

**SENATE BILL NO. 239**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATOR ELTON

Introduced: 2/2/00

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to retirement incentive programs."

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

3 \* **Section 1.** AS 14.25 is amended by adding new sections to read:

4 **Article 2. Retirement Incentive Program.**

5 **Sec. 14.25.550. Requirements for a retirement incentive plan.** (a) An  
6 employer may adopt a retirement incentive plan under AS 14.55.550 - 14.25.620. In  
7 the plan, the employer shall

8 (1) designate categories of employees who are eligible to participate in  
9 the plan as set out in (b) and (c) of this section;

10 (2) set the time period within which an employee must apply for  
11 participation in the plan under (d) of this section;

12 (3) set the date by which a participating employee must be appointed  
13 to retirement under (e) of this section;

14 (4) include a reimbursement agreement as required by (f) of this  
15 section;

1 (5) demonstrate that the plan, if approved and if eligible employees  
2 choose to participate, will result in a savings in personal services costs to the employer  
3 within five years.

4 (b) An employer may designate an employee as eligible to participate in a  
5 retirement incentive plan under AS 14.25.550 - 14.25.620 only if the

6 (1) employee is vested when the employee applies to participate in the  
7 plan and will be qualified to retire under AS 14.25.110 after receipt of the credit  
8 described in AS 14.25.560(b);

9 (2) savings in personal services costs for the employee's position will  
10 exceed the costs to the employer for the employee's participation in the plan within  
11 five years after the employee is appointed to retirement.

12 (c) In preparing a retirement incentive plan under AS 14.25.550 - 14.25.620,  
13 the employer shall designate the categories of employees who are eligible to participate  
14 in the plan. An employer need not extend the incentive plan to all employees who  
15 would otherwise be eligible, but may choose to extend the plan only to employees

16 (1) in specific budget or administrative components of the employer;

17 (2) in specific job classifications;

18 (3) in specific geographic locations; or

19 (4) on the basis of any combination of factors under (1) - (3) of this  
20 subsection.

21 (d) A retirement incentive plan must set the time periods within which  
22 employees may apply to participate in the plan. The plan may contain more than one  
23 application period. The first application period may not begin sooner than 30 days  
24 after the plan's approval by the commissioner of administration but must begin within  
25 90 days after approval of the plan. An application period must last between 30 and  
26 90 days.

27 (e) A retirement incentive plan must set the date by which a participating  
28 employee must be appointed to retirement. The date must be the first of the month  
29 and within seven months after the last day of the application period within which the  
30 employee applied to participate in the plan.

31 (f) A retirement incentive plan filed under this section must include a

1 reimbursement agreement that

2 (1) requires the employer to reimburse the system for each employee  
3 who retires under the plan within three years after the end of the fiscal year in which  
4 the employee is appointed to retirement in an amount equal to

5 (A) the actuarial equivalent of the difference between the  
6 benefits the participant receives after the addition of the credit under  
7 AS 14.25.560(b) and the amount the participant would have received without  
8 the credit, less the amount the participant has paid on the indebtedness  
9 determined under AS 14.25.560(c); and

10 (B) an appropriate share of the administrative costs of the  
11 program; and

12 (2) provides that contributions from the employer under this section  
13 take priority over other obligations of the employer to the maximum extent permitted  
14 by law.

15 (g) An employer shall file its proposed retirement incentive plan with the  
16 commissioner of administration. The plan may not take effect unless it is approved  
17 by the commissioner. For a plan from an executive branch state agency, the  
18 commissioner may approve the plan only if the office of management and budget  
19 approves the calculation of savings under (b) of this section and if the commissioner  
20 finds that the plan meets the requirements of AS 14.25.550 - 14.25.620. For plans  
21 from employers other than the state, the commissioner shall approve the plan if the  
22 plan meets the requirements of AS 14.25.550 - 14.25.620.

