

HB

1988

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 5/2/01

FURTHER:

REPORTED OUT
MAY 07 2001
SENATE FINANCE COMMITTEE

DATE TURNED IN TO OFFICE: 7 May 2002

Finance Committee considered **CS FOR HOUSE BILL NO. 198(RLS)(efd add)**
HB 198 GOV SALARY; PUB OFFICERS RETIREMENT COLA

"An Act relating to a post-retirement pension adjustment for certain persons receiving benefits under the Elected Public Officers Retirement System, and establishing and relating to a Compensation Commission for State Officials; and provided for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Leg. Council	5/1/01		✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
Admin	5/1/01	57.4		#4
GOV	4/20/01		✓	#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
<i>[Signature]</i>			⊗	
<i>[Signature]</i>			✓	
<i>[Signature]</i>	✓			
COCHAIR:				
COCHAIR: <i>[Signature]</i>			✓	

FISCAL NOTE

REPORTED CUT

MAY 07 2001

SENATE FINANCE COMMITTEE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

NO. _____
BILL VERSION: HB 198(RLS) (efd add)
PUBLISH DATE: _____

Revision Date: _____
Title: "An act relating to a post-retirement pension under the Elected Public Officers...."
Sponsor: Representative Hudson
Requestor: Senate Finance Committee

Department Affected: Legislature
BRU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE						
TOTAL	0.0	0.0	0.0	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: _____

ANALYSIS: (Attach a separate page if necessary)

Costs for the Compensation Commission established under Sec. 2 of HB 198(RLS)(efd add) will be absorbed within the Legislative Council Budget.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
 Division: Administrative Services Date: 5/4/01

Approved By: Pamela A. Vami, Executive Director *Pamela Vami*
 Agency: Legislative Affairs Agency Date: 5/4/01

FISCAL NOTE

REPORTED OUT

MAY 07 2001

SENATE FINANCE
COMMITTEE

**STATE OF ALASKA
2001 LEGISLATIVE SESSION**

Fiscal Note Number: 4
 Bill Version: CSHB 198 (RLS)
 (H) Publish Date: 5/2/01

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: Rules 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	57.4	62.7	79.4	85.4	91.6	97.9
Miscellaneous						
TOTAL OPERATING	57.4	62.7	79.4	85.4	91.6	97.9

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	57.4	62.7	79.4	85.4	91.6	97.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	57.4	62.7	79.4	85.4	91.6	97.9

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 May 1, 2001
 Approved by: Jim Duncan, Commissioner Date May 1, 2001
 Agency: Department of Administration

For distribution information, call the Governor's Legislative Office

Committee Substitute for House Bill 198 (Rules)
Fiscal Note Analysis (continued)

FY 2002 Cost \$57.4

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 10 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.

This fiscal note assumes that this legislation is effective 6/30/01.

MAY 07 2001

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 198(STA)
(H) Publish Date: 4/26/01

Revision Date/Time (Note if correction): 04/26/2001 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: Executive Office
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: Michael A. Nizich, Administrative Director Phone 465-3876
Division: Administrative Services Date/Time 4/26/01 12:00 AM
Approved by: David Ramseur Date 04/26/2001
Agency: Office of the Governor

For distribution information, call the Governor's Legislative Office

Alaska State Legislature

REPRESENTATIVE BILL HUDSON
House Finance Committee

State Capitol
Juneau, Alaska
99801-1182
(907) 465-3744
Fax (907) 465-2273

MEMORANDUM

TO: Senator Pete Kelly, Co-Chair,
Senate Finance Committee

FROM: Representative Bill Hudson *Bill*

SUBJECT: CS HB 198 (RLS)(efd add) Sectional Analysis

DATE: May 4, 2001

The following is a sectional analysis for the above-described bill. Please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

HB 198 has had four public hearings in the House, has been amended to my approval, and carries with it a very reasonable fiscal note.

Section 1 amends the Elected Public Officers Retirement System (EPORS) by directing the administrator of the retirement system to increase the benefits of retired members who have been receiving a benefit under EPORS for at least ten years, if the monthly salary and additional allowances authorized for the office from which the member retired has not also been increased in at least ten years. Subsection (a) sets out the increase for the retiree as 75% of the percentage increase in the CPI. Subsection (b) notes that if there are subsequent increases in the salary or allowances to the position from which the retiree retired, those increases would not be considered until the increase would exceed the increase based on (a) of this new section.

Sec. 2 establishes a compensation commission to make recommendations to the legislature concerning equitable rates of compensation, benefits, and allowances for the governor, lieutenant governor, members of the legislature, and heads of the principal departments of state government. Subsections (b, c, and d) establish the composition of the Commission. Subsection (e) requires that this report be presented to the legislature by January 15, 2002.

Sec. 3 sets the effective date of this Act on June 30, 2001.

SENATE FINANCE COMMITTEE

SIGN-IN

HB 198-PUB OFFICERS RETIREM'T COLA/COMPENSATION

NAME: Rep. Bill Hudson Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions