

HB

248

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FILE

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: House Bill 248
 () Publish Date: _____

Revision Date/Time (Note if correction): (Rev. 4/22/02) _____ Dept. Affected: Administration
 Title Retirement contributions under PERS BRU Centralized Administrative Services
 for juvenile detention and correctional institution employees. Component Retirement and Benefits
 Sponsor Representative Williams
 Requester House Finance Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING

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 (Specify Type--Do not abbreviate)						
TOTAL

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation converts the retirement status of juvenile detention employees and juvenile correctional institution employees from "thirty years and out" to "twenty years and out." The bill allows affected employees to claim this status retroactive to their date of hire into these positions; in return, the employee is indebted to the system based on (1) the contributions to the system the employee would have made if the service had counted as twenty and out service; less (2) the contributions the employee actually made; (3) plus interest on that difference. This is not equal to the full actuarial cost of that service. Therefore, this legislation creates both a "past service liability" for service retroactively claimed, and a future actuarial liability for the State of Alaska because 20 and out service is more costly than 30 and out service. 240 employees are affected by this legislation.

Prepared by: Guy Bell, Director Phone 465-4471
 Division Retirement and Benefits Date/Time April 22, 2002
 Approved by: Jim Duncan, Commissioner Date April 22, 2002
 Agency Department of Administration

ANALYSIS CONTINUATION

Our actuarial consultant has estimated the total cost (the net present value of fully projected benefits) of this legislation to be \$7.2 million, producing an increase in the state's contribution rate of 0.14% and an annual cost to the State of \$896 thousand.

The \$896 thousand is the total cost to state agencies of increasing the PERS contribution rate by .0014. Not all of the \$896 thousand would be charged to the state general fund. If the same fund source ratio that is currently budgeted for total personal services is used approximately 48% of the cost (\$428 thousand) would be charged to the general fund with other funding sources (including federal funds) paying for the balance.

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 248
(H) Publish Date: 3/13/02

Revision Date/Time (Note if correction): (2/15/02) Dept. Affected: Administration
Title Retirement contributions under PERS BRU Centralized Administrative Services
for juvenile detention and correctional institution employees. Component Retirement and Benefits
Sponsor Representative Williams
Requester House State Affairs Component No. 64

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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Prepared by: Guy Bell, Director Phone 465-4471
Division Retirement and Benefits Date/Time February 15, 2002
Approved by: Jim Duncan, Commissioner Date February 15, 2002
Agency Department of Administration

Under SCAM 318

Alaska State Legislature

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Subcommittee Chair
Environmental Conservation
Courts



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Representative William K. Williams

Sponsor Statement for House Bill 248 20-Year Retirement Provision for Juvenile Officer

“An Act relating to retirement contributions and benefits under the public employees' retirement system of certain juvenile detention employees and juvenile correctional institution employees.”

Presently, Alaska law (AS 39.35.370(a)(2)) states that peace officers and firefighters are entitled to normal retirement benefit after 20 years of service. HB 248 adds “juvenile officers” to AS 39.35.370(a)(2) as employees eligible to participate in the 20-year retirement system. The term “juvenile officer” is defined to mean a “youth counselor, unit leader, or superintendent in a juvenile detention or juvenile correctional facility”. Generally speaking, these “juvenile officers” are the employees who work with juveniles inside a correctional facility. They have the same or very similar training, and authority to restrain and arrest individuals as other peace officers.

Juveniles who are in a correctional facility are there for reasons such as commission of a serious crime, mental health problems, substance abuse problems, or combination of all of these issues. Such juveniles demand the highest level of care and rehabilitation efforts, while at the same time, presenting the highest level of risk to juvenile officers.

Presently, probation officers and other employees working with juveniles outside a correctional facility qualify for a 20-year retirement. As presently written, the statutes create an uneven situation where a probation officer working outside a correctional facility could arrest and deliver a juvenile to a correctional facility. The officer outside the facility would be entitled to a 20-year retirement while the officers inside the facility are not. Adult correctional officers also qualify for a 20-year retirement.

Providing a 20-year retirement system for juvenile officers is fair since these employees perform the same or very similar work duties as other employees charged with preserving public safety. It also creates an incentive for existing juvenile officers to remain in their positions and will attract qualified applicants for new positions.