

HB

47

<TARGET><BILL>HB 47</BILL><SUBJECT>HB
47</SUBJECT><COMM></COMM></TARGET>

SENATE COMMITTEE REPORT

DATE: 5/16/17

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 4/19/18

State Affairs Committee considered HOUSE BILL NO. 47

HB 47-MUNICIPAL PERS CONTRIBUTIONS/INTEREST

"An Act requiring certain municipalities with a population that decreased by more than 25 percent between 2000 and 2010 that participate in the defined benefit retirement plan of the Public Employees' Retirement System of Alaska to contribute to the system an amount calculated by applying a rate of 22 percent of the total of all base salaries paid by the municipality to employees of the municipality who are active members of the system during a payroll period; authorizing the administrator of the defined benefit retirement plan of the Public Employees' Retirement System of Alaska to reduce the rate of interest payable by certain municipalities that are delinquent in transmitting employee and employer contributions to the retirement plan; and providing for an effective date."

and recommends:

- be replaced with SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- adopt previous SCS _____ (_____) Same Title Technical Title Change
 New Title/SCR No. _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

| Dept Abbr. | |
|------------|-----|
| ADM | LWF |
| CED | LAW |
| COR | LEG |
| EED | MVA |
| DEC | DNR |
| DFG | DPS |
| GOV | REV |
| DHS | DOT |
| AJS | UA |

| NEW FISCAL NOTE(S) | | | | |
|--------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| | 1 | | | 2 |
| | | | | |
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| PREVIOUS FISCAL NOTE(S) | | | | |
|-------------------------|--------|--------|------|------|
| Dept. | Fiscal | Indet. | Zero | FN # |
| | | | | |
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| | | | | |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | PRINTED LAST NAME | DO PASS | DO NOT PASS | NO REC | AMEND |
|---------------------------------|-------------------|---------|-------------|--------|-------|
| | Wilson | | | ✓ | |
| | Giessel | | | ✓ | |
| | Coghill | ✓ | | ✓ | |
| CHAIR: | MEYER | | | | |

Alaska House of Representatives

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House Finance Co-Chair

SPONSOR STATEMENT HB 47 - PERS CONTRIBUTIONS BY MUNICIPALITIES

HB 47 seeks to correct an unintended consequence of the PERS "salary floor" established in SB 125 of the 25th Legislature.

SB 125 changed the PERS system from a multiple employer plan to a cost share plan. It transferred the individual liability of the 160 PERS employers and consolidated it so that all the employers share in that liability.

SB 125 also created what is commonly referred to as the 2008 salary floor. This requires employer's contribute 22% of annual salaries or 22% of FY08 salaries, whichever is greater. The floor was instituted to ensure that the system could not be "gamed" by discouraging employers from replacing PERS employees with contract hires to reduce their base contribution to the system.

Some municipalities have found themselves under the 2008 floor through no fault of their own. A large change in population results in a reduced tax base, which affects the services a city can provide. As that financial reality drives a city to downsize, current law exacerbates this problem by keeping their PERS contribution at the 2008 level. This bill targets the communities whose population has dropped by more than 25% since the previous census.

HB 47 will address this issue in two ways:

1. Establish a new floor of FY 2012 for communities whose population decreased by more than 25% between 2000 and 2010.
2. Allows the PERS administrator to negotiate penalty interest rates on delinquent payments.

HB 47 does not intend to repeat the "2008 floor" debate but to correct one of the unintended consequences caused by the arbitrary line that debate created.

I urge your support of this legislation.

Incorporated Cities of Alaska by 2010 Population--US Census

| Rank | City Name | Class[3][4] | Borough or Census area[5][6] | 2010 Pop.[7] | 2000 Pop.[8] | Population % Decrease | Employer Salary Floor Outstanding | Estimated Contributions Outstanding | Estimated Late Fees | Census Code (FIPS code) | Notes | Current Salary Floor Interest | Recalculated Salary Floor per SB 48 | Current | Recalculated |
|------|------------------|--------------------------|---------------------------------|-----------------|-----------------|--------------------------|--------------------------------------|---|------------------------|-------------------------------|--|-------------------------------------|---|--|--|
| | | | | | | | | | | | | | | Estimated Late Fees on Delinquent Contributions | Estimated Late Fees on Delinquent Contributions |
| 83 | Adak | Second Class[3] | Aleutians West (CA) | 326 | 316 | 0% | | | | 02-00065 | | | | | |
| 27 | Akutan | Second Class[3] | Aleutians East | 1,027 | 713 | 0% | | | | 02-01090 | | | | | |
| 127 | Allakaket | Second Class[3] | Yukon-Koyukuk (CA) | 105 | 97 | 0% | | | | 02-01860 | | | | | |
| 84 | Anaktuvuk Pass | Second Class[3] | North Slope | 324 | 282 | 0% | | | | 02-02080 | | | | | |
| 1 | Anchorage | Unified Home Rule[3][5] | Anchorage | 291,826 | 260,283 | 0% | | | | 02-03000 | | | | | |
| 95 | Anderson | Second Class[3] | Denali | 246 | 367 | 33% | - | 57,306.95 | 236,652.01 | 02-03220 | Salary Floor fully paid for all years; never late to pay Salary Floor thus interest for Salary Floor not applicable. | - | - | 236,652.01 | 80,529.07 |
| 63 | Angoon | Second Class[3] | Hoonah-Angoon (CA) | 459 | 572 | 20% | | | | 02-03440 | | | | | |
| 56 | Aniak | Second Class[3] | Bethel (CA) | 501 | 572 | 12% | | | | 02-03550 | | | | | |
| 142 | Atka | Second Class[3] | Aleutians West (CA) | 61 | 92 | 34% | | 1,352.31 | 172.63 | 02-04210 | | - | - | 172.63 | 53.95 |
| 13 | Barrow | First Class[3] | North Slope | 4,212 | 4,581 | 8% | | | | 02-05200 | | | | | |
| 9 | Bethel | Second Class[3] | Bethel (CA) | 6,080 | 5,471 | 0% | | | | 02-06520 | | | | | |
| 22 | Cordova | Home Rule[3] | Valdez-Cordova (CA) | 2,239 | 2,454 | 9% | | | | 02-17410 | | | | | |
| 25 | Craig | First Class[3] | Prince of Wales-Hyder (CA) | 1,201 | 1,397 | 14% | | | | 02-17740 | | | | | |
| 29 | Delta Junction | Second Class[3] | Southeast Fairbanks (CA) | 958 | 840 | 0% | | | | 02-18620 | | | | | |
| 21 | Dillingham | First Class[6] | Dillingham (CA) | 2,329 | 2,466 | 6% | | | | 02-18950 | | | | | |
| 86 | Eek | Second Class[3] | Bethel (CA) | 296 | 280 | 0% | | | | 02-21040 | | | | | |
| 125 | Egegik | Second Class[3] | Lake and Peninsula | 109 | 116 | 6% | | | | 02-21150 | | | | | |
| 82 | Elim | Second Class[3] | Nome (CA) | 330 | 313 | 0% | | | | 02-22250 | | | | | |
| 35 | Emmonak | Second Class[3] | Wade Hampton (CA) | 762 | 767 | 1% | | | | 02-22910 | | | | | |
| 2 | Fairbanks | Home Rule[3][10] | Fairbanks North Star | 31,535 | 30,224 | 0% | | | | 02-24230 | | | | | |
| 47 | Fort Yukon | Second Class[3] | Yukon-Koyukuk (CA) | 583 | 595 | 2% | | | | 02-26760 | | | | | |
| 62 | Galena | First Class[3] | Yukon-Koyukuk (CA) | 470 | 675 | 30% | 419,141.08 | - | - | 02-27530 | | 34,452.80 | 10,356.71 | - | - |
| 105 | Grayling | Second Class[3] | Yukon-Koyukuk (CA) | 194 | 194 | 0% | | | | 02-30060 | | | | | |
| N/A | Haines | (former city) | Haines | 1,713 | 1,811 | 5% | | | | 02-31050 | | | | | |
| 11 | Homer | First Class[3] | Kenai Peninsula | 5,003 | 3,946 | 0% | | | | 02-33140 | | | | | |
| 36 | Hoonah | First Class[3] | Hoonah-Angoon (CA) | 760 | 860 | 12% | | | | 02-33360 | | | | | |
| 26 | Hooper Bay | Second Class[3] | Wade Hampton (CA) | 1,093 | 1,014 | 0% | | | | 02-33470 | | | | | |
| 89 | Huslia | Second Class[3] | Yukon-Koyukuk (CA) | 275 | 293 | 6% | | | | 02-34350 | | | | | |
| 3 | Juneau | Unified Home Rule[3][11] | Juneau | 31,275 | 30,711 | 0% | | | | 02-36400 | | | | | |
| 60 | Kachemak | Second Class[3] | Kenai Peninsula | 472 | 431 | 0% | | | | 02-36550 | | | | | |
| 51 | Kake | First Class[3] | Petersburg (CA) | 557 | 710 | 22% | | | | 02-36770 | | | | | |
| 108 | Kaltag | Second Class[3] | Yukon-Koyukuk (CA) | 190 | 230 | 17% | | | | 02-37430 | | | | | |
| 7 | Kenai | Home Rule[10] | Kenai Peninsula | 7,100 | 6,942 | 0% | | | | 02-38420 | | | | | |
| 5 | Ketchikan | Home Rule[10] | Ketchikan Gateway | 8,050 | 7,922 | 0% | | | | 02-38970 | | | | | |
| 30 | King Cove | First Class[3] | Aleutians East | 938 | 792 | 0% | | | | 02-39410 | | | | | |
| 76 | Kivalina | Second Class[3] | Northwest Arctic | 374 | 377 | 1% | | | | 02-39960 | | | | | |
| 37 | Klawock | First Class[3] | Prince of Wales-Hyder (CA) | 755 | 854 | 12% | | | | 02-40400 | | | | | |
| 48 | Kotlik | Second Class[3] | Wade Hampton (CA) | 577 | 591 | 2% | | | | 02-41720 | | | | | |
| 17 | Kotzebue | Second Class[3] | Northwest Arctic | 3,201 | 3,082 | 0% | | | | 02-41830 | | | | | |
| 81 | Koyuk | Second Class[3] | Nome (CA) | 332 | 297 | 0% | | | | 02-41940 | | | | | |
| 87 | Lower Kalskag | Second Class[3] | Bethel (CA) | 282 | 267 | 0% | | | | 02-45460 | | | | | |
| 68 | Marshall | Second Class[3] | Wade Hampton (CA) | 414 | 349 | 0% | | | | 02-47000 | | | | | |
| 107 | Mekoryuk | Second Class[3] | Bethel (CA) | 191 | 210 | 9% | | | | 02-47990 | | | | | |
| 34 | Mountain Village | Second Class[3] | Wade Hampton (CA) | 813 | 755 | 0% | | | | 02-51180 | | | | | |
| 74 | Nenana | Home Rule[10] | Yukon-Koyukuk (CA) | 378 | 402 | 6% | | | | 02-53050 | | | | | |
| 16 | Nome | First Class[6] | Nome (CA) | 3,598 | 3,505 | 0% | | | | 02-54920 | | | | | |
| 45 | Noorvik | Second Class[3] | Northwest Arctic | 668 | 634 | 0% | | | | 02-55140 | | | | | |
| 23 | North Pole | Home Rule[3] | Fairbanks North Star | 2,117 | 1,570 | 0% | | | | 02-55910 | | | | | |

