administration
 Title: An Act relating to a retirement incentive program. BRU: Retirement and Benefits
 Sponsor: Duncan Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	42.0	318.8	228.1	0	0	0
TRAVEL	2.1	3.5	3.5	0	0	0
CONTRACTUAL	16.7	40.3	3.8	0	0	0
SUPPLIES	.3	2.6	1.7	0	0	0
EQUIPMENT	81.1	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	142.2	365.2	237.1	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	142.2	365.2	237.1	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	142.2	365.2	237.1	0	0	0
TOTAL	142.2	365.2	237.1	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	9	13	13	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See pages 2-9 for detailed discussion of Fiscal Note.

See Attached.

Prepared By: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: 3/23/89
 Approved by Commissioner: John M. Andrews Date: 3/23/89
 Agency: Department of Administration

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

RECEIVED
MAR 28 1989

Committee Substitute for Senate Bill 73 (HESS)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration
 March 21, 1989

ANALYSIS: This bill would place a temporary retirement incentive provision in statute for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS). Active PERS and TRS members could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a police officer, firefighter, or teacher; or with at least 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction for the indebtedness amount for the accelerated period.

The total estimated administrative cost to the division by fiscal year is as follows:

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
PERSONAL SERVICES COSTS			
FY 89			
1 Retirement Spec I (2 mo.)	\$ 5.0		
8 Retirement Tech. I/II (2 mo.)	<u>37.0</u>		
Total FY 89		\$42.0	
FY 90			
1 Retirement Spec I (12 mo.)	\$ 29.5		
8 Retirement Tech. I/II (12 mo)	222.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (10 mo.)	<u>34.5</u>		
Total FY 90		\$318.8	
FY 91			
1 Retirement Spec I (8 mo.)	\$ 19.7		
8 Retirement Tech. I/II (8 mo.)	148.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (8 mo.)	<u>27.6</u>		
Total FY 91			228.1
TRAVEL			
FY 89			
2 trips to ANCH/FBKS		2.1	
FY 90			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 91			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

CONTRACTUAL

FY 89			
Computer hook-up & service for additional 11 PC's.	15.7		
Additional telephone hook-up for 9 phones in current system.		.3	
Telephone service for 9 phones for 2 months.		.2	
Long distance calls.		<u>.5</u>	
Total FY 89		16.7	

FY 90			
RSA to the Division of Finance for 2 Accounting Clerk III for 5 months to provide service and salary verifications.	\$20.5		
Telephone service for 9 phones.	1.4		
Long distance call expense based upon experience from the previous RIP.		<u>2.4</u>	
Total FY 90		40.3	

FY 91			
Telephone service for 9 phones.	1.4		
Long distance calls		<u>2.4</u>	
Total FY 91			3.8

SUPPLIES

FY 89			
(9 employees X \$200/yr X .17)	.3		
FY 90			
(13 employees x \$200/yr)		2.6	
FY 91			
(13 employees x \$200/yr x .66)			1.7

EQUIPEMENT	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 89			
11 Personal Computers	55.0		
8 Microfiche viewers	6.4		
11 Calculators	1.7		
1 Computer Output Printer	<u>18.0</u>		
Total Equipment	<u>81.1</u>	_____	_____
Total Bill Cost By Fiscal Year	<u>\$142.2</u>	<u>\$365.2</u>	<u>\$237.1</u>

The retirement technicians, retirement specialist, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's Local Area Network.

We are also proposing the purchase of an additional computer output printer. The previous RIP put great demand on our existing two printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our two printers. After comparing the cost of purchasing a new printer with leasing one for two and one-half years, we determined that with our current printer needs, purchasing would be more cost effective.

All administrative costs for this program will be paid in advance by the participating employers as required by Section 2, page 2, line 27.