23 **Sec. 14.25.560. Requirements of and benefits for participants.** (a) A  
24 member who has been approved to participate in an approved retirement incentive plan  
25 under AS 14.25.550 - 14.25.620 shall sign a participation agreement with the  
26 administrator. The agreement must set out the terms of the member's participation in  
27 the plan.

28 (b) A member who participates in an approved retirement incentive plan under  
29 AS 14.25.550 - 14.25.620 receives a credit of three years. The three years must be  
30 applied in the following order until exhausted:

31 (1) to meet the age required to be eligible for early retirement under

1 AS 14.25.110;

2 (2) to reduce the actuarial adjustment imposed for early retirement  
3 under AS 14.25.110;

4 (3) to meet the age or service required for eligibility for normal  
5 retirement under AS 14.25.110;

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

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

15 (d) In order to establish eligibility for participation in a plan under  
16 AS 14.25.550(b) and in addition to the employee indebtedness under (c) of this section,  
17 an employee may elect to assume a portion of the school district liability calculated  
18 under AS 14.25.550(f). An outstanding indebtedness at the time the employee is  
19 appointed to retirement will require an actuarial adjustment to the employee's benefits.

20 **Sec. 14.25.570. Requirements for state plans.** (a) A state agency may  
21 exercise the power given to the employer in AS 14.25.550 - 14.25.620.

22 (b) The commissioner, deputy commissioner, or assistant commissioner of the  
23 Department of Education may not participate in a retirement incentive plan under  
24 AS 14.25.550 - 14.25.620.

25 (c) A plan adopted for state employees may permit participation only by an  
26 employee who is otherwise eligible to participate under AS 14.25.550 - 14.25.620 and  
27 who

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

30 (2) is a permanent seasonal employee who has been continuously  
31 employed by the state in a permanent seasonal position during all of the time in which

1 the position normally is filled in the 12 months before the employee's application to  
2 participate;

3 (3) has a job sharing agreement with a state agency in which two or  
4 more employees share a single position identified by a single position control number  
5 and in which the employee who applies to participate in the plan was continuously  
6 employed by the agency during the portion of the 12 months before the employee's  
7 application in which the employee normally worked under the job sharing agreement;  
8 or

9 (4) meets a combination of the requirements of (1) - (3) of this  
10 subsection.

11 (d) The executive head of a state agency shall describe in detail the expected  
12 effect of each category's participation in a plan on the agency's personal services cost  
13 and operation. This financial report must be approved by the director of the office of  
14 management and budget before the commissioner of administration may approve the  
15 proposed plan. The state agency shall report each year to the office of management  
16 and budget on the cost of each employee's participation and the effect on the agency's  
17 personal services cost and operation.

18 (e) After the employer designates the categories of employees who are eligible  
19 to participate under AS 14.25.550(c), a state employee who is employed in a category  
20 that has been designated as participating in the plan but who has not been permitted  
21 to participate in the plan because the savings in personal services costs for the  
22 employee's position will not exceed the costs to the employer for the employee's  
23 participation in the plan as required by AS 14.25.550(b)(2) may request review of the  
24 determination of cost savings. The review shall be conducted promptly by a panel  
25 composed of the executive head of the state agency in which the employee is  
26 employed, the commissioner of administration, and the director of the office of  
27 management and budget or their designees. The employee may present information  
28 to the panel. The decision of the panel is not appealable.

29 **Sec. 14.25.580. Recovery of employer delinquencies.** To recover a  
30 delinquency owed by an employer other than the state under an agreement entered into  
31 under AS 14.25.550(f), the Department of Administration may

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

4 (2) bring an action against the employer.