Incorporated Cities of Alaska by 2010 Population--US Census

| Rank | City Name | Class[3][4] | Borough or | 2010 | 2000 | Population % Decrease | Employer Salary Floor Outstanding | Estimated | | Census Code | Notes | Current Salary Floor Interest | Recalculated Salary Floor per SB 48 | Current | Recalculated |
|------|---------------|--------------------------|----------------------------|-------|-------|--------------------------|--------------------------------------|------------------------------|------------------------|----------------|----------|----------------------------------|---|--|--|
| | | | | | | | | Contributions Outstanding | Estimated Late Fees | | | | | Estimated Late Fees on Delinquent Contributions | Estimated Late Fees on Delinquent Contributions |
| 71 | Nuiqsut | Second Class[3] | North Slope | 402 | 433 | 7% | | | | 02-56320 | | | | | |
| 90 | Nulato | Second Class[3] | Yukon-Koyukuk (CA) | 264 | 336 | 21% | | | | 02-56350 | | | | | |
| 103 | Old Harbor | Second Class[3] | Kodiak Island | 218 | 237 | 8% | | | | 02-57340 | | | | | |
| 10 | Palmer | Home Rule[10] | Matanuska-Susitna | 5,937 | 4,533 | 0% | | | | 02-58660 | | | | | |
| | | | | | | | | | | | | | | | Salary Floor fully paid for all years; never late to pay Salary Floor thus interest for Salary Floor not applicable. |
| 133 | Pelican | First Class[3] | Hoonah-Angoon (CA) | 88 | 163 | 46% | | | | 02-59650 | | | | | |
| 18 | Petersburg | Home Rule[3][10] | Petersburg (CA) | 2,948 | 3,224 | 9% | | | | 02-60310 | | | | | |
| 42 | Point Hope | Second Class[3] | North Slope | 674 | 757 | 11% | | | | 02-61630 | | | | | |
| 44 | Quinhagak | Second Class[3] | Bethel (CA) | 669 | 555 | 0% | | | | 02-64600 | | | | | |
| 114 | Ruby | Second Class[3] | Yukon-Koyukuk (CA) | 166 | 188 | 12% | | | | 02-65590 | | | | | |
| 58 | Saint Paul | Second Class[3] | Aleutians West (CA) | 479 | 532 | 10% | | | | 02-03440 | | | | | |
| 28 | Sand Point | First Class[3] | Aleutians East | 976 | 952 | 0% | | | | 02-67020 | | | | | |
| 69 | Saxman | Second Class[3] | Ketchikan Gateway | 411 | 431 | 5% | | | | 02-67570 | | | | | |
| 59 | Scammon Bay | Second Class[3] | Wade Hampton (CA) | 474 | 465 | 0% | | | | 02-67680 | | | | | |
| 32 | Selawik | Second Class[3] | Northwest Arctic | 829 | 772 | 0% | | | | 02-68230 | | | | | |
| 93 | Seldovia | First Class[3] | Kenai Peninsula | 255 | 286 | 11% | | | | 02-68340 | | | | | |
| 19 | Seward | Home Rule[3][10] | Kenai Peninsula | 2,693 | 2,830 | 5% | | | | 02-68560 | | | | | |
| 94 | Shaktolik | Second Class[3] | Nome (CA) | 251 | 230 | 0% | | | | 02-68890 | | | | | |
| 50 | Shishmaref | Second Class[3] | Nome (CA) | 563 | 562 | 0% | | | | 02-69770 | | | | | |
| 4 | Sitka | Unified Home Rule[3][12] | Sitka | 8,881 | 8,835 | 0% | | | | 02-70540 | | | | | |
| N/A | Skagway | (former city) | Skagway | 920 | 862 | 0% | | | | 02-70760 | | | | | |
| 14 | Soldotna | First Class[3] | Kenai Peninsula | 4,163 | 3,759 | 0% | | | | 02-71640 | | | | | |
| 128 | St. George | Second Class[3] | Aleutians West (CA) | 102 | 152 | 33% | 40,123.35 | 160,013.40 | 460,600.47 | 02-65800 | 3,675.95 | 1,101.20 | 460,600.47 | 132,531.86 | |
| 55 | St. Mary's | First Class[3] | Wade Hampton (CA) | 507 | 500 | 0% | | | | 02-66140 | | | | | |
| 52 | Stebbins | Second Class[3] | Nome (CA) | 556 | 547 | 0% | | | | 02-72960 | | | | | |
| 95 | Tanana | First Class[3] | Yukon-Koyukuk (CA) | 246 | 308 | 20% | | | | 02-75160 | | | | | |
| 61 | Thorne Bay | Second Class[3] | Prince of Wales-Hyder (CA) | 471 | 557 | 15% | | | | 02-77140 | | | | | |
| 46 | Toksook Bay | Second Class[3] | Bethel (CA) | 590 | 532 | 0% | | | | 02-78240 | | | | | |
| 39 | Unalakleet | Second Class[3] | Nome (CA) | 688 | 747 | 8% | | | | 02-80660 | | | | | |
| 12 | Unalaska | First Class[6] | Aleutians West (CA) | 4,376 | 4,283 | 0% | | | | 02-80770 | | | | | |
| 104 | Upper Kalskag | Second Class[3] | Bethel (CA) | 210 | 230 | 9% | | | | 02-81320 | | | | | |
| 15 | Valdez | Home Rule[10] | Valdez-Cordova (CA) | 3,976 | 4,036 | 1% | | | | 02-82200 | | | | | |
| 52 | Wainwright | Second Class[3] | North Slope | 556 | 546 | 0% | | | | 02-82750 | | | | | |
| 6 | Wasilla | First Class[3] | Matanuska-Susitna | 7,831 | 5,469 | 0% | | | | 02-83080 | | | | | |
| 101 | Whittier | Second Class[3] | Valdez-Cordova (CA) | 220 | 182 | 0% | | | | 02-84510 | | | | | |
| 20 | Wrangell | Unified Home Rule[13] | Wrangell | 2,369 | 2,308 | 0% | | | | 02-86380 | | | | | |
| N/A | Yakutat | (former city) | Yakutat | 662 | 680 | 3% | | | | 02-86490 | | | | | |

Cities and Boroughs Impacted by Salary Floor Billings

| ER | Employer Name | FY2009 Contrib Due | FY2010 Contrib Due | FY2011 Contrib Due | FY2012 Contrib Due | FY2013 Contrib Due | FY2014 Contrib Due | FY2015 Contrib Due | FY2016 Contrib Due | FY09-FY16 Combined Contrib Due | Count of Years Billed |
|---------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------------------|-----------------------------|
| 203 | ANCHORAGE COMMUNITY DEVELOP | 1,131.79 | - | - | - | - | - | - | - | 1,131.79 | 1 |
| 259 | CITY OF ALLAKAKET | 1,401.40 | 1,401.40 | 1,401.40 | 1,401.40 | 1,401.40 | 1,401.40 | 1,401.40 | 1,401.40 | 11,211.20 | 8 |
| 283 | CITY OF ANDERSON | 5,875.10 | 5,875.10 | 5,875.10 | 5,875.10 | 5,875.10 | 5,875.10 | 346.47 | - | 35,597.07 | 7 |
| 171 | CITY OF BARROW | - | - | - | - | - | - | - | 1,424.46 | 1,424.46 | 1 |
| 186 | CITY OF CRAIG | - | - | 47,401.67 | 59,873.55 | 24,979.93 | - | - | - | 132,255.15 | 3 |
| 178 | CITY OF DILLINGHAM | 9,709.69 | - | - | - | - | - | - | - | 9,709.69 | 1 |
| 183 | CITY OF FORT YUKON | - | - | - | - | - | - | 330.62 | 25,666.67 | 25,997.29 | 2 |
| 192 | CITY OF GALENA | - | 115,276.09 | 139,395.33 | 164,469.66 | 135,878.38 | 138,094.11 | 147,841.06 | 131,928.11 | 972,882.74 | 7 |
| 235 | CITY OF HUSLIA | 395.56 | 370.48 | 101.86 | 2,756.51 | - | 1,112.13 | - | - | 4,736.54 | 5 |
| 237 | CITY OF KALTAG | - | 1,309.23 | 1,370.60 | - | 1,780.46 | - | - | - | 4,460.29 | 3 |
| 181 | CITY OF KETCHIKAN | - | - | 4,844.03 | - | - | - | - | - | 4,844.03 | 1 |
| 151 | CITY OF KING COVE | - | - | - | - | - | - | 11,975.84 | 3,374.14 | 15,349.98 | 2 |
| 140 | CITY OF KOTZEBUE | - | 48,645.23 | - | - | - | - | - | - | 48,645.23 | 1 |
| 254 | CITY OF MEKORYUK | 2,424.59 | 2,698.35 | 2,698.35 | 2,698.35 | 2,698.35 | 2,698.35 | 2,698.35 | 2,698.35 | 21,313.04 | 8 |
| 193 | CITY OF NENANA | - | - | - | - | - | 39,357.19 | 68,371.97 | 68,371.97 | 176,101.13 | 3 |
| 241 | CITY OF NOORVIK | 27,304.87 | 33,518.82 | 33,518.82 | 33,518.82 | 33,518.82 | 33,518.82 | 33,518.82 | 33,518.82 | 261,936.61 | 8 |
| 200 | CITY OF PELICAN | 1,039.90 | 2,046.10 | 9,016.37 | 11,394.41 | 9,314.87 | 9,164.61 | 7,170.86 | 5,793.91 | 54,941.03 | 8 |
| 266 | CITY OF QUINHAGAK | 1,104.96 | 4,912.89 | 4,912.89 | 4,912.89 | 4,912.89 | 4,912.89 | 4,912.89 | 4,912.89 | 35,495.19 | 8 |
| 255 | CITY OF SAINT GEORGE | 4,030.37 | 29,142.38 | 29,142.38 | 29,142.38 | 29,142.38 | 29,142.38 | 29,142.38 | 29,142.38 | 208,027.03 | 3 |
| 176 | CITY OF SAND POINT | - | 6,485.24 | - | - | - | - | - | - | 6,485.24 | 1 |
| 291 | CITY OF SHAKTOOLIK | 666.47 | - | - | - | - | - | - | - | 666.47 | 1 |
| 169 | CITY OF TANANA | 1,599.10 | - | - | - | - | - | 11,197.70 | 11,229.02 | 24,025.82 | 3 |
| 206 | CITY OF THORNE BAY | - | 11,113.03 | 8,393.67 | - | 8,154.01 | - | 3,609.69 | - | 31,270.40 | 4 |
| 280 | CITY OF TOKSOOK BAY | - | - | - | 1,451.07 | 374.42 | 1,740.27 | 2,028.12 | 2,601.13 | 8,195.01 | 5 |
| 290 | CITY OF UPPER KALSKAG | 14.65 | - | 382.83 | 86.38 | - | - | 48.75 | - | 532.61 | 4 |
| 202 | CITY OF WHITTIER | - | - | 13,737.11 | - | - | - | - | - | 13,737.11 | 1 |
| 247 | LAKE AND PENINSULA BOROUGH | 25,462.96 | 29,198.70 | 28,846.18 | 32,714.49 | 36,136.16 | 33,646.58 | 30,622.50 | 34,337.66 | 250,965.23 | 8 |
| 175 | NOME JOINT UTILITY SYSTEM | 23,833.18 | 13,711.00 | - | - | - | - | - | 35,333.52 | 72,877.70 | 3 |
| Totals | | 105,994.59 | 305,704.04 | 331,038.59 | 350,295.01 | 294,167.17 | 300,663.83 | 355,217.42 | 391,734.43 | 2,434,815.08 | |

