

**CS FOR SENATE BILL NO. 137(HES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 4/12/95  
Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to retirement incentive programs for the public employees'  
2 retirement system, the judicial retirement system, and the teachers' retirement  
3 system; relating to separation incentives for certain state employees; and providing  
4 for an effective date."

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

6 \* **Section 1.** FINDINGS AND PURPOSE. The State of Alaska and many local  
7 governments and school districts are facing the need to restructure their operations and their  
8 work forces in order to reduce expenditures and balance budgets. Retirement and separation  
9 incentives are management tools that have been used extensively by the private sector, the  
10 federal government, and other state and local governments across the country. The purpose  
11 of this Act is to make these management tools temporarily available to the state and to the  
12 municipalities and school districts of the state. This Act will enable these entities to be more  
13 efficient and cost-effective by eliminating certain nonessential positions, and producing a net  
14 reduction in personnel costs.

1 \* **Sec. 2. RETIREMENT INCENTIVE PROGRAM.** (a) An employer may adopt a  
2 retirement incentive plan under secs. 3 - 6 of this Act, as appropriate, and designate categories  
3 of employees eligible to participate in that plan. An employer need not extend the incentive  
4 plan to all employees who would otherwise be eligible, but may choose to extend the plan  
5 only to employees

- 6 (1) in specific budget or administrative components of the employer;
- 7 (2) in specific job classifications;
- 8 (3) in specific geographic locations; or
- 9 (4) on the basis of any combination of factors under (1) - (3) of this  
10 subsection.

11 (b) An employee is eligible to participate in a retirement incentive plan under this Act  
12 only if the

- 13 (1) employee is a vested member of the public employees' retirement system  
14 or the teachers' retirement system;
- 15 (2) employee will be qualified to retire under AS 14.25.110 or AS 39.35.370  
16 after receipt of the credit described in (f) of this section;
- 17 (3) savings to the employer in personal services costs for the employee's  
18 position will exceed the costs to the employer for that position within three years after the  
19 employee is appointed to retirement.

20 (c) An employer shall file its proposed retirement incentive plan with the  
21 commissioner of administration. The commissioner shall approve the plan if the plan meets  
22 the requirements of this Act, except that the commissioner may approve a state agency's  
23 retirement incentive plan only if the office of management and budget approves the calculation  
24 of savings under (b)(3) of this section. A proposed plan filed under this section must

- 25 (1) identify job classifications of employees, and specific budget or  
26 administrative components, eligible to participate in the plan;
- 27 (2) include a reimbursement agreement that
  - 28 (A) requires the employer, for each employee who retires under the  
29 plan, to reimburse the appropriate retirement system, within three years after the end  
30 of the fiscal year in which the employee is appointed to retirement, in an amount equal  
31 to

1 (i) the actuarial equivalent of the difference between the benefits  
2 the participant receives after the addition of the credit under (f) of this section  
3 and the amount the participant would have received without the credit, less the  
4 amount the participant has paid on the indebtedness determined under (d) or (e)  
5 of this section; and

6 (ii) an appropriate share of the administrative costs of the  
7 program; and

8 (B) provides that contributions from the employer under this section  
9 take priority over other obligations of the employer to the maximum extent permitted  
10 by law.

11 (d) A member of the teachers' retirement system who participates in an approved  
12 retirement incentive plan under this Act is indebted to that system for an amount calculated  
13 under this subsection. The indebtedness is 25.95 percent of the member's actual compensation  
14 for the school year in which the member terminates employment, or the calculated school year  
15 compensation for a member who works less than the entire school year. An outstanding  
16 indebtedness at the time a member is appointed to retirement under an approved retirement  
17 incentive plan requires an actuarial adjustment to the benefits payable to that member.

18 (e) A member of the public employees' retirement system who participates in an  
19 approved retirement incentive plan under this Act is indebted to that system for an amount  
20 calculated under this subsection. The indebtedness is 22-1/2 percent for a peace officer or fire  
21 fighter, and 20-1/4 percent for other members, of the member's actual annual compensation  
22 for the year in which the member terminates employment, or the calculated annual  
23 compensation for a member who works fewer than 12 months. An outstanding indebtedness  
24 at the time a member is appointed to retirement under an approved retirement incentive plan  
25 requires an actuarial adjustment to the benefits payable to that member.

