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Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

April 12, 1991

TO: Rep. Georgianna Lincoln, Co-chair
Rep. Pat Carney, Co-chair
House Health, Education and Social Services Committee

FROM: Rep. Fran Ulmer

RE: HB 42, relating to benefits for part-time state employees

The broad purpose of HB 42, relating to benefits for part-time employees, is to establish a public policy recognizing part-time employment as a valuable and desirable career choice for both the employer and the employee. The bill does this by rectifying several inequities accruing to part-time employment in state service.

It is estimated that women will enter the marketplace in increasing numbers during the next decade, and will constitute the fastest growing sector of the workforce. Single parent families and those families in which both parents must work increasingly face conflicts in which family responsibilities are short-changed. It is to our benefit to create flexible employment opportunities, such as permanent part-time employment, so that individuals are able to meet their financial responsibilities by maintaining employment, and to care for dependent children and elderly or disabled family members as well.

I would like to suggest several changes to HB 42 which I urge you to consider. The original version of HB 42 requires the state to provide the full state contribution rate for health insurance for part-time employees. I would like to suggest the following changes:

(1) Require part-time employees to pay half the premium for health insurance.

Currently, part-time employees have 2 options for health insurance: (1) they may purchase the same group health insurance as full time employees by paying half the premium (\$193.16) or (2) they may purchase lesser coverage (which does not include dental, vision, or audio benefits) by paying the full premium (\$71.44 /individual and \$174.96/family). This change would ensure that part-time employees only pay half the health insurance premium for the policy of their choice.

District 4B — Juneau

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Recycled Paper

(2) Allow part-time employees to achieve permanent status after the same probationary period as full-time employees.

Currently, part-time employees have a probationary period about twice as long as full-time employees. Permanent status is not achieved until the part-time employee has worked the same number of total hours as a full-time employee. This is an unreasonably long probationary period. The 6 month and 12 month probationary periods are adequate to determine the employee's competency on the job.

(3) Allow permanent part-time employees to qualify for salary and leave accrual increases after the same period of time as full-time employees.

Currently, it takes a part-time employee about twice as long to qualify for a pay or leave accrual increase as it does a full-time employee. In order to qualify for these increases, a part-time employee must work the same number of total hours as the full-time employee. Salary increases and leave increases are intended to reflect job performance and length of service. A part-time employee who has worked continuously for 5 years has demonstrated the same loyalty and length of service as a full-time employee, even though he or she has not worked the same number of total hours.

(4) Allow permanent part-time employees to vest in the Public Employees Retirement System after the same period of time as full-time employees.

Currently, part-time employees become vested in the retirement system based on the proportion of time they are employed. (An employee must work at least 15 hours per week to qualify for vesting as a part-time employee.) For example, an employee working 15 hours per week will be vested in 10 years. An employee working 20 hours per week will become vested in 7.5 years. Requiring vesting to occur as a result of the total number of hours worked by a state employee penalizes those individuals who work part-time, either by choice or necessity, and serves as a disincentive to permanent, part-time employment. Allowing permanent part-time employees to vest in PERS on the same basis as full-time employees (after 5 years) will encourage part-time employment as a viable employment alternative.

The employer will sustain some increased costs associated with these changes. However, those costs will be off-set by long-term savings in child and elder care which may be borne by the family rather than through social services provided by the community.

I have prepared a draft committee substitute incorporating these changes which I urge the committee to consider.

Alaska State Legislature

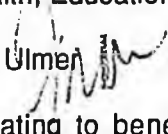


REPRESENTATIVE FRAN ULMER

MEMORANDUM

5/1/91

TO: Rep. Georgianna Lincoln, Co-chair
Rep. Pat Carney, Co-chair
House Health, Education and Social Services Committee

FROM: Rep. Fran Ulmer 

RE: HB 42, relating to benefits for part-time state employees

As a result of the work of the subcommittee on HB 42, chaired by Rep. Cherie Davis, I have prepared a new committee substitute for HB 42 which incorporates those technical changes that were indicated. Specifically, Section 4 of the bill has been revised in light of the difficulty of requiring the employer to pay half the premium of health insurance purchased through the Supplemental Benefits System. This revision requires the state to offer low-cost health insurance for single member coverage similar to the insurance currently available as "Option 2" from SBS, and that part-time employees shall not pay more than half of the premium for that insurance.

