

HB

1988



Official Business

Alaska State Legislature

House of Representatives

Office of the Chief Clerk

State Capitol, Room 216
Juneau, AK 99801-1182
Phone: (907) 465-3725
Fax: (907) 465-5334

Committee Report

Date: March 15, 2001

The Honorable Brian Porter
Speaker of the House
State Capitol
Juneau, AK 99801

Dear Speaker Porter:

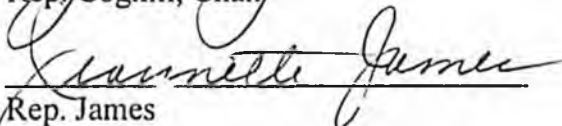
The State Affairs Committee has reviewed the qualifications of the following individual and recommends that his name be forwarded to the House for consideration:

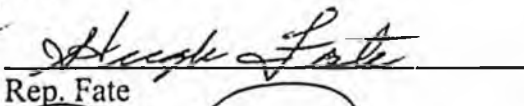
Alaska Public Offices Commission

Mr. Mark T. Handley of Juneau

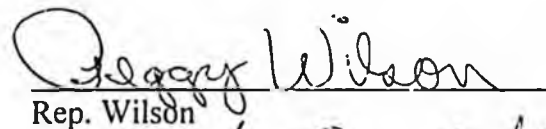
Appointed: 05/24/2000 Term Expires: 02/01/2005

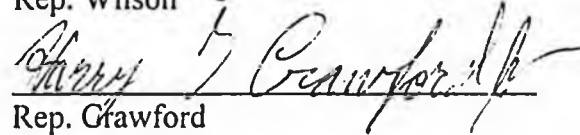

Rep. Coghill, Chair


Rep. James


Rep. Fate


Rep. Stevens


Rep. Wilson


Rep. Crawford

Rep. Hayes

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4/23/01

CS FOR HOUSE BILL NO. 198()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVE HUDSON

A BILL
FOR AN ACT ENTITLED

1 "An Act relating to a post-retirement pension adjustment for certain persons receiving
2 benefits under the Elected Public Officers Retirement System."

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

4 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
5 to read:

6 RETIREMENT BENEFITS UNDER ELECTED PUBLIC OFFICERS
7 RETIREMENT SYSTEM FOR CERTAIN BENEFIT RECIPIENTS. (a) For a member of
8 the elected public officers retirement system receiving benefits under former
9 AS 39.37.050(a)(1), if the monthly salary and, if appropriate, the additional allowances
10 established under AS 24.10.110, authorized for the office from which the member retired was
11 not increased in at least 15 years, the monthly benefit payable to the member or the member's
12 survivor under former AS 39.37 (elected public officers retirement system) shall be increased
13 as set out in this section. The amount of the increase is an amount equal to the monthly
14 benefit to which the member or survivor is entitled multiplied by 75 percent of the percentage

1 increase in the cost of living since the benefit was last adjusted under this section or former
2 AS 39.37.050(a)(1) or since the member retired under former AS 39.37, whichever is later.

3 (b) Notwithstanding former AS 39.37.050(a)(1), if a benefit is increased under (a) of
4 this section and if the monthly salary and, if appropriate, the additional allowances established
5 under AS 24.10.110, authorized for the office from which a member retired is subsequently
6 increased, the member's or survivor's benefit under former AS 39.37 may not be increased
7 until the increase in benefits based on former AS 39.37.050(a)(1) equals or exceeds the
8 increase based on (a) of this section. If benefits based on former AS 39.37.050(a)(1) increase
9 to more than the increased benefit computed under (a) of this section, the member or survivor
10 is entitled to receive an additional increase based on the difference between the two amounts.

11 (c) The administrator of the public employees' retirement system shall implement this
12 section.

13 (d) When computing a survivor's benefit under former AS 39.37.060, adjustments
14 granted to the deceased member or survivor under this section shall be included.

