

LEG. FINANCE - BILLS
SSHB 550 cont., thru HB 558 - 1977 - 1978 740
740

1 good faith in claiming and receiving benefits to which he was not
2 entitled, or [AND] that great hardship would result from charging the
3 individual with repayment of the benefits, the department may absolve
4 the individual from liability to the fund for repayment of the benefits.

5 * Sec. 32. AS 23.20.407(b) is amended to read:

6 (b) The total extended benefit amount payable to a , eligible
7 individual with respect to his applicable benefit year is the least of
8 the following amounts:

9 (1) 50 per cent of the total amount of regular benefits [,
10 INCLUDING DEPENDENTS' ALLOWANCES,] which were payable to him under
11 this chapter in his applicable benefit year;

12 (2) 13 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
13 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
14 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
15 cable benefit year; or

16 (3) 39 weeks of compensation for [TIMES HIS AVERAGE WEEKLY
17 BENEFIT AMOUNT, INCLUDING DEPENDENTS' ALLOWANCES, WHICH WAS PAYABLE TO
18 HIM UNDER THIS CHAPTER FOR A WEEK OF] total unemployment in the appli-
19 cable benefit year, reduced by the compensation for total unemployment
20 for the number of weeks [TOTAL AMOUNT] of regular benefits which were
21 paid or considered paid to him under this chapter with respect to the
22 benefit year.

23 * Sec. 33. AS 23.20.415(a) is amended to read:

24 (a) A party entitled to notice of determination provided in sec.
25 340 of this chapter may file an appeal from the determination to an
26 appeal tribunal within the time specified in that section. However,
27 an appeal from a determination which involves sec. 383 [380(9)] of
28 this chapter shall be made to the department. The parties to an
29 appeal from a determination shall include all those entitled to notice

1 of the determination and a properly designated representative of the
2 department.

3 * Sec. 34. AS 23.20.420 is amended by adding a new subsection to read:

4 (e) Hearings under this section shall be held in population and
5 transportation centers which are reasonably accessible to the parties
6 as determined by the department. If a party does not wish to travel
7 to the designated hearing location, he may reply to a written inter-
8 rogatory form or submit a brief.

9 * Sec. 35. AS 23.20.435(a) is amended to read:

10 (a) An appeal to the department by a party is a matter of right
11 if the decision of the appeal tribunal reverses or modifies the deter-
12 mination of the department, or if a question arising under sec. 383
13 [380(9)] of this chapter is presented. In all other cases further
14 appeal to the department is permitted only at the discretion of the
15 department.

16 * Sec. 36. AS 23.20.520(12) is amended to read:

17 (12) "employing unit" means one or more departments or
18 other agencies of the state, a political subdivision of the state, an
19 individual, or a type of organization, partnership, association,
20 trust, estate, joint trust company, insurance company or domestic or
21 foreign corporation, or the receiver, referee in bankruptcy, trustee,
22 or successor of one of these, or the legal representative of a deceased
23 person, which has or subsequent to January 1, 1937, had one or more
24 individuals performing service for it within the state; if an employing
25 unit maintains two or more separate establishments inside the state
26 which fall into different major divisions, as defined in the Standard
27 Industrial Classification Manual, each such establishment is considered
28 as a separate employing unit for the purpose of this chapter; [AN
29 INDIVIDUAL PERFORMING SERVICES INSIDE THE STATE FOR AN EMPLOYING UNIT

1 WHICH MAINTAINS TWO OR MORE SEPARATE ESTABLISHMENTS INSIDE THE STATE
2 IS CONSIDERED AS EMPLOYED BY A SINGLE EMPLOYING UNIT FOR THE PURPOSES
3 OF THIS CHAPTER;] notwithstanding any provision in this chapter, any
4 employing unit which employs individuals whose services must be covered
5 by the unemployment insurance laws of this state after December 31,
6 1971 as a condition of approval of the unemployment insurance laws of
7 this state under sec. 3304(a) of the U.S. Internal Revenue Code of
8 1954, as amended, will be considered an employer as to those indivi-
9 duals and is subject to contributions on all wages paid after December
10 31, 1971, or reimbursement payments to cover benefits paid based on
11 services performed after December 31, 1971, depending on the applicable
12 law;

13 * Sec. 37. Section 1 of this Act takes effect immediately in accordance
14 with AS 01.10.070(c) and is retroactive to March 1, 1978.

15 * Sec. 38. Sections 10 - 16, 22 - 31, 33 - 35 take effect on July 1,
16 1978.

17 * Sec. 39. Sections 2 - 9, 21, and 36 take effect on January 1, 1979.

18 * Sec. 40. Sections 17 - 20 and 32 take effect on January 1, 1979 and
19 are applicable to all individuals establishing a benefit year on or after
20 that date.
21
22
23
24
25
26
27
28
29



P. O. Box 1200
Soldotna, AK 99669
May 17, 1978

The Honorable Steve Cowper
House of Representatives
Pouch V
Juneau, AK 99811

Dear Representative Cowper:

The enclosed resolution on Unemployment Insurance was approved by the Association of School Business Officials at their statewide convention.

We are very much concerned about the recent inclusion of municipalities in the Unemployment Insurance Program. While we cannot eliminate our forced inclusion as a result of Federal law, we can alter HB 372 to exclude our non-instructional and non-administrative (i.e. classified employees) from drawing benefits during the summer months when they have been given guarantees of employment when school resumes in the fall.

The net effect is classified employees working less than 12 months have been given an unsolicited salary increase. I can assure you that not only will we have the added cost of the unemployment insurance, but we will also have the added cost of higher wages for 12-month employees as they want the amount of unemployment benefits being paid in order to maintain the annual differential for their 3-month additional work effort. Quite frankly, I can't say I blame them as I believe they have a legitimate point.

We believe the additional costs are unwarranted, unnecessary, non-productive, and inflationary. We are not providing more or better educational services with the expenditure of these dollars. We are only escalating our costs.

Most districts have estimated the cost of unemployment insurance to be 1 or 2 percent of their budgeted salary expense. Salaries account for 60 to 65 percent of the total cost of education. Therefore, we are talking about a considerable sum of money on a statewide basis to finance employee's summer fun.

We solicit your support and response to alter the unemployment law so that classified employees are exempt from benefits during the summer months if they have guarantees of employment for the following school year.

Sincerely,

A handwritten signature in cursive script that reads "Richard Swarner".

Richard Swarner
President, Alaska Association
of School Business Officials

RS:lkw
Enclosure

ALASKA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

RESOLUTION

ALASKA STATE UNEMPLOYMENT LAWS

WHEREAS, current state unemployment statutes provide that non-instructional and non-administrative school district employees are eligible for unemployment compensation during the summer months regardless of employment status; and

WHEREAS, instructional and administrative personnel are determined to be ineligible for unemployment benefits during the summer months under current state unemployment statutes; and

WHEREAS, non-instructional and non-administrative (classified) employees continue in the employ of their school districts to the same degree as instructional and administrative (certificated) employees; now

THEREFORE BE IT RESOLVED, that the Alaska Association of School Business Officials recommends that HB 372 be modified to exempt both certified and classified school district employees from unemployment benefits during the period between school terms.

4/20/78

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for House Bill 559
 Title An Act relating to unemployment insurance and providing for an effective date.
 Requested by Office of the Governor Date March 8, 1978

II. FISCAL DETAIL

Agency Affected Labor
 Program Category Affected Social Services
 Budget Request Unit(s) Affected Employment Security Division

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	-0-	275	600	700	800	900
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
* UI BENEFITS						
TOTAL						

FUNDING* (Thousands of Dollars)

	80*	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND	80%	-0-	220	480	500	640	720
FEDERAL FUNDS	10%		27.5	60	70	80	90
OTHER (Specify)	10%		27.5	60	70	80	90

** Funding for benefit reimbursements to be contained in individual agency BRU's.

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

... (See Fiscal Note Preparation Instructions, Section III)

ASSUMPTIONS

- (1) No other changes in A.S. 23.20.
- (2) State coverage is on a reimbursible basis.
- (3) Benefits are increased as of January 1, 1979
- (4) State I.U.R. is 6t.
- (5) Economic assumptions include slight increase throughout forecast period.

IV. DATE March 8, 1978 PREPARED BY Tom Haas
 AGENCY Labor
 Original: Legislative Finance PHONE 465-2720
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

HB 550

55100

March 8, 1978

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a substitute bill for HB 550, introduced by me during the 1977 legislative session. This sponsor substitute is the result of further study and review of the Employment Security Act, AS 23.20, and of the proposals for updating that act contained in the original HB 550.

In this substitute bill major changes have been made in two sections -- benefits and taxes. Unemployment insurance taxes will be paid in the same manner as under the existing law but employers and employees will pay a fixed tax on all wages earned up to the tax base. The tax base will equal 75 per cent of the state's average annual wage. Benefits will have the same range as contained in HB 550. Benefits for each calendar year will be based on the average annual wage of the preceding fiscal year.

Attached is a section-by-section analysis of this substitute bill prepared by the Department of Labor.

Sincerely,

JSH
Jay S. Hammond
Governor

SPONSOR SUBSTITUTE FOR HR 550

SECTION 1
AS 23.20.115 UNAUTHORIZED DISCLOSURE OF INFORMATION

On March 1, 1978, the Department of Labor entered an agreement with the Alaska National Bank of the North known as "Lock Box." This bank will be handling the receipt and transference of employer and employee contributions. The federal government has approved this procedure but requested that we include the proposed language so that the bank handling the employer accounts will be subject to the same penalties as department employees for improperly revealing information.

SECTION 2
AS 23.20.165(e) (EMPLOYEE REFUNDS)

Under the present law an employee pays a maximum of \$80 to the fund (0.8% times the tax base of \$10,000). If he moves from one employer to another and earns over \$10,000 any amount over \$80 which has been withheld, is refunded to the employee.

Employees who move from job to job have a greater risk of being unemployed and therefore of drawing on the fund. The Advisory Council recommended that employees who move from job to job should pay taxes on base wages with all employers. Refunds are still allowed for calculation errors.

The method of making refunds to employees has been changed to reflect the actual method: money is credited to the employer's account to be refunded to the employee. The department does not have the facilities to issue checks directly to employees.

SECTION 3
AS 23.20.175(a) BASE OF CONTRIBUTIONS

This section provides for a termination date for the current \$10,000 tax base.

SECTION 4
AS 23.20.175(c) BASE OF CONTRIBUTIONS

The present law has a fixed tax base of \$10,000. A fixed tax base raises several problems: in order to raise the tax base the department must go to the Legislature thereby causing a time delay and loss of revenue; and each year a fixed tax base will tax less and less of the total wages earned. When the \$10,000 tax base was first initiated in 1974 it taxed approximately 71% of total wages earned, in 1977 it taxed only 51% of total wages earned.

