

**SB**

**317**

SFIN

FILE

**FISCAL NOTE**

No. 1

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

Bill Version: SB 317

(S) Publish Date: 3-22-96

Revision Date: \_\_\_\_\_  
 Title: "Relating to state residency definition and criteria for cost of living differential"  
 Sponsor: Rules Committee  
 Requestor: Governor

Dept. Affected: Administration  
 BRU: Office of the Commissioner  
 Component: Labor Relations

COMPONENT SERIAL NO. 58

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0

<b>CAPITAL EXPENDITURES</b>	0	0	0	0	0	0
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<b>CHANGE IN REVENUES ( )</b>	0	0	0	0	0	0
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**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
OTHER						
<b>TOTAL</b>	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 96) cost: \$ -0-

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary.)

There is no fiscal impact to the Department of Administration.

Prepared by: Dianne Corso, Manager  
 Division: Labor Relations Section

Phone: 465-4404  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Bover  
 Agency: Department of Administration

Date: 3/19/96

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Revision Date: \_\_\_\_\_ Dept. Affected: Revenue  
 Title: Cost of Living Differential BRU: Permanent Fund Dividend Division  
 Component: Permanent Fund Dividend Division  
 Sponsor: Governor  
 Requestor: Rules Committee COMPONENT SERIAL NO. 981

Expenditures/Revenues:

(Thousands of Dollars)

OPERATING EXPENDITURE*	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost \$ 0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This bill does not appear to impact Permanent Fund Dividend Division operations as it is currently drafted. There is no impact to the operating budget.

Prepared by: Nanci Jones Phone: 465-2323  
 Division: Permanent Fund Dividend Date: March 20, 1996  
 Approved by Commissioner: Wilson Condon Date: March 20, 1996  
 Agency: Department of Revenue

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# FISCAL NOTE

No. 3

Bill Version: SB317

(S) Publish Date: 3-22-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: DOT&PF  
 Title: Cost of Living Differential for certain public BRU: Office of the Commissioner  
employees and criteria for determining eligibility Component: various  
 Sponsor: Rules  
 Requester: Governor COMPONENT SERIAL NO. 530

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 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)

This fiscal note assumes that the bill will not significantly change the current determination of eligibility for Cost of Living Differential

Prepared by: Sam Kito III Phone: 465-3900  
Special Assistant  
 Division: Office of the Commissioner Date: 3/19/96  
 Approved by: *Joseph L. ...* Date: 3/19/96  
Commissioner  
 Agency: Department of Transportation and Public Facilities

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GOVERNOR



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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

March 22, 1996

The Honorable Drue Pearce  
President of the Senate  
Alaska State Legislature  
State Capitol  
Juneau, AK 99801-1182

Dear President Pearce:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill that would clarify how the state applies the cost of living pay differential for public employees. This bill sets up a framework of eligibility criteria and defines state residency for the purpose of pay differentials which are required for certain public employees under collective bargaining agreements. By codifying the state's interpretation of the pay differentials, this legislation will help avoid conflicts and legal actions on this issue.

The state has been in disputes with employees of the marine highway system over a definition of state residency and the eligibility criteria for the pay differential. Arbitrators have used different, and sometimes inconsistent, criteria in resolving the disputes. Confusion over the criteria and whether it is subject to union bargaining has also led to court litigation. This diverse situation has made it difficult to administer the differential program.

This bill resolves most of the uncertainty in the program by applying the permanent fund dividend definition of state resident, which has been tested in court. In addition, this bill authorizes the Department of Administration to adopt regulations to further clarify the criteria for pay differentials as the need arises. This would make it clear that the department has this authority and that criteria for the pay differential is not subject to collective bargaining.

I urge your prompt action on this bill.

Sincerely,

A handwritten signature in cursive script that reads "Tony Knowles".

Tony Knowles  
Governor