26 (f) An employee who participates in an approved retirement incentive plan under this  
27 Act receives a credit of three years. The three years must be applied in the following order  
28 until exhausted:

29 (1) to meet the age or service required for eligibility for normal retirement  
30 under AS 14.25.110 or AS 39.35.370, as appropriate;

31 (2) to meet the age required for early retirement under AS 14.25.110 or

1 AS 39.35.370, as appropriate;  
2 (3) to reduce the actuarial adjustment required for early retirement under  
3 AS 14.25.110 or AS 39.35.370, as appropriate;

4 (4) as years of credited service for calculating retirement benefits.

5 (g) In this section,

6 (1) "department" means

7 (A) a principal department of the executive branch of state government;  
8 an independent state entity that is attached to a principal department of the executive  
9 branch for administrative purposes but that is not a public organization as defined in  
10 AS 39.35.680 is part of that department for purposes of this paragraph; and

11 (B) the Office of the Governor;

12 (2) "employer" has the meaning given in AS 14.25.220 and AS 39.35.680 and  
13 includes a department.

14 \* **Sec. 3. AUTHORIZATION FOR STATE EMPLOYEE RETIREMENT INCENTIVE.**

15 (a) A state agency may adopt, and file with the commissioner of administration for approval,  
16 a proposed retirement incentive plan for its employees.

17 (b) Upon the request of a state agency, the commissioner of administration shall  
18 establish one or more periods during which the employees of that state agency who are  
19 eligible under sec. 2(b) of this Act to participate in a retirement incentive plan may apply to  
20 the commissioner of administration to participate in the state agency's approved plan. The  
21 periods shall begin no earlier than July 1, 1995, and end no later than June 30, 1998. The  
22 periods shall be no less than 30 days and no more than 60 days in duration, and may not  
23 begin less than 30 days after their establishment. A state agency is not required to request an  
24 application period, and may request more than one application period.

25 (c) A proposed retirement incentive plan adopted under this section may not permit  
26 an employee who is the governor, the lieutenant governor, or a commissioner, deputy  
27 commissioner, or assistant commissioner of a principal department of the executive branch to  
28 participate in the plan.

29 (d) A proposed retirement incentive plan adopted under this section may permit  
30 participation only by an employee who is eligible to participate under sec. 2(b) of this Act and  
31 who

1 (1) has been continuously employed by the state for at least one year before  
2 the employee applies to participate in the state agency's approved plan;

3 (2) is a permanent seasonal employee who has been continuously employed  
4 by the state in a permanent seasonal position during all of the time in the one year before the  
5 employee's application to participate in which the position normally is filled;

6 (3) has a job sharing agreement with a state agency in which two or more  
7 employees share a single position identified by a single position control number and in which  
8 the employee who applies to participate in the plan was continuously employed by the agency  
9 during the portion of the one year before the employee's application in which the employee  
10 normally worked under the job sharing agreement; or

11 (4) meets a combination of the requirements of this subsection.

12 (e) The commissioner of administration may not accept the application of an employee  
13 to participate in an approved retirement incentive plan adopted under this section unless the  
14 employee will be appointed to retirement not later than the first day of the month that is six  
15 months after the last day of the application period established by the commissioner under (b)  
16 of this section. A state agency, in a plan adopted under this section, may set an earlier date  
17 by which an employee must be appointed to retirement in order to participate in the plan.

18 \* **Sec. 4. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR EMPLOYEES OF**  
19 **THE UNIVERSITY OF ALASKA.** (a) The Board of Regents of the University of Alaska  
20 may adopt, and file with the commissioner of administration for approval, a proposed  
21 retirement incentive plan for university employees.

22 (b) Upon the request of the Board of Regents, the commissioner of administration  
23 shall establish one or more periods during which the employees of the university who are  
24 eligible under sec. 2(b) of this Act to participate in a retirement incentive plan may apply to  
25 the commissioner of administration to participate in the university's approved plan. The  
26 periods shall begin no earlier than July 1, 1995, and end no later than June 30, 1998. The  
27 periods shall be no less than 30 days and no more than 60 days in duration, and may not  
28 begin less than 30 days after their establishment. The Board of Regents is not required to  
29 request an application period, and may request more than one application period.