This bill proposes a new tax base of 75% of the statewide average annual wage. Under this proposal the tax base may change each year, fluctuating with the changes of our economy. A tax base of 75% of the average annual wage will tax about 70% of total wages.

SECTION 5
AS 23.20.190 PENALTY FOR FAILURE TO FILE REPORTS

Each quarter approximately 10% of the employers do not file their reports or pay their taxes on time. This section would give the department the option to require monthly contribution reports from employers who are delinquent in filing their quarterly contribution reports.

SECTION 6
AS 23.20.240 COLLECTION OF DELINQUENT CONTRIBUTIONS

Under the existing law the department cannot hold individual corporate officers liable for contributions due. Almost \$1,000,000 was declared uncollectable last year because the department was unable to hold individual corporate officers liable. The proposal comes from the statutes of the Department of Revenue and will allow the unemployment insurance program to protect its tax revenues to the same extent as the Department of Revenue by expanding the definition of 'employer' in determining liability in cases of default in payments.

SECTION 7
AS 23.20.285(b)

This is a housekeeping measure. AS 23.20.380(a) has been repealed and the substance found in AS 23.20.383, created in this bill.

SECTION 8 & 9
AS 23.20.290(c) & (d) RATE DETERMINATION

The tax schedule for each calendar year is based on the reserve multiple of the Trust Fund on the preceding September 30th. With the increased tax base this method will generate more revenue than is necessary and so the tax rates are being set by law for both the employer and employee for two years to allow the system to adjust.

Example of impact on employers and employees:

Current System fixed base = \$10,000
Proposed System base = .75 AAW = \$19,000 (FY77)

<u>Earnings</u>	<u>Employer tax 4.0%^A</u>	<u>Employee tax .8%</u>	<u>Employer tax 3.0%</u>	<u>Employee tax .6%</u>
\$10,000	\$400	\$80	\$300	\$ 60
\$15,000	\$400	\$80	\$450	\$ 90
\$18,000	\$400	\$80	\$540	\$108
\$20,000	\$400	\$80	\$570	\$114

*taxes based on the average tax rate
AAW = average annual wage

SECTIONS 10-16
AS 23.20.340 INITIAL DETERMINATIONS

This entire section has been rewritten to clarify between initial monetary and non-monetary determinations. We have also included the allowance of benefits to a claimant during the appeal process if they are monetarily ineligible; this is in concurrence with federal court cases.

SECTION 17
AS 23.20.350(a) AMOUNT OF BENEFITS

The existing minimum qualifying wage for unemployment insurance benefits is \$750 of which \$100 must be earned outside the quarter with the highest wages. This figure was originally based on the cannery seasonal guarantee. The Employment Security Advisory Council felt the minimum qualifying wage should be increased but felt it should again reflect the minimum cannery wage. The lowest figure quoted was \$1477.04 and so the minimum qualifying wage was set at \$1450 with \$400 being earned outside the quarter with the highest wages.

SECTION 18
AS 23.20.350(b)

The existing benefit table has been replaced with a flexible system. Actual benefit dollar amounts are not shown because they will vary each year dependent upon the determined average annual wage.

To determine a weekly benefit amount:

- 1) Using column B, establish your weekly benefit rate class (i-10), (column A) and the corresponding weekly benefit factor (column C).

For example if base period earnings = \$10,000

$$\frac{\$10,000}{\text{average annual wage}} = \frac{10,000}{25,000} = .4$$

the weekly benefit rate class is 10
the weekly benefit factor is .00448

2) Multiply the weekly benefit factor times the average annual wage (AAW) of the state in which the claimant is filing.
(.00448) (AAW in Alaska) = (.00448) (\$25,000) = \$112

\$112 is the weekly benefit amount if you file in Alaska.

If you move to another state, for example, Washington, you will receive:
(.00448) (AAW in Washington) = (.00448) (\$13,000) = \$59

This system will enable Alaska to provide adequate benefits to all claimants regardless of where they live. However, this system may raise a conformity issue with the federal government but the Attorney General's office feels we have an arguable case.

SECTION 19 AS 23.20.350(c)

Under the present law the maximum duration of benefits is 28 weeks. The federal government pays one-half of the benefit amount for weeks 26-39. The two overlapping weeks have created administrative problems in recovering the amounts owed by the federal government. The Advisory Council concurred that the duration be limited to 26 weeks as it will not adversely affect any claimants (weeks 27 & 28 are still covered under the Extended Benefits program).

All claimants will receive 26 weeks regardless of earnings. Previously, those claimants at the low end of the benefit table received less than 26 weeks of benefits.

SECTION 20 AS 23.20.350(d)

The dependency allowance has been deleted in this proposal because it was felt that with an adequate wage replacement the allowance is no longer necessary and the Advisory Council concurred. Also taken under consideration were the difficulties in determining custody of dependents and the administrative problems generated.

SECTION 21
AS 23.20.360 EARNINGS DEDUCTED FROM BENEFIT AMOUNT

Under the current law a claimant may earn up to 50% of his basic weekly benefit amount or \$10, whichever is greater, before money is deducted from his benefit amount. The proposal is to allow all claimants to earn up to \$50 before there is a reduction in their benefit amount.

SECTION 22
AS 23.20.370 BENEFITS OF DECEDENT OF INCOMPETENT

This additional language expands the list of who can receive the benefits which are owed to a deceased or incompetent claimant.

The unemployment insurance program is based on the premise that individuals are unemployed through no fault of their own and are members of a work force. With an increase in benefits major concerns are program integrity and fund solvency. Adequate benefits for all claimants is desired, but not a give-away program. The following sections which are starred are the efforts of the Advisory Council and others to see that the program is used as originally intended.

**SECTION 23
AS 23.20.375 QUALIFICATION FOR BENEFITS

An additional requirement for qualification for benefits has been added to this section: claimants must be willing to accept the prevailing wage in the area in which they are filing. A claimant who demands wages in excess of those prevalent in the area is placing himself outside the work force.

SECTION 24
AS 23.20.375

This proposed section will allow claimants to register for work with an agency other than the department, if that agency has a referral agreement with the department.

**SECTION 25
AS 23.20.378 ABLE AND AVAILABLE

This section comes from the former AS 23.20.350(1) with two additions/changes:

1) Work search will be required at the discretion of the local job service office manager. A mandatory work search has not been required in the past because unemployment was closely tied to the seasonality of Alaska's economy, but this is no longer true. The majority of claimants are filing in large cities, such as Anchorage, Fairbanks, Juneau or from out-of-state, where work can be found. These claimants should be required to look for work. Recognizing the conditions existing in the rural areas, the requirement of a work search will be predicated on the condition of the labor market as determined by the local job service office manager.

2) A waiver of disqualification during periods of illness may only last a maximum of four weeks. The notion of receiving unlimited unemployment insurance through extended periods of illness is contrary to the insurance nature of the program.

AS 23.20.379 VOLUNTARY QUIT, DISCHARGES FOR MISCONDUCT, AND REFUSAL OF WORK

Under the existing law when claimants quit voluntarily, are fired for misconduct, or refuse suitable work, they are disqualified for six weeks from the day of the occurrence. No provisions exist to see that these claimants will be required to serve six compensable weeks: they will have to come into the office, file, and show they are actively seeking work during the period of disqualification. The period of disqualification will start when the claimant begins filing for benefits: presently a claimant may wait six weeks after a voluntary quit, etc., before filing for benefits, and then the disqualification period is over. The disqualification can also be terminated if the claimant returns to full-time covered employment and earns at least six times his weekly benefit amount.

SECTION 26

AS 23.20.380 DISQUALIFICATION FOR BENEFITS

This section has been repealed and the substance may be found in the following "new" sections:

AS 23.20.380(1)	-	AS 23.20.378
AS 23.20.380(2), (3), &(4)	-	AS 23.20.379
AS 23.20.380(5)	-	AS 23.20.381(f)
AS 23.20.380(9)	-	AS 23.20.383
AS 23.20.380(10)	-	AS 23.20.387

Any changes made in these "new" sections are noted in the narrative.

**SECTION 27
AS 23.20.381(e) OTHER DISQUALIFICATIONS

One of the functions of the unemployment insurance program is to maintain a trained workforce. This is a worthwhile goal but it must be recognized that after a certain period of time an individual is no longer attached to his labor market. After 26 weeks a claimant can no longer be considered attached to the labor market and must be willing to accept any job for which he is qualified or be available for retraining.

AS 23.20.381(f)
This is the former AS 23.20.380(5)

AS 23.20.381(g)
If an occupation has been abolished due to technological changes as certified by the employment service, then claimants from these occupations must be willing to receive retraining or to accept any job for which they qualify.

SECTION 28
AS 23.20.383 LABOR DISPUTE DISQUALIFICATION

This is the former AS 23.20.380(9).

**SECTION 29
AS 23.20.385(d) SUITABLE WORK

In this section the definition of suitable work is expanded to include, after 26 weeks, any employment for which the claimant is fit by training or experience.

**SECTION 30
AS 23.20.387 DISQUALIFICATION FOR MISREPRESENTATION

The present law allows no latitude for disqualifications for misrepresentation: the penalty is 26 weeks regardless of the circumstance. The proposed change is similar in wording to the old, but allows the department to vary the length of the disqualification depending on the circumstances. For example: a first time offender would receive a disqualification of 2-13 weeks; while a second-time offender would receive from 14-26 weeks of disqualification. Included also is a section that stipulates that no disqualification will be imposed unless there is clear-cut evidence of the intent to defraud.

AS 23.20.388 DISQUALIFICATION FOR BENEFITS UPON CONVICTION
OF FRAUD IN OBTAINING BENEFITS

There is only a limited provision in the existing law to stop individuals from drawing benefits after a conviction of fraud in obtaining benefits. The proposal suggests: if a claimant has been convicted of fraud, any wages earned prior to the time of conviction will not be used for the computation of benefits. The claimant will have to earn new wages in order to qualify once more for unemployment insurance. Nor will the claimant receive any benefits until he has repaid the benefits that were given to him as a result of fraud, or until he has made arrangements to offset the full amount for which he is liable from future benefits payable.

SECTION 31
AS 23.20.390(b) RECOVERY OF IMPROPER PAYMENT

Both acting in good faith and repayment resulting in hardship are valid reasons for waiving an overpayment; therefore 'and' has been replaced with 'or'.

Maintaining consistency with other sections 'last known address' has been changed to 'last address of record.'

