

LEG. FINANCE - BILLS 19775 - 19786 741
HB 558 cont., thru HB 564 741

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			

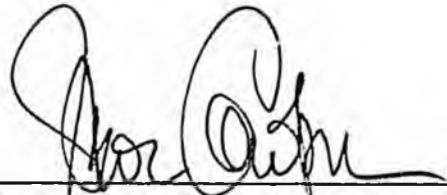
POSITIONS

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)

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.

FORM 02-0018C

FOR BRIEF COMMUNICATIONS.

MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

TO:

DEPT. _____

DIV. _____

SEC. _____

Legislative Affairs

DATE : May 3, 1978

FROM: Vicki Wilson
House Finance Committee
Rm 411 - Phone: 3795-3796

SUBJECT: HB 558

Please prepare Finance Committee Substitute for HB 558 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 (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. AS 39.30.090(1) is amended to read:~~

10 (1) a group insurance policy shall provide

11 (A) physical examination insurance for permanent
12 employees; and

13 (B) one or more of the following benefits: life insur-
14 ance, accidental death and dismemberment insurance, weekly indem-
15 nity insurance, hospital expense insurance, surgical expense insur-
16 ance, dental expense insurance, audio-visual insurance, or other
17 medical care insurance.

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

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

24 (A) for the first physical examination of the employee,
25 70 per cent of the cost of the examination;

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

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

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

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

* Sec. ~~2~~⁴. Sections ~~2~~⁴ of this Act take effect July 1, 1978.

This bill takes effect 7/1/78

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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:

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11 consecutive days [12 CONSECUTIVE MONTHS];

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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
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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 (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						
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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

CS HB 558

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)

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 here and 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

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

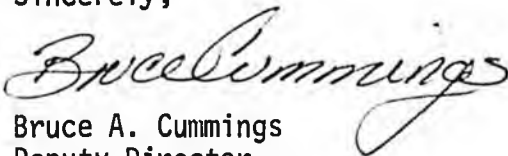
April 14, 1978

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

4452
CNEWJWE77

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

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23 pating in the provisions of sec. 90 of this chapter need not
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(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 X .75 = 1425.75 X 2.7 = 3850 ÷ 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

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		

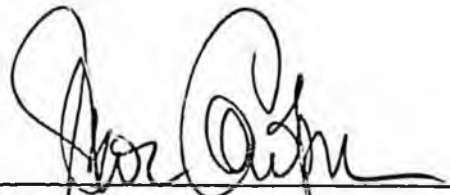
POSITIONS

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 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
 PHONE 465-3850

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

CSHB
SSR

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.

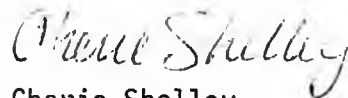
For your perusal, please find enclosed the following information concerning temporary employees:

- 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:1b

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB560/SB 405
Title An Act Defining 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)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME	-0-	3.5	3.5	3.5	3.5	3.5
PART TIME						
TEMPORARY						

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. I w/ben.	38.9
	1.5 Cl. Type III w/ben.	22.7
	Telephone	61.6
	Forms	1.5
		.5
	Equipment	1.8
	Total	65.4

IV. DATE 1/25/78 PREPARED BY Russell Clark *RJC*
AGENCY Department of Administration
Original: Legislative Finance PHONE 465-2293
cc: Budget and Management
Prime Sponsor (First Legislator Named) Duncan/Ray
Governor's Office - Keith Specking
33-001 (Rev. 12/77) Personnel - Pat Hunt

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];

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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 that reads "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

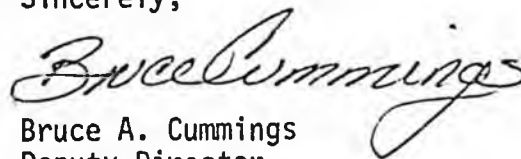
April 14, 1978

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 CO

IV. DATE May 5, 1978 PREPARED BY 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 (Specifying)
 33-001 Personnel - P. Hunt



RECORDS CERTIFICATION



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James O. Smith
Signature of Camera Operator

2/14/90
Date

COMMITTEE REPORT
SENATE

5/16/78

FURTHER: _____

Date: June 12, 1978

Mr. President:

The Committee on FINANCE has had CSHB 560
amending general requirements of state personnel rules

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:

Chairman

Original sponsors: Duncan and Miller

Offered: 2/27/78
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 560

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending general requirements of state per-
7 sonnel rules to define temporary employment require-
8 ments."

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

10 * Section 1. AS 39.25.150(9) is repealed and re-enacted to read:

11 (9) temporary appointments to positions in the state service
12 which are determined to be of a seasonal or temporary nature; provisions
13 of the personnel rules with respect to temporary employment shall re-
14 quire that

15 (A) except as otherwise provided in written agreements
16 between the state and its public employees which are in effect on
17 the effective date of this Act or as otherwise provided in any re-
18 newal of those agreements, temporary appointments shall be made
19 only from eligible lists for appointment;

20 (B) temporary appointments shall meet the minimum quali-
21 fications required of individuals seeking permanent employment in
22 the class into which they are to be hired;

23 (C) waiver of the requirements of (A) and (B) of this
24 paragraph may be granted by the director as to any temporary
25 appointment but that, if granted, each waiver shall be accompanied
26 by a written statement providing reasons for the waiver and the
27 statement shall be a public document;

28 (D) temporary appointments to positions in state service
29 may not exceed 10 per cent of the total number of classified state

1 positions; and

2 (E) no position in the state service may be occupied by
3 temporary employees in excess of six months in any fiscal year;
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Introduced: 1/9/78
Referred: State Affairs

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 560

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending general requirements of state per-
7 sonnel rules to define temporary employment require-
8 ments."

