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APR 11 1991

UNIVERSITY OF ALASKA FAIRBANKS



ROD  
FYI

**Governance Office**  
Fairbanks, Alaska 99775-0680  
(907) 474-7964 • FAX: (907) 474-5213

keep in case  
it comes to  
us.

April 8, 1991

Drue Pearce  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Senator Pearce:

The UAF Staff Council passed the enclosed motion endorsing House Bill 225-credit for unused sick leave in the public employees retirement system at their meeting on April 3, 1991. Staff Council unanimously endorsed this bill and would like your support on it.

If you have any questions regarding this motion, please do not hesitate to contact me at 474-6162 or Lola Oliver, President of the UAF Staff Council at 474-7114.

Sincerely,

Lois Hildenbrand, President-Elect  
UAF Staff Council

Enclosure

cc Wendy Redman, Vice President for University Relations  
Karen Cedzo, Associate Vice Chancellor for University Relations and  
Institutional Advancement

LH/kam

LOOSY IORA

ROD

WHEN THE SICK/ANNUAL  
SYSTEM + PERSONAL LEAVE  
SYSTEMS WERE CREATED,  
THE ANNUAL RATES TOOK  
THIS INTO ACCOUNT.

The UAF Staff Council approved the following at its Meeting 33 on April 3, 1991:

MOTION PASSED (unanimous approval)

=====

The UAF Staff Council moves to endorse the following House Bill 225:

**Credit for Unused Sick Leave**

SPONSOR: KOPONEN

COMMITTEES: SA/FIN

An employee who is employed on or after July 1, 1990, and who retires after July 1, 1991, may elect to add unused sick leave credit to the total number of years of credited service under AS 39.35.370(c). Unused sick leave shall be credited on a day-for-day basis. Employee contributions may not be required for credited unused sick leave.

(b) An employee retiring before July 1, 1991, who returns to membership service with an employer on or after July 1, 1991, and who subsequently retires is eligible for unused sick leave credit only with respect to sick leave accrued during membership service on or after July 1, 1991.

(c) Unused sick leave may be added to credited service under this section as of the first day of the month after which

1. the employee meets the eligibility requirements of this section;
2. the employee is terminated from covered employment; and
3. the employee's written election regarding unused sick leave is received and verified by the administrator

EFFECTIVE: Immediately

RATIONALE: As state employees under the PERS system, UAF staff would be included in the bill and have their unused sick leave credited to total number of years of credited service. Employees under the TRS system are already allowed this credit. This bill requires no additional state funding and would be of significant benefit to University PERS employees.

 April 4, 1991  
\_\_\_\_\_  
President, UAF Staff Council                      Date

Alaska State Legislature  
Representative Niilo Koponen


Pouch V  
Fairbanks, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

MEMORANDUM

TO: Senator Drue Pearce, Chair  
Virginia Collins, Vice-Chair  
Senate Labor and Commerce Committee

FROM: Representative Niilo Koponen 

RE: Scheduling of CSHB 225

DATE: May 4, 1992

Attached you will find a copy of CSHB 225, related Fiscal Notes, the Position Paper, and back-up material. Please consider scheduling this legislation at the earliest possible date. Thank you for your time and consideration.

Alaska State Legislature  
Representative Niilo Koponen

Pouch V  
Juneau, Alaska 99811  
(907) 465-4992

House District 21

119 N. Cushman, Suite 207  
Fairbanks, Alaska 99701  
(907) 456-8172

POSITION PAPER for HB 225

This bill corrects an inequity in the retirement system which unfairly discriminates against public employees.

HB 225 would apply to all Public Employees excluding those whose benefits have been negotiated under other contracts. Public employees have long been overlooked in nearly every aspect of their employment conditions. For example, many have no unemployment compensation, and there is no procedure for disbursing accumulated unused sick leave at termination or retirement, as is found in other organized employee benefit packages.

Educational support staff would be the principal beneficiaries in an attempt to create equity within school staff. HB 225 amends the provisions of the Public Employee's Retirement System (PERS) to make the calculation of credited service for non-certificated employees in the Teachers Retirement System (TRS) and for Legislative staffers in PERS. Teachers who are covered by TRS receive a full years credit for 180 days of work, while educational support staff receive only a percentage of each year's credit in one year.