5 **Sec. 14.25.590. Reemployment indebtedness; prohibition against**  
 6 **reemployment.** (a) If an individual is reemployed as a member of this system, the  
 7 public employees' retirement system under AS 39.35, the judicial retirement system  
 8 under AS 22.25, or the optional university retirement program under AS 14.40.661 -  
 9 14.40.799 after appointment to retirement under AS 14.25.550 - 14.25.620, that  
 10 individual forfeits the incentive credit received under AS 14.25.560(b) and is indebted  
 11 to the system. The indebtedness is 110 percent of the amount the individual received  
 12 as a result of participation in a retirement incentive plan and to which the individual  
 13 would not otherwise have been entitled, including the cost of health insurance. The  
 14 amount that the individual has paid under AS 14.25.560(c) and (d), if any, will be  
 15 applied as a credit toward the reemployment indebtedness. Interest on the  
 16 reemployment indebtedness accrues from the date of reemployment until the date that  
 17 the individual either is appointed to retirement and accepts an actuarial adjustment to  
 18 the individual's future benefits or repays the indebtedness in full. The rate of interest  
 19 is that established by regulation by the board.

20 (b) An individual who was appointed to retirement under AS 14.25.550 -  
 21 14.25.620 may not be employed by, or enter into a contract for personal services with,  
 22 the state within the five years after the date of appointment to retirement, except that

23 (1) the University of Alaska may enter into a personal services contract  
 24 with the individual for teaching or research that does not entitle the individual to  
 25 receive retirement, health, or leave benefits, except social security replacement if  
 26 required by 26 U.S.C. (Internal Revenue Code); and

27 (2) the individual may accept employment with the legislature during  
 28 a legislative session if the employment is on an hourly basis and does not entitle the  
 29 individual to receive retirement, health, or leave benefits except social security  
 30 replacement if required by 26 U.S.C. (Internal Revenue Code).

31 (c) Notwithstanding the prohibition in (b) of this section, the state may enter

1 into a personal services contract with an individual who was appointed to retirement  
 2 under AS 14.25.550 - 14.25.620 if the Board of Regents, for the University of Alaska,  
 3 or the commissioner of administration, as appropriate, determines that there is a  
 4 compelling reason to do so because of the individual's specialized or extensive  
 5 experience that relates to a particular program or project of the state agency or  
 6 university. However, the state may not enter into a contract with an individual under  
 7 this subsection if the individual was employed by that state entity other than the  
 8 University of Alaska at the time of the individual's appointment to retirement.

9 **Sec. 14.25.600. Office of management and budget report.** The office of  
 10 management and budget shall submit to the legislature reports on the retirement  
 11 incentive program every other year beginning January 15, 2001. Each report must  
 12 provide the information necessary for the legislature to evaluate the effectiveness of  
 13 the program in achieving its objectives. The report must include information on

- 14 (1) the designated employee categories under the incentive programs;
- 15 (2) the cost to the system, the employer, and the employee;
- 16 (3) the annual budgeted amount, by state agency, for the incentives;
- 17 (4) the number of positions deleted or left vacant, and the projected or  
 18 actual net savings over the five-year period; and
- 19 (5) recommendations to the legislature for changes in appropriations  
 20 that reflect the cost and cost savings resulting from the retirement incentive program.

21 **Sec. 14.25.610. Program changes.** An employee does not have a vested or  
 22 contractual right to a benefit under AS 14.25.550 - 14.25.620 until a participation  
 23 agreement is executed with the administrator under AS 14.25.560(a). The legislature  
 24 reserves the right to change any aspect of the incentive program as it relates to  
 25 employees for whom participation agreements have not yet been executed with the  
 26 administrator.

27 **Sec. 14.25.620. Definitions.** In AS 14.25.550 - 14.25.620,

- 28 (1) "office of management and budget" means the office of  
 29 management and budget in the Office of the Governor;
- 30 (2) "state agency" means the Department of Education and Early  
 31 Development, the Special Education Service Agency, or the University of Alaska.

1 \* **Sec. 2.** AS 39.35 is amended by adding new sections to read:

2 **Article 9. Retirement Incentive Program.**

3 **Sec. 39.35.800. Requirements for a retirement incentive plan.** (a) An  
4 employer may adopt a retirement incentive plan under AS 39.35.800 - 39.35.870. In  
5 the plan the employer shall

6 (1) designate categories of employees who are eligible to participate in  
7 the plan as set out in (b) and (c) of this section;

8 (2) set the time period within which an employee must apply for  
9 participation in the plan under (d) of this section;

10 (3) set the date by which a participating employee must be appointed  
11 to retirement under (e) of this section;

12 (4) include a reimbursement agreement as required by (f) of this  
13 section;

14 (5) demonstrate that the plan, if approved and if eligible employees  
15 choose to participate, will result in a savings in personal services costs to the employer  
16 within five years.