**PERS Employer Salaries for FY08 - FY16
With FY08 and FY16 Employee Counts**

| PERS Employer | FY 2008 EE Count | FY 2008 Gross Salaries | FY 2009 Gross Salaries | FY 2010 Gross Salaries | FY 2011 Gross Salaries | FY 2012 Gross Salaries | FY 2013 Gross Salaries | FY 2014 Gross Salaries | FY 2015 Gross Salaries | FY 2016 Gross Salaries | FY 2016 EE Count |
|--|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|
| 101 - STATE OF ALASKA | 18,248 | 887,341,021 | 938,534,114 | 996,327,680 | 1,037,930,528 | 1,070,280,359 | 1,121,294,753 | 1,157,457,537 | 1,162,119,145 | 1,145,189,415 | 18,209 |
| 102 - SOUTHWEST REGION SD | 103 | 2,332,222 | 2,364,292 | 2,305,441 | 2,212,882 | 2,371,907 | 2,378,358 | 2,497,404 | 2,652,484 | 2,616,936 | 105 |
| 103 - ANNETTE ISLAND SD | 28 | 536,830 | 579,335 | 625,669 | 622,486 | 723,078 | 829,939 | 849,449 | 953,877 | 1,124,499 | 54 |
| 104 - BERING STRAIT SD | 253 | 7,200,716 | 7,415,538 | 7,936,226 | 8,081,057 | 8,504,179 | 8,305,950 | 8,458,261 | 8,466,802 | 8,343,928 | 263 |
| 105 - CHATHAM SD | 37 | 424,591 | 380,351 | 462,288 | 460,595 | 482,079 | 491,419 | 432,113 | 505,046 | 569,881 | 35 |
| 106 - ALASKA MUNICIPAL LEAGUE | < 5 | 181,914 | 205,964 | 220,380 | 229,791 | 243,801 | 264,334 | 278,824 | 258,156 | 248,862 | < 5 |
| 107 - CITY OF VALDEZ | 109 | 5,448,143 | 6,081,779 | 6,703,158 | 6,876,387 | 7,473,732 | 7,480,331 | 7,573,815 | 7,733,994 | 8,038,596 | 127 |
| 108 - JUNEAU BOROUGH SD | 391 | 9,917,471 | 10,585,836 | 11,589,163 | 12,259,879 | 12,473,560 | 11,932,268 | 11,560,803 | 11,796,735 | 12,650,570 | 375 |
| 109 - MATANUSKA-SUSITNA BOROUGH | 298 | 14,252,985 | 15,790,264 | 16,747,995 | 16,813,840 | 17,492,922 | 19,279,809 | 19,339,709 | 21,010,072 | 22,300,579 | 343 |
| 110 - MATANUSKA-SUSITNA BOROUGH SD | 546 | 18,648,817 | 21,207,037 | 25,239,098 | 26,985,324 | 27,500,336 | 28,605,582 | 28,790,610 | 30,295,615 | 32,530,469 | 828 |
| 111 - ANCHORAGE SD | 3,093 | 82,043,456 | 87,734,422 | 95,357,063 | 98,110,660 | 98,327,249 | 95,844,183 | 92,434,293 | 94,131,439 | 96,353,161 | 3,029 |
| 112 - COPPER RIVER SD | 59 | 1,211,014 | 1,214,003 | 1,247,895 | 1,247,895 | 1,205,801 | 1,183,394 | 1,029,219 | 1,045,981 | 1,049,600 | 43 |
| 113 - UNIVERSITY OF ALASKA | 2,856 | 127,596,664 | 127,882,053 | 128,579,981 | 126,650,666 | 126,179,731 | 119,270,919 | 117,274,825 | 110,136,370 | 108,691,675 | 1,941 |
| 115 - CITY OF KENAI | 107 | 5,535,102 | 5,987,243 | 6,414,821 | 6,680,175 | 6,988,281 | 7,373,309 | 7,533,493 | 7,805,817 | 7,829,307 | 122 |
| 116 - FAIRBANKS NORTH STAR BOROUGH | 430 | 20,243,653 | 20,964,328 | 22,019,182 | 22,682,190 | 22,824,277 | 23,936,384 | 24,420,131 | 25,218,429 | 25,403,874 | 446 |
| 117 - FAIRBANKS NORTH STAR BOROUGH SD | 981 | 27,804,144 | 28,690,285 | 31,563,596 | 33,599,555 | 35,116,599 | 35,160,439 | 35,192,711 | 35,755,222 | 35,681,058 | 1,018 |
| 118 - DENALI BOROUGH SD | 39 | 926,113 | 915,854 | 975,537 | 935,222 | 1,138,156 | 1,081,371 | 1,120,229 | 1,272,614 | 1,354,143 | 41 |
| 120 - CITY AND BOROUGH OF SITKA | 169 | 9,275,778 | 9,967,518 | 9,847,709 | 10,129,946 | 10,194,159 | 10,141,984 | 10,736,884 | 10,977,459 | 11,058,411 | 176 |
| 121 - CHUGACH SD | 14 | 264,561 | 334,273 | 427,819 | 480,227 | 352,945 | 461,816 | 462,700 | 524,812 | 535,238 | 22 |
| 122 - KETCHIKAN GATEWAY BOROUGH | 111 | 4,496,728 | 4,955,915 | 5,183,876 | 5,157,188 | 5,259,715 | 5,458,556 | 5,504,835 | 5,544,180 | 5,678,096 | 100 |
| 123 - CITY OF SOLDOTNA | 59 | 2,756,757 | 3,137,561 | 3,241,990 | 3,281,149 | 3,244,400 | 3,457,254 | 3,310,242 | 3,985,800 | 4,261,925 | 59 |
| 124 - IDITAROD AREA SD | 45 | 927,417 | 928,434 | 984,504 | 903,025 | 1,078,227 | 952,314 | 936,272 | 871,517 | 782,398 | 33 |
| 125 - KUSPUK SD | 72 | 1,568,014 | 1,660,177 | 1,675,820 | 1,754,695 | 1,724,056 | 1,428,850 | 1,155,982 | 1,353,947 | 1,467,304 | 78 |
| 126 - CITY AND BOROUGH OF JUNEAU | 612 | 29,921,000 | 32,020,282 | 33,349,084 | 34,343,664 | 36,640,642 | 34,111,073 | 34,354,473 | 34,825,283 | 36,200,745 | 606 |
| 128 - CITY OF KODIAK | 133 | 6,115,285 | 6,346,054 | 6,404,563 | 6,560,660 | 6,961,252 | 6,781,355 | 7,133,831 | 6,948,899 | 7,169,399 | 135 |
| 129 - CITY OF FAIRBANKS | 107 | 7,508,115 | 8,072,045 | 8,376,857 | 8,640,290 | 8,987,992 | 9,187,044 | 9,371,591 | 9,406,864 | 9,079,140 | 116 |
| 131 - CITY OF WASILLA | 127 | 5,657,732 | 5,833,733 | 6,157,027 | 6,347,498 | 6,608,275 | 6,756,995 | 6,711,733 | 6,958,225 | 7,169,357 | 135 |
| 132 - CITY OF SKAGWAY | 39 | - | - | - | - | - | - | - | - | - | 0 |
| 133 - SITKA BOROUGH SD | 71 | 2,008,607 | 2,229,052 | 2,325,744 | 2,422,699 | 2,579,473 | 2,720,300 | 2,938,606 | 3,072,986 | 2,968,084 | 85 |
| 134 - CITY OF PALMER | 81 | 3,696,143 | 4,222,428 | 4,589,795 | 4,449,900 | 4,221,134 | 4,045,794 | 4,319,423 | 4,309,912 | 4,438,475 | 88 |
| 135 - CITY AND BOROUGH OF WRANGELL | 64 | 2,844,795 | 3,187,778 | 3,340,859 | 3,502,559 | 3,588,777 | 3,686,002 | 3,799,358 | 3,214,320 | 3,146,643 | 62 |
| 136 - CITY OF BETHEL | 132 | 5,950,472 | 6,078,965 | 6,441,110 | 6,378,879 | 6,412,272 | 6,786,179 | 6,924,353 | 6,145,919 | 5,994,992 | 123 |
| 137 - VALDEZ CITY SD | 60 | 1,837,975 | 1,971,487 | 2,031,079 | 2,206,481 | 2,198,540 | 2,163,768 | 2,309,919 | 2,236,250 | 2,272,931 | 64 |
| 138 - HOONAH CITY SD | 19 | 420,844 | 428,762 | 451,592 | 594,625 | 628,531 | 686,785 | 775,506 | 803,758 | 692,923 | 23 |
| 139 - CITY OF NOME | 69 | 2,357,532 | 2,412,848 | 2,553,620 | 2,656,170 | 2,920,341 | 2,911,063 | 3,356,952 | 3,090,883 | 3,016,683 | 63 |
| 140 - CITY OF KOTZEBUE | 78 | 3,681,141 | 3,885,607 | 3,460,026 | 4,116,993 | 4,048,193 | 4,195,340 | 4,378,906 | 4,342,563 | 4,466,423 | 81 |
| 141 - GALENA CITY SD | 102 | 3,239,489 | 3,389,428 | 3,500,417 | 3,902,663 | 3,751,456 | 3,789,294 | 3,400,414 | 4,107,355 | 4,125,613 | 127 |
| 143 - PETERSBURG BOROUGH | 97 | 4,132,112 | 4,179,224 | 4,392,233 | 4,615,692 | 4,828,735 | 4,762,013 | 4,326,139 | 4,803,880 | 4,932,923 | 102 |
| 144 - BRISTOL BAY BOROUGH | 36 | 1,539,224 | 1,800,996 | 1,999,100 | 2,129,469 | 2,243,826 | 2,204,339 | 2,452,548 | 2,653,057 | 2,616,672 | 43 |
| 145 - NORTH SLOPE BOROUGH | 865 | 43,970,711 | 47,451,906 | 50,257,168 | 57,398,630 | 60,893,387 | 61,396,660 | 64,937,652 | 69,916,511 | 75,160,332 | 1,118 |
| 146 - WRANGELL PUBLIC SD | 32 | 677,140 | 662,000 | 743,787 | 852,365 | 913,025 | 990,321 | 951,922 | 875,625 | 858,329 | 36 |
| 148 - CITY OF CORDOVA | 60 | 2,268,455 | 2,488,993 | 2,544,704 | 2,622,783 | 2,651,665 | 2,457,694 | 2,588,917 | 3,177,726 | 3,412,043 | 65 |
| 149 - NOME CITY SD | 55 | 1,861,232 | 1,767,245 | 1,723,397 | 1,835,985 | 1,991,581 | 1,993,526 | 1,584,403 | 1,825,088 | 1,829,788 | 54 |
| 151 - CITY OF KING COVE | 27 | 1,011,685 | 1,048,820 | 1,081,179 | 1,062,531 | 1,111,138 | 1,101,292 | 1,399,849 | 957,249 | 996,348 | 32 |
| 152 - ALASKA HOUSING FINANCE CORPORATION | 320 | 17,991,324 | 19,143,606 | 20,154,713 | 21,311,702 | 22,373,146 | 23,209,427 | 23,516,105 | 21,636,900 | 21,632,265 | 299 |
| 153 - LOWER YUKON SD | 205 | 5,231,344 | 5,973,036 | 5,924,588 | 6,146,066 | 6,251,391 | 6,185,308 | 6,365,653 | 6,824,357 | 6,798,638 | 229 |
| 154 - NORTHWEST ARCTIC BOROUGH SD | 261 | 6,535,686 | 6,561,274 | 7,545,532 | 7,417,416 | 6,155,381 | 6,837,122 | 7,240,121 | 7,531,382 | 7,590,073 | 198 |
| 155 - SOUTHEAST ISLAND SD | 46 | 658,382 | 675,860 | 715,704 | 663,096 | 627,938 | 692,585 | 734,602 | 804,800 | 897,068 | 42 |