It is imperative that public employees attend their jobs with few absences, because substitutes for janitors, secretaries, teachers' aides, nurses etc., are uncommonly found (a result of low wages, long and odd hours, and the requirement to be an Alaska Public Employee). The absence of any one of these employees is not only disruptive to the days' events in a public facility, but can have harmful effects in the event of an emergency. This bill would encourage those Public Employees to not sacrifice their retirement monies for personal leave.

FISCAL NOTE

No. 4

Bill Version: CSHB 225 (FIN)

(H) Publish Date: 3-4-92

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: An act allowing retirement credit for unused sick leave

Department Affected: Administration  
BRU: Retirement and Benefits

Sponsor: KOPONEN  
Requestor: House Finance Committee

Component: Retirement and Benefits  
COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
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.)

Prepared By: Gary Bader  
Division: Retirement and Benefits

Phone: 465-4460  
Date: January 23, 1992

Approved by Commissioner: Nancy Bear Usher  
Agency: Department of Administration

Date: 1/24/92

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

COMMITTEE COPY

STATE OF ALASKA  
1992 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_  
Title: An act allowing retirement credit for unused sick leave

Department Affected: ALL STATE  
BRU: ALL STATE

Sponsor: KOPONEN  
Requestor: House Finance Committee

Component: ALL STATE

COMPONENT SERIAL NO. \_\_\_\_\_

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	594.6	594.6	594.6	594.6
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	594.6	594.6	594.6	594.6

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	0	594.6	594.6	594.6	594.6
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	594.6	594.6	594.6	594.6

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: \$0

ANALYSIS: (attach a separate page if necessary.) It will also increase personal services cost to political subdivisions by approximately \$387.4 in FY 95 and each year thereafter.

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

Prepared By: Garv Bader  
Division: Retirement and Benefits

Phone: 465-4460  
Date: January 24, 1992

Approved by Commissioner: Nancy Bear Usher  
Agency: Department of Administration

Date: 3/4/92

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

Finance Committee Substitute for House Bill 225  
Analysis of Fiscal Implications to the Retirement Fund  
Prepared by Division of Retirement & Benefits  
Department of Administration  
March 3, 1992

Analysis: Based upon a preliminary study of the State and several political subdivisions, we have assumed that each future Public Employees' Retirement System (PERS) retiree would be given credit for 200 hours of sick leave upon passage of this bill. This estimate is based upon the employee receiving credit for 40% of the sick leave that the employee has accrued on average, recognizing that some employees accrue personal leave and some accrue sick leave.

To fund this bill, the State PERS contribution rate would increase by .084%. The State payroll is estimated to be \$626,535,254 in FY95 and remain stable each year thereafter. The University of Alaska (U of A) PERS payroll is estimated to be \$81,266,873 in FY95 and remain stable each year thereafter.

The State cost of \$ 594.6 is calculated as follows:

Estimated FY95 state PERS salaries	\$626,535,254	
The increase in contribution rate	<u>.084%</u>	
Total State PERS cost.....		\$ 526.3
Plus estimated U of A PERS salaries	\$81,266,873	
The increase in contribution rate	<u>.084%</u>	
Total U of A PERS cost.....		<u>68.3</u>
<b>TOTAL FY95 STATE COSTS...</b>		<b>\$ 594.6</b>

In addition to the State's cost's above, political subdivision costs would increase by \$387.4 in FY95 based on estimated salaries of \$461,219,955. The political subdivision salaries are estimated to remain constant each year thereafter.

Estimated FY95 Political Subdivision PERS salaries	\$461,219,955
The increase in contribution rate	<u>.084%</u>

**TOTAL FY95 POLITICAL SUBDIVISION COSTS...\$ 387.4**

Passage of this bill would result in a .16% decrease in the PERS funding ratio and would increase the present value of the PERS unfunded liability by \$ 4,680,000.

**ALASKA STATE LEGISLATURE  
HOUSE BILL NO. 225**

**HISTORY IN THE HOUSE**

1991	Read first time and referred to: <u>STA FIN</u>												
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**HISTORY IN THE SENATE**

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