SECTION 32
AS 23.20.407(b) WEEKLY EXTENDED BENEFIT AMOUNT; TOTAL PAYABLE

In sections (b) (1), (2), and (3), the dependent's allowance has been deleted as it is no longer applicable under the proposed law.

SECTION 33
AS 23.20.415(a)

This is housekeeping: AS 23.20.380(9) has been repealed and the substance may be found in AS 23.20.333.

SECTION 34
AS 23.20.420 HEARING PROCEDURE AND RECORD

Opportunity for a hearing is required under present law; however, the type of hearing - oral or interrogatory - is not. The majority of appeals are provided oral hearings. But claimants living in the rural areas have used an interrogatory form of hearings and Alaska Legal Services is at present contesting the use of interrogatory appeals. Oral hearings have not been used in the rural areas due to lack of staff and question of funding. Money for appeals is allocated by the federal government by the number of appeals processed; it is not known if the federal government would cover the cost of travel, and extra

The new weekly benefit amounts will begin on January 1, 1979 and will be applicable to all individuals establishing a benefit year on or after January 1, 1979.

SECTION 40

All sections pertaining to tax will be effective as of January 1, 1979, at the start of the new tax year.

SECTION 39

All sections pertaining to disqualifications will become effective on July 1, 1978.

SECTION 38

All sections pertaining to disqualifications will become effective on July 1, 1978.

SECTION 37

AS 23.20.115 is enacted retroactively as the 'Lock Box' agreement to which this is linked was initiated on March 1, 1978.

SECTION 36

AS 23.20.520(12) Multiple employers: the purpose of this proposal is to strengthen the identification of an establishment's function and to enable proper identification of an average industrial tax rate upon which new employer tax rates are based. This would also result in a closer identification of the tax rates and experience rating system with the employer unit itself, rather than a corporate structure. Extra administrative costs would result by defining 100-500 employers as multiple employers participating in the program. (Creating an additional dollars for administration costs.)

DEFINITIONS

Multiple employers: the purpose of this proposal is to strengthen the identification of an establishment's function and to enable proper identification of an average industrial tax rate upon which new employer tax rates are based. This would also result in a closer identification of the tax rates and experience rating system with the employer unit itself, rather than a corporate structure. Extra administrative costs would result by defining 100-500 employers as multiple employers participating in the program. (Creating an additional dollars for administration costs.)

SECTION 36

AS 23.20.330(9) This is housekeeping: AS 23.20.330(9) has been repealed substance will be found in AS 23.20.383.

435(a)

in the rural area. hearing may be used for rural claim. fund, the Advisory Council might



Official Business

Alaska State Legislature

House of Representatives

Committee on Labor & Management

Pouch V
State Capitol
Juneau, Alaska 99811

May 11, 1978

COMMITTEE REPORT
TO ACCOMPANY CS FOR HB 550
(BY THE LABOR & MANAGEMENT COMMITTEE)

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Mr. Speaker:

The Committee Substitute for Sponsor Substitute for House Bill 550 provides for moderate increases in unemployment insurance benefits to address the realities of increases in the cost of living since the last increase in such benefits, which was in 1975.

The legislation is comprehensive, and includes many additional provisions relating to the administration of the employment security program.

Legislators and other committees dealing with the legislation should take note of a problem relating to the United States Department of Labor and relevant federal law.

Various versions of the bill were considered that would, through several techniques, provide that persons not living within Alaska but drawing Alaskan benefits be paid amounts that are measured by the actual cost of living in the particular state of residence. Almost any such provision, however drafted, will probably be challenged by federal officials and force Alaska into a conformity hearing relating to our law. However, so much of the Alaskan trust fund is at stake (on occasion, many tens of millions of dollars), that the risk of such a challenge is worth the possible savings to the trust fund. Also, representatives of the Department of Law and the Department of Labor have stated to the committee that Alaska may well win such a conformity dispute, particularly after it leaves the administrative phase and enters the federal courts.

Of course, if we are found out of conformity for a very extended period of time, Alaskans will not get federally-backed extended benefits and Alaskan employers will pay full amounts of federal unemployment taxes, rather than taking credit for contributions made to the Alaska ESC program.

The Honorable Hugh Malone

-2-

May 11, 1978

With this in mind, legislators in other involved committees should make note of Section 18 on page 7, particularly beginning at line 21. There it states:

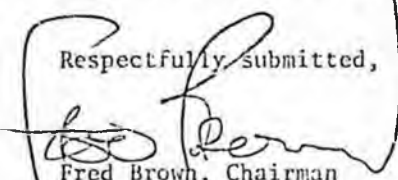
Benefits paid to an individual filing a claim in a state other than Alaska shall be equal to the percentage his Alaska benefit amounts bears to the applicable Alaska average weekly wage multiplied by the applicable average weekly wage of the state in which he is filing a claim.

It may well be that there should have been included a floor on out of state benefits: that is, that in any case, a benefit should not go below the amount the out of state claimant would receive from that state as part of its employment security program, if he were drawing those benefits. In a few cases, that formula in the bill may actually result in lower payments. It is unlikely that this will happen very often.

The committee did not include such a floor because the administrative problems would be a hellish nightmare for the Department of Labor and it was not entirely clear that the floor was necessary. Other committees and legislators should look at the matter before final action on the bill in either house, however.

In addition, the committee has provided for an October 1, effective date for the new benefits schedule. This will require a substantial amount of work by the Department of Labor. The Department's representatives testified that, in order to implement the changes in the benefits schedule by October 1, it would be necessary to hire several temporary personnel, and expend additional funds. The Department has not prepared a formal fiscal note for the bill: one should be prepared before it reaches action on the floor of either house. However, attached to this committee report is the budget anticipated by the Department of Labor in order to implement the provisions of this bill by October 1.

Respectfully submitted,



Fred Brown, Chairman

House Labor & Management Committee

FB:kfm

ALASKA DEPARTMENT OF LABOR
Employment Security Division

Additional Data Processing Staffing Costs
to prepare for and implement 1978 UI Law.

Period of activity June 1 - September 30, 1978

<u>Position</u>	<u>Range and Step</u>	<u>Monthly Salary</u>	<u>4 Month Salary Total</u>
Systems Analyst II	20A	\$ 2411	\$ 9,644
Systems Analyst I	18A	\$ 2082	\$ 8,328
EDP Programmer IV	19A	\$ 2243	\$ 8,972
EDP Programmer III	17A	\$ 1934	\$ 7,736
		Total	\$34,680
Plus Personnel Benefits at 25.9%			\$ 8,982
		Subtotal	\$43,662
Plus Non-personal Services at \$7576 per position per year			\$10,101
		Subtotal	\$53,763
Plus Indirect Cost Allocation Against Personal Services at FY' 78 rate of 26.5%			\$ 9,190
Total PS, PB, NPS and Indirect			\$62,953
Computer and related services			\$11,080
		TOTAL	\$74,033



ALASKA CENTRAL RAILBELT SCHOOLS

ABSD

Box 4009, Clear, Alaska 99704 • (907) 832-5664
Larry Nyland, Superintendent

May 3, 1978

The Honorable Steve Cowper
Chairman, House Finance Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Re: HB-550

Representative Cowper:

As you know, federal legislation required districts to cover their employees for unemployment compensation beginning January 1, 1978. That federal legislation, however, did provide for the exclusion of school employees who had been assured of continued employment at the beginning of the next school year.

Due to the large number of employees that we employ on a nine month basis, our liability for providing unemployment compensation during the summer months would be great unless the legislature makes the exclusion provided for above. The estimate for our school district is a total of \$24,000 which is a little over 1% of our total budget.

I also understand that the legislature is considering a drastic increase in the amount of benefits payable under the unemployment compensation system. This would substantially increase the liability to our district.

Since our district is currently budgeting funds for our next operating school year and since our district will receive no increase in foundation unit support for the coming year, providing for unemployment compensation is a hardship on our educational program. Therefore, I would urge your consideration of: 1) excluding employees who have been guaranteed future employment from receiving benefits under the unemployment compensation program, and 2) giving careful consideration to any increase in the amount of unemployment compensation benefits.

Thank you for your consideration.

Sincerely,

Larry Nyland
Regional Superintendent

LN:re

Anderson Village

Brown's Court

Tri Valley

Cantwell

TABLE 3

	Weekly Maximum Benefit (Single Individual)	Maximum Benefit as a % of Avg. Weekly Wage In 1979	Average 1979-1984 Relative Cost of Benefits	TAX SCHEDULE						Estimated Reserve Multiple in 1984
				1979	1980	1981	1982	1983	1984	
Current Law	\$90	19%	1.00	D	E	E	E	F	F	.872
SSHB 550	variable (\$150 in 1979)	31%	1.51	G	G	D	D	E	F	1.004
SSHB 550 amended*	variable (\$163 in 1979)	34%	1.51	D	E	E	E	F	F	.884
CSHB 550	\$130	27%	1.44	D	E	E	F	F	G	1.025

	TAX BASE						MAXIMUM EMPLOYER TAX PER EMPLOYEE					
	1979	1980	1981	1982	1983	1984	1979	1980	1981	1982	1983	1984
Current Law	\$10,000	10,000	10,000	10,000	10,000	10,000	\$400	\$370	\$370	\$370	\$330	\$330
SSHB 550 amended*	14,000	18,000	19,000	20,000	21,000	22,000	560	666	703	740	693	726
CSHB 550	14,000	18,000	19,000	20,000	21,000	22,000	560	666	703	660	693	660

	MAXIMUM EMPLOYEE TAX					
	1979	1980	1981	1982	1983	1984
Current Law	80	70	70	70	70	70
SSHB 550 amended*	112	126	133	140	147	154
CSHB 550	112	126	133	140	147	132

* The calculations for this version of HB 550 assume acceptance of amendments proposed by the Department of Labor to (1) eliminate the two-year freeze at G; (2) change the 1979 wage base to 60% of the average annual wage; and (3) increase benefits as proposed in Tables 1 and 2.