15 (e) An increase in benefit payments under this section is effective July 1 of each
16 calendar year and is based on the percentage increase in the consumer price index for urban
17 wage earners and clerical workers for Anchorage, Alaska, during the previous calendar year,
18 as determined by the United States Department of Labor, Bureau of Labor Statistics.

19 (f) In this section, "system" means the elected public officers retirement system under
20 former AS 39.37.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: WORK DRAFT
 Bill Version: CS HB 198 ()
 () Publish Date: _____

Revision Date/Time (Note if correction): 04/24/2001 Dept. Affected: Office of the Governor
 Title: "An Act relating to a post-retirement pension... and increasing the compensation of the governor". BRU: Executive Operations
 Sponsor: Representative Hudson Component: ExecutiveOffice
 Requester: House State Affairs Component Number: 6

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

CS HB198 deletes the previously proposed pay raise for the governor, resulting in no fiscal impact for the Office of the Governor.

Prepared by: _____ Phone 465-3876
 Division: Administrative Services Date/Time: _____
 Approved by: _____ Date: _____
 Agency: Office of the Governor

For distribution information, call the Governor's Legislative Office



REPRESENTATIVE BILL HUDSON Alaska State Legislature

Room 502 • State Capitol, Juneau, Alaska 99801 (907)465-3744 Fax: 465-2273

Sponsor Statement
HB 198

DRAFT

Relating to a post-retirement pension adjustment and cost of living allowance for persons receiving benefits under the Elected Public Officers Retirement System (EPORS)

This bill corrects a longstanding inequity occurring in the retirement benefit calculations for EPORS members. Certain retirees who served in key positions such as Governor, and as members of the state legislature, have not had any cost of living adjustments to their EPORS retirement benefits as have their peers who retired under the PERS retirement system.

The contrast in benefits grows sharper when you consider that PERS retirees also have benefited by any salary adjustments which may have been bargained for the position from which they retired. ~~This leads to the second aspect of this bill, which is to increase the pay for the job of Governor of the State of Alaska for the first time since 1983 when it was increased to \$81,648.~~

~~There is some confusion evident that the salary was intended to be set at Range 30, Step F, however the inclusion of a dollar amount (\$81,648 from 1983 to present, and \$80,000 from 1978 through 1983) in statute, took precedence over the salary schedule.~~

Two former governors have retired under the provisions of EPORS.

DRAFT

House Bill 198 Fiscal Note Analysis (continued)

This legislation would add the following for Elected Public Officers Retirement System beneficiaries:

1. 10% Alaska Cost of Living Allowance

FY 02 cost: \$76.5

This provision would provide EPORS retirees the same cost of living allowance afforded Tier I Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) retirees who reside in the State of Alaska.

2. Post Retirement Pension Adjustment

FY 02 Cost: \$27.0

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision to EPORS. In effect, this means that a retirement benefit could rise on two bases: (1) an increase in the incumbent salary; and (2) an increase in the cost of living.

3. Increase in Benefits of Retired Governors

FY 02 Cost: \$46.5

Two former governors have retired under the provisions of EPORS. The increase in the governor's salary to \$110.0 will increase the annual base benefits of these two former governors by \$46.5

Component Detail - FY 02 Operating Budget - Governor Structure

Numbers AND Language Sections

Component: Governor's House Agency: Office of the Governor
 BRU: Executive Operations

	FY00 Act	FY01 CC	FY01 Auth	01MgtPln	Adj Base	Gov	01MgtPln to Gov		
Total	320.4	318.0	324.7	341.7	343.2	343.2	1.5	0.4 %	
<u>Objects of Expenditure:</u>									
Personal Services	192.7	198.3	205.0	222.0	223.5	223.5	1.5	0.7 %	
Travel	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
Contractual	57.8	61.7	61.7	61.7	61.7	61.7	0.0	0.0 %	
Commodities	47.0	58.0	58.0	58.0	58.0	58.0	0.0	0.0 %	
Equipment	21.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
<u>Funding Sources:</u>									
1004 Gen Fund	320.4	318.0	324.7	341.7	343.2	343.2	1.5	0.4 %	
<u>Positions:</u>									
Perm Full Time	4.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0 %	
Perm Part Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %	
Temporary	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0 %	