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

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15 (A) temporary appointments shall be made only from
16 eligible lists for appointment;

17 (B) temporary appointments shall meet the minimum quali-
18 fications required of individuals seeking permanent employment in
19 the class into which they are to be hired;

20 (C) waiver of the requirements of (A) and (B) of this
21 paragraph may be granted by the director as to any temporary
22 appointment but that, if granted, each waiver shall be accompanied
23 by a written statement providing reasons for the waiver and the
24 statement shall be a public document; and

25 (D) temporary appointments to positions in state service
26 may not exceed 10 per cent of the total number of classified state
27 employees;

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB560 SB 405Title An Act Defining Temporary Employment RequirementsRequested by House State Affairs Date 1/25

II. FISCAL DETAIL

Agency Affected Department of AdministrationProgram Category Affected PersonnelBudget Request Unit(s) Affected Personnel ManagementEXPENDITURES (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)

GENERAL FUND	-0-	68.7	70.1	73.7	77.4	81.3
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME	-0-	3.5	3.5	3.5	3.5	3.5
PART TIME						
TEMPORARY						

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. I w/ben.	38.9
	1.5 Cl.Type III w/ben.	22.7
	Telephone	61.6
	Forms	1.5
		.5
	Equipment	1.8
	Total	65.4

IV. DATE 1/25/78PREPARED BY Russell Clark *RSC*AGENCY Department of AdministrationPHONE 465-2293

Original: Legislative Finance

cc: Budget and Management

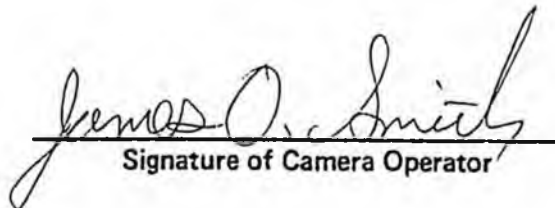
Prime Sponsor (First Legislator Named) Duncan/Ray33-001 Governor's Office - Keith Specking
(Rev. 12/77) Personnel - Pat Hunt

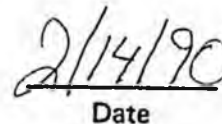


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Signature of Camera Operator


Date

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

BY SWANSON, BENNETT, BRADLEY,
BROWN, CARPENTER, COWPER, HAYES,
MCKINNON, MALONE, OSE, OSTERBACK
PARR, RHODE AND SNIDER

1 IN THE HOUSE

2 HOUSE BILL NO. 563

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the location of connections and
7 interchange facilities in certain pipelines; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 38.35.120(a)(6) is repealed and re-enacted to read:

11 (6) notwithstanding any other provision, it shall

12 (A) as to any gas pipeline subject to the provisions of
13 this section the construction of which commences after the effec-
14 tive date of this Act, provide one connection with appropriate
15 valves and appurtenances and necessary metering devices and acces-
16 sories required to process at least one-eighth of the natural gas
17 stream, at the expense of the company, within each general law
18 borough in which the pipeline is located and which is, on the
19 effective date of this Act, not served by a natural gas distribu-
20 tion system; the connection shall be located within the borough at
21 a place designated by the borough government after consultation
22 with the Department of Environmental Conservation; and

23 (B) provide connections and interchange facilities at
24 state expense at such other places the state considers necessary;

25 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

Original sponsors: Swanson, Bennett,
Bradley, et al

Offered: 2/10/78
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 563

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the location of connections and
7 interchange facilities in certain pipelines; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 38.35.120(a)(6) is repealed and re-enacted to read:

11 (6) notwithstanding any other provision, it shall

12 (A) as to any gas pipeline subject to the provisions of
13 this section the construction of which commences after the effec-
14 tive date of this Act, provide one connection with appropriate
15 valves and appurtenances and necessary metering devices and acces-
16 sories required to deliver an amount at least equal to any state
17 royalty share of the natural gas stream, at the expense of the
18 company, within a home rule or general law borough in which the
19 pipeline is located; the connection shall be located within the
20 borough at a place designated by the commissioner of the Department
21 of Environmental Conservation after consultation with officials of
22 the borough government; and

23 (B) provide connections and interchange facilities at
24 state expense at such other places the state considers necessary;

25 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

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THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS for HB 563
 Title Connections and Interchange Facilities - Gas Pipeline
 Requested by Resources Committee Date 2/10/78

II. FISCAL DETAIL

Agency Affected Environmental Conservation
 Program Category Affected NRM & EC
 Budget Request Unit(s) Affected Office of the Commissioner

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-	-0-

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)

See attached analysis

IV. DATE 2/14/78 PREPARED BY A.L. Eagle
 AGENCY Environmental Conservation
 PHONE 465-2604
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

AS 112 563

Analysis
CS HB 563

CS for HB 563 requires that a company constructing a gas pipeline in the State provide, at their expense, "appropriate valves, necessary metering devices and accessories" necessary to deliver an amount of gas, at least equal to the State royalty share, "within a home rule or general law borough." The locations shall be at a place designated by the Commissioner of DEC after consultation with the borough governments. Also this bill requires the gas pipeline construction company to provide similar connections and interchange facilities at State expense at "other places the State considers necessary."

The only apparent direct expenses to this Department are those involved in coordinating the selection of connection sites in the Fairbanks and North Slope Boroughs. These costs can be absorbed within the Department's normal operating budget.

Indirect future costs will include those costs incurred in maintaining environmental standards and providing other services at those connection sites where industrial development will inevitably occur. No estimate of these costs are included in this fiscal note.

HB 563

HFC

E. D. Blossom
Manager
Gas Division

Aminoil USA, Inc.
P. O. Box 94193
Houston, Texas 77018
(713) 686-9257

AMINOIL USA

February 27, 1978

Representative Steve Cowper
Pouch V
Juneau, Alaska 99811

Dear Steve:

I appreciate very much your taking time to see me on my visit to Alaska. I would like to reiterate the qualifications of Aminoil USA, Inc. and what its interests are in Alaska. The Natural Gas Division of Aminoil, USA (a subsidiary of R. J. Reynolds, Inc.) is interested in processing the State of Alaska's one-eighth royalty gas from Prudhoe Bay for the purpose of recovering natural gas liquids. Aminoil's qualifications are substantial. We have designed, installed, and are now operating similar plants in the lower 48. Our largest plant is located at Tioga, North Dakota, and has been designed for the cold climate experienced in that region.

We propose to install and operate a gas processing plant on the Northwest Alaskan Pipeline Company's pipeline somewhere in Alaska. The location would probably be near Fairbanks because of its proximity to a railroad. Our plant would be capable of removing natural gas liquids, including ethane, propane, butane, and natural gasoline. These liquid products could be further processed in the interior of Alaska or shipped to Tidewater by rail or pipeline. The butanes and natural gasoline could be used by refineries either in Alaska or on the West Coast. The portion of propane that would not be consumed in Alaska could also go to the West Coast. The ethane produced could be used as feedstock to petrochemical facilities producing ethylene and other finished products such as polyethylene plastics, styrene plastics, and glycols. The availability of ethane in the State of Alaska would enable Alaska to develop such a petrochemical industry. If such an industry should not develop right away the ethane could then be exported to the West Coast or Japan. The important factor is to make sure that these natural gas liquids are recovered in Alaska when the pipeline goes into operation. This will give Alaska control of its natural resources for further development at the time the pipeline becomes operational or at a later date. The petrochemical aspect of this project could be developed when the State wishes development and the economics can justify such an installation.