PERS Employer Salaries for FY08 - FY16
With FY08 and FY16 Employee Counts

| PERS Employer | FY 2008 EE Count | FY 2008 Gross Salaries | FY 2009 Gross Salaries | FY 2010 Gross Salaries | FY 2011 Gross Salaries | FY 2012 Gross Salaries | FY 2013 Gross Salaries | FY 2014 Gross Salaries | FY 2015 Gross Salaries | FY 2016 Gross Salaries | FY 2016 EE Count |
|--|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|
| 156 - PRIBILOF SD | 17 | 452,110 | 461,740 | 368,875 | 379,873 | 339,180 | 353,081 | 329,931 | 367,129 | 328,937 | 9 |
| 157 - LOWER KUSKOKWIM SD | 554 | 15,859,654 | 16,223,265 | 17,018,663 | 17,197,026 | 16,946,250 | 16,922,588 | 17,486,767 | 18,375,307 | 19,138,160 | 521 |
| 158 - KODIAK ISLAND BOROUGH SD | 230 | 5,107,375 | 5,421,612 | 5,737,623 | 5,909,127 | 6,076,212 | 6,090,866 | 6,055,493 | 6,500,670 | 7,537,215 | 253 |
| 159 - YUKON FLATS SD | 32 | 552,707 | 1,003,769 | 1,151,802 | 1,254,333 | 1,144,374 | 1,091,460 | 1,146,198 | 1,104,569 | 984,297 | 50 |
| 160 - YUKON / KOYUKUK SD | 87 | 1,416,758 | 1,631,343 | 1,868,753 | 1,830,822 | 1,862,342 | 2,110,959 | 2,169,209 | 2,175,982 | 2,229,205 | 104 |
| 161 - NORTH SLOPE BOROUGH SD | 224 | 8,126,658 | 9,552,350 | 11,011,600 | 10,950,163 | 11,604,273 | 11,179,130 | 10,829,484 | 11,629,931 | 12,697,466 | 286 |
| 162 - ALEUTIAN REGION SD | 8 | 195,559 | 150,152 | 97,244 | 137,313 | 175,804 | 158,130 | 136,407 | 138,269 | 147,116 | < 5 |
| 163 - CORDOVA COMMUNITY MEDICAL CENTER | 67 | 2,451,349 | 2,669,160 | 2,685,246 | 2,402,347 | 2,361,313 | 2,531,929 | 3,034,243 | 2,952,601 | 2,474,363 | 61 |
| 164 - LAKE AND PENINSULA BOROUGH SD | 102 | 1,975,177 | 1,833,175 | 1,803,850 | 1,875,599 | 1,797,568 | 1,885,772 | 1,975,181 | 1,815,239 | 1,772,800 | 80 |
| 165 - SITKA COMMUNITY HOSPITAL | 141 | 6,009,856 | 6,235,742 | 6,419,048 | 7,267,180 | 8,359,136 | 9,036,447 | 9,738,225 | 9,968,907 | 10,162,874 | 189 |
| 166 - TANANA SD | 5 | 136,510 | 94,573 | 37,717 | 84,426 | 52,849 | 119,639 | 145,031 | 151,958 | 152,632 | 8 |
| 167 - SOUTHEAST REGIONAL RESOURCE CENTR | 45 | 1,595,621 | 1,700,199 | 1,633,947 | 1,790,913 | 1,594,382 | 1,459,304 | 1,487,568 | 1,567,379 | 1,458,756 | 33 |
| 168 - HYDABURG CITY SD | 5 | 111,476 | 132,884 | 96,515 | 99,365 | 266,078 | 249,181 | 137,661 | 155,100 | 138,857 | 17 |
| 169 - CITY OF TANANA | 6 | 112,363 | 105,094 | 161,093 | 134,375 | 126,450 | 131,121 | 119,150 | 61,464 | 61,322 | < 5 |
| 170 - NORTH PACIFIC FISHERY MGMT COUNCIL | 15 | 1,371,882 | 1,387,051 | 1,392,154 | 1,403,665 | 1,426,642 | 1,298,525 | 1,286,645 | 1,391,237 | 1,377,176 | 14 |
| 171 - CITY OF BARROW | 44 | 1,125,664 | 1,487,132 | 1,268,942 | 1,436,617 | 1,289,533 | 1,388,237 | 1,526,344 | 1,405,277 | 1,119,189 | 32 |
| 172 - CITY OF SAINT PAUL | 40 | 1,071,249 | 1,122,928 | 1,305,862 | 1,400,033 | 1,386,309 | 1,493,048 | 1,528,940 | 1,613,322 | 1,369,935 | 42 |
| 173 - MUNICIPALITY OF ANCHORAGE | 2,703 | 161,180,695 | 173,976,712 | 169,566,392 | 173,186,493 | 178,868,685 | 189,081,734 | 185,842,013 | 194,034,197 | 202,628,140 | 2,469 |
| 174 - KODIAK ISLAND BOROUGH | 49 | 2,431,400 | 2,574,158 | 2,715,618 | 2,880,219 | 2,891,039 | 3,151,947 | 3,180,843 | 3,420,580 | 3,397,567 | 51 |
| 175 - NOME JOINT UTILITY SYSTEM | 14 | 906,897 | 798,564 | 844,574 | 952,144 | 933,539 | 907,449 | 969,069 | 925,278 | 746,290 | 11 |
| 176 - CITY OF SAND POINT | 23 | 849,228 | 904,847 | 819,749 | 1,120,220 | 1,122,692 | 1,153,491 | 1,164,574 | 1,118,208 | 1,156,406 | 28 |
| 177 - KETCHIKAN GATEWAY BOROUGH SD | 184 | 4,132,518 | 4,338,442 | 4,672,736 | 4,752,349 | 4,951,355 | 5,142,437 | 5,626,317 | 5,895,642 | 5,928,586 | 197 |
| 178 - CITY OF DILLINGHAM | 65 | 2,253,684 | 2,209,549 | 2,336,329 | 2,366,491 | 2,887,078 | 2,663,647 | 2,762,998 | 2,839,760 | 2,896,704 | 66 |
| 179 - CITY OF UNALASKA | 155 | 8,743,076 | 9,031,638 | 9,311,689 | 9,334,118 | 9,659,755 | 10,144,257 | 10,524,114 | 10,743,870 | 10,985,627 | 160 |
| 180 - KENAI PENINSULA BOROUGH | 297 | 14,799,912 | 15,178,006 | 17,694,897 | 17,761,051 | 18,424,065 | 19,027,220 | 19,908,565 | 20,712,709 | 20,679,798 | 312 |
| 181 - CITY OF KETCHIKAN | 163 | 8,354,795 | 9,061,761 | 8,934,720 | 8,332,777 | 8,681,184 | 8,956,823 | 9,042,781 | 9,021,567 | 9,339,933 | 133 |
| 182 - CITY OF SEWARD | 98 | 4,123,414 | 4,360,889 | 4,690,862 | 4,660,214 | 4,963,599 | 4,770,409 | 4,798,521 | 5,032,586 | 4,989,726 | 97 |
| 183 - CITY OF FORT YUKON | 12 | 292,367 | 317,192 | 322,482 | 367,167 | 435,404 | 474,175 | 382,452 | 290,864 | 175,700 | 9 |
| 184 - BRISTOL BAY BOROUGH SD | 26 | 486,359 | 498,853 | 509,118 | 574,141 | 501,006 | 525,791 | 527,701 | 501,704 | 422,867 | 14 |
| 185 - CORDOVA CITY SD | 36 | 661,560 | 776,180 | 741,770 | 704,221 | 676,829 | 760,055 | 743,510 | 823,984 | 874,665 | 30 |
| 186 - CITY OF CRAIG | 45 | 1,550,616 | 1,588,211 | 1,710,800 | 1,335,154 | 1,278,463 | 1,437,071 | 1,559,006 | 1,584,258 | 1,660,037 | 45 |
| 187 - PETERSBURG MEDICAL CENTER | 89 | 3,642,392 | 3,724,275 | 4,065,540 | 4,171,755 | 3,930,483 | 5,013,863 | 5,275,590 | 5,580,972 | 5,780,774 | 110 |
| 189 - HAINES BOROUGH | 74 | 1,767,790 | 1,826,494 | 1,951,055 | 2,113,996 | 2,140,704 | 2,322,420 | 2,284,717 | 2,303,150 | 2,158,163 | 66 |
| 190 - KENAI PENINSULA BOROUGH SD | 541 | 13,730,290 | 14,430,807 | 15,942,621 | 16,403,562 | 17,382,542 | 18,005,047 | 18,772,734 | 19,473,427 | 19,434,112 | 620 |
| 191 - CITY OF NORTH POLE | 52 | 2,027,914 | 2,439,209 | 2,510,078 | 2,552,535 | 2,607,912 | 2,542,097 | 2,636,880 | 2,526,451 | 2,624,552 | 46 |
| 192 - CITY OF GALENA | 35 | 1,513,365 | 1,779,982 | 989,383 | 879,750 | 765,776 | 895,736 | 885,665 | 841,360 | 913,692 | 19 |
| 193 - CITY OF NENANA | 7 | 310,782 | 324,436 | 328,629 | 338,532 | 325,798 | 312,904 | 131,885 | - | - | 0 |
| 195 - YUPIIT SD | 73 | 1,930,446 | 1,675,240 | 1,900,119 | 2,117,048 | 2,136,812 | 1,901,815 | 1,740,564 | 1,758,933 | 1,579,130 | 61 |
| 196 - NENANA CITY SD | 41 | 1,062,751 | 1,131,178 | 1,088,963 | 1,274,103 | 1,385,614 | 1,336,646 | 1,289,599 | 1,326,151 | 1,517,304 | 40 |
| 198 - CITY OF SAXMAN | 7 | 107,971 | 116,743 | 111,115 | 126,633 | 132,160 | 141,302 | 134,280 | 136,659 | 131,879 | 5 |
| 199 - CITY OF HOONAH | 23 | 764,304 | 821,761 | 847,206 | 873,694 | 995,397 | 1,111,416 | 1,162,215 | 1,287,268 | 1,208,071 | 32 |
| 200 - CITY OF PELICAN | 5 | 161,584 | 156,857 | 152,283 | 120,600 | 109,791 | 119,244 | 119,927 | 128,989 | 135,248 | < 5 |
| 202 - CITY OF WHITTIER | 22 | 906,468 | 980,094 | 918,370 | 844,227 | 911,914 | 1,008,664 | 1,091,421 | 990,089 | 1,000,609 | 21 |
| 203 - ANCHORAGE COMMUNITY DEVELOP AUTH | 55 | 1,563,498 | 1,558,354 | 1,648,470 | 1,684,507 | 1,838,348 | 1,997,481 | 2,114,114 | 2,143,516 | 2,255,722 | 56 |
| 204 - CRAIG CITY SD | 50 | 762,589 | 949,621 | 1,012,994 | 1,005,084 | 977,304 | 974,692 | 935,378 | 916,208 | 935,615 | 39 |
| 205 - DILLINGHAM CITY SD | 53 | 1,399,554 | 1,635,047 | 1,558,033 | 1,357,206 | 1,506,215 | 1,566,945 | 1,536,944 | 1,368,508 | 1,233,840 | 39 |
| 206 - CITY OF THORNE BAY | 11 | 403,570 | 405,930 | 353,056 | 365,417 | 425,503 | 366,506 | 407,354 | 387,162 | 428,401 | 12 |
| 208 - CITY OF AKUTAN | 11 | 309,276 | 355,116 | 400,873 | 554,737 | 469,790 | 658,067 | 721,456 | 673,752 | 867,460 | 25 |

PERS Employer Salaries for FY08 - FY16
With FY08 and FY16 Employee Counts

| PERS Employer | FY 2008 | FY 2008 Gross | FY 2009 Gross | FY 2010 Gross | FY 2011 Gross | FY 2012 Gross | FY 2013 Gross | FY 2014 Gross | FY 2015 Gross | FY 2016 Gross | FY 2016 |
|--|----------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| | EE Count | Salaries | Salaries | Salaries | Salaries | Salaries | Salaries | Salaries | Salaries | Salaries | EE Count |
| 209 - UNALASKA CITY SD | 34 | 853,476 | 894,445 | 945,594 | 995,894 | 1,090,538 | 1,151,432 | 1,109,550 | 1,120,606 | 1,025,637 | 29 |
| 211 - KASHUNAMIUT SD | 49 | 1,153,516 | 1,293,020 | 1,455,852 | 1,636,526 | 1,546,957 | 1,490,746 | 1,602,944 | 1,709,480 | 1,577,267 | 64 |
| 215 - CITY OF HOMER | 107 | 5,558,405 | 5,904,470 | 5,805,470 | 5,841,402 | 5,878,126 | 6,407,420 | 6,400,1C2 | 6,455,186 | 6,374,282 | 104 |
| 218 - SPECIAL EDUCATION SERVICE AGENCY | 9 | 258,711 | 251,094 | 386,252 | 377,467 | 355,777 | 260,181 | 230,153 | 274,145 | 284,957 | 6 |
| 219 - BARTLETT REGIONAL HOSPITAL | 466 | 22,192,148 | 24,409,980 | 26,590,442 | 28,418,686 | 29,291,100 | 28,991,489 | 28,524,465 | 30,367,458 | 31,222,259 | 510 |
| 220 - NORTHWEST ARCTIC BOROUGH | 28 | 1,274,446 | 1,512,839 | 1,700,009 | 1,988,292 | 2,216,215 | 2,172,773 | 2,407,034 | 2,552,613 | 2,208,444 | 45 |
| 221 - SAINT MARY'S SD | 19 | 398,874 | 443,763 | 427,431 | 506,929 | 487,969 | 555,900 | 654,493 | 670,880 | 717,716 | 24 |
| 223 - BRISTOL BAY HOUSING AUTHORITY | 39 | 1,280,244 | 1,324,739 | 1,512,281 | 1,597,649 | 1,516,005 | 1,636,206 | 1,718,814 | 1,679,578 | 1,631,726 | 37 |
| 224 - COPPER RIVER BASIN RHA | 8 | 362,711 | 424,546 | 530,096 | 583,224 | 626,495 | 622,090 | 536,401 | 594,950 | 613,168 | 13 |
| 225 - SKAGWAY CITY SD | 8 | 316,099 | 346,751 | 367,195 | 305,272 | 281,335 | 282,002 | 246,598 | 292,838 | 298,219 | 5 |
| 227 - CITY OF KLAWOCK | 20 | 563,057 | 571,811 | 676,734 | 687,027 | 664,829 | 700,835 | 706,864 | 834,419 | 765,651 | 26 |
| 228 - PETERSBURG CITY SD | 42 | 904,531 | 962,084 | 1,017,414 | 962,382 | 978,031 | 1,024,897 | 1,040,997 | 1,073,055 | 1,071,115 | 44 |
| 230 - ALEUTIANS EAST BOROUGH | 23 | 1,083,905 | 1,070,388 | 1,061,877 | 839,979 | 696,057 | 748,644 | 780,985 | 841,976 | 923,365 | 16 |
| 232 - BERING STRAITS CRSA | 0 | - | - | - | 13,462 | 1,923 | - | - | - | - | 0 |
| 235 - CITY OF HUSLIA | 5 | 138,393 | 136,595 | 136,709 | 137,930 | 125,863 | 139,148 | 133,338 | 140,525 | 142,921 | 5 |
| 237 - CITY OF KALTAG | < 5 | 31,137 | 32,456 | 25,186 | 24,907 | 31,247 | 23,044 | 34,197 | 38,637 | 33,585 | < 5 |
| 240 - HAINES BOROUGH SD | 35 | 662,597 | 775,589 | 854,564 | 855,162 | 824,938 | 915,357 | 830,014 | 776,394 | 795,833 | 30 |
| 241 - CITY OF NOORVIK | 10 | 152,358 | 28,245 | - | - | - | - | - | - | - | 0 |
| 242 - CITY OF ELIM | < 5 | 3,573 | 14,006 | 19,178 | 19,339 | 22,261 | 23,407 | 22,843 | 12,806 | 12,463 | < 5 |
| 243 - CITY OF ATKA | < 5 | 50,796 | 91,472 | 174,458 | 131,681 | 121,532 | 113,097 | 127,432 | 184,471 | 210,364 | < 5 |
| 244 - ALEUTIANS EAST BOROUGH SD | 40 | 695,838 | 767,204 | 821,079 | 906,746 | 890,968 | 914,462 | 1,047,869 | 1,017,285 | 942,890 | 38 |
| 245 - ALEUTIANS WEST CRSA | < 5 | 53,648 | 50,950 | 55,295 | 60,568 | - | - | - | - | - | 0 |
| 246 - DELTA/GREELY SD | 45 | 1,377,498 | 1,455,993 | 1,610,490 | 1,671,857 | 1,767,750 | 1,903,969 | 1,990,015 | 1,846,627 | 2,053,015 | 55 |
| 247 - LAKE AND PENINSULA BOROUGH | 13 | 416,171 | 300,430 | 283,449 | 285,052 | 267,469 | 251,915 | 263,232 | 276,978 | 260,090 | 6 |
| 248 - CITY AND BOROUGH OF YAKUTAT | 17 | 700,300 | 719,656 | 714,757 | 741,838 | 795,752 | 773,973 | 821,647 | 778,622 | 860,340 | 19 |
| 249 - CITY OF UNALAKLEET | 8 | 291,375 | 456,309 | 457,731 | 512,059 | 466,652 | 493,004 | 568,467 | 477,798 | 302,081 | 11 |
| 251 - KLAWOCK CITY SD | 24 | 423,405 | 447,795 | 482,422 | 516,679 | 540,007 | 586,311 | 527,544 | 544,834 | 592,134 | 28 |
| 254 - CITY OF MEKORYUK | < 5 | 12,265 | 1,244 | - | - | - | - | - | - | - | 0 |
| 255 - ALASKA GATEWAY SD | 63 | 1,018,524 | 958,152 | 1,068,425 | 1,267,276 | 1,379,249 | 1,299,875 | 1,335,605 | 1,420,535 | 1,528,926 | 65 |
| 256 - CITY OF SAINT GEORGE | < 5 | 132,465 | 114,145 | - | - | - | - | - | - | - | 0 |
| 257 - PELICAN CITY SD | < 5 | 107,980 | 75,840 | 98,422 | 76,898 | 64,483 | 77,620 | 70,384 | 80,848 | 82,605 | < 5 |
| 258 - DENALI BOROUGH | 19 | 361,669 | 397,487 | 431,652 | 452,903 | 520,784 | 472,730 | 465,484 | 449,225 | 464,937 | 11 |
| 259 - CITY OF ALLAKAKET | < 5 | 6,370 | - | - | - | - | - | - | - | - | 0 |
| 260 - CITY OF KACHEMAK | < 5 | 18,530 | 19,120 | 20,570 | 20,220 | 20,890 | 22,210 | 24,907 | 24,963 | 20,163 | < 5 |
| 262 - COOK INLET HOUSING AUTHORITY | 102 | 4,587,406 | 4,884,623 | 5,652,682 | 6,295,940 | 6,787,925 | 6,650,692 | 6,946,640 | 7,189,254 | 7,957,781 | 143 |
| 263 - INTERIOR RHA | 25 | 1,006,171 | 994,933 | 1,274,394 | 1,393,998 | 1,554,603 | 1,667,931 | 1,455,787 | 1,419,019 | 1,147,201 | 22 |
| 264 - YAKUTAT SD | 12 | 289,941 | 322,796 | 348,462 | 351,928 | 369,895 | 333,994 | 317,528 | 242,152 | 200,432 | 7 |
| 265 - KAKE CITY SD | 18 | 385,444 | 390,473 | 370,964 | 363,104 | 424,541 | 476,757 | 550,396 | 483,792 | 509,918 | 19 |
| 266 - CITY OF QUINHAGAK | < 5 | 22,331 | 17,309 | - | - | - | - | - | - | - | 0 |
| 267 - ALEUTIAN HOUSING AUTHORITY | 20 | 977,553 | 1,090,686 | 1,258,321 | 1,020,810 | 1,265,561 | 1,278,569 | 1,340,756 | 1,207,673 | 1,211,802 | 19 |
| 270 - BERING STRAITS RHA | 17 | 986,844 | 1,115,963 | 1,243,214 | 1,460,234 | 1,402,863 | 1,446,579 | 1,514,108 | 1,625,064 | 1,582,475 | 20 |
| 271 - CITY OF EGEGIK | < 5 | 73,331 | 74,995 | 78,754 | 80,006 | 83,341 | 90,010 | 99,179 | 105,011 | 115,008 | < 5 |
| 275 - ILISAGVIK COLLEGE | 94 | 4,562,286 | 4,574,780 | 4,503,879 | 4,788,180 | 5,322,057 | 5,490,170 | 5,246,775 | 5,254,168 | 5,435,020 | 93 |
| 276 - NORTH PACIFIC RIM HA | 31 | 1,278,073 | 1,163,857 | 1,210,867 | 1,227,017 | 1,237,911 | 1,300,329 | 1,363,316 | 1,394,134 | 1,372,565 | 29 |
| 278 - SAXMAN SEAPORT | < 5 | 70,626 | 53,828 | 35,760 | 35,120 | 34,776 | 13,035 | - | 23,069 | 44,141 | < 5 |
| 279 - TLINGIT-HAIDA RHA | 47 | 2,811,633 | 3,029,224 | 3,193,853 | 3,403,962 | 3,823,364 | 3,343,922 | 3,237,584 | 3,104,154 | 3,166,064 | 47 |
| 280 - CITY OF TOKSOOK BAY | < 5 | 28,497 | 29,907 | 30,270 | 30,319 | 21,895 | 26,789 | 20,580 | 19,272 | 16,667 | < 5 |
| 281 - BARANOF ISLAND HA | 10 | 479,327 | 421,963 | 524,257 | 600,522 | 662,388 | 718,615 | 735,286 | 747,799 | 742,285 | 15 |