17 (b) An employer may designate an employee as eligible to participate in a  
18 retirement incentive plan under AS 39.35.800 - 39.35.870 only if the

19 (1) employee is vested when the employee applies to participate in the  
20 plan and will be qualified to retire under AS 39.35.370 after receipt of the credit  
21 described in AS 39.35.810 of this section;

22 (2) savings in personal services costs for the employee's position will  
23 exceed the costs to the employer for the employee's participation in the plan within  
24 five years after the employee is appointed to retirement.

25 (c) In preparing a retirement incentive plan under AS 39.35.800 - 39.35.870,  
26 the employer shall designate the categories of employees who are eligible to participate  
27 in the plan. An employer need not extend the incentive plan to all employees who  
28 would otherwise be eligible, but may choose to extend the plan only to employees

29 (1) in specific budget or administrative components of the employer;

30 (2) in specific job classifications;

31 (3) in specific geographic locations; or

1 (4) on the basis of any combination of factors under (1) - (3) of this  
2 subsection.

3 (d) A retirement incentive plan must set the time periods within which  
4 employees may apply to participate in the plan. The plan may contain more than one  
5 application period. The first application period may not begin sooner than 30 days  
6 after the plan's approval by the commissioner of administration but must begin within  
7 90 days after approval of the plan. An application period must last between 30 and  
8 60 days.

9 (e) A retirement incentive plan must set the date by which a participating  
10 employee must be appointed to retirement. The date may not be later than seven  
11 months after the last day of the application period within which the employee applied  
12 to participate in the plan.

13 (f) A retirement incentive plan filed under this section must include a  
14 reimbursement agreement that

15 (1) requires the employer to reimburse the system for each employee  
16 who retires under the plan within three years after the end of the fiscal year in which  
17 the employee is appointed to retirement in an amount equal to

18 (A) the actuarial equivalent of the difference between the  
19 benefits the participant receives after the addition of the credit under  
20 AS 39.35.810(b) and the amount the participant would have received without  
21 the credit, less the amount the participant has paid on the indebtedness  
22 determined under AS 39.35.810(c); and

23 (B) an appropriate share of the administrative costs of the  
24 program; and

25 (2) provides that contributions from the employer under this section  
26 take priority over other obligations of the employer to the maximum extent permitted  
27 by law.

28 (g) An employer shall file its proposed retirement incentive plan with the  
29 commissioner of administration. For a plan from an employer other than the state  
30 legislature, the plan may not take effect unless it is approved by the commissioner of  
31 administration. For a plan from a state agency, the commissioner may approve the

1 plan only if the office of management and budget approves the calculation of savings  
 2 under (b) of this section and if the commissioner finds that the plan meets the  
 3 requirements of AS 39.35.800 - 39.35.870. For plans from employers other than the  
 4 state, the commissioner shall approve the plan if the plan meets the requirements of  
 5 AS 39.35.800 - 39.35.870.

6 **Sec. 39.35.810. Requirements of and benefits for participants.** (a) A  
 7 member who has been approved to participate in an approved retirement incentive plan  
 8 under AS 39.35.800 - 39.35.870 shall sign a participation agreement with the  
 9 administrator. The agreement must set out the terms of the member's participation in  
 10 the plan.