Representative Steve Cowper

Page 2

February 27, 1978

It is important to realize that the ethane from the State's one-eighth royalty gas is only approximately half the quantity of ethane that would be required to supply a full-size petrochemical plant. The State should take steps to insure that sufficient quantities of ethane are available to supply a full-size plant. This can be done by arranging for an exchange on a BTU basis of some of the State's one-eighth dry gas (methane) for additional natural gas liquids. Should all of the liquids from the Northwest Alaskan Pipeline be removed in Alaska, there would be sufficient quantity of ethane to feed four full-size petrochemical complexes.

I would like to point out that environmentally a gas processing plant such as the one Aminoil proposes to install is one of the most pollutant-free plants in existence. All process streams within the plant are contained inside of welded pipes, tanks and vessels. All of the cooling is done by aerial cooling with no requirement for water cooling. Some internal combustion equipment such as compressors and electric generators would be operated. Special care would be taken in the design of handling the exhaust gases from these units to minimize or eliminate potential ice fog. By locating the plant above the bottom of the Fairbanks basin and by installing a single tall exhaust stack with a high exit velocity, the exhaust should penetrate the inversion level and not tend to accumulate in the basin. The social impact of the area would include 40 to 50 year-round employees at the plant plus approximately an equal number of support personnel within the community.

To insure the feasibility of this project a number of steps should be taken now.

1. The State should be sure that they have the right and the facilities to take at least its one-eighth royalty gas out of the Northwest Alaskan Pipeline in order to remove their one-eighth natural gas liquids and have the capability to return to the pipeline the surplus dry gas not needed within the state.
2. The State should arrange with the Prudhoe Bay producers an exchange of some of the surplus State's one-eighth dry gas for additional natural gas liquids to be removed in Alaska from the total gas stream. This could be done on a BTU exchange basis.
3. Agreements should be made now with the Northwest Alaskan Pipeline Company and FERC for the removal of the natural gas liquids in Alaska without having to pay full pipeline tariff for the entire length of the line. The State

Representative Steve Cowper

Page 3

February 27, 1978

should only have to pay the tariff to bring the gas from Prudhoe Bay to Fairbanks. By making arrangements now the Northwest Alaskan Pipeline Company could not say that it was not aware of the State of Alaska's desires nor did it have the opportunity to make provisions in the pipeline design for this withdrawal of the royalty gas.

I do want to point out that the economic feasibility of such a gas processing plant as Aminoil is proposing will be greatly influenced by the volume of gas that is available for processing, the natural gas liquid content, and the value of the gas at the point of processing.

In review, I would like to say that Aminoil has the know-how to design, build and operate natural gas processing plants in cold climates; Aminoil has the ability to finance such a project; and Aminoil can market the products not used in Alaska through their existing marketing organizations.

I expect to be back in Alaska soon and hope to see you then.

Yours truly,

AMINOIL USA, INC.



E. D. Blossom

EDB/cl

COMMITTEE REPORT

HOUSE

2/10/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 563

"Relating to the location of connections and interchange facilities in certain pipelines; 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:

Chairman

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

Date: 2/9/78

Mr. Speaker:

The Committee on RESOURCES has had HB 563
"Relating to the location of connections and interchange facilities in certain pipelines; c.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 HB 563 (same title)
and HB 563 () 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:

Gen. Kenneth DeLoach
Merle H. Smith Do pass
Bill Gibson " " "
D. Smith " " "
Wm. Akers
Mr. Hill Do Pass
Alvin Peterback Do Pass

OTHER RECOMMENDATIONS:

H. Malone
② Ed. W. no rec

Alvin Peterback
Chairman

Original sponsors: Swanson, Bennett,
Bradley, et al

Offered: 2/10/78
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 563

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the location of connections and
7 interchange facilities in certain pipelines; and pro-
8 viding for an effective date."

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

0 * Section 1. AS 38.35.120(a)(6) is repealed and re-enacted to read:

1 (6) notwithstanding any other provision, it shall

2 (A) as to any gas pipeline subject to the provisions of
3 this section the construction of which commences after the effec-
4 tive date of this Act, provide one connection with appropriate
5 valves and appurtenances and necessary metering devices and acces-
6 sories required to deliver an amount at least equal to any state
7 royalty share of the natural gas stream, at the expense of the
8 company, within a home rule or general law borough in which the
9 pipeline is located; the connection shall be located within the
0 borough at a place designated by the commissioner of the Department
1 of Environmental Conservation after consultation with officials of
2 the borough government; and

3 (B) provide connections and interchange facilities at
4 state expense at such other places the state considers necessary;

5 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
6 070(c).

001693

4379
Clenworth

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

BY SWANSON, BENNETT, BRADLEY,
BROWN, CARPENTER, COWPER, HAYES,
MCKINNON, MALONE, OSE, OSTERBACK
PARR, RHODE AND SNIDER

1 IN THE HOUSE

2 HOUSE BILL NO. 563

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

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14 tive date of this Act, provide one connection with appropriate
15 valves and appurtenances and necessary metering devices and acces-
16 sories required to process at least one-eighth of the natural gas
17 stream, at the expense of the company, within each general law
18 borough in which the pipeline is located and which is, on the
19 effective date of this Act, not served by a natural gas distribu-
20 tion system; the connection shall be located within the borough at
21 a place designated by the borough government after consultation
22 with the Department of Environmental Conservation; and

23 (B) provide connections and interchange facilities at
24 state expense at such other places the state considers necessary;

25 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).