The subcommittee's discussion of the bill raised one primary objection from the administration which points to the policy issue underlying the legislation as a whole. In brief, the administration argues that HB 42 seeks to confer benefits on part-time employees which should be established at the bargaining table. While I agree that employee benefits are an issue for collective bargaining, the benefits addressed by HB 42 have already been set by collective bargaining. HB 42 merely seeks to make those benefits available to all employees on an equitable basis.

The attached chart demonstrates the inequity which currently exists between part-time and full-time employees. Over a 4 year period of employment, a part-time employee will receive one-half the pay increase, and one-half the leave accrual increase that a full-time employee will receive. This inequity exists solely because the administration has chosen to establish pay and leave accrual increases on the total number of hours worked, rather than on the length of service. There is no management objective to this policy other than reducing the employee's rate of pay and leave accrual. The result is a serious inequity and disincentive to part-time employment with the state. Since a majority of part-time state employees are traditionally female, this inequity hits hardest at those sectors of the workforce that are the lowest paid.

I urge the committee to support HB 42 and to redress this inequity. In so doing, the state will establish a policy in support of part-time employment as a viable career choice which allows workers to be financially productive and to meet their family responsibilities as well.

District 4B — Juneau

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HB 42
Comparison of full-time & part-time employment

	Full-time	Part-time
Year #1	Range 17 (1 employee)	Range 17 (2 employees @half-time)
Year #2	Permanent status 3.5% merit inc	no change no increase
Year #3	3.5% merit inc (7% total increase)	Permanent status 3.5% increase
Year #4	3.5% merit inc (10.5% total increase)	no change
Year #5	3.5% inc (14% total increase)	3.5% increase (7% total increase)

**HB 42,
Benefits for Permanent Part-time Employees**

Sectional Analysis

Section 1: For the purpose of computing leave, allows a permanent, part-time employee who has been continuously employed in a half-time position for 12 consecutive months to receive credit for one year of service.

Section 2: Allows a permanent, part-time employee to receive court leave in order to serve as a juror or subpoenaed as a witness.

Section 3: For the purposes of completing the probationary period, determining eligibility for leave, including an increase in leave accrual rates, and salary increases, allows a permanent, part-time employee in a half-time position to receive credit for full-time service.

Section 4: Requires that a part-time employee shall pay no more than one-half the premium for supplemental health benefits.

Section 5: For the purposes of meeting the 5 year vesting requirement for PERS, allows a permanent, part-time employee in a half-time position to receive credit for full-time service. An employee may not receive credited service greater than one year in a 12 month period. Part-time service is not counted as full-time service for the calculation of the amount of benefits to which the employee is entitled.

Section 6: Pertains to employees enrolled in both the TRS and PERS. For the purposes of meeting the 5 year vesting requirement for PERS, allows a permanent, part-time employee in a half-time position to receive credit for full-time service. An employee may not receive credited service greater than one year in a 12 month period. Part-time service is not counted as full-time service for the calculation of the amount of benefits to which the employee is entitled.