30 (c) The commissioner of administration may not accept the application of an employee  
31 to participate in an approved retirement incentive plan adopted under this section unless the

1 employee will be appointed to retirement not later than the first day of the month that is six  
2 months after the last day of the application period established by the commissioner under (b)  
3 of this section. The Board of Regents, in a plan adopted under this section, may set an earlier  
4 date by which an employee of the University of Alaska must be appointed to retirement in  
5 order to participate in the plan.

6 (d) A participant in the optional university retirement program under AS 14.40.661 -  
7 14.40.799 who is vested in the public employees' retirement system or the teachers' retirement  
8 system may participate in a retirement incentive plan for that system if the participant meets  
9 the other qualifications of this Act. If a provision of this subsection is inconsistent with  
10 another provision of law, the provision of this subsection governs.

11 \* **Sec. 5. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER**  
12 **EMPLOYEES IN THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM.** (a) The  
13 governing body of a political subdivision of the state or public organization that has elected  
14 to participate in the public employees' retirement system under AS 39.35.550 - 39.35.650 may  
15 adopt, and file with the commissioner of administration for approval, a proposed retirement  
16 incentive plan for its employees. A plan adopted under this section must provide that the  
17 application period for participation in the retirement incentive plan is December 31, 1995  
18 through June 30, 1996.

19 (b) The commissioner of administration may not accept the application of an employee  
20 to participate in an approved retirement incentive plan adopted under this section unless the  
21 employee will be appointed to retirement on or before February 1, 1997. The governing body  
22 of the political subdivision or public organization, in a plan adopted under this section, may  
23 set an earlier date by which an employee must be appointed to retirement in order to  
24 participate in the plan.

25 \* **Sec. 6. AUTHORIZATION FOR RETIREMENT INCENTIVE FOR OTHER**  
26 **EMPLOYEES IN THE TEACHERS' RETIREMENT SYSTEM.** (a) An employer under the  
27 teachers' retirement system who is not otherwise covered by secs. 3 or 4 of this Act may  
28 adopt, and file with the commissioner of administration for approval, a proposed retirement  
29 incentive plan for its employees. A plan adopted under this section must provide that the  
30 application period for participation in the retirement incentive plan is June 30, 1995 through  
31 December 31, 1995.

1 (b) The commissioner of administration may not accept the application of an employee  
2 to participate in an approved retirement incentive plan adopted under this section unless the  
3 employee will be appointed to retirement on or before August 1, 1996. The employer, in a  
4 plan adopted under this section, may set an earlier date by which an employee must be  
5 appointed to retirement in order to participate in the plan.

6 \* **Sec. 7. POLITICAL SUBDIVISION OR PUBLIC ORGANIZATION EMPLOYMENT.**

7 For purposes of determining the years of service requirements for retirement under  
8 AS 14.25.110 or AS 39.35.370, as appropriate, a vested member who is a state employee and  
9 who applies to participate in a retirement incentive plan approved under this Act may receive  
10 credit for employment with a political subdivision or public organization before the political  
11 subdivision or organization became an employer under the public employees' retirement  
12 system. The member may not receive credit for those years under this subsection for purposes  
13 of determining benefits. If a provision of this section is inconsistent with any other provision  
14 of law, the provision of this section governs.

15 \* **Sec. 8. RECOVERY OF EMPLOYER DELINQUENCIES.** To recover a delinquency  
16 owed by an employer other than the state under an agreement entered into under sec. 2(c)(2)  
17 of this Act, the Department of Administration may

18 (1) direct that the amount of the delinquency or a lesser amount be withheld  
19 from any money payable to the employer by a state department or agency and that the amount  
20 withheld be credited to the delinquency; and

21 (2) bring an action against the employer.

22 \* **Sec. 9. PROVISION AND AUTHORIZATION FOR ADMINISTRATIVE DIRECTOR**

23 **OF COURT.** (a) The chief justice of the state supreme court may adopt a retirement  
24 incentive plan for an administrative director of the Alaska Court System who is a member of  
25 the judicial retirement system under AS 22.25.012 if participation in the plan will result in  
26 savings to the court system in personal services costs within three years after the  
27 commencement of the plan. The administrative director may participate only if the  
28 administrative director is vested in the judicial retirement system and will be qualified to retire  
29 under AS 22.25.010 after receipt of the retirement incentive. To participate, the administrative  
30 director shall apply to the commissioner of administration to participate in the approved court  
31 system plan.

