

SB 32

HOUSE COMMITTEE REPORT

(11)

Date Referred: March 21, 1991

FURTHER REFERRALS:

Date of Committee Action: 4/30/91

The FINANCE Committee considered:

CSSB 32(STA)

CS FOR SENATE BILL NO. 32 (STATE AFFAIRS)

PERS BENEFITS FOR YOUTH CENTER EMPLOYEES

"An Act granting certain juvenile correctional institution employees status as peace officers under the public employees' retirement system; and providing for an effective date."

RECOMMENDATIONS:

be replaced with HCS CSSB 32 (SA) [] the same title

[x] a new title

[] have attached amendments(s)

[] do pass

[] do not pass

[x] no recommendations

[] individual recommendations

[] additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

[x] fiscal impact DHSS T Dept Admin

[] fiscal note(s) _____

[] zero fiscal note _____

[] zero fiscal note(s) _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Eileen Maclean</i> <small>Maclean</small>	✓	<i>Mike Navarre</i> <small>Navarre</small>		✓	
<i>[Signature]</i>	✓	<i>M. Decker</i> <small>Bayer</small>		X	
<i>[Signature]</i> <small>Koponen</small>	✓	<i>Jan Perola</i> <small>Brown</small>		✓	
<i>[Signature]</i> <small>Jain</small>	✓	<i>[Signature]</i>			
<i>J. W. [Signature]</i> <small>Winer</small>	✓	<i>Bert [Signature]</i> <small>Chapman</small>		✓	
		<i>Roll E. [Signature]</i> <small>Finley</small>		✓	
		<i>Ronald J. [Signature]</i> <small>Lutson</small>		X	

Mike Navarre Navarre *Eileen Maclean* Maclean
 CHAIRMAN'S SIGNATURE

FISCAL NOTE

BILL NO. HCS CSSB 32

STATE OF ALASKA
1991 LEGISLATIVE SESSION

Revision Date: _____
Title: An act granting certain juvenile correction employees status of peace officers under PERS.

Department Affected: Administration
BRU: Retirement and Benefits

Sponsor: DUNCAN
Requestor: _____

Component: Retirement and Benefits

COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	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	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

Estimate of current year impact: Zero

ANALYSIS: (attach a separate page if necessary.) This bill is estimated to cost the state of Alaska \$168.6 in increased personal services for FY 93 and each year thereafter.

The attached sheet discusses the fiscal implications of this bill to the Public Employees' Retirement System.

Prepared By: Gary Bader *Gary M. Bader* Phone: 465-4460
Division: Retirement and Benefits Date: March 20, 1991

Approved by Commissioner: Millett Keller *Millett Keller* Date: 3/27/91
Agency: Department of Administration

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

Committee Substitute for Senate Bill 32
Analysis of Fiscal Implications to the Retirement Funds
Prepared by Division of Retirement and Benefits
Department of Administration
February 6, 1991

Analysis: This bill is intended to include Public Employees' Retirement System (PERS) members who serve as youth counselors, unit leaders, nurses or superintendents in juvenile correctional institutions and correctional institution manager under "Peace Officer/Firefighter" coverage. They are currently covered under the "All Other" category. We have assumed that this bill will increase the "Peace Officer/Firefighter" participation and decrease the "All Other" participation in PERS by 170 members.

This bill is estimated to increase the state FY 93 PERS contribution rate by .03%. The state payroll is estimated to be \$561,946,558 in FY 93 and remain stable each year thereafter.