Committee Substitute for Senate Bill 73 (HFSS)
Analysis of Financial Implications on the Retirement Svstems
Prepared by Division of Retirement & Benefits
Department of Administration
March 21, 1989

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
Title: An Act relating to RIP BRU: Finance
in PERS and TRS.
Sponsor: Duncan and Kerttula Components: Retirement and Benefits
Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	46.9	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	46.9	0	0	0	0

CAPITAL	0	0	0	0	0	0
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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 1034 PERS/TRS	0	46.9	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	2	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared By: Keith Busch, Director *Keith Busch* Phone: 465-2246
Division: Finance Date: _____

Approved by Commissioner: John M. Andrews *JM Andrews* Date: 3/17/89
Agency: Department of Administration

Distribution (by preparer):
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CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. CSSB 73 (SA)

On July 1, 1989, there will be 3,400 State employees eligible for early retirement under this bill. The Division of Finance is responsible for the verification of employment history and the processing of termination pay. Based upon our experience in 1986 and 1987, we anticipate that there could be 1,400 employees participating in the program. We estimate the increased costs to process these employees to be:

Data processing support	\$ 9.0
Two part-time Accounting Technicians I for six months	<u>37.9</u>
Total Cost	\$46.9

All administrative cost for this program will be paid in advance by the participating employer as required by Section 2, page 2, line 27.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to a retirement
incentive program. BRU: Retirement and Benefits
 Sponsor: Duncan Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	42.0	318.8	228.1	0	0	0
TRAVEL	2.1	3.5	3.5	0	0	0
CONTRACTUAL	16.7	40.3	3.8	0	0	0
SUPPLIES	.3	2.6	1.7	0	0	0
EQUIPMENT	81.1	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	142.2	365.2	237.1	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	142.2	^{TYPO} 237.1	237.1	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	142.2	365.2	237.1	0	0	0
TOTAL	142.2	365.2	237.1	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	9	13	13	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See pages 2-9 for detailed discussion of Fiscal Note.

Prepared By: Sally Smith, Director *Sally Smith* Phone: 465-4470
 Division: Retirement and Benefits Date: _____

Approved by Commissioner: John M. Andrews *JM* Date: 3/10/89
 Agency: Department of Administration

Distribution (by preparer):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Committee Substitute for Senate Bill 73 (SA)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration
 March 7, 1989

ANALYSIS: This bill would place a temporary retirement incentive provision in statute for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS). Active PERS and TRS members could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a policeman, fireman, or teacher; or with at least 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction for the indebtedness amount for the accelerated period.

The total estimated administrative cost to the division by fiscal year is as follows:

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
PERSONAL SERVICES COSTS			
FY 89			
1 Retirement Spec I (2 mo.)	\$ 5.0		
8 Retirement Tech. I/II (2 mo.)	<u>37.0</u>		
Total FY 89		\$42.0	
FY 90			
1 Retirement Spec I (12 mo.)	\$ 29.5		
8 Retirement Tech. I/II (12 mo)	222.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (10 mo.)	<u>34.5</u>		
Total FY 90		\$318.8	
FY 91			
1 Retirement Spec I (8 mo.)	\$ 19.7		
8 Retirement Tech. I/II (8 mo.)	148.0		
2 Accounting Clerk III (8 mo.)	32.8		
2 Clerk II (8 mo.)	<u>27.6</u>		
Total FY 91			228.1
TRAVEL			
FY 89			
2 trips to ANCH/FBKS		2.1	
FY 90			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
FY 91			
2 trips to ANCH/FBKS			
1 trip to Kenai			
1 trip to Ketchikan			3.5

CONTRACTUAL

FY 89			
Computer hook-up & service for additional 11 PC's.	15.7		
Additional telephone hook-up for 9 phones in current system.	.3		
Telephone service for 9 phones for 2 months.	.2		
Long distance calls.	<u>.5</u>		
Total FY 89		16.7	

FY 90			
RSA to the Division of Finance for 2 Accounting Clerk III for 5 months to provide service and salary verifications.	\$20.5		
Telephone service for 9 phones.	1.4		
Long distance call expense based upon experience from the previous RIP.	<u>2.4</u>		
Total FY 90		40.3	