TABLE 3

	Weekly Maximum Benefit (Single Individual)	Maximum Benefit as a % of Avg. Weekly Wage In 1979	Average 1979-1984 Relative Cost of Benefits	TAX SCHEDULE						Estimated Reserve Multiple in 1984
				1979	1980	1981	1982	1983	1984	
Current Law	\$90	19%	1.00	D	E	E	E	F	F	.872
SSHB 550	variable (\$150 in 1979)	31%	1.51	G	G	D	D	E	F	1.004
SSHB 550 amended*	variable (\$163 in 1979)	34%	1.51	D	E	E	E	F	F	.884
CSHB 550	\$130	27%	1.44	D	E	E	F	F	G	1.025

	TAX BASE						MAXIMUM EMPLOYER TAX PER EMPLOYEE					
	1979	1980	1981	1982	1983	1984	1979	1980	1981	1982	1983	1984
Current Law	\$10,000	10,000	10,000	10,000	10,000	10,000	\$400	\$370	\$370	\$370	\$330	\$330
SSHB 550 amended*	14,000	18,000	19,000	20,000	21,000	22,000	560	666	703	740	693	726
CSHB 550	14,000	18,000	19,000	20,000	21,000	22,000	560	666	703	660	693	660

	MAXIMUM EMPLOYEE TAX					
	1979	1980	1981	1982	1983	1984
Current Law	80	70	70	70	70	70
SSHB 550 amended*	112	126	133	140	147	154
CSHB 550	112	126	133	140	147	132

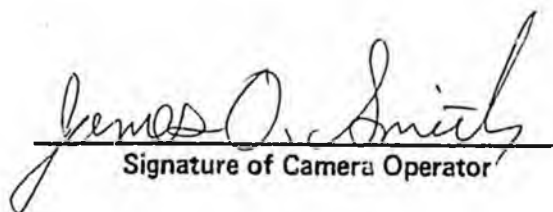
* The calculations for this version of HB 550 assume acceptance of amendments proposed by the Department of Labor to (1) eliminate the two-year freeze at G; (2) change the 1979 wage base to 60% of the average annual wage; and (3) increase benefits as proposed in Tables 1 and 2.

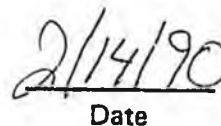


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

HOUSE

2/2/78

FURTHER: _____

Date: 2-2-78

Mr. Speaker:

The Committee on FINANCE has had HB 551

"An Act providing an exemption for senior citizens from payment for land leased from the state."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
Chairman

H224
Chatterton

Original sponsors: Chatterton, Malone,
Phillips and Swanson

Offered: 2/2/78
Referred: Finance

IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 551

IN THE LEGISLATURE OF THE STATE OF ALASKA

TENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act providing an exemption for senior citizens from payment for land leased from the state."

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

* Section 1. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.106. SENIOR CITIZENS EXEMPTION. (a) The real property occupied as a permanent place of abode by a resident 65 years of age or over and leased by that resident from the state in accordance with secs. 70 - 105 of this chapter is exempt from the payment of an annual lease rent. Only one exemption may be granted with respect to the same property and, if two or more persons are eligible for an exemption with respect to the same property, the parties shall decide between or among themselves which shall receive the benefit of the exemption. No exemption may be granted if the lease is used by the leaseholder for any purpose other than his permanent place of abode.

(b) No exemption may be granted except upon written application for the exemption on a form provided by the director of land and water management. The leaseholder must file the application not later than 60 days before the anniversary date of the lease, and shall file a separate application for each lease year for which the exemption is sought. If an application is filed within the required time and is approved by the director, he shall allow a rental exemption for the lease year commencing on the anniversary date in accordance with the provisions of this section. The director may at any time require proof in the form he considers necessary of the right to an exemption claimed

under this section.

(c) The legislature shall annually appropriate from the general fund to any trust fund the sums necessary to reimburse the trust fund for amounts lost to it by the operation of (a) of this section.

4224
Chenoweth

Introduced: 5/28/77
Referred: State Affairs and
Finance

BY CHATTERTON, MALONE, PHILLIPS
AND SWANSON

IN THE HOUSE

HOUSE BILL NO. 551

IN THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act providing an exemption for senior citizens from
payment for land leased from the state."

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

* Section 1. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.106. SENIOR CITIZENS EXEMPTION. (a) The real property
occupied as a permanent place of abode by a resident 65 years of age or
over and leased from the state in accordance with secs. 70 - 105 of this
chapter is exempt from the payment of an annual lease rent. Only one
exemption may be granted with respect to the same property and, if two
or more persons are eligible for an exemption with respect to the same
property, the parties shall decide between or among themselves which
shall receive the benefit of the exemption.

(b) No exemption may be granted except upon written application
for the exemption on a form provided by the director of lands. The
leaseholder must file the application not later than January 15 of the
calendar year for which the exemption is sought, and shall file a
separate application for each calendar year for which the exemption is
sought. If an application is filed within the required time and is
approved by the director, he shall allow a rental exemption in accor-
dance with the provisions of this section. The director may at any time
require proof in the form he considers necessary of the right to an
exemption claimed under this section.

(c) The legislature shall annually appropriate from the general
fund to any trust fund the sums necessary to reimburse the trust fund

HB 551

SECRET
NO FORN DISSEM
UNCLASSIFIED

for amounts lost to it by the operation of (a) of this section.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 551, CSHB 551
 Title Senior Citizen Exemption from state land lease payment
 Requested by House Finance Date 2/3/78

II. FISCAL DETAIL

Agency Affected Natural Resources
 Program Category Affected NRMEC
 Budget Request Unit(s) Affected Land and Water Management

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)


	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
	-0-	-0-	-0-	-0-	-0-	

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There will be some loss in revenue from land leased to those over 65 years of age but the loss will most likely be minor. The additional workload can be handled by existing personnel.

IV. DATE February 3, 1978 PREPARED BY  Patrick W. Conheady
 AGENCY Department of Natural Resources
 PHONE 465-2400

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

2/14/90
Date

Introduced: 1/9/78
Referred: Resources and
Finance

1 IN THE HOUSE

BY OSTERBACK AND SNIDER

2 HOUSE BILL NO. 555

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for a study of
7 Alaska's fisheries taxation law; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$46,500 is appropriated from the general fund to
11 the Legislative Affairs Agency for the purpose of conducting an analysis of
12 Alaska's fisheries taxation law.

13 * Sec. 2. The unexpended and unobligated portion of this appropriation
14 lapses into the general fund June 30, 1979.

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

17

18

19

20

21

22

23

24

25

26

27

28

29

Rm.
413

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HC.R

Title Directing Legislative Council to conduct a fisheries tax study

Requested by Representative Osterback

Date 11/12/77

II. FISCAL DETAIL

Agency Affected Legislative Affairs Agency and Dept. of Revenue

Program Category Affected ----

Budget Request Unit(s) Affected ----

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES		21.5	-0-		
200 TRAVEL		3.0	-0-		
300 CONTRACTUAL		20.0	-0-		
400 COMMODITIES		2.0	-0-		
500 EQUIPMENT		-0-	-0-		
600 LAND & STRUCTURES		-0-	-0-		
700 GRANTS, CLAIMS, ETC.		-0-	-0-		
		-0-	-0-		
TOTAL		46.5	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		46.5			
FEDERAL FUNDS		-0-			
OTHER (Specify)		-0-			
		-0-			

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY		4			

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The analysis will not require new positions for either Legislative Affairs or Dept. of Revenue. The analysis is intended to be conducted using two temporary clerical (range 12), two temporary auditors (range 18) and a consultant. Temporary staff and consultant will be needed for approximately three months. \$5,000 of contractual services is intended for any necessary computer programming or data processing. The analysis will require a review of present fisheries tax law, in amounts and distribution of tax liability, and a policy analysis of present law; and recommendations for revision to the fisheries tax laws, including justification and impact.

IV. DATE 12/7/77

PREPARED BY John Williams, John Messenger

AGENCY Legislative Affairs/Dept. of Revenue

PHONE 465-4918/465-2302

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU 99801

MEMORANDUM

TO: Files of HCR 83 and HB 555 DATE: January 20, 1978

FROM: Jay Hogan SUBJECT: Fiscal Note
Director
Legislative Finance Division

The two measures are combined pieces:

HCR 83 directs the Legislative Council to conduct an analysis of fishery taxation policy;

and

HB 555 appropriates the sum of \$46,500 to the Legislative Affairs Agency for the study.

JH:vsw

COMMITTEE REPORT

HOUSE

FURTHER: _____

1/20/78

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 555

"Making a special appropriation for a study of Alaska's fisheries taxation law; effective date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

recommends it do pass recommends it do not pass

recommends it do pass with attached amendment(s)

recommends it be replaced with CS for _____

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

Date: Jan. 9, 1978

January 19, 1978

Mr. Speaker:

The Committee on RESOURCES has had HB 555
"Making a special appropriation for a study of Alaska's fisheries taxation law; e.d."

under consideration and ~~(a majority of the committee)~~ (the committee reports it back as follows)

recommends it do pass () recommends it do not pass

() recommends it do pass with attached amendment(s)

() recommends it be replaced with CS for _____

and _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

() reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Merle H. Snider DO PASS

W. Johnson no rec.

Mr. Miller DO PASS

D. Smith No Rec.

Alvin Osterback DO PASS

R. U. no rec

H. Malone DO PASS

W. A. no rec.

Alvin Osterback
Chairman

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

AUDIT DIVISION
POUCH W—ALASKA OFFICE BUILDING

FINANCE DIVISION
POUCH WF—STATE CAPITOL

JUNEAU 99801

M E M O R A N D U M

TO: Files of HCR 83 and HB 555 DATE: January 20, 1978

FROM: Jay Hogan SUBJECT: Fiscal Note
 Director
 Legislative Finance Division

The two measures are combined pieces:

HCR 83 directs the Legislative Council to conduct an analysis of fishery taxation policy;

and

HB 555 appropriates the sum of \$46,500 to the Legislative Affairs Agency for the study.

JH:vsw

4438
Vassar

Introduced: 1/9/78
Referred: Resources and
Finance

1 IN THE HOUSE

BY OSTERBACK AND SNIDER

2 HOUSE BILL NO. 555

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation for a study of
7 Alaska's fisheries taxation law; and providing for an
8 effective date."

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

10 * Section 1. The sum of \$46,500 is appropriated from the general fund to
11 the Legislative Affairs Agency for the purpose of conducting an analysis of
12 Alaska's fisheries taxation law.

13 * Sec. 2. The unexpended and unobligated portion of this appropriation
14 lapses into the general fund June 30, 1979.

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

ALASKA STATE LEGISLATURE

TENTH. Legislature SECOND. Session

HOUSE BILL NO. 555

By OSTERBACK AND SHIDER.....