HOUSE STATE AFFAIRS COMMITTEE

STATE CAPITOL, ROOM 102
465-4963

MEMORANDUM

COMMITTEE MEMBERS

Rep. John Coghill
Chairman
Room 102
465-3719

Rep. Hugh Fate
Vice-Chair
Room 416
465-4976

Rep. Jeannette James
Room 214
465-3743

Rep. Gary Stevens
Room 428
465-4925

Rep. Peggy Wilson
Room 409
465-3824

Rep. Harry Crawford
Room 426
465-3438

Rep. Joe Hayes
Room 422
465-3466

Date: April 12, 2001

To: Patricia Young, Leg Research

From: Representative John Coghill, Chairman
House State Affairs Committee

Re: Governor's Benefits

I am requesting some information on what the fiscal note is on benefits provided to the governor such as housing, lodging, transportation, entertainment, per diem, and expense accounts.

Thank you for your assistance.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 198
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act relating to a post-retirement pension BRU: Special Systems
adjustment and cost-of living allowance.... Component: EPORS
 Sponsor: Representative Hudson
 Requester: (H)State Affairs Component Number: 964

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	150.0	172.0	195.0	218.6	242.6	267.3
Miscellaneous						
TOTAL OPERATING	150.0	172.0	195.0	218.6	242.6	267.3

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	150.0	172.0	195.0	218.6	242.6	267.3
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	150.0	172.0	195.0	218.6	242.6	267.3

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See page 2 for analysis.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time 04/02/01
 Approved by: Alison Elgee, Deputy Commissioner Date April 2, 2001
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

House Bill 198 Fiscal Note Analysis (continued)

This legislation would add the following for Elected Public Officers Retirement System beneficiaries:

1. 10% Alaska Cost of Living Allowance

FY 02 cost: \$76.5

This provision would provide EPORS retirees the same cost of living allowance afforded Tier I Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) retirees who reside in the State of Alaska.

2. Post Retirement Pension Adjustment

FY 02 Cost: \$27.0

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision to EPORS. In effect, this means that a retirement benefit could rise on two bases: (1) an increase in the incumbent salary; and (2) an increase in the cost of living.

3. Increase in Benefits of Retired Governors

FY 02 Cost: \$46.5

Two former governors have retired under the provisions of EPORS. The increase in the governor's salary to \$110.0 will increase the annual base benefits of these two former governors by \$46.5

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB 198
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
Title: "An Act relating to a post-retirement pension... and increasing the compensation of the governor". BRU: Executive Operations
Sponsor: Representative Hudson Component: ExecutiveOffice
Requester: House State Affairs Component Number: 6

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	31.2	32.1	32.1	32.1	32.1	32.1
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	31.2	32.1	32.1	32.1	32.1	32.1

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	31.2	32.1	32.1	32.1	32.1	32.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	31.2	32.1	32.1	32.1	32.1	32.1

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB198 increases the governor's compensation from \$81,648 to 110,000 on 7/1/01 and provides for an additional 3% increase on 7/1/2002. The personal services costs on this fiscal note are the additional salary and benefits costs after the increases provided for in Sec. 1, Ch. 2, TSSLA 00.

Prepared by: Michael A. Nizich, Administrative Director Phone 465-3876
Division: Administrative Services Date/Time 4/2/01 12:00 AM
Approved by: David Ramseur Date 04/02/2001
Agency: Office of the Governor

For distribution information, call the Governor's Legislative Office

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: CSHB 198(STA)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act relating to a post-retirement pension BRU: Special Systems
adjustment and cost-of living allowance.... Component: EPORS
 Sponsor: Representative Hudson
 Requester: (H)State Affairs Component Number: 964