A. Gorse
5-3-91

Number Positions: Classified Service
295 (Does not include seasonal)

Number positions in which more than 1 employee

39 positions (80 employees)
Does include seasonal - people who work fulltime for some specified period (less than a year)

Cost to Employer: Accum. Merit Increases Only \$100/pay period

Year	Current PT	Proposed PT	FT
1	100	100	200
2	100	103.5	
3	103.5	107	
4	103.5	110.5	
5	107.0	113.5	
	+ 7%	+ 13.5%	

fulltime EE \Rightarrow would receive 13.5% on twice dollars

Hours	Full time	Annual
	37.5	= 1950
Proposed PT	15 hrs	= 780 Annual

FT Employee 5 years = 9750 hours
to earn 13.5% raise

Proposed FT Employees: 5 years 3900 hours

Current PT Employees: 5 years work time
equivalent or 9750 hours

Probationary Period

6 months (5% 13 & below) -

$$FT: 37.5 \times 26 = 975 \text{ hrs}$$

$$PT: 15 \times 26 = 390$$

1 year

$$FT: 37.5 \times 52 = 1950$$

$$PT: 15 \times 52 = 780$$

Supervisors must make decision to
'retain or dismiss' →

on 40% work or training time
of that available with respect
to full time EEs

Revision Date: _____
 Title: An Act relating to health benefits for certain
part-time state employees.
 Sponsor: Representatives Ulmer, Bruckman, Koponen
 Requestor: Health, Education and Social Services, State Affairs, Finance

Department Affected: Administration
 BRU: Division of Pioneers' Benefits
 Component: Pioneers' Homes

COMPONENT SERIAL NO.

3	5		
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	344,500	344,500	344,500	344,500	344,500	344,500
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	344,500	344,500	344,500	344,500	344,500	344,500

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	344,500	344,500	344,500	344,500	344,500	344,500
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	344,500	344,500	344,500	344,500	344,500	344,500

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.)

The Division has 71 positions which are affected by this bill. The cost of FY 93 to FY 97 will depend on the cost of health insurance. The cost for FY 92-FY 97 is based on a rate of \$404.31.

Prepared by: Barbara Bathony *Barbara Bathony*
 Division: Pioneers' Benefits

Phone: 465-4400

Date: 2/11/91

Approved by Commissioner: Millett Keller *Millett Keller*
 Agency: Administration

Date: 4/12/91

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

HOUSE COMMITTEE REPORT

(7)

Date Referred: January 21, 1991

FURTHER REFERRALS:

State Affairs
Finance

Date of Committee Action: _____

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 42

HOUSE BILL NO. 42

HEALTH BENEFITS FOR PART-TIME ST EMPLOYEE

"An Act relating to health benefits for certain part-time state employees."

RECOMMENDATIONS:

be replaced with CS HB 42 (HES) the same title

a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) _____

APPROVES PREVIOUS: (Dept/Date) _____

fiscal impact _____

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<i>Patricia [unclear]</i>				
<i>Betty Davis</i>	<i>J. G. Donohue</i>	✓		
	<i>Betty Davis</i>			
	<i>Cheri Davis</i>		✓	

[Handwritten Signature]

Chairman's Signature

7-LS0359AD
Cramer
4/12/91

CS FOR HOUSE BILL NO. 42 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES ULMER, Bruckman, Koponen

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to benefits for state employees in permanent part-time positions."

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

3 * Section 1. AS 39.20.210 is amended by adding a new subsection to read:

4 (b) In determining years of service for an employee with service in a permanent part-time
5 position, the employee shall receive credit for one year if the employee was continuously
6 employed in a permanent position during 12 consecutive months. In computing eligibility under
7 this subsection, only months in which the employee was employed at least half the hours of a
8 regular position may be considered.

9 * Sec. 2. AS 39.20.270 is amended to read:

10 Sec. 39.20 270. COURT LEAVE. Notwithstanding AS 39.20.310(7), court leave shall
11 be granted to an employee who is classified as full time, whether permanent, nonpermanent, or
12 temporary, or who is classified as a permanent part-time employee. An officer or employee
13 called to serve as a juror or subpoenaed as a witness is entitled to administrative leave with pay,
14 but compensation received by the employee or to which the employee is entitled, whichever is

1 greater, for service as a juror or witness shall be deducted from pay to which the employee is
2 entitled as a state officer or employee.

