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STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST

Bill/Resolution No.: HB 608  
 Title: An Act relating to the operation of the legislature; e.f. date  
 Sponsor: Speaker Joe Hayes  
 Requestor: House State Affairs  
 Date of Request: 2/22/84

FISCAL DETAIL

Page 1 of 2 pages

Agency Affected: Legislative Affairs Agency  
 Program Category Affected: General Government  
 BRU, Program or Subprogram(s) Affected: Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		31.8	31.8	31.8	31.8	31.8
200 TRAVEL						
300 CONTRACTUAL		98.6				
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		130.4	31.8	31.8	31.8	31.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		130.4	31.8	31.8	31.8	31.8
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Lauren Smith Manager *LSmith* Phone: 465-3850  
 Division: Administrative Services Date: 02-22-84

Approved by Exec. Director: M. R. Charney *M.R. Charney* Date: 02-22-84  
 Agency: Legislative Affairs Agency

Distribution (by Agency preparing fiscal note):

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

12/1/83

Page 2 of 2 pages

House Bill No. 608: An Act relating to the Operation of the  
Legislature; and providing for an effective date

ANALYSIS:

Personal Services

One permanent full-time entry clerk	
Range 12 - Salary -----	\$23,796
Benefits -----	<u>7,963</u>
Total	\$31,759

Contractual

Computer software package for governmental accounting and payroll -----	\$98,592
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TOTAL Cost -----\$130,351

Contractual costs for software are a one-time non-reoccurring charge.

# MEMORANDUM

# State of Alaska

TO: All Agencies  
Directors  
Payroll Supervisors  
Personnel Officers

DATE: February 16, 1984

FILE NO:

TELEPHONE NO: 465-2235

FROM: *KEB*  
Kenneth E. Bischoff  
Director  
Division of Finance  
Department of Administration

SUBJECT: Clarification of Time  
Reporting Policy defined  
in our February 2, 1984  
memorandum.

We have had several inquiries concerning how verified pay shortages are to be treated.

Certainly we do not want to create an unreasonable hardship on our employees. It is our intent (via procedures outlined in the February 2, 1984 memorandum) to reaffirm policy that in large part has always existed. The issue concerning treatment of verified pay shortages is the only one that has been brought to this Division's attention as an agency concern and as a result of our prior memorandum.

This Division has two and at times, seemingly opposing, responsibilities with respect to administrating the State payroll function:

1. We need to meet the payroll timely and in accordance with applicable labor agreements.
2. We need to control the process to achieve accuracy and to comply with federal and other legal reporting requirements and to do so as efficiently as possible.

It is our intention to strike a reasonable balance in the workload required of the employer to meet the payroll needs of the employee.

### Interim Policy for Verified Payroll Shortages and Late Payments

1. Verified payroll shortages and late payments of significant amounts which cannot be paid on subsequent regular payrolls can be paid via supplemental warrant requests.
2. Verified payroll shortages and late payments of lesser or nominal amounts should be paid as an adjustment to the next regular payroll.
3. You should ask the employee to indicate at the time of request if deferring payment to the next regular payroll would impose an unreasonable hardship. It is our understanding that most agencies are already doing this now.

We are working through Labor Relations to determine what a significant dollar amount for pay shortages and late pay would be so that uniform cutoff amounts can be established.

KEB/EC/jr  
4/3D1/0216-02

# MEMORANDUM

State of Alaska

ro. All Agencies  
Directors,  
Payroll Supervisors,  
Personnel Officers

DATE: February 2, 1984

FILE NO:

TELEPHONE NO. 465-2235

FROM *KEB* Kenneth E. Bischoff  
Director  
Division of Finance  
Department of Administration

SUBJECT: Time Reporting Policy

Thru: Anselm C. Staack *A*  
Deputy Commissioner  
Administrative Management  
Department of Administration

As explained in my memorandum dated November 17, 1983, Time Reporting Policy, we are attempting to reduce costs and calculate federal tax withholding properly. In addition, prepays are no longer written to replace a reissued payroll warrant. This procedure causes a by-pass of all edits relating to the warrant recon file and also increases the workload. I would like to add that the subject "Time Reporting" encompasses all types of compensation that is not paid timely.