ALASKA STATE LEGISLATURE

... TENTH Legislature ... SECOND Session

HOUSE BILL NO. 563

By SWANSON, BENNETT, BRADLEY,
BROWN, CARPENTER, COWPER, HAYES,
MCKINNON, MALONE, OSE, OSTERBACK,
PARR, RHODE, AND SNIDER

"An Act relating to the location of connections and interchange facilities in certain pipelines; and providing for an effective date."

pipeline interchanges & connections

Introduced in the House ... 1-9-, 1978

HISTORY IN THE HOUSE

19 78	Read first time and referred to Committee on Resources and Finance																						
Jan. 9	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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	Reported correctly engrossed																						
	Signed by Speaker																						
	Sent to Senate																						
	CHIEF CLERK OF THE HOUSE																						

HISTORY IN THE SENATE

19	Read first time and referred to Committee on																						
	Reported back with recommendation that																						
	Read second time and																						
	Read third time and																						
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	Reported correctly engrossed																						
	Signed by President																						
	Returned to House																						
	SECRETARY OF THE SENATE																						

HISTORY IN THE HOUSE

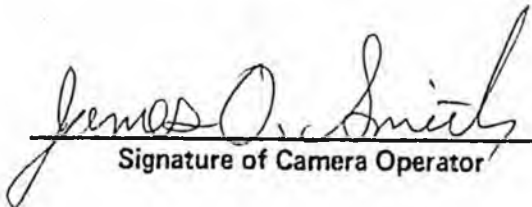
19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled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

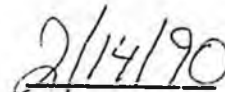


RECORDS CERTIFICATION



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

HB 564

February 10, 1978

HOUSE JOURNAL
SUPPLEMENT

No. 11

Fiscal Note

HB
564

I. REQUEST

Bill/Resolution No. HB 564

Title Extending PERS Benefits to Certain Temporary Employees

Requested by House State Affairs

Date 1/11/78

my

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

Budget (Repeat Unit(s) Affected) Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	20.6	22.7	24.9	27.4
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	300.0	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	0.3	0.3	0.3	0.3
500 EQUIPMENT	-0-	-0-	0.5	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	-0-	274.0	331.4	331.5	364.7
TOTAL	-0-	-0-	555.4	324.4	356.7	392.4

FUNDING (Thousands of Dollars)

	80%						
GENERAL FUND	80%	-0-	-0-	219.2	241.2	265.1	291.4
FEDERAL FUNDS	17%	-0-	-0-	46.6	51.2	55.4	62.0
OTHER (Specify)	3%	-0-	-0-	8.2	9.0	10.0	10.7
PERS		-0-	-0-	321.4	23.0	25.2	27.7

POSITIONS

FULL TIME		-0-	-0-	1	1	1	1
PART TIME		-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY		-0-	-0-	-0-	-0-	-0-	-0-

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

1. Estimate that an average of 237 State temporary employees will qualify for benefits.
2. Assume that no temporary service will be recognized retroactively.
3. Assume constant members in temporary work force in each fiscal year.
4. Estimate future State payrolls will increase at 10% annually.
5. Administrative costs as attached.
6. Cost for coverage of political subdivisions (Approximately 60 subdivisions) participating in PERS not included; recommend that Waska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted for input.

Paul F. Bennett

IV. DATE 1/11/78

PREPARED BY Paul F. Arnold

AGENCY Division of Retirement and Benefits

PHONE 565-6450

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named) Duncan

House State Affairs

33 (Officer/Deputy Office (Speaking))

HB
564

ATTACHMENT NO 564

The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of HB 564:

1. Contractual Services -

It is estimated that three (3) programmers and one (1) senior level analyst will be needed to work full-time for a period up to one (1) year to implement the necessary modifications to the seventy (70) programs in the system.

In addition, all program documentation, user instructions and documentation, and systems input and turnaround forms will have to be reviewed and updated.

Pending further study, the lead time required for systems modifications of this complexity will be one (1) year at an estimated cost of \$300,000.

2. Personal Services -

One permanent full-time position - Accounting Technician I (range 12).
Salary . . . merit increases at 6% per year.

FY 79 monthly salary	\$1,371 X 12	=	\$16,452
Plus benefits at 25.5%			\$ 4,195
			\$20,647

3. 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 Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

HB
576

January 31, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 576

The board endorses the attached fiscal note as its fiscal analysis with the understanding that, in the bill's present form, there would be no fiscal impact on the teachers' system since they are already eligible to buy up to five years of "outside service" for A.H.U. employment.

A majority of the board recommends that HB 576 do not pass; one member had no recommendation; and one member was absent. The board opposed passage of HB 576 because the function that would be served is not consistent with the purposes or the intent of the Public Employees Retirement System.

HB
564

January 31, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 564

The board, on the basis of information currently available, endorses the attached fiscal note as its fiscal analysis of HB 564.

A majority of the board recommends that HB 564 do not pass; one member recommends do pass; and one member was absent. The board opposed passage of HB 564 for the following reasons:

- 1) retirement is philosophically incompatible with the nature of temporary employment;
- 2) this bill is not the proper vehicle for addressing the problem of abuse of temporary employment; and
- 3) the costs seem excessive relative to the number of people who would benefit.

SUMMARY OF HOUSE BILL NO. 564

Retirement system affected: PERS

Defines, for purposes of the Public Employees' Retirement System, a "temporary" employee in terms of anticipated hours of employment in an established position during any consecutive 12-month period. Extends the definition of "active member" of the retirement system to such temporary employees who are employees for not less than 1000 hours during any consecutive 12-month period, and thereby extends full benefits under PERS to these persons.

Takes effect July 1, 1978.

February 10, 1978

HOUSE JOURNAL
SUPPLEMENT

No. 11

HB
284

FISCAL NOTE

REQUEST
Bill/Resolution No. HB 284
Title Service Credit in PEBS and TRS
Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
Program Category Affected Retirement and Benefits (TRS)
Budget Request Unit(s) Affected Teachers' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL			5.0			
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.			21.4	23.5	25.9	28.5
100 BENEFITS			4.9	5.4	5.9	6.5
TOTAL			31.3	28.9	31.8	35.0

FUNDING (Thousands of Dollars)

GENERAL FUND			26.3	28.9	31.8	35.0
FEDERAL FUNDS						
OTHER (Specify)						
TRS			5.0			

POSITIONS

NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Estimate FY 79 covered TRS payroll to be \$214,000,000.
2. Estimate future covered payrolls will increase at 10% annually.
3. Increase in combined TRS State Match and employer contribution rate would be .02%.
4. Administrative costs as attached.

IV. DATE 1/23/78 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) Rules
Office of the Governor - Keith Specking
33-001 (Rev. 10/76) Retirement - Paul Arnoldt

NO 563

1977



Chapter 35. Public Employees' Retirement System of Alaska.