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services:						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	47.6	56.9	66.4	67.6	67.8	68.0
Miscellaneous						
TOTAL OPERATING	47.6	56.9	66.4	67.6	67.8	68.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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1004 GF	47.6	56.9	66.4	67.6	67.8	68.0
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TOTAL	47.6	56.9	66.4	67.6	67.8	68.0

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See page 2 for analysis.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time 04/25/01
 Approved by: Jim Duncan, Commissioner Date April 25, 2001
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

CS House Bill 198(STA) Fiscal Note Analysis (continued)

This legislation would add a Post Retirement Pension Adjustment for Elected Public Officers Retirement System beneficiaries:

FY 02 Cost \$47.6

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision for those participants who have received benefits for 15 years and not received any increase during that time. Eligible participants would receive an increase of 75% of the increase in the cost of living since the retirement benefit was last adjusted, or since the member retired, whichever is later.

If the salary of the position last held by the retiree increases subsequent to the addition of the Post Retirement Pension Adjustment, the member's retirement benefit is not increased until the adjustment based on the salary increase is more than the 75% cost of living increase afforded by this bill.



REPRESENTATIVE BILL HUDSON Alaska State Legislature

Room 502 • State Capitol, Juneau, Alaska 99801 (907)465-3744 Fax: 465-2273

Sponsor Statement
HB 198

DRAFT

Relating to a post-retirement pension adjustment and cost of living allowance for persons receiving benefits under the Elected Public Officers Retirement System (EPORS)

This bill corrects a longstanding inequity occurring in the retirement benefit calculations for EPORS members. Certain retirees who served in key positions such as Governor, and as members of the state legislature, have not had any cost of living adjustments to their EPORS retirement benefits as have their peers who retired under the PERS retirement system.

The contrast in benefits grows sharper when you consider that PERS retirees also have benefited by any salary adjustments which may have been bargained for the position from which they retired. ~~This leads to the second aspect of this bill, which is to increase the pay for the job of Governor of the State of Alaska for the first time since 1983 when it was increased to \$81,648.~~

~~There is some confusion evident that the salary was intended to be set at Range 30, Step F, however the inclusion of a dollar amount (\$81,648 from 1983 to present, and \$80,000 from 1978 through 1983) in statute, took precedence over the salary schedule.~~

Two former governors have retired under the provisions of EPORS.

DRAFT

House Bill 198 Fiscal Note Analysis (continued)

This legislation would add the following for Elected Public Officers Retirement System beneficiaries:

1. 10% Alaska Cost of Living Allowance

FY 02 cost: \$76.5

This provision would provide EPORS retirees the same cost of living allowance afforded Tier I Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) retirees who reside in the State of Alaska.

2. Post Retirement Pension Adjustment

FY 02 Cost: \$27.0

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision to EPORS. In effect, this means that a retirement benefit could rise on two bases: (1) an increase in the incumbent salary; and (2) an increase in the cost of living.

3. Increase in Benefits of Retired Governors

FY 02 Cost: \$46.5

Two former governors have retired under the provisions of EPORS. The increase in the governor's salary to \$110.0 will increase the annual base benefits of these two former governors by \$46.5

Component Detail - FY 02 Operating Budget - Governor Structure

Numbers AND Language Sections!

Component: Governor's House

Agency: Office of the Governor

BRU: Executive Operations

	FY00 Act	FY01 CC	FY01. Auth	01MgtPln	Adj Base	Gov	01MgtPln to Gov	
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<u>Objects of Expenditure:</u>								
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Travel	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Contractual	57.8	81.7	61.7	61.7	61.7	61.7	0.0	0.0 %
Commodities	47.0	58.0	58.0	58.0	58.0	58.0	0.0	0.0 %
Equipment	21.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Lands/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
<u>Funding Sources:</u>								
1004 Gen Fund	320.4	318.0	324.7	341.7	343.2	343.2	1.5	0.4 %
<u>Positions:</u>								
Perm Full Time	4.0	4.0	4.0	4.0	4.0	1.0	0.0	0.0 %
Perm Part Time	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0 %
Temporary	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0 %