3 * Sec. 3. AS 39.25.150(20) is amended to read:

4 (20) the employment of persons in permanent positions on a part-time basis of
5 15 hours or more a week, including the employment of two persons to fill one permanent
6 full-time position; these employees shall be designated as permanent part-time employees; for
7 purposes of completing the probationary period, eligibility for leave, including an increase
8 of leave accrual rates, and salary increases, an employee who has service in a part-time
9 position is entitled to have that service counted as permanent full-time service if the
10 employee was employed at least half the hours of a regular position in the pay period;

11 * Sec. 4. AS 39.30.160 is amended by adding a new subsection to read

12 (f) The department may not provide a benefit option that requires a part-time employee
13 to pay more than one-half the premium for supplemental health benefits that a full-time employee
14 is required to pay for the same coverage.

15 * Sec. 5. AS 39.35.370 is amended by adding a new subsection to read:

16 (g) For purposes of determining whether an employee meets the five-year credited service
17 requirement to qualify for a retirement benefit, an employee who was employed by the state in
18 a permanent part-time position is entitled to have that service counted as permanent full-time
19 service if the employee was employed at least half the hours of a regular position in the pay
20 period. However, the employee is not entitled to receive credited service greater than one year
21 in a 12-month period. An employee is not entitled to have the permanent part-time service count
22 as permanent full-time service for the calculation of the amount of benefits to which the
23 employee is entitled.

24 * Sec. 6. AS 39.35.385 is amended by adding a new subsection to read:

25 (g) For purposes of determining whether an employee meets the credited service
26 requirement to qualify for a retirement benefit under this section, an employee who was
27 employed by the state in a permanent part-time position is entitled to have that service counted
28 as permanent full-time service if the employee was employed at least half the hours of a regular
29 position in the pay period. However, the employee is not entitled to receive credited service
30 greater than one year in a 12-month period. An employee is not entitled to have the permanent
31 part-time service count as permanent full-time service for the calculation of the amount of

1 benefits to which the employee is entitled.

CS FOR HOUSE BILL NO. 42 ()
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES ULMER, Bruckman, Koponen

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6 full-time position; these employees shall be designated as permanent part-time employees; for
7 purposes of completing the probationary period, eligibility for leave, including an increase
8 of leave accrual rates, and salary increases, an employee who has service in a part-time
9 position is entitled to have that service counted as permanent full-time service if the
10 employee was employed at least half the hours of a regular position in the pay period;

11 * Sec. 4. AS 39.30.090 is amended by adding a new subsection to read:

12 (c) The Department of Administration shall obtain a policy of group insurance that
13 provides low cost health insurance for single-member coverage covering state employees and
14 others as the department determines appropriate. The policy may not require that a part-time
15 employee pay more than one-half the premium for health benefits that a full-time employee is
16 required to pay for the same coverage.

17 * Sec. 5. AS 39.31.370 is amended by adding a new subsection to read:

18 (g) For purposes of determining whether an employee meets the five-year credited service
19 requirement to qualify for a retirement benefit, an employee who was employed by the state in
20 a permanent part-time position is entitled to have that service counted as permanent full-time
21 service if the employee was employed at least half the hours of a regular position in the pay
22 period. However, the employee is not entitled to receive credited service greater than one year
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28 requirement to qualify for a retirement benefit under this section, an employee who was
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- 1 greater than one year in a 12-month period. An employee is not entitled to have the permanent
- 2 part-time service count as permanent full-time service for the calculation of the amount of
- 3 benefits to which the employee is entitled.



Alaska State Legislature
House of Representatives
 COMMITTEE ON HEALTH, EDUCATION
 AND SOCIAL SERVICES

DATE: April 15, 1991

PLACE: Capitol Room 106

SUBJECT OF MEETING:
 *HB42 HEALTH BENEFITS FOR PART-TIME
 STATE EMPLOYEES

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Dianne Lingo	Atmos.	Div Labor Relations	99811			Y	N	Answer questions if any
Bob Stalnaker	Div of Retirement	Box CR	99811		46	Y	N	Answer questions HB42
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	
						Y	N	