"An Act making a special appropriation for a study of Alaska's fisheries taxation law; and providing for an effective date."

fisheries taxation law

Introduced in the House 1-9-1978

HISTORY IN THE HOUSE

1978	<p>Read first time and referred to Committee on Resources and Finance</p> <p>Reported back with recommendation that</p> <p>Read second time and</p> <p>Read third time and</p> <p style="text-align: center;">PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused</p> <p style="text-align: center;">Reconsideration</p> <p style="text-align: center;">PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused</p> <p>Reported correctly engrossed Signed by Speaker Sent to Senate</p>
Jan. 9	
CHIEF CLERK OF THE HOUSE	

HISTORY IN THE SENATE

19	<p>Read first time and referred to Committee on</p> <p>Reported back with recommendation that</p> <p>Read second time and</p> <p>Read third time and</p> <p style="text-align: center;">PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused</p> <p style="text-align: center;">Reconsideration</p> <p style="text-align: center;">PASS Effective Date Yeas Yeas Nays Nays Absent Absent Excused Excused</p> <p>Reported correctly engrossed Signed by President Returned to House</p>
SECRETARY OF THE SENATE	

HISTORY IN THE HOUSE

19	<p>Received from Senate</p> <p>Concurred in Senate amendment thus adopting:</p> <p>Failed to concur in Senate amendment; asked Sen. to recede</p> <p>Senate receded from amendment</p> <p>Senate failed to recede from amendment</p> <p>FCC appointed by House</p> <p>FCC appointed by Senate</p> <p>FCC adopted</p> <p>To enrolling</p> <p>Reported correctly enrolled</p> <p>Sent to Governor</p> <p>..... by Governor</p> <p>Filed with Lt. Governor</p> <p>Chapter No.</p>
----	---

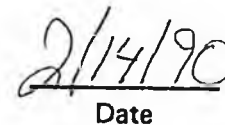


RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

HOUSE

2/28/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 558
"Extending Leaves of absence to certain temporary employees of the state."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for 415 - 2001 Finance
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

T Buckholt No Rec

Chairman

1452
CHENOWETH

Original sponsors: Duncan and Miller

IN THE HOUSE BY THE FINANCE COMMITTEE
CS FOR HOUSE BILL NO. 558 (Finance)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE - SECOND SESSION
A BILL

For an Act entitled: "An Act extending leaves of absence to and amending the group insurance benefits of certain employees of the state, and certain of its political subdivisions; and providing for an effective date."

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

* Section 1. AS 39.20.310(7) is amended to read:

(7) temporary employees hired for periods of less than 30 consecutive days [12 CONSECUTIVE MONTHS];

* Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

(A) an employee, except an emergency employee, who has served with the same governmental unit as

(i) a permanent full-time employee for 30 days or more;

(ii) a permanent part-time employee for 30 days or more; or

(iii) a temporary employee for 60 days or more; however, temporary employees employed by a municipality participating in the provisions of sec. 90 of this chapter need not be provided coverage.

* Sec. 3. AS 39.30.100(2) is amended to read:

(2) "governmental unit" means the state [, A BOROUGH, MUNICIPAL CORPORATION,] or any [OTHER] political subdivision of the state, and the North Pacific Fishery Management Council;

* Sec. 4. AS 39.30.090(14) is amended to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

(14) Except as otherwise provided in written agreements between the state and its public employees which are in effect on the effective date of this Act or as otherwise provided in any renewal of those agreements, for [FOR] each permanent or temporary part-time employee electing coverage under this section the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the [PERMANENT] part-time employee, as a condition of employment, shall contribute the other one-half.

* Sec. 5. This Act takes effect July 1, 1978.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

R E V I S E D

I. REQUEST
 Bill/Resolution No. HB 558
 Title An Act extending leave to temporary employees
 Requested by Finance Committee Date _____

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		359.8	377.8	396.7	416.6	437.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		359.8	377.8	396.7	416.6	437.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on data from Division of Personnel and Labor Relations, Labor Research sections: assume annual number of temporary employees at 1901
 Average length of service 2.7 Mo.
 75% employment greater than 30 days
 Salary range 8 - Step A
 Sick Leave average at 8 days per employee year
 Salary increase at 5% annual rate*
 $1901 \times .75 = 1425.75 \times 2.7 = 3850 \div 12 = 321$ SL $321 \times 8 = 2658 \div 21.65 \text{ dy.}$
 AL $321 \times 15 = 4815 \div 21.65 \text{ Dy}$
 Months Sick Leave = 118.6
 Months Annual Leave = 222.4
 Total 341.0 Man Months
 FY 78 cost 341 mo. X \$1005 = \$342,705 - Total

IV. DATE May 5, 1978 PREPARED BY RKC Russell Clark
 AGENCY Department of Administration
 Original: Legislative Finance PHONE 465-2293
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Duncan/Ray
 Governor's Office (Specking)
 33-001 ~~Personnel~~ - P. Hunt

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 558
 Title Extending Leave and Insurance Benefits to Certain Employees
 Requested by House Finance Committee Date 5/5/78

II. FISCAL DETAIL
 Agency Affected Dept. of Administration - Retirement & Benefits
 Program Category Affected General Government
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			1085.1			
TOTAL			1085.1			

FUNDING (Thousands of Dollars)

GENERAL FUND	80%		868.0			
FEDERAL FUNDS	17%		184.5			
OTHER (Specify)	3%		32.6			

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Estimated that the cost to provide group insurance benefits will increase at 13% per annum

Estimated that an average of 875 state temporary employees will qualify for benefits (First Year Cost Equals \$1,085.1)



IV. DATE 5/5/78 PREPARED BY Steve Cowder, Chairman
 AGENCY House Finance Committee
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Proposed CS for HOUSE BILL NO. 558
 Title Extending leaves of absence and the benefits of group insurance to
certain temporary employees of the state Date 2-9-78
 Requested by: House State Affairs Committee

II. FISCAL DETAIL
 Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Session Expenses

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			20.9	20.9	20.9	20.9
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			20.9	20.9	20.9	20.9

FUNDING (Thousands of Dollars)

GENERAL FUND			20.9	20.9	20.9	20.9
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Health insurance presently works on a full calendar-month basis for existing employees. If coverage could not be altered to specifically comply with 30-day law, and calendar month coverage had to continue, the above would change. Employees would not be covered until March 1 (the beginning of first month after completing 30 days' employment) and coverage would continue to the last day of the month in which termination occurred. Thus, the beginning would be set by fixed date of convening, however, ending month could vary depending on which day adjournment took place (i.e., adjourn May 31, coverage ends same day; adjourn June 1, coverage ends June 30 and entire month's premium must be paid even though employee worked only one day). If the State were unable to change the coverage plan with the insurance carrier, the specific letter of the proposed law would not be complied with. The above calculation has assumed coverage would change to comply with the bill.

(Continued)

IV. DATE 2-9-78 PREPARED BY M. R. Charney, Director
 AGENCY Legislative Affairs
 PHONE 465-3850
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CS 118 558

III. ANALYSIS (Continued)

No estimates have been made for any interim committee employees, only regular session employees routinely hired each year under the Legislative Affairs Agency budget. Legislative Finance would also be impacted.

Calculation is as follows:

Budgeted positions	-----	647.5 man months *
Less 30-days' startup for each employee	-----	- <u>152.0</u>
		495.5
Estimated man months for pre & post	-----	+ <u>40.0</u>
		535.5
Estimated per cent of employees electing coverage	-----	x <u>95%</u>
		508.7
Monthly cost: \$82.18 * divided by 2	-----	x <u>41.09</u>
	TOTAL	\$20,902.48

* Legislature budgets 152 temporary positions for a total of 647.5 man months plus lump sum amount for pre and post session activities.

Health insurance rate will be \$82.18.

MEMORANDUM

State of Alaska

TO:

DEPT. _____

DIV. _____

SEC. _____

Legislative Affairs

DATE May 2, 1971

FROM:

Vicki Wilson
House Finance Committee
HQ 412 - Seward 3796-2770

SUBJECT: 3159

Please prepare Finance Committee Submittals for HQ 3159
as per attached, and return to me as soon as possible.

Thank you.

Original sponsors: Duncan and Miller

Offered: 2/28/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 558

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending leaves of absence to and amending
7 the group insurance benefits of certain employees of
8 the state, and certain of its political subdivisions;
9 and providing for an effective date."

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

11 * Section 1. AS 39.20.310(7) is amended to read:

12 (7) temporary employees hired for periods of less than 30
13 consecutive days [12 CONSECUTIVE MONTHS];

14 * Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

15 (A) an employee, except an emergency employee, who has
16 served with the same governmental unit as

17 (i) a permanent full-time employee for 30 days or
18 more;

19 (ii) a permanent part-time employee for 30 days or
20 more; or

21 (iii) a temporary employee for 60 days or more; how-
22 ever, temporary employees employed by a municipality partici-
23 pating in the provisions of sec. 90 of this chapter need not
24 be provided coverage.

25 * Sec. 3. AS 39.30.100(2) is amended to read:

26 (2) "governmental unit" means the state [, A BOROUGH, MUNI-
27 CIPAL CORPORATION.] or any [OTHER] political subdivision of the state,
28 and the North Pacific Fishery Management Council;

29 * Sec. 4. AS 39.30.090(14) is amended to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

(14) Except as otherwise provided in written agreements between the state and its public employees which are in effect on the effective date of this Act or as otherwise provided in any renewal of those agreements, for [FOR] each permanent or temporary part-time employee electing coverage under this section the state shall contribute one-half the state contribution rate for permanent full-time state employees, and the [PERMANENT] part-time employee, as a condition of employment, shall contribute the other one-half.

* ~~Sec. 5. AS 39.30.090(1) is amended to read:~~

(1) a group insurance policy shall provide

(A) physical examination insurance for permanent employees; and

(B) one or more of the following benefits: life insurance, accidental death and dismemberment insurance, weekly indemnity insurance, hospital expense insurance, surgical expense insurance, dental expense insurance, audio-visual insurance, or other medical care insurance.

* Sec. 6. AS 39.30.100 is amended by adding a new paragraph to read:

(5) "physical examination insurance" means coverage under a group policy sufficient to defray a portion of the cost of an annual physical examination for an eligible employee; the policy shall provide that payment may be made, if an employee obtains a physical examination, in accordance with the following schedule:

(A) for the first physical examination of the employee, 70 per cent of the cost of the examination;

(B) for a physical examination of an employee given during the next succeeding calendar year, 80 per cent of the examination cost;

~~(C) for a physical examination of an employee given~~

1 ~~during the next succeeding calendar year, 90 per cent of the~~
2 examination cost; and

3 (D) for a physical examination of an employee given
4 during the next and each succeeding calendar year, the entire cost
5 ~~of the examination.~~

6 * Sec. ~~2~~⁴. Sections ~~2~~⁴ of this Act take effect July 1, 1978.
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Introduced: 1/9/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 558

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending leaves of absence to certain tempo-
7 rary employees of the state."