Effective Date: The following procedures are effective beginning with the first hourly payroll of March 1984.

Listed below are the types of payments which must be paid on a supplemental warrant or on a prepaid check.

## A. Supplemental Warrant

1. Leave cash-in.
2. Annual leave payments (i.e.: donations).
3. Termination pay (final salary and terminal leave).
4. Unpaid compensation to beneficiaries of deceased employees.
5. Tool allowance.
6. Major retro's.
7. Penalty pay.
8. Grievance awards.

## B. Prepaid Checks

1. Two-department employees (a prepay will be written for one department).
2. Payments which cannot be properly calculated through the system on either a supplemental or major payroll (i.e.: some grievance awards).
3. Calculate proof errors (i.e.: insufficient net to cover deductions).

All other types of compensation must be paid on the two major payrolls each month. Agencies are required to meet the published payroll cutoffs. Compensation changes will be reflected in the next regular payroll for which published cutoffs are met.

Merit increases are not considered due until the date they are authorized and will be paid on the next regular payroll for which the cutoff is met. Personnel actions and the plus gross adjustments for any retroactive pay caused by the increase must be reported by the published cutoff of the payroll immediately following the authorization in order to be included with the next regular payroll.

Mid-month draws are not considered due until authorized and will be written with the next first hourly payroll for which published cutoffs are met. Mid-month draws will be paid on the first hourly payroll only.

KEB/EC/rmm  
5/53D1/G202-05

# MEMORANDUM

State of Alaska


TO: All Agencies  
Directors  
Payroll Supervisor  
Personnel Officers


DATE: November 17, 1983

FILE NO:

TELEPHONE NO: 465-2240

SUBJECT: Time Reporting Policy

FROM:  Kenneth E. Bischoff  
Director  
Division of Finance  
Department of Administration

THRU: Anselm C. Staack,   
Deputy Commissioner  
Administrative Management

## EFFECTIVE IMMEDIATELY:

The payroll section in this division is constantly writing supplemental warrants and prepaid checks for late time being reported by the agencies. The late time being reported consists of overtime, pay shortages, appointments, regular hours, mid-month draws and other late pay such as merit increases.

The writing of additional payroll warrants and prepays has steadily increased and the cost to this department has increased in comparison. In addition, when an employee is scheduled as monthly, semi-monthly or bi-weekly for purposes of pay and we write more warrants than are scheduled, we are under-withholding the federal income tax. This, in turn, will impact the employee at the time of tax reporting. The reissue of payroll warrants on prepaid checks also creates a problem, when prepaid, we by-pass the latest edit checks built into our system. This, in turn, can allow a double payment to the employee when both payments are cashed and/or the bank demands payment as the holder in due course. These salary overpayments increase the work load and collection effort and are sometimes uncollectable.

In order to rectify these situations the following will take effect immediately:

1. Agencies will have to make a greater effort to abide by the department cut-off schedule for all time reports in order to pay all time on the scheduled pay warrant. All late time submitted on supplementals must be signed by a director within each agency.
2. Administration-Payroll will be allowed two working days to deliver the supplemental warrant to the agencies when late time is reported. These will be prepaid only in those cases that would otherwise exceed the time frame of two working days.

3. Time will not be paid early except in cases of emergency or by special approval of the Director of Finance. These requests must also be approved by a director in the agency.
4. Reissued payroll warrants will not be prepaid and/or telecopy prepaid. They will be reissued through the payroll system as in #2 above.
5. Administration Payroll does not assume responsibility for any penalty pay that may result from late time reports, terminations or lay-offs, if the time reports or final papers are not submitted to Administration Payroll at least two working days prior to the payment due date.

KEB/EC/mm  
6/304/1114-05