PERS Employer Salaries for FY08 - FY16
With FY08 and FY16 Employee Counts

| PERS Employer | FY 2008 EE Count | FY 2008 Gross Salaries | FY 2009 Gross Salaries | FY 2010 Gross Salaries | FY 2011 Gross Salaries | FY 2012 Gross Salaries | FY 2013 Gross Salaries | FY 2014 Gross Salaries | FY 2015 Gross Salaries | FY 2016 Gross Salaries | FY 2016 EE Count |
|---|---------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------|
| 282 - CITY OF DELTA JUNCTION | 7 | 239,452 | 291,450 | 318,778 | 290,002 | 245,356 | 297,297 | 331,858 | 344,643 | 446,212 | 7 |
| 283 - CITY OF ANDERSON | < 5 | 26,705 | - | - | - | - | - | - | 25,130 | 27,067 | < 5 |
| 284 - INTER-ISLAND FERRY AUTHORITY | 26 | 1,142,589 | 1,238,331 | 1,194,429 | 1,229,318 | 1,036,021 | 1,105,742 | 1,116,894 | 1,212,916 | 1,144,775 | 24 |
| 286 - CITY OF SELDOVIA | < 5 | 80,578 | 85,873 | 88,355 | 89,493 | 85,836 | 83,484 | 91,478 | 94,028 | 98,194 | < 5 |
| 287 - CITY OF KOYUK | 0 | - | - | 31,150 | - | - | - | - | - | - | 0 |
| 288 - NORTHWEST INUPIAT HOUSING AUTHORITY | 18 | 933,383 | 957,136 | 1,043,549 | 1,185,206 | 1,306,494 | 1,277,824 | 1,177,278 | 961,219 | 998,394 | 14 |
| 290 - CITY OF UPPER KALSKAG | < 5 | 29,622 | 29,556 | 30,900 | 27,882 | 29,230 | 32,780 | 32,104 | 29,401 | 32,700 | < 5 |
| 291 - CITY OF SHAKTOOLIK | < 5 | 25,773 | 22,744 | 27,153 | 25,813 | 28,674 | 37,121 | 32,895 | 34,385 | 31,855 | < 5 |
| 293 - TAGIUGMIULLU NUNAMIULLU HOUSING AUTHORITY | 34 | 1,401,029 | 1,509,960 | 1,400,825 | 1,462,633 | 1,343,763 | 1,302,104 | 1,318,587 | 1,413,514 | 1,210,385 | 21 |
| 296 - MUNICIPALITY OF SKAGWAY | 43 | 1,821,086 | 2,592,564 | 2,888,987 | 2,929,586 | 3,030,076 | 3,166,306 | 3,430,006 | 3,587,889 | 3,646,006 | 60 |
| 297 - CITY OF NULATO | 8 | 9,188 | 127,836 | 119,573 | 130,366 | 122,535 | 111,477 | 56,142 | 125,061 | 136,010 | 10 |
| 298 - CITY OF ANIAK | 0 | - | 71,166 | 119,531 | 135,818 | 76,340 | 119,291 | 62,481 | 79,540 | 79,786 | < 5 |
| 299 - ALASKA GASLINE DEVELOPMENT CORPORATION | 0 | - | - | - | - | - | - | 607,986 | 3,188,906 | 2,961,370 | 26 |
| All PERS Employers | 39,520 | 1,748,977,450 | 1,851,811,892 | 1,947,117,029 | 2,017,899,861 | 2,074,659,741 | 2,136,641,116 | 2,178,006,994 | 2,205,496,370 | 2,213,792,995 | 39,363 |



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Administration

DIVISION OF RETIREMENT AND BENEFITS

5th Floor State Office Building
603 W. Northern Ave., Juneau
Juneau, Alaska 99801
Phone: (907) 586-2272
Fax: (907) 586-2273
Toll-free: 1-800-477-1191
Email: drb@alaska.gov

February 06, 2018

KATRINA E KRUGER, PAYROLL CONTACT
CITY OF GALENA
PO BOX 149
GALENA AK 99741

Salary Floor Reminder Payment Required

Re: Salary Floor Contributions and Accrued Interest Due for PERS ER 192

Our records indicate that you have outstanding contribution and interest balances pertaining to your PERS salary floor contributions. AS 39.35.255(a) established a fiscal year end June 30, 2008 (FY 2008) salary floor. The salary floor is the total base salaries paid by an employer to active employees of the system as of the fiscal year ending June 30, 2008. The Statute requires the Division of Retirement and Benefits to collect employer contributions at a minimum based on FY 2008 base salaries. Employers with salaries that fall under the FY 2008 base salary floor must pay 22% of the shortfall. As indicated in the original billing letter, outstanding balances accrue interest at the annualized rate of 12%.

Please send a payment of \$1,557,783.00 so that it is received by February 28, 2018 to avoid further interest charges on your past due balance.

For your benefit, detailed account information is on the back of this letter. If you cannot remit payment by February 28, 2018, your past due balance will continue to accrue interest charges on the past due balance at the annualized rate of 12%.

If you wish to set up a payment plan, please contact me. Payment plans typically extend the payment over a twelve-month period. Interest will still accrue on the unpaid balance. We request that payment plans be approved by the governing body of the participating employer.

Sincerely,

Accountant
(907) 465-2279
tamara.cridle@alaska.gov

Please make your check payable to:

Division of Retirement & Benefits - Salary Floor
PO Box 110203
Juneau, AK 99811-0203

cc: Erika Burkhouse, DRB, Melanie Helmick, DRB

**Salary Floor Contributions and Accrued Interest Due
for ER 192 - CITY OF GALENA**

as of 2/6/2018

With Interest Accrued Through 1/31/2018

Account Transaction Detail

| Date | Description | Due Date | Amount |
|------------|--------------------------|------------|------------|
| 07/15/2011 | FY2010 Contributions Due | 08/31/2011 | 115,276.09 |
| 02/21/2012 | FY2011 Contributions Due | 04/20/2012 | 139,395.33 |
| 11/26/2012 | FY2012 Contributions Due | 12/31/2012 | 164,469.66 |
| 11/29/2013 | FY2013 Contributions Due | 12/31/2013 | 135,878.38 |
| 11/21/2014 | FY2014 Contributions Due | 12/31/2014 | 138,094.11 |
| 10/15/2015 | FY2015 Contributions Due | 12/31/2015 | 147,841.06 |
| 11/03/2016 | FY2016 Contributions Due | 12/30/2016 | 131,928.11 |
| 12/19/2017 | FY2017 Contributions Due | 01/31/2018 | 126,750.61 |

Account Summary

| | |
|---|-----------------------|
| Past Due Contribution Balance | \$1,099,633.35 |
| Accrued Interest on Past Due Balance | \$458,149.65 |

| | |
|--|-----------------------|
| Total Payoff Amount, good through 2/28/2018 | \$1,557,783.00 |
|--|-----------------------|

DISCLAIMER: The information contained in this letter is based on the specific facts and circumstances presented and cannot be applied to other facts and circumstances. This letter may contain a summary description of benefits, costs, rates, valuations, other calculations, policies or procedures for one or more pension or benefit plans administered by the Division of Retirement and Benefits, including but not limited to, the Public Employees' Retirement System, the Teachers' Retirement System, the Judicial Retirement System, the Supplemental Annuity Plan, the Deferred Compensation Plan, the AlaskaCare Employee Health Plan, or the AlaskaCare Retiree Benefit Plan. The Division of Retirement and Benefits has made every effort to ensure, but does not guarantee, that the information provided is accurate and up to date. Where this letter conflicts with the relevant Plan Document, the Plan Document controls.

David Scott

From: Puckett, Jim P (DOA) <jim.puckett@alaska.gov>
Sent: Sunday, March 10, 2013 3:05 PM
To: David Scott
Cc: Thayer, Curtis W (DOA); Barnhill, Michael A (DOA); Mills, Andy J (DOA); Lea, Kathleen S (DOA)
Subject: SB48

Mr. Scott,

The following communities have lost 25% or more of their population between 2000 and 2010: Galena, Pelican, Atka, Anderson, and St. George. The cities of Anderson and St. George do not currently have any active PERS eligible positions.

Let me know if you need anything else.

Jim Puckett
Division Director
Alaska Division of Retirement & Benefits
jim.puckett@alaska.gov
(907) 465-4471

This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure, or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

For your protection my response to you may be sent in an encrypted email if it contains personal or financial information. If so, you will receive an email notification that you have received a secure email from the State of Alaska with instructions how to access it.

From: David Scott <David.Scott@akleg.gov>
Date: March 8, 2013, 3:47:41 PM MST
To: "curtis.thayer@alaska.gov" <curtis.thayer@alaska.gov>
Cc: "mike.barnhill@alaska.gov" <mike.barnhill@alaska.gov>
Subject: Fwd: SB 48 Scheduling Memo

Hi fellas:

SB 48 will be heard on Tuesday. Can we get a list of those communities that will be affected? Namely, those communities that have lost 25% between 2000-2010.

Thanks.

David Scott
Office of Sen. Donny Olson

Sent from my iPhone.
Please excuse any typos.

City Manager Shanda Huntington
Galena, Alaska

HUNTINGTON PERS TESTIMONY

1. My name Shanda Huntington and I am the city manager for Galena, Alaska. Before serving as the city manager, I served as the city clerk for 6 years. I was also born in Galena, grew up there, and raised my children in Galena. I would like to follow up on Mayor Korta's testimony with information relating to Galena's population decline, the base closure, and the effects on city payroll and finances.

2. As Mayor Korta said, the air force base officially closed in 2010, following a multi-year drawdown. In 1990, before base realignment, Galena's population was 847. Galena has always been a small city and the base was the driver of economic activity. According to the 2000 census, the number of residents, which does not include all of the Air Force personnel, was 675. That number had dropped to 470 with the 2010 census. 205 people may not sound like a lot, but it represents a 30% decrease in the City's resident population between the two censuses. 30% of residents moved away, but the decline in the city's economic activity was much greater. Without the base, the decline in demand for city services was disproportionate to the population decrease.

3. For FY 2008, the current floor year, Galena's salary total was \$1,513,365.19 for 36 employees. Therefore, Galena's annual minimum PERS contribution is \$332,940. In FY 2012, the amended floor year, Galena's payroll was \$765,776 for 17 employees. Between FY 2008 and FY 2012, Galena's payroll was cut in half, reflecting the decrease in population and in economic activity. Galena's current annual minimum PERS contribution of \$332,940 is nearly half of the City's FY 2012 total payroll costs. Allowing a floor year of 2012 for cities that experienced a drastic decrease in population changes Galena's annual minimum contribution to \$168,940.