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

9 * Section 1. AS 39.20.310(7) is amended to read:

10 (7) temporary employees hired for periods of less than 30
11 consecutive days [12 CONSECUTIVE MONTHS];

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
#

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 558
 Title An Act Extending Leave and Insurance Benefits to Certain Employees
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Retirement and Benefits (General Government)
 Budget Request Unit(s) Affected Other Benefits (Health/Life Insurance)

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		9.1	10.0	11.0	12.1	13.3
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		0.3	0.3	0.3	0.3	0.3
500 EQUIPMENT		0.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS		1372.1	1550.5	1752.0	1979.8	2237.2
TOTAL	-0-	1382.0	1560.8	1763.3	1992.2	2250.8

FUNDING (Thousands of Dollars)

GENERAL FUND	80%	1105.6	1248.6	1410.6	1593.8	1800.6
FEDERAL FUNDS	17%	234.9	265.3	299.8	338.7	382.6
OTHER (Specify)	3%	41.5	46.9	52.9	59.7	67.6

POSITIONS

FULL TIME						
PART TIME		1	1	1	1	1
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Estimated that the cost to provide group insurance benefits will increase at 13% per annum
2. Estimated that an average of 875 state temporary employees will qualify for benefits (First Year Cost Equals \$1,085.1).
3. Estimate that 8,300 permanent employees will qualify for physical examination insurance (First Year Cost Equals \$287.0).
4. Cost for physical examination insurance for political subdivisions not included.
5. Administrative costs as attached.

IV. DATE 4/4/78 PREPARED BY Paul B. Arnoldt
 AGENCY Division of Retirement and Benefits
 PHONE 465-4460

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) State Affairs Committee
 Office of the Governor (Keith Specking)

CSHB 558



APPENDIX

The following administrative funds would be required to implement the provisions of CSHB 558:

1. Person Services - one permanent half-time position - Accounting Clerk III (Range 10) - salary and merit increases at 6% per year.

FY 79 monthly salary	\$603.00 x 12 = \$7,236
Plus benefits at 25.5%	= <u>\$1,845</u>

TOTAL	\$9,081
-------	---------

2. Miscellaneous Expenses - initial cost office equipment and annual commodity and replacement costs.

FY 79	= \$ 800
Succeeding FY's	= \$ 300

These funds should be appropriated to the Division of Finance, Department of Administration, William C. Mullin, Director, 465-2240.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 558
Title Extending Leave and Insurance Benefits to Certain Employees
Requested by House Finance Committee Date 5/5/78

II. FISCAL DETAIL

Agency Affected DEpt. of Administration - Retirement & Benefits
Program Category Affected General Government
Budget Request Unit(s) Affected _____

EXPENDITURES (in thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
1000 BENEFITS			1085.1			
TOTAL			1085.1			

FUNDING (Thousands of Dollars)

GENERAL FUND	80%		868.0		
FEDERAL FUNDS	17%		184.5		
OTHER (Specify)	3%		32.6		

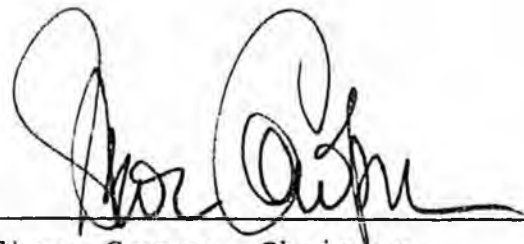
POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Estimated that the cost to provide group insurance benefits will increase at 13% per annum

Estimated that an average of 875 state temporary employees will qualify for benefits (First Year Cost Equals \$1,085.1)



IV. DATE 5/5/78 PREPARED BY Steve Cowper, Chairman
AGENCY House Finance Committee
PHONE 465-3795
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

III. ANALYSIS (Continued)

No estimates have been made for any interim committee employees, only regular session employees routinely hired each year under the Legislative Affairs Agency budget. Legislative Finance would also be impacted.

Calculation is as follows:

Budgeted positions	-----	647.5 man months *
Less 30-days' startup for each employee	-----	- <u>152.0</u>
		495.5
Estimated man months for pre & post	-----	+ <u>40.0</u>
		535.5
Estimated per cent of employees electing coverage	-----	x <u>95%</u>
		508.7
Monthly cost: \$82.18 * divided by 2	-----	x <u>41.09</u>
TOTAL		\$20,902.48

* Legislature budgets 152 temporary positions for a total of 647.5 man months plus lump sum amount for pre and post session activities.

Health insurance rate will be \$82.18.

TESTIMONY PRESENTED BY ALASKA PUBLIC EMPLOYEES ASSOCIATION

Re: Temporary Employees

Mr. Chairman: Members of the Committee:

I am Cherie Shelley, Government Relations Specialist for Alaska Public Employees Association and I am here to present testimony on House Bills 558, 560, and 564 which deal with temporary employment by the State of Alaska.

Although members of the Committee may receive many "give-me" or "pork barrel" requests, this is not such legislation. A.P.E.A. views this legislation as an attempt to remedy the most serious problems now facing our membership and state employees generally. I would like to present you with the following information:

1. As you know Title 39 of the Alaska Statutes deals with "Public Officers and Employees" and also sets up the Personnel Act. Title 39 has remained substantially unchanged since 1960. It has not kept pace with collective bargaining instituted in 1972, with the needs of state employees nor with the need of the State of Alaska generally. (See Ombudsman Report Re: Personnel, Exhibit VII.) The most serious inequity in Title 39 is the situation created for temporary employees.
2. Under Title 39 of the Statutes of the State of Alaska temporary employees are denied the following benefits:
 - a. Alaska Statute 39.20.310 denies temporary employees annual leave, sick leave, terminal leave, and court leave.
 - b. Alaska Statute 39.30.100 denies temporary employees group life and health insurance.
 - c. Alaska Statute 39.35.680 denies temporary employees the right to participate in the State Retirement System.

- d. The operation of the Personnel System provided for in Title 39 of the Alaska Statutes is run by the Division of Personnel and Labor Relations in a manner which deprives temporary employees of a permanent appointment and requires them to remain in a temporary status.
3. The situation described above might be equitable if "temporary employment" truly meant "temporary employment," however, it most emphatically does not. Approximately two and one-half years ago I began working in the field of labor and labor relations. At that time I understood a temporary employee to be an employee who worked for an employer for a period of thirty days or less, which is the definition of a temporary employee in the private sector. Temporary employment is not so defined in the State of Alaska as some temporary employees have been the same temporary position for a period as long as eight years. (See Report of Status Exhibit VI.)
4. Currently there are approximately 1,500 temporary state employees. Approximately 1 out of every 7.5 state employee is a temporary. As of December 17, 1977, 206 "temporary" employees had been in this status for a period of 9 months or longer.
5. As a side note, just prior to this Legislature convening, the Division of Personnel, aware of the spotlight focusing upon abuses within the Division, dismissed temporary employees in mass, indicating to the terminated employees that A.P.E.A. had forced the terminations, which is not correct. Of the temporary employees remaining, many have been employed by the State of Alaska for periods well over six months. If this problem is ever going to be corrected, it must be done now.
6. Can the members of this Committee imagine working for the State for a period of 23 months or 24 months and receiving no annual leave, sick leave, health benefits, retirement benefits, etc.

A.P.E.A. can provide you with a long list of "horror" stories illustrating the unfairness and inequities of such situations. However, what may concern this Committee most are the abuses and the manipulation of the Personnel and Merit System carried out "in the name of use of temporary employees." The following is a list of the abuses which have occurred through the use of temporary employees:

- a. Rule 3 of the Personnel Rules on "Recruitment and Examination" becomes in part meaningless through the by-passing of this entire procedure.
 - b. Rule 4 of the Personnel Rules on the use of "Eligible Lists" is even more meaningless. The State in the case of every hire of a temporary simply by-passes this entire merit procedure. It by-passes exams and eligible lists because temporaries do not have to take these exams.
 - c. It violates the concept of hiring Alaska residents for there is no check on whether these temporaries are residents or not. In some cases, temporary hires are used as a way of getting non-residents on Personnel Registers above residents.
 - d. Hiring of temporaries before they have taken the exam or been put on the register so that persons on the registers are simply by-passed.
 - e. Failure to meet minimum qualifications and a failure to be on the eligible list to the detriment of those "who play the game fairly." (See Ombudsman's Report Re: State Personnel System, Exhibit VII.)
7. Legislative funding of permanent positions are simply disregarded through the use of temporaries as temporary employees are less costly, permanent positions are simply left vacant and a temporary employee carries out the functions of the budgeted permanent position. (See the attached personnel roster from the Division of Public Assistance, Exhibit VIII.)

8. Equally important, the principles of simple due process and fairness are violated by the use of temporary appointments. Temporary employees have no rights. They can be hired, fired, disciplined, and moved hereand there with no recourse whatsoever. For a true temporary position of thirty days or less (as defined in the private sector) such action would probably be equitable, however, temporary appointments are now used as a "pre-probationary period." Thus, the employee serves 9 months or longer in temporary status and then must serve as additional probationary period of 6-12 months.
9. House Bill 560 is a conservative effort to deal with the previous discussed inequities of temporary employment. Bill 560 provides for the following changes in the existing system:
- a. temporary appointments shall be made only from eligible lists for appointment;
 - b. temporary appointments shall meet the minimum qualifications required of individuals seeking permanent employment in the class into which they are to be hired;
 - c. waiver of the requirements of (a) and (b) may be granted by the director as to any temporary appointment but that, if granted, each waiver shall be accompanied by a written statement providing reasons for the waiver and the statement shall be a public document; and
 - d. temporary appointments to positions in state service may not exceed 10 per cent of the total number of classified state employees.

In conclusion, based on my experience in this area, I believe that this is the most abused and unfair of state employment. The problem has been evolving since 1960 and has reached serious proportions. Abuses are flagrant and morale

among 1 out of every 7.5 employees is low to non-existent.

Thank you,

Cherie Shelley

Cherie Shelley
Government Relations Specialist
Alaska Public Employees Association

HEC
JAY S. HAMMOND, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR
JUNEAU, ALASKA 99811

April 14, 1978

The Honorable Steve Cowper
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Cowper:

During the House Finance Committee hearing regarding CSHB 558 held on April 4, you requested that I incorporate the cost of providing group life and health insurance to temporary employees of the University of Alaska within the fiscal note we had just drafted for this bill. Although I agreed to do so, I quickly discovered that I was unable to comply with your request for reasons which will be noted in the following paragraphs. I do have gross cost data for you, but it is not reflected in the fiscal note submitted for CSHB 558.

For whatever use you may make of it, I estimate the cost of providing group life and health insurance--comparable to that provided for under AS 39.30--for temporary employees of the University of Alaska to be \$630,513 for FY 79. However, I found it necessary to "back into" this figure and I would emphasize that it is an estimate based on thin data.