FY 91			
Telephone service for 9 phones.	1.4		
Long distance calls	<u>2.4</u>		
Total FY 91			3.8

SUPPLIES

FY 89			
(9 employees X \$200/yr X .17)	.3		
FY 90			
(13 employees x \$200/yr)		2.6	
FY 91			
(13 employees x \$200/yr x .66)			1.7

		<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>
EQUIPEMENT				
FY 89				
11 Personal Computers	55.0			
8 Microfiche viewers	6.4			
11 Calculators	1.7			
1 Computer Output Printer	18.0			
	Total Equipment	<u>81.1</u>		
Total Bill Cost By Fiscal Year		<u>\$142.2</u>	<u>\$365.2</u>	<u>\$237.1</u>

The retirement technicians, retirement specialist, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's Local Area Network.

We are also proposing the purchase of an additional computer output printer. The previous RIP put great demand on our existing two printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our two printers. After comparing the cost of purchasing a new printer with leasing one for two and one-half years, we determined that with our current printer needs, purchasing would be more cost effective.

All administrative costs for this program will be paid in advance by the participating employers as required by Section 2, page 2, line 27.

Committee Substitute for Senate Bill 73 (SA)
Analysis of Financial Implications on the Retirement Systems
Prepared by Division of Retirement & Benefits
Department of Administration
March 7, 1989

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

3/7/89 HESS, SFC

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Department of Administration
 Title: An Act relating to RIP BRU: Finance
in PERS and TRS.
 Sponsor: Duncan and Kerttula Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	46.9	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	46.9	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 1034 PERS/TRS	0	46.9	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	2	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See attached

Prepared By: Keith Busch, Director *Keith Busch* Phone: 465-2246
 Division: Finance Date: _____

Approved by Commissioner: John M. Andrews Date: 3/7/89
 Agency: Department of Administration

Distribution (by preparer):
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CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 0073a

On July 1, 1989, there will be 3,400 State employees eligible for early retirement under this bill. The Division of Finance is responsible for the verification of employment history and the processing of termination pay. Based upon our experience in 1986 and 1987, we anticipate that there could be 1,400 employees participating in the program. We estimate the increased costs to process these employees to be:

Data processing support	\$ 9.0
Two part-time Accounting Technicians I for six months	<u>37.9</u>
Total Cost	\$46.9

All administrative cost for this program will be paid in advance by the participating employer as required by Section 2, page 2, line 27.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Administration
 Title: An Act relating to a retirement
incentive program. BRU: Retirement and Benefits
 Sponsor: Duncan Components: Retirement and Benefits
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	204.8	228.1	0	0	0
TRAVEL	0	2.1	3.5	0	0	0
CONTRACTUAL	0	40.3	3.8	0	0	0
SUPPLIES	0	1.7	1.7	0	0	0
EQUIPMENT	0	81.1	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	330.0	237.1	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	330.0	237.1	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	330.0	237.1	0	0	0
TOTAL	0	330.0	237.1	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	13	13	0	0	0

ANALYSIS: (Attach a separate page if necessary)

See pages 2-9 for detailed discussion of increase in operations cost for the division.

THIS BILL WILL NOT RESULT IN AN INCREASE IN STATE OR POLITICAL SUBDIVISION FY 90 PERSONAL SERVICES COSTS.

Prepared By: R.2. Statuvalser
Sally Smith, Director Phone: 465-4470
 Division: Retirement and Benefits Date: 1/25/89

Approved by Commissioner: John M. Andrews Date: 1/30/89
 Agency: Department of Administration

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

Senate Bill 73
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration
January 20, 1989

Analysis: This bill would permanently place a retirement incentive provision in statute for the Public Employees' (PERS) and Teachers' Retirement Systems (TRS) such that the legislature could turn it on or off as they deem necessary by establishing window periods of opportunity. Active PERS and TRS members could retire on an accelerated basis with an increased benefit under the following conditions: at age 47, if vested; with 17 years of service as a policeman, fireman, or teacher; or with at least 27 years of credited service in the PERS. Before qualifying for an accelerated benefit, however, the member must pay a lump sum indebtedness payment or take an actuarial reduction for the indebtedness amount for the accelerated period.