4. For Galena, the difference in PERS contributions between the 2008 floor and FY 2012 actual payroll is \$164,000. This difference will continue going forward creating an ever increasing obligation. By statute, any amount unpaid accrues compounded interest at 12%. This ever-increasing obligation adds to an already stressed situation. The City's financial situation was so severe in FY 2011 that it required a low interest loan through the Alaska Municipal Bond Bank to deal with a severe cash flow crisis that was preventing us from being able to secure fuel for heat and electricity. Simply put, if Galena can't pay its bills, the lights go out in Galena.

5. Reasonably adjusting the floor year for severely impacted cities does not mean that the cities will pay the minimum amount only. Modifying the floor year changes Galena's *minimum* annual contribution from \$332,940 to \$168,940; the actual contribution may be higher. For FY

2013, Galena would in fact pay more than that amended minimum. For FY 2013, Galena added one employee, for a total payroll of \$895,784.53. For FY 2013, Galena's contribution would have been *above* the 2012 floor by approximately \$30,000.

6. HB 47 simply recognizes that reality of drastic population decreases experienced by some Alaska cities, using a clearly defined metric: a 25% decrease in population according the 2000 and 2010 censuses.

7. The base closure has been very difficult for Galena. As previously noted, Galena required a low interest loan through the Alaska Municipal Bond Bank to secure fuel for heat and electricity in FY 2011. In the last several years, Galena's finances have stabilized and there are even indicators of recovery after the catastrophic decline. We cannot say what will happen to Galena's population long-term, but we believe that we've turned a corner in terms of population and finances.

8. The City of Galena is adjusting to a new reality following the base closure and loss of 30% of the population. This legislation is one part of that adjustment. I became city manager during a difficult period for the City. Our finances have stabilized somewhat over the last several years. Requiring the City of Galena to pay to PERS a contribution owed by a much larger city weakens Galena, and threatens its ability to provide *any* contribution to PERS. We are cautiously optimistic that the City will become stronger and even grow over time. If and when Galena becomes the city it was in 2008, the city will be required to make a PERS contribution commensurate with that size and payroll, and will do so gladly, but it's not that city right now and the oversized PERS contribution inhibits it from becoming so.

9. Recognizing the reality of drastically declining populations is a matter of simple fairness. The amendment recognizes this and ultimately promotes the goals of PERS: ensuring that Alaska municipalities continue to contribute their fair share to the system.

10. I'd like to thank the committee for taking time today so that I may explain the importance of this amendment for communities like Galena that have seen significant population decreases in the last decade.

Mayor John Korta
Galena, Alaska

MAYOR KORTA PERS TESTIMONY

1. My name is Jon Korta. I am the mayor of Galena, Alaska. I'd like to thank the committee for taking time today so that I may explain the importance of HB47 for communities like Galena that have seen significant population decreases in the last decade.
2. As you may know, the Galena Forward Operating Location was closed by the United States Air Force. As part of the BRAC process, the Galena FOL closure was effective October 1, 2010, but had been in process for four years. The Air Force base was the main source of employment for Galena residents. Not surprisingly, the base closure resulted in a reduction of the population. In 2000, Galena had 675 residents. In 2010, 470 residents, representing a 30% decline. Galena was again struck by hardship in spring of 2013 when ice dammed the Yukon River and inundated the City, leading to a disaster declaration.
3. The 2008 "Floor" established by the current law exists to prevent a municipality from gaming the PERS system by contracting out work previously performed by municipal employees in order to avoid making ongoing contributions to PERS. The current minimum PERS contribution is based on the level of salaries that existed in 2008. This purpose does not account for Galena's situation. It was not intended, nor does it contemplate, municipalities with sharply declining populations. HB 47 does not change the PERS policy, but rather recognizes nuance.
4. The amendment affects only communities that suffered a minimum 25% decline in population between 2000 and 2010, like Galena. To put that in perspective, the 25% threshold would represent the loss of 75,000 people from Anchorage or 8,000 people from Juneau. What would happen to Fairbanks if the Borough's population declined by 30,000, *while at the same time seeing the closure of Eielson and Fort Wainwright*? The demand for municipal administrative and public services would decline sharply; so would the municipality's ability to provide these services having lost the region's economic driver.
5. HB 47, which moves the floor year from 2008 to 2012 for the communities that experienced these huge losses, *does not* provide a "loophole" allowing Galena or any other community with a similar population loss between 2000 and 2010 to "game" the system now or in the future. The 2008 floor for these communities is replaced with a 2012 floor. Galena's budgeted payroll for FY 2015 is above the 2012 amount for 17 employees.
6. Galena's circumstances are not a result of any choice the city made. The base closure and concomitant loss of close to 1/3 of the city's population was entirely involuntary. The relationship between a declining population and declining payroll is clear: **fewer residents = fewer public**

employee = lower public payroll. Based on the 2008 floor, Galena is required to pay an amount owed by a city substantially larger than Galena. Galena's required PERS contribution approaches half of the City's entire payroll.

7. Galena's FY 2008 salary total was \$1,513,365.19 for 36 employees. Therefore, Galena's annual minimum PERS contribution is \$332,940. In FY 2012 Galena's payroll was \$765,776 for 17 employees. That's the year this amendment would move the floor to for cities that saw a 25% decrease in population between 2000 and 2010. Under the 2008 floor, Galena's annual minimum PERS contribution is nearly half of the City's entire payroll costs.

8. For Galena, the difference in PERS contributions between the 2008 "floor" and FY 2012 actual payroll is \$164,000. This difference will continue going forward creating an ever increasing obligation. By statute, any amount unpaid accrues interest at 12%. This ever-increasing obligation adds to an already stressed situation. The City's financial situation was so severe in FY 2011 that it required a low interest loan through the Alaska Municipal Bond Bank to deal with a severe cash flow crisis that was preventing them from being able to secure fuel for heat and electricity. Simply put, if Galena can't pay its bills, the lights go out in Galena.

9. The 2008 Floor is, overall, a sound piece of legislation, furthering sound policy, but it does not account for all situations. It does not account for cities that have suffered massive population contractions. This amendment furthers the underlying policy goals of the regulatory structure: It helps ensure that municipalities are able to continue contributing to PERS, while recognizing that a city cannot, and should not, have to make the contribution of a city that has a significantly larger population. Recognizing that Galena is not the same city it was before the base closed and 30% of its population moved away is simply good policy, policy that helps ensure that Galena continues to contribute to PERS and that the lights stay on.

10. Recognizing the reality of sharply declining populations is a worthy amendment and is just plain fair.

11. Thank you for your time this morning. I would be happy to answer any questions you may have.

TOTAL ACTIVE PERS EMPLOYEES BY PERS EMPLOYERS STATE OF ALASKA AND NON STATE POLITICAL SUBDIVISIONS
 COMPILED ON FEBRUARY 24, 2017

By Ronan Tagsip, IT Liaison/ Retirement and Benefits Specialist

| FUND | EMPLOYER NUMBER | EMPLOYER NAME | NUMBER OF EMPLOYEES |
|------|-----------------|--|---------------------|
| P | 101 | State of Alaska | 15,572 |
| P | 102 | Southwest Region SD | 105 |
| P | 103 | Annette Island SD | 58 |
| P | 104 | Bering Strait SD | 248 |
| P | 105 | Chatham SD | 38 |
| P | 106 | Alaska Municipal League | 2 |
| P | 107 | City of Valdez | 116 |
| P | 108 | Juneau Borough SD | 344 |
| P | 109 | Matanuska-Susitna Borough | 303 |
| P | 110 | Matanuska-Susitna Borough SD | 833 |
| P | 111 | Anchorage SD | 2,781 |
| P | 112 | Copper River SD | 36 |
| P | 113 | University of Alaska | 1,681 |
| P | 114 | City of Haines | 0 |
| P | 115 | City of Kenai | 107 |
| P | 116 | Fairbanks North Star Borough | 381 |
| P | 117 | Fairbanks North Star Borough SD | 947 |
| P | 118 | Denali Borough SD | 37 |
| P | 119 | University of AK Geophysical Institute | 0 |
| P | 120 | City and Borough of Sitka | 150 |
| P | 121 | Chugach SD | 16 |
| P | 122 | Ketchikan Gateway Borough | 90 |
| P | 123 | City of Soldotna | 56 |
| P | 124 | Iditarod Area SD | 39 |
| P | 125 | Kuspuk SD | 73 |
| P | 126 | City and Borough of Juneau | 543 |
| P | 127 | Alaska State Building Authority | 0 |
| P | 128 | CITY OF KODIAK | 114 |
| P | 129 | CITY OF FAIRBANKS | 99 |
| P | 131 | CITY OF WASILLA | 118 |
| P | 133 | SITKA BOROUGH SD | 80 |
| P | 134 | CITY OF PALMER | 70 |
| P | 135 | CITY AND BOROUGH OF WRANGELL | 56 |
| P | 136 | CITY OF BETHEL | 88 |
| P | 137 | VALDEZ CITY SD | 59 |

| | TOTAL |
|-------------|--------|
| NON STATE | 19,473 |
| STATE | 15,572 |
| GRAND TOTAL | 35,045 |

| | | | |
|---|-----|------------------------------------|------|
| P | 138 | HOONAH CITY SD | 25 |
| P | 139 | CITY OF NOME | 46 |
| P | 140 | CITY OF KOTZEBUE | 69 |
| P | 141 | GALENA CITY SD | 113 |
| P | 143 | PETERSBURG BOROUGH | 84 |
| P | 144 | BRISTOL BAY BOROUGH | 35 |
| P | 145 | NORTH SLOPE BOROUGH | 947 |
| P | 146 | WRANGELL PUBLIC SD | 33 |
| P | 148 | CITY OF CORDOVA | 59 |
| P | 149 | NOME CITY SD | 42 |
| P | 151 | CITY OF KING COVE | 28 |
| P | 152 | ALASKA HOUSING FINANCE CORPORATION | 264 |
| P | 153 | LOWER YUKON SD | 228 |
| P | 154 | NORTHWEST ARCTIC BOROUGH SD | 182 |
| P | 155 | SOUTHEAST ISLAND SD | 51 |
| P | 156 | PRIBILOF SD | 11 |
| P | 157 | LOWER KUSKOKWIM SD | 495 |
| P | 158 | KODIAK ISLAND BOROUGH SD | 224 |
| P | 159 | YUKON FLATS SD | 41 |
| P | 160 | YUKON / KOYUKUK SD | 98 |
| P | 161 | NORTH SLOPE BOROUGH SD | 275 |
| P | 162 | ALEUTIAN REGION SD | 1 |
| P | 163 | CORDOVA COMMUNITY MEDICAL CENTER | 54 |
| P | 164 | LAKE AND PENINSULA BOROUGH SD | 81 |
| P | 165 | SITKA COMMUNITY HOSPITAL | 157 |
| P | 166 | TANANA SD | 9 |
| P | 167 | SOUTHEAST REGIONAL RESOURCE CENTER | 31 |
| P | 168 | HYDABURG CITY SD | 18 |
| P | 169 | CITY OF TANANA | 2 |
| P | 170 | NORTH PACIFIC FISHERY MGMT COUNCIL | 13 |
| P | 171 | CITY OF BARROW | 26 |
| P | 172 | CITY OF SAINT PAUL | 28 |
| P | 173 | MUNICIPALITY OF ANCHORAGE | 2275 |
| P | 174 | KODIAK ISLAND BOROUGH | 46 |
| P | 175 | NOME JOINT UTILITY SYSTEM | 11 |
| P | 176 | CITY OF SAND POINT | 22 |
| P | 177 | KETCHIKAN GATEWAY BOROUGH SD | 199 |
| P | 178 | CITY OF DILLINGHAM | 51 |
| P | 179 | CITY OF UNALASKA | 140 |
| P | 180 | KENAI PENINSULA BOROUGH | 285 |
| P | 181 | CITY OF KETCHIKAN | 119 |

| | | | |
|---|-----|---------------------------------------|-----|
| P | 182 | CITY OF SEWARD | 85 |
| P | 183 | CITY OF FORT YUKON | 8 |
| P | 184 | BRISTOL BAY BOROUGH SD | 22 |
| P | 185 | CORDOVA CITY SD | 33 |
| P | 186 | CITY OF CRAIG | 36 |
| P | 187 | PETERSBURG MEDICAL CENTER | 97 |
| P | 189 | HAINES BOROUGH | 64 |
| P | 190 | KENAI PENINSULA BOROUGH SD | 569 |
| P | 191 | CITY OF NORTH POLE | 43 |
| P | 192 | CITY OF GALENA | 16 |
| P | 193 | CITY OF NENANA | 6 |
| P | 195 | YUPIIT SD | 73 |
| P | 196 | NENANA CITY SD | 46 |
| P | 198 | CITY OF SAXMAN | 3 |
| P | 199 | CITY OF HOONAH | 22 |
| P | 200 | CITY OF PELICAN | 4 |
| P | 202 | CITY OF WHITTIER | 15 |
| P | 203 | ANCHORAGE COMMUNITY DEVELOP AUTHORITY | 47 |
| P | 204 | CRAIG CITY SD | 35 |
| P | 205 | DILLINGHAM CITY SD | 40 |
| P | 206 | CITY OF THORNE BAY | 11 |
| P | 208 | CITY OF AKUTAN | 20 |
| P | 209 | UNALASKA CITY SD | 28 |
| P | 211 | KASHUNAMIUT SD | 59 |
| P | 215 | CITY OF HOMER | 93 |
| P | 218 | SPECIAL EDUCATION SERVICE AGENCY | 7 |
| P | 219 | BARTLETT REGIONAL HOSPITAL | 446 |
| P | 220 | NORTHWEST ARCTIC BOROUGH | 24 |
| P | 221 | SAINT MARY'S SD | 23 |
| P | 223 | BRISTOL BAY HOUSING AUTHORITY | 32 |
| P | 224 | COPPER RIVER BASIN RHA | 12 |
| P | 225 | SKAGWAY CITY SD | 5 |
| P | 227 | CITY OF KLAWOCK | 23 |
| P | 228 | PETERSBURG CITY SD | 43 |
| P | 230 | ALEUTIANS EAST BOROUGH | 16 |
| P | 235 | CITY OF HUSLIA | 5 |
| P | 237 | CITY OF KALTAG | 2 |
| P | 240 | HAINES BOROUGH SD | 28 |
| P | 241 | CITY OF NOORVIK | 1 |
| P | 242 | CITY OF ELIM | 2 |
| P | 243 | CITY OF ATKA | 3 |