Article

1. Administration (§§ 39.35.010 — 39.35.110)
2. Membership (§§ 39.35.120 — 39.35.150)
3. Contributions by Employees (§§ 39.35.160 — 39.35.240)
4. Contributions by Employers (§§ 39.35.250 — 39.35.290)
5. Service (§§ 39.35.300 — 39.35.350)
6. Benefits (§§ 39.35.370 — 39.35.540)
7. Participation by Political Subdivisions and Public Organizations (§§ 39.35.550 — 39.35.650)
8. General Provisions (§§ 39.35.660 — 39.35.690)

Revisor's note (1974). — The intent of the amendment made by § 109, ch. 127, SLA 1974, was to bring the former language of AS 39.35.620(b) into conformity with art. I, § 3 of the Constitution of the State of Alaska. As the reenactment of that subsection by § 29, ch. 1, SLA 1974 removes

the necessity for the change made in ch. 127, the reenacted version contained in ch. 1, SLA 1974 is considered to prevail.

Effect of amendment. — The 1974 amendment rewrote subsection (b) and added subsections (c) — (h).

Sec. 39.35.620. Distribution. A distribution made as a result of termination of participation by an employer may, to the extent that no discrimination in value results, be paid in cash or in annuity contracts, in the discretion of the board. (§ 44 h ch 143 SLA 1960)

Sec. 39.35.640. Conclusiveness of action taken upon termination. In making a distribution, the determinations, divisions, appraisals, apportionments, and allotments made are final and conclusive and not subject to question. (§ 44 i ch 143 SLA 1960)

Sec. 39.35.650. Refunds to employers. In no event may an employer receive an amount from the pension fund, except that, upon termination of participation, the employer shall receive the amount which remains after the satisfaction of all liabilities of the system to the employees of the employer and arising out of variations between actual requirements and expected actuarial requirements. (§ 44 i ch 143 SLA 1960)

Article 8. General Provisions.

Section
660. Nonguarantee of employment
670. Fraud

Section
680. Definitions
690. Short title

Sec. 39.35.660. Nonguarantee of employment. This chapter is not a contract of employment between an employer and an employee, nor does it confer a right of an employee to be continued in the employment of an employer, nor is it a limitation of the right of an employer to discharge an employee with or without cause. (§ 35 ch 143 SLA 1960)

Sec. 39.35.670. Fraud. A person who knowingly makes a false statement, or falsifies or permits to be falsified a record of this system, in an attempt to defraud the system, is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment for not more than twelve months, or by both. (§ 41 ch 143 SLA 1960)

Sec. 39.35.680. Definitions. In this chapter, unless the context otherwise requires,

(1) "active member" means an employee who is employed by an employer, is receiving compensation for seasonal, permanent full-time or permanent part-time services, and is making contributions to the system.

(2) "actuarial adjustment" means equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the board;

(3) "administrator" means the person appointed by the commissioner of administration under § 50 of this chapter;

(4) "average monthly compensation" means the result obtained by dividing the compensation earned by an employee during a considered period by the number of months, including fractional months, for which compensation was earned; the considered period consists of the three consecutive calendar years during the period of credited service which yields the highest average, or if the employee does not have three consecutive calendar years, his period of credited service; an employee must have at least 120 days of credited service in the last calendar year in order to be used as part of the three consecutive calendar years;

(5) "beneficiary" means a person designated by an employee to receive benefits that may be due from the system upon the employee's death;

(6) "board" means the Public Employees Retirement Board;

(7) "calendar year" means the period beginning on January 1 and ending on December 31;

(8) "compensation" means the total remuneration earned by an employee for personal services rendered, including cost-of-living differentials, but does not include retirement benefits, welfare benefits, per diem, expense allowances, or medical leave or annual leave not used by the employee;

(9) "credited service" means the number of years, including fractional years, recognized for computing benefits that may be due from the system;

(10) "deferred vested member" means an inactive member who meets the five-year credited service requirement to qualify for a retirement benefit;

(11) "dependent child" means an unmarried child of an employee, including one adopted, who is dependent upon the employee for support and who is either (A) under 19 years old or (B) under 23 years old and registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education; age restrictions set out in this paragraph do not apply to a child who is totally and permanently disabled;

(12) "disabled member" means an employee who is terminated, who has not received a refund from the system and is receiving a disability benefit from the system;

(13) "early retirement" means retirement for a member who is at least 50 years old and has a minimum of five years credited service;

(14) "elected official" means a member whose compensation results from personal services rendered as an elected representative and who elects coverage under § 125 of this chapter;

(15) "employee contribution account" means the account maintained by the system to record the mandatory contributions of each employee, including interest and adjustments to the account in accordance with § 100 of this chapter;

(16) "employee savings account" means the account maintained by the system to record the voluntary contributions of each employee, including interest and adjustments to the account in accordance with § 100 of this chapter;

(17) "employer" means the State of Alaska or a political subdivision or public or quasi-public organization of the state which participates in the system;

(18) "fiscal year" means the period beginning on July 1 and ending on June 30 of the following calendar year;

(19) "former member" means an employee who is terminated and who has received a total refund of the balance of his employee contribution account, or who has requested in writing a refund of the balance in his employee contribution account, or who is eligible for a refund under § 200(b) of this chapter;

(20) "inactive member" means an employee who is terminated and who has not received a refund from the system or an employee on leave-without-pay status or layoff status;

(21) "member" or "employee"

(A) means a person eligible to participate in the system and who is covered by the system;

(B) includes

(i) active member;

(ii) inactive member;

(iii) vested member;

(iv) deferred vested member;

(v) non-vested member;

(vi) disabled member;

(vii) retired member;

(C) does not include

(i) former members;

(ii) persons compensated on a contractual or fee basis;

(iii) casual, emergency or temporary workers;

(iv) persons covered by the Alaska Teachers' Retirement System;

(v) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions; and

(vi) justices of the supreme court or judges of the superior or district courts of Alaska;

(22) "military service" means active duty service in the armed forces of the United States;

(23) "nonoccupational disability" means a physical or mental condition which, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing his usual duties for his employer or the duties of another position or job which his employer makes available and for which the employee is qualified by training or education, not including a condition resulting from a cause which the board, in its regulations has excluded;

(24) "non-vested member" means an active or inactive member who does not meet the five-year credited service requirement to qualify for a retirement benefit;

(25) "normal retirement" means retirement for a member who is at least 55 years old and has a minimum of five years credited service, or who is any age and has 30 years or more of credited service, or a peace officer or fireman who is any age and has 20 years or more of credited service;