Unfortunately, the University does not have the existing capability to identify temporary employees who are retained for 60 days or more each year. It was therefore necessary to extrapolate that figure from the total number of temporary hires provided by their payroll department. This was done using the same ratio of temporaries employed for more than 60 days as is currently found in the Executive Branch. Without going into detail, I arrived at a figure of 594 such employees, costing \$557,976 per annum in premiums, and cranked in a projected 13% premium increase for FY 79: The result is \$630,513.

I am sorry that I was unable to include this figure in the fiscal note on CSHB 558. As it turns out, we had already transmitted the note by the time I returned from the committee hearing. That notwithstanding, my director, Mr. Arnoldt, correctly pointed out that the University is not covered by Article 2 of AS 39.30 and that it would take a major revision of that Article to accomplish that coverage; therefore, it would be misleading to attach

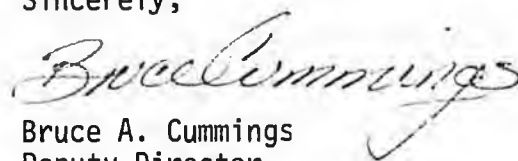
April 14, 1978

such costs to a bill modifying only two sections of the Article, and not modifying those in a manner affecting the University. Most important, however, is that fact that we have no data to prepare an accurate note on this subject.

Frankly, we would not submit a fiscal note (except in desperation) based on the methodology I earlier described. While the cost I quote is undoubtedly in the ball park, I cannot say that it is as accurate as we typically strive for on a fiscal note. It would have entailed weeks to gather the data that we would typically use in preparing such a note. Realizing that further hearings on CSHB 558 were contingent upon receipt of a fiscal note (and hearing Representative Duncan's concerns on delay), Mr. Arnoldt and I hoped that this letter would suffice for your purposes.

I have twice called to discuss this issue with you, but I have been unable to reach you. I am available at your convenience should you wish to pursue the matter further.

Sincerely,



Bruce A. Cummings
Deputy Director

BAC/jb
cc: Paul Arnoldt

4452
CHENAUETT

Original sponsors: Duncan and Miller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 558 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending leaves of absence to and amending the
7 group insurance benefits of certain employees of the
8 state, and certain of its political subdivisions; and
9 providing for an effective date."

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

11 * Section 1. AS 39.20.310(7) is amended to read:

12 (7) temporary employees hired for periods of less than 30
13 consecutive days [12 CONSECUTIVE MONTHS];

14 * Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

15 (A) an employee, except an emergency employee, who has
16 served with the same governmental unit as

17 (i) a permanent full-time employee for 30 days or
18 more;

19 (ii) a permanent part-time employee for 30 days or
20 more; or

21 (iii) a temporary employee for 60 days or more; how-
22 ever, temporary employees employed by a municipality partici-
23 pating in the provisions of sec. 90 of this chapter need not
24 be provided coverage.

25 * Sec. 3. AS 39.30.100(2) is amended to read:

26 (2) "governmental unit" means the state [, A BOROUGH, MUNI-
27 CIPAL CORPORATION,] or any [OTHER] political subdivision of the state,
28 and the North Pacific Fishery Management Council;

29 * Sec. 4. AS 39.30.090(14) is amended to read:

1 (14) Except as otherwise provided in written agreements be-
2 tween the state and its public employees which are in effect on the
3 effective date of this Act or as otherwise provided in any renewal of
4 those agreements, for [FOR] each permanent or temporary part-time em-
5 ployee electing coverage under this section the state shall contribute
6 one-half the state contribution rate for permanent full-time state
7 employees, and the [PERMANENT] part-time employee, as a condition of
8 employment, shall contribute the other one-half.

9 * Sec. 5. This Act takes effect July 1, 1978.
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

R E V I S E D

I. REQUEST
 Bill/Resolution No. HB 558
 Title An Act extending leave to temporary employees
 Requested by Finance Committee Date _____

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		359.8	377.8	396.7	416.6	437.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		359.8	377.8	396.7	416.6	437.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on data from Division of Personnel and Labor Relations, Labor Research sections: assume annual number of temporary employees at 1901
 Average length of service 2.7 Mo.
 75% employment greater than 30 days
 Salary range 8 - Step A
 Sick Leave average at 3 days per employee year
 Salary increase at 5% annual rate^k
 $1901 \times .75 = 1425.75 \times 2.7 = 3850 \div 12 = 321$ SL 321 X 8 = 2658 ÷ 21.65 dys
 AL 321 X 15 = 4815 ÷ 21.65 Dys
 Months Sick Leave = 118.6
 Months Annual Leave = 222.4
 Total 341.0 Man Months
 FY 78 cost 341 mo. X \$1005 = \$342,705 - Total

IV. DATE May 5, 1978 PREPARED BY Russell Clark
 AGENCY Department of Administration
 PHONE 465-2293
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Duncan/Ray
 Governor's Office (Specking)
 33-001 PERSONNEL - P. Hunt

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CSHB 558
 Title Extending Leave and Insurance Benefits to Certain Employees
 Requested by House Finance Committee Date 5/5/78

II. FISCAL DETAIL
 Agency Affected Dept. of Administration - Retirement & Benefits
 Program Category Affected General Government
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
100 BENEFITS			1085.1			
TOTAL			1085.1			

FUNDING (Thousands of Dollars)

GENERAL FUND	80%		868.0			
FEDERAL FUNDS	17%		184.5			
OTHER (Specify)	3%		32.6			

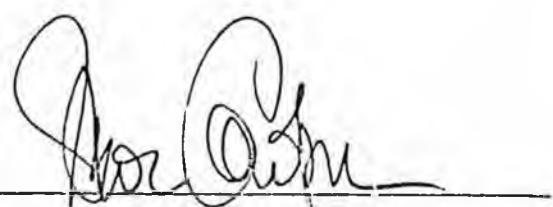
POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Estimated that the cost to provide group insurance benefits will increase at 13% per annum

Estimated that an average of 875 state temporary employees will qualify for benefits (First Year Cost Equals \$1,085.1)



IV. DATE 5/5/78 PREPARED BY Steve Cowper, Chairman
 AGENCY House Finance Committee
 PHONE 465-3795
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Proposed CS for HOUSE BILL NO. 558
 Title Extending leaves of absence and the benefits of group insurance to
certain temporary employees of the state Date 2-9-78
 Requested by: House State Affairs Committee

II. FISCAL DETAIL
 Agency Affected Legislative Affairs
 Program Category Affected General Government
 Budget Request Unit(s) Affected Session Expenses

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES			20.9	20.9	20.9	20.9
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			20.9	20.9	20.9	20.9

FUNDING (Thousands of Dollars)

GENERAL FUND			20.9	20.9	20.9	20.9
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Health insurance presently works on a full calendar-month basis for existing employees. If coverage could not be altered to specifically comply with 30-day law, and calendar month coverage had to continue, the above would change. Employees would not be covered until March 1 (the beginning of first month after completing 30 days' employment) and coverage would continue to the last day of the month in which termination occurred. Thus, the beginning would be set by fixed date of convening, however, ending month could vary depending on which day adjournment took place (i.e., adjourn May 31, coverage ends same day; adjourn June 1, coverage ends June 30 and entire month's premium must be paid even though employee worked only one day). If the State were unable to change the coverage plan with the insurance carrier, the specific letter of the proposed law would not be complied with. The above calculation has assumed coverage would change to comply with the bill.

(Continued)

IV. DATE: 2-9-78 PREPARED BY: M. R. Charney, Director
 AGENCY: Legislative Affairs
 Original: Legislative Finance PHONE: 465-3850
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

CSHB 558

III. ANALYSIS (Continued)

No estimates have been made for any interim committee employees, only regular session employees routinely hired each year under the Legislative Affairs Agency budget. Legislative Finance would also be impacted.

Calculation is as follows:

Budgeted positions	-----	647.5 man months *
Less 30-days' startup for each employee	-----	- <u>152.0</u>
		495.5
Estimated man months for pre & post	-----	+ <u>40.0</u>
		535.5
Estimated per cent of employees electing coverage	-----	x <u>95%</u>
		508.7
Monthly cost: \$82.18 * divided by 2	-----	x <u>41.09</u>
	TOTAL	\$20,902.48

* Legislature budgets 152 temporary positions for a total of 647.5 man months plus lump sum amount for pre and post session activities.

Health insurance rate will be \$82.18.



ALASKA PUBLIC EMPLOYEES ASSOCIATION

State Headquarters: 130 Seward Street, Suite 508, Juneau, Alaska 99801 • Tel: (907) 586-2334

February 28, 1978

Representative Steve Cowper, Chairman
House Finance Committee
Pouch V
Juneau, Alaska 99811

Re: HB 558, HB 560, HB 564.

Dear Representative Cowper:

The Alaska Public Employees Association is requesting your support in the passage of HB 558, HB 560 and HB 564 in order to remedy the inadequate to non-existent benefits provided temporary employees by the State of Alaska and to correct the abusive use of temporary appointments in lieu of a permanent appointment by the State.

Under Title 39 of the Statutes of the State of Alaska temporary employees are denied the following benefits:

1. Alaska Statute 39.20.310 denies temporary employees annual leave, sick leave, terminal leave, and court leave.
2. Alaska Statute 39.30.100 denies temporary employees group life and health insurance.
3. Alaska Statute 39.35.680 denies temporary employees the right to participate in the State Retirement System.
4. The operation of the Personnel System provided for in Title 39 of the Labor Relations in a manner which deprives temporary employees of a permanent appointment and requires them to remain in a temporary status.

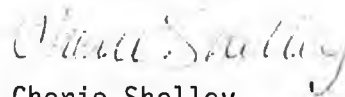
For your perusal, please find enclosed the following information concerning temporary employees:

- Exhibit I. Testimony to be presented on behalf of Alaska Public Employees Association.
- Exhibit II. Report of Status of Temporary Employees as of November 1977.
- Exhibit III. Ombudsman's Report. Re: State Personnel System December 16, 1977.

- Exhibit IV. Personnel Roster from Division of Public Assistance.
Exhibit V. Attorney General's Opinion Re: Health & Retirement Bargainability.
Exhibit VI. HB 558 and Referenced Chapter and Statute.
Exhibit VII. HB 560 and Referenced Chapter and Statute.
Exhibit VIII. HB 564 and Referenced Chapter and Statute.

Thank you for your time in consideration in this matter.