11 (b) A member who participates in an approved retirement incentive plan under  
 12 AS 39.35.800 - 39.35.870 receives a credit of three years. The three years must be  
 13 applied in the following order until exhausted:

14 (1) to meet the age required to be eligible for early retirement under  
 15 AS 39.35.370;

16 (2) to reduce the actuarial adjustment imposed for early retirement  
 17 under AS 39.35.370;

18 (3) to meet the age or service required for eligibility for normal  
 19 retirement under AS 39.35.370;

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

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

29 (d) In order to establish eligibility for participation in a plan under  
 30 AS 39.35.800(b) and in addition to the employee indebtedness under (c) of this section,  
 31 an employee may elect to assume a portion of the employer liability calculated under

1 AS 39.35.800(f). An outstanding indebtedness at the time the employee is appointed  
2 to retirement will require an actuarial adjustment to the employee's benefits.

3 **Sec. 39.35.820. Requirements for state plans.** (a) A department or  
4 independent state agency in the executive branch may exercise the power given to the  
5 employer in AS 39.35.800 - 39.35.870 for employees in executive branch departments  
6 and agencies. The supreme court may exercise the power given to the employer in  
7 AS 39.35.800 - 39.35.870 for court system employees. The legislative council or the  
8 Legislative Budget and Audit Committee, as appropriate, may exercise the power given  
9 to the employer in AS 39.35.800 - 39.35.870 for employees of the legislative branch  
10 of government.

11 (b) A proposed plan for state employees may not permit the governor, the  
12 lieutenant governor, or a commissioner, deputy commissioner, or assistant  
13 commissioner of a principal department of the executive branch to participate in the  
14 plan.

15 (c) A plan adopted for state employees may permit participation only by an  
16 employee who is otherwise eligible to participate under AS 39.35.800 - 39.35.870 and  
17 who

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

20 (2) is a permanent seasonal employee who has been continuously  
21 employed by the state in a permanent seasonal position during all of the time in which  
22 the position normally is filled in the twelve months before the employee's application  
23 to participate;

24 (3) has a job sharing agreement with a state agency in which two or  
25 more employees share a single position identified by a single position control number  
26 and in which the employee who applies to participate in the plan was continuously  
27 employed by the agency during the portion of the twelve months before the  
28 employee's application in which the employee normally worked under the job sharing  
29 agreement; or

30 (4) meets a combination of the requirements of (1) - (3) of this  
31 subsection.

1 (d) For purposes of determining whether an employee has met the years of  
2 service requirement to be eligible for retirement under AS 39.35.370, a vested member  
3 who is a state employee and who applies to participate in a retirement incentive plan  
4 under AS 39.35.800 - 39.35.870 may receive credit for employment with a political  
5 subdivision or public organization before the political subdivision or organization  
6 became an employer under the public employees' retirement system. The member  
7 may not receive credit for those years under this section for purposes of determining  
8 the amount of the employee's benefits.

9 (e) The executive head of a department shall describe in detail the expected  
10 effect of each category's participation in a plan on the department's personal services  
11 cost and operation. This financial report must be approved by the director of the  
12 office of management and budget before the commissioner of administration may  
13 approve the proposed plan. The department shall report each year to the office of  
14 management and budget on the cost of each employee's participation and the effect on  
15 the department's personal services cost and operation. For a plan for employees of the  
16 court system, the chief justice of the supreme court shall perform the duties of the  
17 executive head of a department under this subsection.

18 (f) After the employer designates the categories of employees who are eligible  
19 to participate under AS 39.35.800(c), a state employee who is employed in a category  
20 that has been designated as participating in the plan but who has not been permitted  
21 to participate in the plan because the savings in personal services costs for the  
22 employee's position will not exceed the costs to the employer for the employee's  
23 participation in the plan as required by AS 39.35.800(b)(2) may request review of the  
24 determination of cost savings. The review shall be conducted promptly by a panel  
25 composed of the commissioner or other executive head of the department or agency  
26 in which the employee is employed, the commissioner of administration, and the  
27 director of the office of management and budget or their designees. The employee  
28 may present information to the panel. The decision of the panel is not appealable.

29 **Sec. 39.35.830. Recovery of employer delinquencies.** To recover a  
30 delinquency owed by an employer other than the state under an agreement entered into  
31 under AS 39.35.800(f), the Department of Administration may

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

4 (2) bring an action against the employer.