1 (b) The court system shall include in the retirement incentive plan a reimbursement  
2 agreement that requires the court system, for each administrative director of the Alaska Court  
3 System who is retired under the plan, to reimburse the judicial retirement system within three  
4 years after the end of the fiscal year in which the administrative director is appointed to  
5 retirement in an amount equal to

6 (1) the actuarial equivalent of the difference between the benefits the  
7 administrative director receives after the addition of the credit under (e) of this section and  
8 the amount the participant would have received without the credit, less the total of the amount  
9 the participant has paid on the indebtedness determined under (d) of this section; and

10 (2) an appropriate share of the administrative costs of the program.

11 (c) A retirement incentive plan adopted under this section must provide that  
12 contributions from the court system under (b) of this section take priority over other  
13 obligations of the court system to the maximum extent permitted by law.

14 (d) An administrative director of the Alaska Court System who participates in an  
15 approved retirement incentive plan is indebted to the system. The amount of indebtedness is  
16 equal to 21 percent of the director's actual annual compensation for the year in which the  
17 director terminates employment to participate in the program, or the calculated annual  
18 compensation for an administrative director who works fewer than 12 months. An outstanding  
19 indebtedness at the time the administrative director is appointed to retirement under an  
20 approved retirement incentive plan will require an actuarial adjustment to the benefits payable  
21 to the director.

22 (e) An administrative director of the Alaska Court System who participates in an  
23 approved retirement incentive plan receives a credit of three years that may only be used to  
24 meet the age requirements for normal or early retirement under AS 22.25.010(d).

25 (f) The chief justice of the Alaska Court System may adopt, and file with the  
26 commissioner of administration for approval, a proposed retirement incentive plan for the  
27 administrative director of the court system who is a member of the judicial retirement system.  
28 Upon the request of the chief justice, the commissioner of administration shall establish a  
29 period during which an administrative director eligible to participate in the retirement incentive  
30 plan of the court system may apply to the commissioner of administration to participate in the  
31 court system's approved plan. The period shall begin no earlier than July 1, 1995, and end

1 no later than June 30, 1998. The period shall be no less than 30 days and no more than 60  
2 days in duration and may not begin less than 30 days after establishment. The chief justice  
3 is not required to request an application period.

4 (g) The commissioner of administration may not accept the application of an  
5 administrative director of the court system to participate in an approved retirement incentive  
6 plan adopted under this section unless the administrative director will be appointed to  
7 retirement not later than the first day of the month that is six months after the last day of the  
8 application period established by the commissioner under (f) of this section. The chief justice,  
9 in a plan adopted under this section, may set an earlier date by which an administrative  
10 director must be appointed to retirement in order to participate in the plan.

11 \* **Sec. 10. REEMPLOYMENT INDEBTEDNESS; PROHIBITION ON**

12 REEMPLOYMENT. (a) If an individual is reemployed as a member of the public employees'  
13 retirement system under AS 39.35, the teachers' retirement system under AS 14.25, the judicial  
14 retirement system under AS 22.25, or the optional university retirement program under  
15 AS 14.40.661 - 14.40.799 after appointment to retirement under this Act, that individual  
16 forfeits the incentive credit received under sec. 2(f) or sec. 9(e) of this Act and is indebted to  
17 the system under which the individual took retirement. The indebtedness is 110 percent of  
18 the amount the individual received as a result of participation in a retirement incentive plan  
19 under this Act and to which the individual would not otherwise have been entitled, including  
20 the cost of health insurance. The amount that the individual has paid under sec. 2(d) or (e)  
21 or sec. 9(d) of this Act will be applied as a credit toward the reemployment indebtedness.  
22 Interest on the reemployment indebtedness accrues from the date of reemployment until the  
23 date that the individual either is appointed to retirement and accepts an actuarial adjustment  
24 to the individual's future benefits or repays the indebtedness in full. The rate of interest is that  
25 established by regulation for the public employees' retirement system by the public employees'  
26 retirement board and for the teachers' retirement system by the teachers' retirement board.