The total estimated administrative cost to the division by fiscal year is as follows:

Personnel services costs:

FY 90

1 Retirement Specialist I (8 mo.)	\$ 19.7	
8 Retirement Tech. I/II (8 mo.)	148.0	
2 Accounting Clerk III (4 mo.)	16.4	
2 Clerk II (6 mo.)	<u>20.7</u>	
Total FY 90		\$204.8

FY 91

1 Retirement Specialist I (8 mo.)	\$ 19.7	
8 Retirement Tech. I/II (8 mo.)	148.0	
2 Accounting Clerk III (8 mo.)	32.8	
2 Clerk II (8 mo.)	<u>27.6</u>	
Total FY 91		228.1

Travel:

FY 90

2 trips to ANCH/FBKS	2.1
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FY 91

2 trips to ANCH/FBKS	
1 trip to Kenai	
1 trip to Ketchikan	3.5

Contractual:

FY 90

RSA to the Division of Finance for 2 Accounting Clerk III for 5 months to provide service and salary verifications.	\$20.5	
Computer hook-up & service for additional 11 PC's.	15.7	
Additional telephone hook-up for 9 phones in current system.	.3	
Telephone service for 9 phones.	1.4	
Long distance call expense based upon experience from the previous RIP.	<u>2.4</u>	
Total FY 90 Contractual		40.3

FY 91

Telephone service for 9 phones.	1.4	
Long distance calls	<u>2.4</u>	
Total FY 91 Contractual		3.8

Supplies:

FY 90

(13 employees x \$200/yr x .66)		1.7
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FY 91

(13 employees x \$200/yr x .66)		1.7
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Equipment:

The retirement technicians, retirement specialist, and accounting clerks need constant access to the PERS and TRS computer files. We do not have any excess terminals, microfiche viewers or calculators. Our equipment request will satisfy our equipment needs for the duration of this program. We propose the purchase of personal computers to be used as terminals because they will be compatible with the division's Local Area Network.

We are also proposing the purchase of an additional computer output printer. The previous RIP put great demand on our existing two printers and we were always in a state of backlog. Our current day-to-day printer needs maximize the capacity of our two printers. After comparing the cost of purchasing a new printer with leasing one for two years, we determined that with our current printer needs, purchasing would be more cost effective.

FY 90

11 Personal Computers	55.0
8 Microfiche viewers	6.4
11 Calculators	1.7
1 Computer Output Printer	18.0
Total Equipment	<u>81.1</u>

Total Bill Cost \$ 567.1

All administrative costs for this program will be paid in advance by the participating employers as required by Section 2, page 2, line 27.

Senate Bill 73
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement & Benefits
Department of Administration
January 19, 1989

Analysis: The retirement incentive program legislation requires state agencies and participating employers and employees to reimburse the PERS and TRS for the costs of participation in the program; it also requires a showing of a cost savings to participate in the program. There should be no long-term or short-term costs to the retirement systems' funds.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act Relating to Retirement
Incentive Programs f/Public Employees
Retirement System and the Teacher's
Retirement System: and Providing for an
Effective Date."

Agency Affected: University of Alaska
BRU: SPS, UAF, UAA, UAS
Components: _____
Sponsor: Duncan/Kerttula

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

CAPITAL						
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
---------	-----	-----	-----	-----	-----	-----

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

ANALYSIS : (Attach a separate page if necessary)

It is a requirement of the bill that employers will only participate if this is a cost-cutting measure. By definition, the program can only save money and not cost money. Savings are dependent on volume and mix, and are not currently measureable.

Prepared by: Jim Lynch
Division: Statewide Finance

Phone: 474-6555
Date: 2/21/89

Approved by Commissioner: Vice President Brian Rogers
Agency: University of Alaska

Date: 2/21/89

Distribution (by preparer):
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