HOUSE STATE AFFAIRS COMMITTEE

STATE CAPITOL, ROOM 102
465-4963

MEMORANDUM

COMMITTEE MEMBERS

Rep. John Coghill
Chairman
Room 102
465-3719

Rep. Hugh Fate
Vice-Chair
Room 416
465-4976

Rep. Jeannette James
Room 214
465-3743

Rep. Gary Stevens
Room 428
465-4925

Rep. Peggy Wilson
Room 409
465-3824

Rep. Harry Crawford
Room 426
465-3438

Rep. Joe Hayes
Room 422
465-3466

Date: April 12, 2001

To: Patricia Young, Leg Research

From: Representative John Coghill, Chairman
House State Affairs Committee

Re: Governor's Benefits

A handwritten signature in black ink, appearing to be "JC", written over the "From:" line.

I am requesting some information on what the fiscal note is on benefits provided to the governor such as housing, lodging, transportation, entertainment, per diem, and expense accounts.

Thank you for your assistance.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 198
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
 Title: An Act relating to a post-retirement pension BRU: Special Systems
adjustment and cost-of living allowance.... Component: EPORS
 Sponsor: Representative Hudson
 Requester: (H)State Affairs Component Number: 964

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
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Land & Structures						
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Miscellaneous						
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CAPITAL EXPENDITURES						
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FUND SOURCE (Thousands of Dollars)

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1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
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Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See page 2 for analysis.

Prepared by: Guy Bell, Director Phone 465-4471
 Division: Retirement and Benefits Date/Time 04/02/01
 Approved by: Alison Elgee, Deputy Commissioner Date April 2, 2001
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

House Bill 198 Fiscal Note Analysis (continued)

This legislation would add the following for Elected Public Officers Retirement System beneficiaries:

1. 10% Alaska Cost of Living Allowance

FY 02 cost: \$76.5

This provision would provide EPORS retirees the same cost of living allowance afforded Tier I Public Employees' Retirement System (PERS) and Teachers' Retirement System (TRS) retirees who reside in the State of Alaska.

2. Post Retirement Pension Adjustment

FY 02 Cost: \$27.0

EPORS retirement benefits are based on the salary of the position last held by the retiree. Therefore, as incumbent salaries rise (or fall), so do the benefits of the retirees. The PERS and TRS systems have post retirement pension adjustment provisions, which provide an automatic adjustment based on the rate of inflation. This bill would add a similar provision to EPORS. In effect, this means that a retirement benefit could rise on two bases: (1) an increase in the incumbent salary; and (2) an increase in the cost of living.

3. Increase in Benefits of Retired Governors

FY 02 Cost: \$46.5

Two former governors have retired under the provisions of EPORS. The increase in the governor's salary to \$110.0 will increase the annual base benefits of these two former governors by \$46.5

FISCAL NOTE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 198
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Office of the Governor
 Title: "An Act relating to a post-retirement pension... and increasing the compensation of the governor". BRU: Executive Operations
 Sponsor: Representative Hudson Component: ExecutiveOffice
 Requester: House State Affairs Component Number: 6

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	31.2	32.1	32.1	32.1	32.1	32.1
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	31.2	32.1	32.1	32.1	32.1	32.1

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

FUND SOURCE	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
1002 Federal Receipts						
1003 GF Match						
1004 GF	31.2	32.1	32.1	32.1	32.1	32.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	31.2	32.1	32.1	32.1	32.1	32.1

Estimate of any current year (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

HB198 increases the governor's compensation from \$81,648 to 110,000 on 7/1/01 and provides for an additional 3% increase on 7/1/2002. The personal services costs on this fiscal note are the additional salary and benefits costs after the increases provided for in Sec. 1, Ch. 2, TSSLA 00.

Prepared by: Michael A. Nizich, Administrative Director Phone 465-3876
 Division: Administrative Services Date/Time 4/2/01 12:00 AM
 Approved by: David Ramseur Date 04/02/2001
 Agency: Office of the Governor

For distribution information, call the Governor's Legislative Office