The state cost of \$168.6 is calculated as follows:

State FY 93 payroll	\$ 561,946,558
Increase in PERS rate	<u>X .03%</u>

TOTAL FY 93 STATE COST.....\$ 168,584

This bill will not materially affect the accrued liabilities or the funding ratio of the PERS fund.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HCSCSSB32

Revision Date April 29, 1991 Dept. Affected Health & Social Services
 Title: An Act granting certain juvenile correction BRU: Youth Services
institution employees status as peace officers Component: All youth facility components
 Sponsor: Senator Duncan
 Requestor: Finance COMPONENT SERIAL NO. 0264-0268

Expenditures/Revenues (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	96.2	101.0	101.0	101.0	101.0	101.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	96.2	101.0	101.0	101.0	101.0	101.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	96.2	101.0	101.0	101.0	101.0	101.0
FEDERAL FUNDS						
OTHER						
TOTAL	96.2	101.0	101.0	101.0	101.0	101.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

This bill will add supervisor of a juvenile probation program, youth counselors, unit leaders, youth facility superintendents, and nurses working in juvenile correctional institutions to the 20 year "peace officer" retirement plan of PERS. 169 employees of the Division of Family & Youth Services could become eligible for 25 year retirement.

Each affected employee would have the option of participating in the 20 year retirement plan or remaining in the regular Public Employee Retirement Plan.

Prepared by: Michael L. Price, Director *Michael L. Price*
 Division: Family & Youth Services

Phone: 465-3170
 Date: 4/30/91

Approved by Commissioner: Theodore A. Mala, MD, MPH *Theodore A. Mala*
 Agency: Department of Health and Social Services

Date: 4/30/91

Distribution (by preparer):
 Legislative Finance OMB
 Legislative Sponsor Impacted Agency(ies)
 Requestor

ANALYSIS (cont.):

This bill would have a personal services impact on all youth facilities components; McLaughlin Youth Center, Fairbanks Youth Facility, Nome Youth Facility, Johnson Youth Center and Bethel Youth Facility. The State PERS contribution for affected employees would increase from 15.64% to 16.97%. Combined annual fiscal impact for all youth facility components within the BRU is \$96,161.00.

If passed this bill would become effective immediately under AS.01.10.070(c). It is possible to have an effective date prior to the end of FY91. For FY91 the monthly cost could be \$7,613.00 distributed among components in the Youth Services BRU.

FY 92 Cost Calculation

Average Base Salary	\$42,800.00
PERS Increase (1.33%)	x .0133

Cost Per Person	\$ 569.00
Number of Affected Employees	x 169

Total	----- \$96,161.00
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HOUSE CS FOR CS FOR SENATE BILL NO. 32 (STATE AFFAIRS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE STATE AFFAIRS COMMITTEE

Offered: 3/21/91

Referred: Finance

Sponsor(s): SENATORS DUNCAN, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act granting certain juvenile correctional institution employees and persons who
 2 supervise juvenile probation programs status as peace officers under the public employees'
 3 retirement system; and providing for an effective date."

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

5 * Section 1. AS 39.35.680(28) is amended to read:

6 (28) "peace officer" or "fire fighter" means an employee occupying a position as
 7 a peace officer, chief of police, correctional officer, correctional superintendent, fire fighter, fire
 8 chief, [OR] probation officer, supervisor of a juvenile probation program, or youth counselor,
 9 unit leader, superintendent, or nurse in a juvenile correctional institution:

10 * Sec. 2. An employee who was employed as a supervisor of a juvenile probation program or as a
 11 youth counselor, unit leader, superintendent, or nurse at a juvenile correctional institution in the public
 12 employees' retirement system before the effective date of this Act may convert the credited service for
 13 that position to credited service as a peace officer by claiming the service as peace officer service before
 14 the member is appointed to retirement. When the member claims this retroactive credited service, an

1 indebtedness of the member to the system shall be established. The indebtedness is equal to (1) the
2 contributions to the system that the member would have made if the service had counted as peace officer
3 service, less (2) the contributions to the system that the member actually made. Interest as prescribed
4 by regulation accrues on this indebtedness beginning July 1, 1992. Any outstanding indebtedness that
5 exists at the time the member is appointed to retirement will require an actuarial adjustment to the
6 benefits payable based upon the converted credited service.