(26) "occupational disability" means a physical or mental condition which, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing his usual duties for his employer; however, the proximate cause of the condition must be a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and not the proximate result of the wilful negligence of the employee;

(27) "peace officer" or "fireman" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, qualified employee of the Department of Fish and Game, fireman, or fire chief;

(28) "pension fund" means all assets held in the name of the system;

(29) "permanent full-time" means an employee who is occupying a permanent position which regularly requires working 30 or more hours a week;

(30) "permanent part-time" means an employee who is occupying a permanent position which regularly requires working at least 15 hours but less than 30 hours a week;

(31) "prescribed rate of interest" means the rate of interest used for computing employer contributions, for preparing actuarial tables used by the system and for crediting interest to employee contributions and savings accounts, and for charging interest on employee indebtedness accounts;

(32) "qualified employee of the Department of Fish and Game" means a full-time employee of that department whose duties necessitate a significant amount of field work, travel, or exposure to hazardous working conditions, and who holds a position which is designated as complying with the requirements of this section by regulations adopted by the commissioner of administration after consultation with the

commissioner of fish and game, except that other personnel of that department are not excluded by this paragraph from status as an "employee" under (21) of this section;

(33) "retired member" means an employee who is terminated, who has not received a refund from the system and is receiving a benefit other than disability, from the system;

(34) "retirement" means that period of time from the first day of the month following (A) the date of termination and (B) application for retirement, in which a person is appointed to receive a retirement benefit, other than occupational or nonoccupational disability benefit;

(35) "seasonal" refers to an employee who is occupying a position for less than 12 months each year where it is anticipated that the same employee will return to the position when needed;

(36) "surviving spouse" means the spouse of an employee who has been married to the employee for at least one year at the time of the employee's death; the one-year marriage requirement does not apply when the employee's death was an occupational or accidental death;

(37) "system" means the Public Employees' Retirement System of Alaska;

(38) "vested member" is an active member who meets the five-year credited service requirement to qualify for a retirement benefit. (S 3 ch 143 SLA 1960; am § 2 ch 93 SLA 1962; am § 3 ch 102 SLA 1963; am § 10 ch 155 SLA 1966; am § 14 ch 83 SLA 1967; am §§ 18 — 21 ch 109 SLA 1970; am § 16 ch 150 SLA 1972; am § 36 ch 1 SLA 1974; am § 110 ch 127 SLA 1974; am § 3 ch 200 SLA 1975; am §§ 9, 10, 15 ch 205 SLA 1975; am §§ 5, 6 ch 27 SLA 1976; am §§ 22, 23 ch 123 SLA 1976; am § 1 ch 141 SLA 1976; am § 7 ch 218 SLA 1976; am §§ 6, 7 ch 245 SLA 1976; am §§ 12, 13 ch 263 SLA 1976; am § 51 ch 199 SLA 1977)

Sec. 39.35.620. Short title. This chapter may be cited as the Public Employees' Retirement System of Alaska. (S 1 ch 143 SLA 1960)

Sec. 39.35.620 was amended by ch. 218, SLA 1976, and § 6, ch. 245, SLA 1976. Since the two amendments appear to be inconsistent, and ch. 218 is superseded by ch. 245, only the latter enactment has been given effect here.

Effect of amendments.

The first 1976 amendment, effective January 1, 1976, in this section as it existed prior to the 1977 amendment, substituted "permanent full-time or permanent part-time personal services" for "fulltime personal services" in paragraph (5)(A) and deleted "or part-time" preceding "workers" in paragraph (5)(B).

The second 1976 amendment, effective July 1, 1976, in this section as it existed prior to the 1977 amendment, substituted "administrator" for "board" in two places in paragraph (10) and in two places in paragraph (12), substituted "his employer" for "an employer" and deleted "his"

paragraph (12), and deleted "of the duties of another position or job which an employer makes available and for which the employee is qualified by training or education" following "his usual duties for his employer" in paragraph (12).

The third 1976 amendment, effective June 9, 1976, and retroactive to January 1, 1976, in this section as it existed prior to the 1977 amendment, in paragraph (19), substituted "the employee's death" for "his death," substituted "the employee" for "him" in two places, and added the language beginning "the one year marriage requirement" to the end.

The fourth 1976 amendment, in this section as it existed prior to the 1977 amendment, substituted "or" for "and" preceding "technician" in paragraph (14).

The fifth 1976 amendment, effective July 1, 1976, substituted "qualified employee of the Department of Fish and Game" for

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

Date: Feb. 24, 1978

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 564
"Extending the benefits of the public employees' retirement system to certain temporary employees of the state and its political subdivisions; e.d."

under consideration and (^{members of} 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)

(X) recommends it be replaced with CS for HB-564

and reported out w/ individual recs. (X) 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:

①	<u>[Signature]</u>	<u>AD PASS</u>
	<u>Joe McKinnon</u>	<u>Do Pass</u>
	<u>[Signature]</u>	<u>No Rec</u>
②	<u>[Signature]</u>	<u>No Rec</u>
	<u>Tim Kelly</u>	<u>No Rec</u>
①	<u>[Signature]</u>	<u>No Rec</u>

[Signature]
VICE Chairman

January 31, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 564

The board, on the basis of information currently available, endorses the attached fiscal note as its fiscal analysis of HB 564.

A majority of the board recommends that HB 564 do not pass; one member recommends do pass; and one member was absent. The board opposed passage of HB 564 for the following reasons:

- 1) retirement is philosophically incompatible with the nature of temporary employment;
- 2) this bill is not the proper vehicle for addressing the problem of abuse of temporary employment; and
- 3) the costs seem excessive relative to the number of people who would benefit.

SUMMARY OF HOUSE BILL NO. 564

Retirement system affected: PERS

Defines, for purposes of the Public Employees' Retirement System, a "temporary" employee in terms of anticipated hours of employment in an established position during any consecutive 12-month period. Extends the definition of "active member" of the retirement system to such temporary employees who are employees for not less than 1000 hours during any consecutive 12-month period, and thereby extends full benefits under PERS to these persons.

Takes effect July 1, 1978.

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

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 564

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 the benefits of the public employees'
7 retirement system to certain temporary employees of the
8 state and its political subdivisions; and providing for
9 an effective date."