| | | | |
|---|-----|--|-----|
| P | 244 | ALEUTIANS EAST BOROUGH SD | 41 |
| P | 246 | DELTA/GREELY SD | 52 |
| P | 247 | LAKE AND PENINSULA BOROUGH | 5 |
| P | 248 | CITY AND BOROUGH OF YAKUTAT | 15 |
| P | 249 | CITY OF UNALAKLEET | 7 |
| P | 251 | KLAWOCK CITY SD | 25 |
| P | 255 | ALASKA GATEWAY SD | 68 |
| P | 256 | CITY OF SAINT GEORGE | 1 |
| P | 257 | PELICAN CITY SD | 3 |
| P | 258 | DENALI BOROUGH | 11 |
| P | 259 | CITY OF ALLAKAKET | 1 |
| P | 260 | CITY OF KACHEMAK | 1 |
| P | 262 | COOK INLET HOUSING AUTHORITY | 123 |
| P | 263 | INTERIOR RHA | 19 |
| P | 264 | YAKUTAT SD | 8 |
| P | 265 | KAKE CITY SD | 18 |
| P | 267 | ALEUTIAN HOUSING AUTHORITY | 15 |
| P | 270 | BERING STRAITS RHA | 15 |
| P | 271 | CITY OF EGEGIK | 1 |
| P | 275 | ILISAGVIK COLLEGE | 75 |
| P | 276 | NORTH PACIFIC RIM HA | 26 |
| P | 278 | SAXMAN SEAPORT | 2 |
| P | 279 | TLINGIT-HAIDA RHA | 43 |
| P | 280 | CITY OF TOKSOOK BAY | 1 |
| P | 281 | BARANOF ISLAND HA | 13 |
| P | 282 | CITY OF DELTA JUNCTION | 7 |
| P | 283 | CITY OF ANDERSON | 1 |
| P | 284 | INTER-ISLAND FERRY AUTHORITY | 21 |
| P | 285 | CITY OF HOOPER BAY | 3 |
| P | 286 | CITY OF SELDOVIA | 2 |
| P | 288 | NORTHWEST INUPIAT HOUSING AUTHORITY | 13 |
| P | 290 | CITY OF UPPER KALSKAG | 3 |
| P | 291 | CITY OF SHAKTOOLIK | 2 |
| P | 293 | TAGIUGMIULLU NUNAMIULLU HOUSING AUTHORIT | 15 |
| P | 296 | MUNICIPALITY OF SKAGWAY | 51 |
| P | 297 | CITY OF NULATO | 7 |
| P | 298 | CITY OF ANIAK | 4 |
| P | 299 | ALASKA GASLINE DEVELOPMENT CORPORATION | 22 |



David J. Kershner
David.Kershner@Conduent.com
602.803.6174

April 5, 2018

VIA EMAIL

Mr. Kevin Worley
Chief Financial Officer
Department of Administration
State of Alaska
333 Willoughby Avenue
6th Floor State Office Building
Juneau, AK 99811-0208

RE: Fiscal Note for PERS under HB 47

Dear Kevin:

As requested, we are providing the following information for the fiscal note under HB 47, which assumes the State will assume certain costs with regard to the pension and healthcare benefits provided by the State of Alaska Public Employees' Retirement System (PERS).

Summary of Provisions

Under current law, employers must pay 22% of the maximum of:

- 1) Total current base salaries of all active members, and
- 2) Total base salaries of all active members as of June 30, 2008.

Under HB 47, this provision would be modified to have employers pay 22% of the maximum of:

- 1) Total current base salaries of all active members, and
- 2) The minimum of all active members' total base salaries as of June 30, 2008 and all active members' total base salaries as of June 30, 2012. The June 30, 2012 minimum would only apply to employers that are municipalities whose population decreased by more than 25% between January 1, 2000 and January 1, 2010, as reported by the United States Census Bureau.

The change takes effect immediately and impacts prospective costs only. The State is assumed to cover all costs not paid by the employers.

Summary for Analysis

A summary of applicable employers, as described above, was provided by you as well as payroll as of June 30, 2008 through June 30, 2017 for these employers. The three employers affected are the City of Galena, City of Pelican, and City of St. George. Of these three employers, only the City of Galena and the City of St. George are affected on an ongoing basis.

Mr. Kevin Worley
April 5, 2018
Page 2



The table below shows the estimated cost of the bill for FY19 through FY24. Dollars are in thousands.

| HB 47 Cost | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Ongoing | \$141 | \$133 | \$124 | \$116 | \$107 | \$98 |

Future payroll was estimated to increase at 3.62% each year. Assuming this assumption holds into the future, costs would continue beyond FY24, but the cost amount would be expected to continue to decrease each year.

Since the bill is effective immediately, the FY18 cost of \$148,000 may also be relevant. We leave it to the State to determine if or how this cost will be reflected in this partial year.

Additional Notes

The assumptions, plan provisions and methods used are described in the draft actuarial valuation report as of June 30, 2017, including assumed 3.62% annual payroll growth.

Future actuarial measurements and projections may differ from the current measurements presented in this letter due to such factors as: plan experience different from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law.

David Kershner is a Fellow of the Society of Actuaries, an Enrolled Actuary, a Member of the American Academy of Actuaries, and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this letter. This letter has been prepared in accordance with all applicable Actuarial Standards of Practice.

Please let me know if you need any further information.

Sincerely,

A handwritten signature in black ink, appearing to read "DK", written over a horizontal line.

David J. Kershner, FSA, EA, MAAA, FCA
Principal

cc: Ms. Kathy Lea, State of Alaska
Mr. Bill Detweiler, Conduent HR Consulting



Appendix A

Listing of employers whose population decreased by more than 25% between January 1, 2000 and January 1, 2010, and had FY12 payroll less than FY08 payroll.

| Employer Number | Employer Name | FY08 Payroll | FY12 Payroll |
|-----------------|----------------------|-----------------|---------------|
| 192 | CITY OF GALENA | \$ 1,513,365.19 | \$ 765,776.82 |
| 200 | CITY OF PELICAN | \$ 161,583.91 | \$ 109,791.14 |
| 256 | CITY OF SAINT GEORGE | \$ 132,465.35 | \$ 0.00 |

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|----------|
| Bill Version: | HB 47 |
| Fiscal Note Number: | 1 |
| (H) Publish Date: | 3/3/2017 |

Identifier: HB047-DOA-DRB-02-24-17
 Title: MUNICIPAL PERS CONTRIBUTIONS/INTEREST
 Sponsor: FOSTER
 Requester: (H) Community & Regional Affairs

Department: Department of Administration
 Appropriation: Centralized Administrative Services
 Allocation: Retirement and Benefits
 OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2018 Appropriation Requested | Included in Governor's FY2018 Request | Out-Year Cost Estimates | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|---------|---------|---------|---------|
| | FY 2018 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| OPERATING EXPENDITURES | *** | | *** | *** | *** | *** | *** |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | *** | 0.0 | *** | *** | *** | *** | *** |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| None | | | | | | | |
| Total | *** | 0.0 | *** | *** | *** | *** | *** |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|-----|-----|-----|-----|-----|-----|-----|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

| | | | |
|--------------|-------------------------------------|--------|---------------------|
| Prepared By: | Ajai Desai, Director | Phone: | (907)465-4471 |
| Division: | Division of Retirement and Benefits | Date: | 02/24/2017 02:14 PM |
| Approved By: | Sheldon Fisher | Date: | 02/24/17 |
| Agency: | Department of Administration | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This bill modifies the 2008 salary floor set out in AS 39.35.255 on which the Public Employees' Retirement System (PERS) employer contributions are based for PERS municipalities that have sustained more than a 25% decrease in population between 2000 and 2010.

The bill applies to five (5) PERS employers: Anderson, Atka, Galena, Pelican, and St. George.

The bill creates a new subsection in AS 39.35.004 that allows the PERS Plan Administrator to determine the interest rate charged on delinquent payments to the PERS. It only applies to municipalities that meet the population decline described above.

The bill also adds AS 39.35.610(c) that if an employer who has suffered a decrease of more than 25% in population is late in transferring payrolls and funds, the Plan Administrator may assess an interest rate less than that required in section (a), which is one and one-half of the Plan's actuarial rate of return, or currently 8%.

Principal amounts owed by the City of Galena (the difference between the salary floor and actual payroll amounts times 22% for each fiscal year) are still due for fiscal years 2009 to 2016, if this bill passes, since this bill takes effect immediately. The Division would set the City of Galena's salary floor from 2008 to the 2012 amount, since it is lower. The City of Pelican would also have the 2008 salary floor replaced by its 2012 salary amount. At this time, there is no impact to the remaining three cities, unless there is a change in their reported salaries for 2012 based on audit work performed by the Division.

This note is indeterminate as an actuarial analysis would need to be completed in order to determine the impact of reducing the salary floor for these employers, and the related financial impact it would have on the additional state contributions under AS 39.35.280, which all other things being equal, would represent an increased cost.

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|-----------|
| Bill Version: | HB 47 |
| Fiscal Note Number: | 2 |
| (H) Publish Date: | 4/14/2017 |

Identifier: HB047-DOA-DRB-04-09-17
 Title: MUNICIPAL PERS CONTRIBUTIONS/INTEREST
 Sponsor: FOSTER
 Requester: House Finance

Department: Department of Administration
 Appropriation: Centralized Administrative Services
 Allocation: Retirement and Benefits
 OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2018 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|------------|------------|------------|------------|
| | Appropriation Requested | Governor's FY2018 Request | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| OPERATING EXPENDITURES | FY 2018 | FY 2018 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated to reflect no cost to the Division for administering the additional PERS state assistance.

Prepared By: Ajai Desai, Director
 Division: Division of Retirement and Benefits
 Approved By: Sheldon Fisher
 Agency: Department of Administration

Phone: (907)465-4471
 Date: 04/07/2017 02:00 PM
 Date: 04/09/17

REPORTED OUT OF
HFC 04/13/2017

Control Code: XwBBD

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This bill modifies the 2008 salary floor set out in AS 39.35.255 on which the Public Employees' Retirement System (PERS) employer contributions are based for PERS municipalities that have sustained more than a 25% decrease in population between 2000 and 2010. The bill also creates a new subsection in AS 39.35.004 that allows the PERS Plan Administrator to determine the interest rate charged on delinquent payments to the PERS, which is currently a penalty rate of 12%. This Plan Administrator determined interest rate only applies to municipalities that meet the population decline described above.

This bill applies to five (5) PERS employers: Anderson, Atka, Galena, Pelican, and St. George. Of these five (5) employers, Atka is not impacted as their 2012 salary exceeds the 2008 salary floor. The remaining four (4) employers will see their 2008 salary floor reduced to their reported 2012 salaries.

This bill also adds AS 39.35.610(c) that if an employer who has suffered a decrease of more than 25% in population is late in transferring payrolls and funds, the Plan Administrator may assess an interest rate less than that required in section (a), which is one and one-half of the Plan's actuarial rate of return (8%), or currently 12%.

Conduent Human Resource Services (Conduent) (formerly Buck Consultants), the PERS actuarial consultant, has calculated the financial effects if this bill should pass. The basic result will be a shortfall in actuarially projected PERS employer contributions in the following amounts (\$ are in thousands):

| FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|---------|---------|---------|--------|--------|--------|
| \$121.0 | \$112.0 | \$102.0 | \$93.0 | \$84.0 | \$75.0 |

This legislation will have zero fiscal impact on the department in administering the payment if additional payment is added to the existing PERS state assistance payment.

(F)

Fiscal Note

State of Alaska
2017 Legislative Session

| | |
|---------------------|-----------|
| Bill Version: | HB 47 |
| Fiscal Note Number: | 3 |
| (H) Publish Date: | 4/14/2017 |

Identifier: HB047-SPR-PSA-04-13-17
 Title: MUNICIPAL PERS CONTRIBUTIONS/INTEREST
 Sponsor: FOSTER
 Requester: House Finance

Department: State Retirement Payments
 Appropriation: PERS State Assistance
 Allocation: All Other PERS
 OMB Component Number: 2866

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2018 Appropriation Requested | Included in Governor's FY2018 Request | Out-Year Cost Estimates | | | | | |
|-------------------------------|--------------------------------------|--|-------------------------|--------------|-------------|-------------|-------------|---------|
| | | | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
| OPERATING EXPENDITURES | | | | | | | | |
| Personal Services | | | | | | | | |
| Travel | | | | | | | | |
| Services | | | | | | | | |
| Commodities | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Grants & Benefits | | | | | | | | |
| Miscellaneous | 121.0 | | 112.0 | 102.0 | 93.0 | 84.0 | 75.0 | |
| Total Operating | 121.0 | 0.0 | 112.0 | 102.0 | 93.0 | 84.0 | 75.0 | |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|--------------|------------|--------------|--------------|-------------|-------------|-------------|
| 1004 Gen Fund (UGF) | 121.0 | | 112.0 | 102.0 | 93.0 | 84.0 | 75.0 |
| Total | 121.0 | 0.0 | 112.0 | 102.0 | 93.0 | 84.0 | 75.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2017) cost: 129.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Updated with current actuarial information. Department, Appropriation, Allocation, Component information updated.