27 (b) An individual who was appointed to retirement under this Act may not be  
28 employed by, or enter into a contract for personal services with, a state agency or the  
29 University of Alaska within the three years after the date of appointment to retirement, except  
30 that

31 (1) the University of Alaska may enter into a personal services contract with

1 the individual for teaching or research; and

2 (2) the individual may accept employment with the legislature during a  
3 legislative session if the employment is on an hourly basis and does not entitle the individual  
4 to receive retirement, health, or leave benefits.

5 (c) Notwithstanding the prohibition in (b) of this section, a state agency or the  
6 University of Alaska may enter into a personal services contract with an individual who was  
7 appointed to retirement under this Act if the Board of Regents, for the University of Alaska,  
8 or the commissioner of administration, for a state agency, determines that there is a  
9 compelling reason to do so because of the individual's specialized or extensive experience that  
10 relates to a particular program or project of the state agency or university. However, a state  
11 agency may not enter into a contract with an individual under this subsection if the individual  
12 was employed by that state agency at the time of the individual's appointment to retirement.

13 \* **Sec. 11. SEPARATION INCENTIVE PROGRAM.** (a) A state agency may, with the  
14 approval of the director of the office of management and budget, establish a separation  
15 incentive program for its employees. The program may be offered in combination with an  
16 approved retirement incentive plan adopted under sec. 3 of this Act, or may be offered  
17 separately from such a plan. A state agency need not extend an incentive program under this  
18 section to all employees who would otherwise be eligible to participate, but may choose to  
19 extend the program only to employees

20 (1) in specific budget or administrative components of the state agency;

21 (2) in specific job classifications;

22 (3) on the basis of any combination of factors under (1) and (2) of this  
23 subsection.

24 (b) A separation incentive payment under this section shall be paid in a lump sum  
25 after the employee's separation from state service, and shall be equal to the lesser of an  
26 amount equaling six months of the employee's base salary, or \$25,000. However, a state  
27 agency or the office of management and budget may set a lower separation incentive payment  
28 in the state agency's separation incentive program.

29 (c) Upon the request of a state agency, the commissioner of administration shall  
30 establish one or more periods during which the employees of that state agency may apply to  
31 the commissioner of administration to participate in the state agency's approved separation

1 incentive program. The periods shall begin no earlier than July 1, 1995, and end no later than  
2 June 30, 1998. The periods shall be no less than 30 days and no more than 60 days in  
3 duration, and may not begin less than 30 days after their establishment. A state agency is not  
4 required to request an application period, and may request more than one application period.  
5 If the commissioner of administration has established one or more application periods for a  
6 state agency under sec. 3(b) of this Act, the application period or periods established under  
7 this subsection must coincide with the period or periods established under sec. 3(b) of this  
8 Act.

9 (d) A separation incentive program established under this section must provide that  
10 a separation incentive payment to an employee may be made only if

11 (1) the employee is a permanent full-time or permanent full-time seasonal  
12 employee with at least five years of service with the state; and

13 (2) the savings to the state agency in personal services costs for the position  
14 occupied by that employee would exceed, in the three years after the employee separates, the  
15 amount of the separation incentive payment.

16 (e) If an individual who received a separation incentive payment under this section  
17 subsequently is reemployed by a state agency or the University of Alaska within the three  
18 years after the date that the individual received the separation incentive payment, the  
19 individual is liable to the state in an amount equal to 110 percent of the amount of the  
20 separation incentive payment, plus interest at the rate prescribed by AS 45.45.010,  
21 commencing on the date that the individual received the separation incentive payment.

22 (f) If an employee is eligible to participate in an approved retirement incentive plan  
23 adopted under sec. 3 of this Act,

24 (1) a separation incentive payment to that employee may not exceed the  
25 amount that the state agency would be obligated to pay to the appropriate retirement system,  
26 notwithstanding (b) of this section; and

27 (2) the employee may participate in either the separation incentive program  
28 under this section or the retirement incentive plan adopted under sec. 3 of this Act, but not  
29 both.

30 (g) In this section, "base salary" means the monthly salary paid to an employee under  
31 the applicable collective bargaining agreement, AS 39.27.011, or another applicable pay

1 schedule, and includes geographic differential; if an employee is paid on an hourly basis, the  
2 employee's base salary is the employee's hourly rate, including geographic differential,  
3 multiplied by the number of hours in the employee's regular work week, multiplied by 4.35.