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

11 * Section 1. AS 39.35.680(1) is amended to read:

12 (1) "active member" means an employee who is employed by an
13 employer, is receiving compensation for seasonal services, permanent
14 full-time services, [OR] permanent part-time services, or temporary
15 services of not less than 1,000 hours during any consecutive 12-month
16 period, and is making contributions to the system;

17 * Sec. 2. AS 39.35.680(21)(C)(iii) is amended to read:

18 (iii) casual or [,] emergency workers or temporary
19 workers who have completed less than 1,000 hours of service in
20 any consecutive 12-month period;

21 * Sec. 3. AS 39.35.680 is amended by adding a new paragraph to read:

22 (39) "temporary" means an employee who occupies an established
23 position and who is reasonably expected to remain in that position for
24 less than 1,000 hours during any consecutive 12-month period.

25 * Sec. 4. This Act takes effect July 1, 1978.

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REQUEST

Bill/Resolution No. HB 564

Title Extending PERS Benefits to Certain Temporary Employees

Requested by House State Affairs

Date 1/11/78

my

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

Budget Request Unit(s) Affected Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	20.6	22.7	24.9	27.4
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	300.0	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	0.3	0.3	0.3	0.3
500 EQUIPMENT	-0-	-0-	0.5	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	-0-	274.0	301.4	331.5	364.7
TOTAL	-0-	-0-	595.4	324.4	356.7	392.4

FUNDING (Thousands of Dollars)

GENERAL FUND	80%	-0-	-0-	219.2	241.2	265.1	291.8
FEDERAL FUNDS	17%	-0-	-0-	46.6	51.2	56.4	62.0
OTHER (Specify)	3%	-0-	-0-	8.2	9.0	10.0	10.9
PERS		-0-	-0-	321.4	23.0	25.2	27.7

POSITIONS

FULL TIME	-0-	-0-	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

1. Estimate that an average of 237 State temporary employees will qualify for benefits.
2. Assume that no temporary service will be recognized retroactively.
3. Assume constant members in temporary work force in each fiscal year.
4. Estimate future State payrolls will increase at 10% annually.
5. Administrative costs as attached.
6. Cost for coverage of political subdivisions (Approximately 69 subdivisions) participating in PERS not included; recommend that Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted for input.

Paul B. Arnoldt

IV. DATE 1/11/78

PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement and Benefits

Original: Legislative Finance

PHONE 265-4460

cc: Budget and Management

Prime Sponsor (First Legislator Named) Duncan
House State Affairs

33 0-807-0070 Office (Spacing)

ATTACHMENT HB 564

The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of HB 564:

1. Contractual Services -

It is estimated that three (3) programmers and one (1) senior level analyst will be needed to work full-time for a period up to one (1) year to implement the necessary modifications to the seventy (70) programs in the system.

In addition, all program documentation, user instructions and documentation, and systems input and turnaround forms will have to be reviewed and updated.

Pending further study, the lead time required for systems modifications of this complexity will be one (1) year at an estimated cost of \$300,000.

2. Personal Services -

One permanent full-time position - Accounting Technician I (range 12). Salary and merit increases at 6% per year.

FY 79 monthly salary	\$1,371 X 12	=	\$16,452
Plus benefits at 25.5%			\$ 4,195
			<u>\$20,647</u>

3. 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 Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

COMMITTEE REPORT

HOUSE

2/27/78

FURTHER: _____

Date: _____

Mr. Speaker:

The Committee on FINANCE has had HB 564
"An Act extending the benefits of the public employees' retirement system to certain temporary employees of the state and its political subdivisions; 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:

Original sponsors: Duncan and Miller

Offered: 2/27/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 564

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 the benefits of the public employees'
7 retirement system to certain temporary 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 39.35.680(1) is amended to read:

12 (1) "active member" means an employee who is employed by an
13 employer, is receiving compensation for seasonal services, permanent
14 full-time services, [OR] permanent part-time services, or temporary
15 services of not less than 1,000 hours during any consecutive 12-month
16 period, and is making contributions to the system;

17 * Sec. 2. AS 39.35.680(21)(C)(iii) is amended to read:

18 (iii) casual or [,] emergency workers or temporary
19 workers who have completed less than 1,000 hours of service in
20 any consecutive 12-month period;

21 * Sec. 3. AS 39.35.680(21)(C) is amended by adding a new subparagraph to
22 read:

23 (vii) employees employed by a municipality and re-
24 ceiving compensation for temporary services without regard to
25 actual or anticipated hours of service;

26 * Sec. 4. AS 39.35.680 is amended by adding a new paragraph to read:

27 (39) "temporary" means an employee who occupies an established
28 position and who is reasonably expected to remain in that position for
29 less than 1,000 hours during any consecutive 12-month period.

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

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January 31, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 564

The board, on the basis of information currently available, endorses the attached fiscal note as its fiscal analysis of HB 564.

A majority of the board recommends that HB 564 do not pass; one member recommends do pass; and one member was absent. The board opposed passage of HB 564 for the following reasons:

- 1) retirement is philosophically incompatible with the nature of temporary employment;
- 2) this bill is not the proper vehicle for addressing the problem of abuse of temporary employment; and
- 3) the costs seem excessive relative to the number of people who would benefit.

SUMMARY OF HOUSE BILL NO. 564

Retirement system affected: PERS

Defines, for purposes of the Public Employees' Retirement System, a "temporary" employee in terms of anticipated hours of employment in an established position during any consecutive 12-month period. Extends the definition of "active member" of the retirement system to such temporary employees who are employees for not less than 1000 hours during any consecutive 12-month period, and thereby extends full benefits under PERS to these persons.

Takes effect July 1, 1978.

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

1 IN THE HOUSE

BY DUNCAN AND MILLER

2 HOUSE BILL NO. 564

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 the benefits of the public employees'
7 retirement system to certain temporary employees of the
8 state and its political subdivisions; and providing for
9 an effective date."

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

11 * Section 1. AS 39.35.680(1) is amended to read:

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13 employer, is receiving compensation for seasonal services, permanent
14 full-time services, [OR] permanent part-time services, or temporary
15 services of not less than 1,000 hours during any consecutive 12-month
16 period, and is making contributions to the system;

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18 (iii) casual or [,] emergency workers or temporary
19 workers who have completed less than 1,000 hours of service in
20 any consecutive 12-month period;

21 * Sec. 3. AS 39.35.680 is amended by adding a new paragraph to read:

22 (39) "temporary" means an employee who occupies an established
23 position and who is reasonably expected to remain in that position for
24 less than 1,000 hours during any consecutive 12-month period.