Prepared By: Ajai Desai, Director
 Division: Division of Retirement and Benefits
 Approved By: Sheldon Fisher
 Agency: Department of Administration

Phone: (907)465-4471
 Date: 04/13/2017 10:15 AM
 Date: 04/13/17

REPORTED OUT OF
HFC 04/13/2017

Control Code: AHqRv

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This bill modifies the 2008 salary floor set out in AS 39.35.255 on which the Public Employees' Retirement System (PERS) employer contributions are based for PERS municipalities that have sustained more than a 25% decrease in population between 2000 and 2010. The bill also creates a new subsection in AS 39.35.004 that allows the PERS Plan Administrator to determine the interest rate charged on delinquent payments to the PERS, which is currently a penalty rate of 12%. This Plan Administrator determined interest rate only applies to municipalities that meet the population decline described above.

This bill applies to five (5) PERS employers: Anderson, Atka, Galena, Pelican, and St. George. Of these five (5) employers, Atka is not impacted as their 2012 salary exceeds the 2008 salary floor. The remaining four (4) employers will see their 2008 salary floor reduced to their reported 2012 salaries.

This bill also adds AS 39.35.610(c) that if an employer who has suffered a decrease of more than 25% in population is late in transferring payrolls and funds, the Plan Administrator may assess an interest rate less than that required in section (a), which is one and one-half of the Plan's actuarial rate of return (8%), or currently 12%.

Conduent Human Resource Services (Conduent) (formerly Buck Consultants), the PERS actuarial consultant, has calculated the financial effects if this bill should pass. The basic result will be a shortfall in actuarially projected PERS employer contributions in the following amounts (\$ are in thousands):

| FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|---------|---------|---------|--------|--------|--------|
| \$121.0 | \$112.0 | \$102.0 | \$93.0 | \$84.0 | \$75.0 |

See attached letter from Conduent dated March 16, 2017. All else being equal, such amounts would count as an actuarial loss for the year, added to the unfunded liability and amortized over the descending 25 year period. The additional amortization amounts would be added to the amount of state contribution that is computed under AS 39.35.280. Over a 25 year period, the additional amounts paid under state assistance would accrue to an amount that is larger than shown in the actuarial letter.

If passed, this bill is effective immediately and is prospective, principal amounts owed by the impacted cities (the difference between the salary floor and actual payroll amounts times 22% for each fiscal year) are still due for fiscal years 2009 to 2016. The interest rate to charge on these outstanding payments would be determined by the Plan Administrator. Currently, principal amounts owed by impacted cities are as follows:

- Anderson - \$0.00
- Atka - \$0.00
- Galena - \$972,882.74
- Pelican - \$0.00
- St. George - \$208,027.03
- TOTAL - \$1,180,909.77

EXPLANATION - SUPPLEMENTAL APPROPRIATION REQUEST

Since the bill is effective immediately, this bill would also assume an FY 2017 supplemental contribution for the impacted employers for salary contributions that would not be collected as a result of the reduction of the salary floor for the four (4) employers effected. Conduent estimates that amount to be \$129,000. The source of the \$129,000 would also be General Funds, same as reflected for FY 2018 and out years.



David J. Kershner
 David.Kershner@Conduent.com
 602.864.3507

Larry Langer
 Larry.Langer@Conduent.com
 312.846.3669

March 16, 2017

VIA EMAIL

Mr. Kevin Worley
 Chief Financial Officer
 Department of Administration
 State of Alaska
 333 Willoughby Avenue
 6th Floor State Office Building
 Juneau, AK 99811-0208

RE: Fiscal Note for PERS Amending Termination Cost under HB 47

Dear Kevin:

As requested, we are providing the following information for the fiscal note on HB 47, which assumes the State will assume certain costs with regard to the State of Alaska Public Employees' Retirement System Pension and Healthcare Plans (PERS).

Summary of Provisions

Under current law, employers must pay up to 22% of the maximum of:

- 1) Total current base salaries of all active members, and
- 2) Total base salaries of all active members as of June 30, 2008.

Under HB 47, this provision would be modified to have employers pay up to 22% of the maximum of:

- 1) Total current base salaries of all active members, and
- 2) The minimum of all active members' total base salaries as of June 30, 2008 and all active members' total base salaries as of June 30, 2012. The June 30, 2012 minimum would only apply to employers which are municipalities whose population decreased by more than 25% between January 1, 2000 and January 1, 2010, as reported by the United States Census Bureau.

The change takes effect immediately and impacts prospective costs only. The State is assumed to cover all costs not paid by the employers.

Summary for Analysis

A summary of applicable employers, as described above, was provided by you as well as payroll as of June 30, 2008 through June 30, 2016 for these employers. The three employers affected are the City of Galena, City of Pelican, and City of St. George. Of these three employers, it appears that only the City of Galena and City of Pelican are affected on an ongoing basis.

Mr. Kevin Worley
 March 16, 2017
 Page 2



The table below shows the estimated cost of the bill for Fiscal Years 2018 through 2023. Dollars are in thousands.

| HB 47 Cost | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|------------|-------|-------|-------|------|------|------|
| Ongoing | \$121 | \$112 | \$102 | \$93 | \$84 | \$75 |

Future payroll was estimated to increase at 3.62% each year. Assuming this assumption holds into the future, costs would continue beyond Fiscal Year 2023, but the cost amount would be expected to continue to decrease each year.

Since the bill is effective immediately, the FY17 cost of \$129,000 may also be relevant. We leave it to the State to determine if how this cost will be reflected in this partial year.

Additional Notes

The assumptions, plan provisions and methods used are described in the draft actuarial valuation report as of June 30, 2016, including assumed 3.62% annual payroll growth.

Future actuarial measurements and projections may differ from the current measurements presented in this letter due to such factors as: plan experience different from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law.

Larry Langer is an Associate of the Society of Actuaries and David Kershner is a Fellow of the Society of Actuaries. Both are Enrolled Actuaries and Members of the American Academy of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this letter. This letter has been prepared in accordance with all applicable Actuarial Standards of Practice.

Please let us know if you need any further information.

Sincerely,

Larry Langer, ASA, EA, MAAA, FCA
 Principal and Consulting Actuary

David J. Kershner, FSA, EA, MAAA, FCA
 Principal and Consulting Actuary

/mlp

cc: Ms. Kathy Lea, State of Alaska
 Ms. Melissa Bissett, Buck Consultants

Mr. Kevin Worley
March 16, 2017
Page 3



Appendix A

Listing of employers whose population decreased by more than 25% between January 1, 2000 and January 1, 2010 with FY2012 payroll less than FY2008 payroll.

| Employer Number | Employer Name | FY08 Payroll | FY12 Payroll |
|----------------------------|----------------------|-------------------------|-------------------------|
| 192 | CITY OF GALENA | \$ 1,513,365.19 | \$ 765,775.82 |
| 200 | CITY OF PELICAN | \$ 161,583.91 | \$ 109,791.14 |
| 256 | CITY OF SAINT GEORGE | \$ 132,465.35 | \$ 126,996.00 |

* The most recent reported payroll for the City of St. George was for FY09. That payroll was projected at an annual increase rate of 3.62% to FY12.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 47
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB047-SRP-PSA-04-06-18
Title: MUNICIPAL PERS CONTRIBUTIONS/INTEREST
Sponsor: FOSTER
Requester: (S) STA

Department: State Retirement Payments
Appropriation: PERS State Assistance
Allocation: All Other PERS
OMB Component Number: 2866

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2019 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|----------------|----------------|----------------|----------------|
| | Appropriation Requested | Governor's FY2019 Request | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| OPERATING EXPENDITURES | FY 2019 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | 141.0 | | 133.0 | 124.0 | 116.0 | 107.0 | 98.0 |
| Total Operating | 141.0 | 0.0 | 133.0 | 124.0 | 116.0 | 107.0 | 98.0 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|--------------|------------|--------------|--------------|--------------|--------------|-------------|
| 1004 Gen Fund (UGF) | 141.0 | | 133.0 | 124.0 | 116.0 | 107.0 | 98.0 |
| Total | 141.0 | 0.0 | 133.0 | 124.0 | 116.0 | 107.0 | 98.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2018) cost: 148.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated with current actuarial information, including change related to City of St. George.

Previously, St. George had been assumed to have active payroll on which to base the actuarial study on. After discussion with St. George's mayor, they indicated they had no funds in order to hire employees into PERS positions. As such, the Division modified the assumed salaries of St. George to \$0, which results in an increase of the amounts needed from GF to fund this bill.

| | | | |
|--------------|------------------------------|--------|---------------|
| Prepared By: | Ajay Desai, Director | Phone: | (907)465-4471 |
| Division: | Retirement & Benefits | Date: | 04/06/2018 |
| Approved By: | Leslie Ridle, Commissioner | Date: | 04/09/18 |
| Agency: | Department of Administration | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB 47

Analysis

This bill modifies the 2008 salary floor set out in AS 39.35.255 on which the Public Employees' Retirement System (PERS) employer contributions are based for PERS municipalities that have sustained more than a 25% decrease in population between 2000 and 2010. The bill also creates a new subsection in AS 39.35.004 that allows the PERS Plan Administrator to determine the interest rate charged on delinquent payments to the PERS, which is currently a penalty rate of 12%. This Plan Administrator determined interest rate only applies to municipalities that meet the population decline described above.

This bill applies to five (5) PERS employers: Anderson, Atka, Galena, Pelican, and St. George. Of these five (5) employers, Atka is not impacted as their 2012 salary exceeds the 2008 salary floor. The remaining four (4) employers will see their 2008 salary floor reduced to their reported 2012 salaries.

This bill also adds AS 39.35.610(c) that if an employer who has suffered a decrease of more than 25% in population is late in transferring payrolls and associated funds, the PERS Plan Administrator may assess an interest rate less than that required in section (a), which is one and one-half of the Plan's actuarial rate of return (8%), or currently 12%.

Conduent Human Resource Services (Conduent), the PERS actuarial consultant, has calculated the financial effects if this bill should pass. The basic result will be a shortfall in actuarially projected PERS employer contributions in the following amounts (\$ are in thousands):

| FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 |
|---------|---------|---------|---------|---------|--------|
| \$141.0 | \$133.0 | \$124.0 | \$116.0 | \$107.0 | \$98.0 |

See attached letter from Conduent dated April 5, 2018. All else being equal, such amounts would count as an actuarial loss for the year, added to the unfunded liability, and amortized over the descending 25-year period. The additional amortization amounts would be added to the amount computed under AS 39.35.280 - additional state contributions. Over the remaining time of the 25-year amortization period, the additional amounts paid under the additional state contribution would accrue to an amount that is larger than shown in the attached actuarial letter.

This bill is effective immediately and is prospective, principal amounts owed by the impacted PERS municipalities (the difference between the salary floor and the actual payroll amounts times 22% for each fiscal year) are still due for fiscal years 2009 to 2017. The interest rate to charge on these outstanding payments would be determined by the Plan Administrator. Currently, principal amounts owed by impacted PERS municipalities are as follows:

- Anderson - \$0
- Atka - \$0
- Galena - \$1,099,633.35
- Pelican - \$0
- St. George - \$237,169.41
- TOTAL - \$1,336,802.76

EXPLANATION - SUPPLEMENTAL APPROPRIATION

Since the bill is effective immediately, this bill would also assume an FY2018 supplemental contribution for the impacted PERS municipalities for salary contributions that would not be collected as a result of the reduction of the salary floor for the four (4) municipalities. Conduent estimates that amount to be \$148.0, and the fund source is state general funds.

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 47
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB047-DOA-DRB-04-04-18
Title: MUNICIPAL PERS CONTRIBUTIONS/INTEREST
Sponsor: FOSTER
Requester: S STA

Department: Department of Administration
Appropriation: Centralized Administrative Services
Allocation: Retirement and Benefits
OMB Component Number: 64

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

| | FY2019 | Included in | Out-Year Cost Estimates | | | | |
|-------------------------------|-------------------------|---------------------------|-------------------------|------------|------------|------------|------------|
| | Appropriation Requested | Governor's FY2019 Request | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
| OPERATING EXPENDITURES | FY 2019 | FY 2019 | | | | | |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | | | | | | | |
| Miscellaneous | | | | | | | |
| Total Operating | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Fund Source (Operating Only)

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated for 2018.

| | | | |
|--------------|-------------------------------------|--------|---------------------|
| Prepared By: | Ajai Desai, Director | Phone: | (907)465-4471 |
| Division: | Division of Retirement and Benefits | Date: | 04/04/2018 11:30 AM |
| Approved By: | Leslie Ridle, Commissioner | Date: | 04/04/18 |
| Agency: | Administration | | |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. HB47

Analysis

This bill modifies the 2008 salary floor set out in AS 39.35.255, on which the Public Employees' Retirement System (PERS) employer contributions are based, for PERS municipalities that have sustained more than a 25% decrease in population between 2000 and 2010. The bill also allows the PERS Plan Administrator to determine the interest rate charged on delinquent payments to the PERS, which is currently a penalty rate of 12%.

This legislation will not have a financial impact on the Division of Retirement and Benefits to administer; therefore, the agency submits a zero fiscal note.