Very truly yours,



Cherie Shelley
Government Relations Specialist

CS:lb

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTI EIGHTH LEGISLATURE

LEGISLATIVE NOTE

I. REQUEST

Bill/Resolution No. HB560/58 405

Title: An Act Relating to Temporary Employment Requirements

Requested by: House State Affairs Date: 1/25

II. FISCAL DETAIL

Agency Affected: Department of Administration

Program Category Affected: Personnel

Budget Request Unit(s) Affected: Personnel Management

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES	64.7	67.9	71.3	74.9	78.6	
200 TRAVEL						
300 CONTRACTUAL	1.6	1.7	1.8	1.9	2.0	
400 COMMODITIES	.5	.5	.6	.6	.7	
500 EQUIPMENT	1.9					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	68.7	70.1	73.7	77.4	81.3

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND	-0-	68.7	70.1	73.7	77.4	81.3
FEDERAL FUNDS						
OTHER (Specify)						
TOTAL	-0-	68.7	70.1	73.7	77.4	81.3

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
PERMANENT						
TEMPORARY						
TOTAL	-0-	3.5	3.5	3.5	3.5	3.5

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Administration of this procedure would require two (2) Personnel Analyst I's Range 12 and one and one half (1.5) Clerk Typist III's Range 8. Also in the first year equipment would be needed for these positions.

Inflation Increase at 5% Annual Rate

FY 78

2 Per. Anl. 1 w/ben.

1.5 Cl. Typist III w/ben.

38.9
22.7
61.6
1.5
1.5
1.8
65.4

Total

Equipment

Forms

Telephone

IV. DATE: 1/25/78 PREPARED BY: Russell Clark *RJC*

AGENCY: Department of Administration PHONE: 465-2293

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (and Legislator Named): Duncan/Boyer

33-001 (Rev. 12/77) Government's Office - Keith Speeching

Personnel - Pat Hunt

48 520

Introduced: 1/9/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 558

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending leaves of absence to certain tempo-
7 rary employees of the state."

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

9 * Section 1. AS 39.20.310(7) is amended to read:

10 (7) temporary employees hired for periods of less than 30
11 consecutive days [12 CONSECUTIVE MONTHS];

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
#

Blue Cross
of Washington and Alaska



15700 Dayton Avenue North/P.O. Box 327
Seattle, Washington 98111
206/361 3000

March 17, 1978

Mr. Jim Rhode, Administrative Assistant
House Finance Committee
Alaska State Capitol - Room 413
Pouch V
Juneau, Alaska 99811

Dear Jim:

Following our conversation on Tuesday, I asked for assistance from our Marketing Department in drafting the language to place a \$100 ceiling on the physical examination benefit included in Section 5 of C.S. for House Bill 558.

I find that language defining that limit was provided to Paul Arnold in the Division of Insurance through someone with William M. Mercer, Inc. Mr. Baransky has contacted Mr. Arnold and indicated to him that you need that language. Please check with him for the correct wording.

In researching this subject I was told that without a ceiling and based on the assumption that a physical examination would cost \$300, the charge for coverage would be \$7.50 per month. It is interesting to note that none of our contracts which provide for a physical examination benefit are written without a ceiling. Coverage is always included with a maximum benefit ceiling.

I hope that there is no problem getting the wording from Mr. Arnold. If I can be of any further help please contact either Mr. Coyner or myself.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joan H. Gaumer".

Joan H. Gaumer
Director, Government Relations

JHG:kg

cc: Paul Arnold
Wes Coyner
Lou Baransky

HFC

STATE OF ALASKA

JAY S. HAMMOND, Governor

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT & BENEFITS

POUCH CR

JUNEAU, ALASKA 99811

April 14, 1978

The Honorable Steve Cowper
Representative
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Cowper:

During the House Finance Committee hearing regarding CSHB 558 held on April 4, you requested that I incorporate the cost of providing group life and health insurance to temporary employees of the University of Alaska within the fiscal note we had just drafted for this bill. Although I agreed to do so, I quickly discovered that I was unable to comply with your request for reasons which will be noted in the following paragraphs. I do have gross cost data for you, but it is not reflected in the fiscal note submitted for CSHB 558.

For whatever use you may make of it, I estimate the cost of providing group life and health insurance--comparable to that provided for under AS 39.30--for temporary employees of the University of Alaska to be \$630,513 for FY 79. However, I found it necessary to "back into" this figure and I would emphasize that it is an estimate based on thin data.

Unfortunately, the University does not have the existing capability to identify temporary employees who are retained for 60 days or more each year. It was therefore necessary to extrapolate that figure from the total number of temporary hires provided by their payroll department. This was done using the same ratio of temporaries employed for more than 60 days as is currently found in the Executive Branch. Without going into detail, I arrived at a figure of 594 such employees, costing \$557,976 per annum in premiums, and cranked in a projected 13% premium increase for FY 79: The result is \$630,513.

I am sorry that I was unable to include this figure in the fiscal note on CSHB 558. As it turns out, we had already transmitted the note by the time I returned from the committee hearing. That notwithstanding, my director, Mr. Arnoldt, correctly pointed out that the University is not covered by Article 2 of AS 39.30 and that it would take a major revision of that Article to accomplish that coverage; therefore, it would be misleading to attach

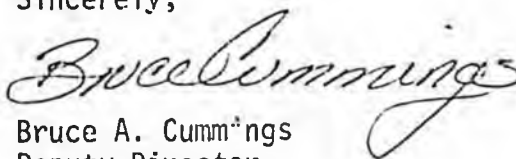
April 14, 1978

such costs to a bill modifying only two sections of the Article, and not modifying those in a manner affecting the University. Most important, however, is that fact that we have no data to prepare an accurate note on this subject.

Frankly, we would not submit a fiscal note (except in desperation) based on the methodology I earlier described. While the cost I quote is undoubtedly in the ball park, I cannot say that it is as accurate as we typically strive for on a fiscal note. It would have entailed weeks to gather the data that we would typically use in preparing such a note. Realizing that further hearings on CSHB 558 were contingent upon receipt of a fiscal note (and hearing Representative Duncan's concerns on delay), Mr. Arnoldt and I hoped that this letter would suffice for your purposes.

I have twice called to discuss this issue with you, but I have been unable to reach you. I am available at your convenience should you wish to pursue the matter further.

Sincerely,



Bruce A. Cummings
Deputy Director

BAC/jb
cc: Paul Arnoldt

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

R E V I S E D

I. REQUEST
 Bill/Resolution No. HB 558
 Title An Act extending leave to temporary employees
 Requested by Finance Committee Date _____

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		359.8	377.8	396.7	416.6	437.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		359.8	377.8	396.7	416.6	437.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on data from Division of Personnel and Labor Relations, Labor Research sections: assume annual number of temporary employees at 1901
 Average length of service 2.7 Mo.
 75% employment greater than 30 days
 Salary range 8 - Step A
 Sick Leave average at 8 days per employee year
 Salary increase at 5% annual rate
 $1901 \times .75 = 1425.75 \times 2.7 = 3850 \div 12 = 321$ SL $321 \times 8 = 2658 \div 21.65 \text{ dys}$
 $AL \ 321 \times 15 = 4815 \div 21.65 \text{ Dys}$
 Months Sick Leave = 118.6
 Months Annual Leave = 222.4
 Total 341.0 Man Months
 FY 78 cost 341 mo. X \$1005 = \$342,705 - Total + .15 cost = 4000

IV. DATE May 5, 1978 PREPARED BY RK Russell Clark
 AGENCY Department of Administration
 Original: Legislative Finance PHONE 465-2293
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Duncan/Ray
 Governor's Office (Specking)
 33-00: Personnel - P. Hunt

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

4452
CHELOWETH

Original sponsors: Duncan and Miller

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 558 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending leaves of absence to and amending the
7 group insurance benefits of certain employees of the
8 state, and certain of its political subdivisions; and
9 providing for an effective date."

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

11 * Section 1. AS 39.20.310(7) is amended to read:

12 (7) temporary employees hired for periods of less than 30
13 consecutive days [12 CONSECUTIVE MONTHS];

14 * Sec. 2. AS 39.30.100(1)(A) is repealed and re-enacted to read:

15 (A) an employee, except an emergency employee, who has
16 served with the same governmental unit as

17 (i) a permanent full-time employee for 30 days or
18 more;

19 (ii) a permanent part-time employee for 30 days or
20 more; or

21 (iii) a temporary employee for 60 days or more; how-
22 ever, temporary employees employed by a municipality partici-
23 pating in the provisions of sec. 90 of this chapter need not
24 be provided coverage.

25 * Sec. 3. AS 39.30.100(2) is amended to read:

26 (2) "governmental unit" means the state [, A BOROUGH, MUNI-
27 CIPAL CORPORATION,] or any [OTHER] political subdivision of the state,
28 and the North Pacific Fishery Management Council;

29 * Sec. 4. AS 39.30.090(14) is amended to read:

1 (14) Except as otherwise provided in written agreements be-
2 tween the state and its public employees which are in effect on the
3 effective date of this Act or as otherwise provided in any renewal of
4 those agreements. for [FOR] each permanent or temporary part-time em-
5 ployee electing coverage under this section the state shall contribute
6 one-half the state contribution rate for permanent full-time state
7 employees, and the [PERMANENT] part-time employee, as a condition of
8 employment, shall contribute the other one-half.

9 * Sec. 5. This Act takes effect July 1, 1978.
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

R E V I S E D

I. REQUEST
 Bill/Resolution No. HB 558
 Title An Act extending leave to temporary employees
 Requested by Finance Committee Date _____

II. FISCAL DETAIL
 Agency Affected All
 Program Category Affected All
 Budget Request Unit(s) Affected All

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		359.8	377.8	396.7	416.6	437.4
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		359.8	377.8	396.7	416.6	437.4

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Based on data from Division of Personnel and Labor Relations, Labor Research sections: assume annual number of temporary employees at 1901
 Average length of service 2.7 Mo.
 75% employment greater than 30 days
 Salary range 8 - Step A
 Sick Leave average at 8 days per employee year
 Salary increase at 5% annual rate*
 $1901 \times .75 = 1425.75 \times 2.7 = 3850 \div 12 = 321 \text{ SL } 321 \times 8 = 2658 \div 21.65 \text{ dys.}$
 $\text{AL } 321 \times 15 = 4815 \div 21.65 \text{ Dys}$
 Months Sick Leave = 118.6
 Months Annual Leave = 222.4
 Total 341.0 Man Months
 FY 78 cost 341 mo. X \$1005 = \$342,705 - Total

IV. DATE May 5, 1978 PREPARED BY Russell Clark
 AGENCY Department of Administration
 PHONE 465-2293
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named) Duncan/Ray
 Governor's Office (Spec'ing)
 33-001 Personnel - P. Hunt