4 \* **Sec. 12. OFFICE OF MANAGEMENT AND BUDGET.** (a) When designating an  
5 employee category for participation in a retirement incentive plan or a separation incentive  
6 program under this Act, the executive head of the relevant state agency shall describe in detail  
7 the expected effect of the plan or program on the agency's personal services cost and  
8 operation. This financial report must be approved by the director of the office of management  
9 and budget before the commissioner of administration may approve the proposed plan or  
10 program. The state agency shall report each year to the office of management and budget on  
11 the cost of each employee's participation and the effect on the agency's personal services cost  
12 and operation.

13 (b) The office of management and budget shall submit to the legislature annual reports  
14 on the retirement incentive and separation incentive programs under this Act beginning  
15 January 15, 1997, and continuing through January 15, 1999, and shall submit a final report  
16 January 15, 2000. Each report must provide the information necessary for the legislature to  
17 evaluate the effectiveness of the programs in achieving their objectives. The report must  
18 include information on the designated employee categories under the incentive programs,  
19 including the cost of each incentive program per participant, the cost to the state, the cost to  
20 the employee, the annual budgeted amount, by state agency, for the incentives, the number of  
21 positions deleted or left vacant, and the projected or actual net savings over the three-year  
22 period.

23 \* **Sec. 13. PROGRAM CHANGES.** (a) An individual employee does not have a vested  
24 or contractual right to a benefit under this Act until an agreement is executed with the  
25 administrator that specifically authorizes that employee to participate in the retirement  
26 incentive program under this Act or until an agreement is executed with the commissioner of  
27 administration to participate in the separation incentive program under this Act. The legisla-  
28 ture reserves the right to change any aspect of either incentive program as it relates to  
29 employees for whom participation agreements have not yet been executed with the  
30 administrator or with the commissioner of administration.

31 (b) In this section, "administrator" means the administrator of the public employees'

1 retirement system for employees who are members of that system, and the administrator of  
2 the teachers' retirement system for employees who are members of that system.

3 \* **Sec. 14.** REGULATIONS. The commissioner of the Department of Administration may  
4 adopt regulations under AS 44.62 (Administrative Procedure Act) to implement and interpret  
5 this Act.

6 \* **Sec. 15.** DEFINITIONS. (a) Unless provided otherwise in this Act, the definitions set  
7 out in AS 14.25.220 apply to provisions in secs. 2 - 10 of this Act that relate to the teachers'  
8 retirement system and members of the teachers' retirement system.

9 (b) Unless provided otherwise in this Act, the definitions set out in AS 39.35.680  
10 apply to provisions in secs. 2 - 10 of this Act that relate to the public employees' retirement  
11 system and members of the public employees' retirement system.

12 (c) Unless provided otherwise in this Act, the definition set out in AS 22.25.900  
13 applies to provisions in sec. 9 of this Act that relate to the judicial retirement system and  
14 members of the judicial retirement system.

15 (d) In this Act,

16 (1) "judicial retirement system" means the retirement system established for  
17 judges and justices in AS 22.25;

18 (2) "office of management and budget" means the office of management and  
19 budget in the Office of the Governor;

20 (3) "public employees' retirement system" means the Public Employees'  
21 Retirement System of Alaska (AS 39.35);

22 (4) "state agency"

23 (A) means

24 (i) the legislative branch of state government;

25 (ii) the judicial branch of state government;

26 (iii) a principal department of the executive branch of state  
27 government; an independent state entity that is attached to a principal  
28 department of the executive branch for administrative purposes but that is not  
29 a public organization as defined in AS 39.35.680 is part of that department for  
30 purposes of this clause; and

31 (iv) the Office of the Governor;

- 1 (B) does not include
- 2 (i) the University of Alaska;
- 3 (ii) a political subdivision of the state; or
- 4 (iii) a public organization as defined in AS 39.35.680;
- 5 (5) "teachers' retirement system" means the Teachers' Retirement System of
- 6 Alaska (AS 14.25).
- 7 \* **Sec. 16.** Sections 2, 3, and 11 of this Act are repealed July 1, 1999.
- 8 \* **Sec. 17.** Sections 4 - 7 and 9 of this Act are repealed July 1, 1997.
- 9 \* **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).