25 * Sec. 4. This Act takes effect July 1, 1978.

I. REQUEST

Bill/Resolution No. HB 564

Title Extending PERS Benefits to Certain Temporary Employees

Requested by House State Affairs

Date 1/11/78

my

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits

Program Category Affected Retirement and Benefits (PERS)

Budget Request Unit(s) Affected Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	20.6	22.7	24.9	27.4
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	300.0	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	0.3	0.3	0.3	0.3
500 EQUIPMENT	-0-	-0-	0.5	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	-0-	274.0	301.4	331.5	364.7
TOTAL	-0-	-0-	555.4	324.4	356.7	392.4

FUNDING (Thousands of Dollars)

		FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND	80%	-0-	-0-	219.2	241.2	255.1	291.8
FEDERAL FUNDS	17%	-0-	-0-	46.6	51.2	55.4	62.0
OTHER (Specify)	3%	-0-	-0-	8.2	9.0	10.0	10.9
PERS		-0-	-0-	321.4	23.0	25.2	27.7

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME	-0-	-0-	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

1. Estimate that an average of 237 State temporary employees will qualify for benefits.
2. Assume that no temporary service will be recognized retroactively.
3. Assume constant members in temporary work force in each fiscal year.
4. Estimate future State payrolls will increase at 10% annually.
5. Administrative costs as attached.
6. Cost for coverage of political subdivisions (Approximately 69 subdivisions) participating in PERS not included; recommend that Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted for input.

Paul B. Arnoldt

IV. DATE 1/11/78

PREPARED BY Paul B. Arnoldt

AGENCY Division of Retirement and Benefits

Original Legislative Finance

PHONE 265-4450

cc: Budget and Management

Prime Sponsor (First Legislator Named) Duncan
House State Affairs

33 Office of the Clerk (Spoking)

ATTACHMENT HB 564

The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of HB 564:

1. Contractual Services -

It is estimated that three (3) programmers and one (1) senior level analyst will be needed to work full-time for a period up to one (1) year to implement the necessary modifications to the seventy (70) programs in the system.

In addition, all program documentation, user instructions and documentation, and systems input and turnaround forms will have to be reviewed and updated.

Pending further study, the lead time required for systems modifications of this complexity will be one (1) year at an estimated cost of \$300,000.

2. Personal Services -

One permanent full-time position - Accounting Technician I (range 12). Salary and merit increases at 6% per year.

FY 79 monthly salary	\$1,371 X 12	=	\$16,452
Plus benefits at 25.5%			\$ 4,195
			<u>\$20,647</u>

3. 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 Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 564
 Title Extending PERS Benefits to Certain Temporary Employees
 Requested by House State Affairs Date 1/11/78

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Retirement and Benefits (PERS)
 Budget Request Unit(s) Affected Public Employees' Retirement System

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES	-0-	-0-	20.6	22.7	24.9	27.4
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	300.0	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	0.3	0.3	0.3	0.3
500 EQUIPMENT	-0-	-0-	0.5	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
100 BENEFITS	-0-	-0-	274.0	301.4	331.5	364.7
TOTAL	-0-	-0-	595.4	324.4	356.7	392.4

FUNDING (Thousands of Dollars)

GENERAL FUND	80%	-0-	-0-	219.2	241.2	265.1	291.8
FEDERAL FUNDS	17%	-0-	-0-	46.6	51.2	56.4	62.0
OTHER (Specify)	3%	-0-	-0-	8.2	9.0	10.0	10.9
PERS		-0-	-0-	321.4	23.0	25.2	27.7

POSITIONS

FULL TIME	-0-	-0-	1	1	1	1
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

1. Estimate that an average of 237 State temporary employees will qualify for benefits.
2. Assume that no temporary service will be recognized retroactively.
3. Assume constant members in temporary work force in each fiscal year.
4. Estimate future State payrolls will increase at 10% annually.
5. Administrative costs as attached.
6. Cost for coverage of political subdivisions (Approximately 69 subdivisions) participating in PERS not included; recommend that Alaska Municipal League, 204 Franklin St., Juneau, 586-1325 be contacted for input.

Paul B. Arnoldt

IV. DATE 1/11/78 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) Duncan
 House State Affairs

33-0000 (Rev. 10/76) Office (Specking)

ATTACHMENT HB 564

The following administrative funds would be required from the Public Employees' Retirement System to implement the provisions of HB 564:

1. Contractual Services -

It is estimated that three (3) programmers and one (1) senior level analyst will be needed to work full-time for a period up to one (1) year to implement the necessary modifications to the seventy (70) programs in the system.

In addition, all program documentation, user instructions and documentation, and systems input and turnaround forms will have to be reviewed and updated.

Pending further study, the lead time required for systems modifications of this complexity will be one (1) year at an estimated cost of \$300,000.

2. Personal Services -

One permanent full-time position - Accounting Technician I (range 12). Salary and merit increases at 6% per year.

FY 79 monthly salary	\$1,371 X 12	=	\$16,452
Plus benefits at 25.5%			\$ 4,195
			<u>\$20,647</u>

3. 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 Retirement and Benefits, Paul B. Arnoldt, Director, 465-4460.

4455
Clevorath

Original sponsors: Duncan and Miller

Offered: 2/27/78
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 564

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 the benefits of the public employees'
7 retirement system to certain temporary 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 39.35.680(1) is amended to read:

12 (1) "active member" means an employee who is employed by an
13 employer, is receiving compensation for seasonal services, permanent
14 full-time services, [OR] permanent part-time services, or temporary
15 services of not less than 1,000 hours during any consecutive 12-month
16 period, and is making contributions to the system;

17 * Sec. 2. AS 39.35.680(21)(C)(iii) is amended to read:

18 (iii) casual or [,] emergency workers or temporary
19 workers who have completed less than 1,000 hours of service in
20 any consecutive 12-month period;

21 * Sec. 3. AS 39.35.680(21)(C) is amended by adding a new subparagraph to
22 read:

23 (vii) employees employed by a municipality and re-
24 ceiving compensation for temporary services without regard to
25 actual or anticipated hours of service;

26 * Sec. 4. AS 39.35.680 is amended by adding a new paragraph to read:

27 (39) "temporary" means an employee who occupies an established
28 position and who is reasonably expected to remain in that position for
29 less than 1,000 hours during any consecutive 12-month period.

COMMITTEE COPY