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

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

DATE: April 1, 1991

TO: Representative Eileen MacLean, Co-Chair
Representative Mike Navarre, Co-Chair ✓
House Finance Committee

FROM: Senator Jim Duncan

SUBJECT: House CSSB 32 (State Affairs) granting certain juvenile correctional institution employees and persons who supervise juvenile probation programs status as peace officers under the public employees' retirement system.

Please schedule HCS SB 32(State Affairs), granting certain juvenile correctional institution employees and persons who supervise juvenile probation programs status as peace officers under the public employees' retirement system for a hearing at your earliest convenience.

SB 32 provides Juvenile Correctional Employees a 20 year retirement by granting them Peace Officer Status in the Public Employees' Retirement System. This status in the retirement system is currently afforded to peace officers, fire fighters, probation officers, and adult correctional officers.

Employees at state juvenile correctional facilities and in juvenile probation have many of the same responsibilities as personnel in adult correctional institutions and in adult probation. Because of the hazardous nature of this work, I feel it is appropriate to include these employees in the 20 year retirement system. There is much support throughout the state for this legislation.

The House State Affairs Committee amended the bill to include the "supervisor of a juvenile probation program" in the employees covered under this legislation. This necessitated a change in the title of the bill and the State Affairs Committee introduced HCR 18, to suspend the Uniform Rules to allow for the title change.

I urge you to schedule SB 32 for a hearing as soon as possible Please find attached pertinent information relating to this legislation.

Attachments

FISCAL NOTE

No. 2

Bill Version: HCSCSSB 32 (STA)

(H) Publish Date: 3/21/91

**STATE OF ALASKA
1991 LEGISLATIVE SESSION**

Revision Date: _____ Dept. Affected Health and Social Services
 Title: An Act granting certain juvenile correction BRU: Youth Services
institution employees status as peace officers Component: All youth facility components
 Sponsor: Senator Duncan
 Requestor: _____ COMPONENT SERIAL NO. 0264-0268

Expenditures/Revenues (Thousands of Dollars)

OPERATING	FY92	FY93	FY94	FY95	FY96	FY97
PERSONAL SERVICES	100.2	100.2	100.2	100.2	100.2	100.2
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.2	100.2	100.2	100.2	100.2	100.2

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	100.2	100.2	100.2	100.2	100.2	100.2
FEDERAL FUNDS						
OTHER						
TOTAL	100.2	100.2	100.2	100.2	100.2	100.2

POSITIONS:

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

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary)

This bill will add youth counselors, unit leaders, youth facility superintendents, and nurses working in juvenile correctional institutions to the 20 year "peace officer" retirement plan of PERS. 168 employees of the Division of Family & Youth Services could become eligible for 20 year retirement.

Each affected employee would have the option of participating in the 20 year retirement plan or remaining in the regular Public Employee Retirement Plan.

Prepared by: Russ Webb, Acting Director
 Division: Family and Youth Services

Approved by Commissioner: Theodore A. Mala, MD, MPH
 Agency: Department of Health and Social Services

Phone: 465-3170
 Date: 3/15/91
 Date: 3/21/91

Distribution (by preparer):
 Legislative Finance OMB
 Legislative Sponsor Impacted Agency(ies)
 Requestor

COMMITTEE COPY

ANALYSIS (cont.):

This bill would have a personal services impact on all youth facility components; McLaughlin Youth Center, Fairbanks Youth Facility, Nome Youth Facility, Johnson Youth Center and Bethel Youth Facility. The State PERS contribution for affected employees would increase from 15.64% to 16.97%. Combined annual fiscal impact for all youth facility components within the BRU is \$95,424.00.

If passed this bill would become effective immediately under AS.01.10.070(c). It is possible to have an effective date prior to the end of FY91. For FY91 the monthly cost could be \$7,553.00 distributed among components in the Youth Services BRU.

FY92 Cost Calculation

Average Base Salary	\$42,700.00
PERS Increase (1.33%)	x .0133
Cost Per Person	\$ 568.00
Number of Affected Employees	x 168
TOTAL	\$95,424.00

FY93-FY97 cost calculation includes a 5% COLA.