5 **Sec. 39.35.840. Reemployment indebtedness; prohibition against**  
6 **reemployment.** (a) If an individual is reemployed as a member of this system, the  
7 teachers' retirement system under AS 14.25, the judicial retirement system under  
8 AS 22.25, or the optional university retirement program under AS 14.40.661 -  
9 14.40.799 after appointment to retirement under AS 39.35.800 - 39.35.870, that  
10 individual forfeits the incentive credit received under AS 39.35.810(b) and is indebted  
11 to the system. The indebtedness is 110 percent of the amount the individual received  
12 as a result of participation in a retirement incentive plan and to which the individual  
13 would not otherwise have been entitled, including the cost of health insurance. The  
14 amount that the individual has paid under AS 39.35.810(c) and (d), if any, will be  
15 applied as a credit toward the reemployment indebtedness. Interest on the  
16 reemployment indebtedness accrues from the date of reemployment until the date that  
17 the individual either is appointed to retirement and accepts an actuarial adjustment to  
18 the individual's future benefits or repays the indebtedness in full. The rate of interest  
19 is that established by regulation by the board.

20 (b) An individual who was appointed to retirement under AS 39.35.800 -  
21 39.35.870 may not be employed by, or enter into a contract for personal services with,  
22 a state agency within the five years after the date of appointment to retirement, except  
23 that

24 (1) the University of Alaska may enter into a personal services contract  
25 with the individual for teaching or research that does not entitle the individual to  
26 receive retirement, health, or leave benefits, except social security replacement if  
27 required by 26 U.S.C. (Internal Revenue Code); and

28 (2) the individual may accept employment with the legislature during  
29 a legislative session if the employment is on an hourly basis and does not entitle the  
30 individual to receive retirement, health, or leave benefits except social security  
31 replacement if required by 26 U.S.C. (Internal Revenue Code).

1 (c) Notwithstanding the prohibition in (b) of this section, a state agency may  
 2 enter into a personal services contract with an individual who was appointed to  
 3 retirement under AS 39.35.800 - 39.35.870 if the Board of Regents, for the University  
 4 of Alaska, or the commissioner of administration, as appropriate, determines that there  
 5 is a compelling reason to do so because of the individual's specialized or extensive  
 6 experience that relates to a particular program or project of the state agency or  
 7 university. However, a state agency may not enter into a contract with an individual  
 8 under this subsection if the individual was employed by that state agency other than  
 9 the University of Alaska at the time of the individual's appointment to retirement.

10 **Sec. 39.35.850. Office of management and budget report.** The office of  
 11 management and budget shall submit to the legislature reports on the retirement  
 12 incentive program every two years beginning January 15, 2001. Each report must  
 13 provide the information necessary for the legislature to evaluate the effectiveness of  
 14 the program in achieving its objectives. The report must include information on

- 15 (1) the designated employee categories under the incentive programs;
- 16 (2) the cost to the system, the employer, and the employee;
- 17 (3) the annual budgeted amount, by state agency, for the incentives;
- 18 (4) the number of positions deleted or left vacant, and the projected or  
 19 actual net savings over the five-year period; and
- 20 (5) recommendations to the legislature for changes in appropriations  
 21 that reflect the cost and cost savings resulting from the retirement incentive program.

22 **Sec. 39.35.860. Program changes.** An employee does not have a vested or  
 23 contractual right to a benefit under AS 39.35.800 - 39.35.870 until a participation  
 24 agreement is executed with the administrator under AS 39.35.810(a). The legislature  
 25 reserves the right to change any aspect of the incentive program as it relates to  
 26 employees for whom participation agreements have not yet been executed with the  
 27 administrator.

28 **Sec. 39.35.870. Definitions.** In AS 39.35.800 - 39.35.870,

- 29 (1) "department" means
  - 30 (A) a principal department of the executive branch of state  
 31 government; an independent state entity that is attached to a principal

1 department of the executive branch for administrative purposes but that is not  
2 a public organization as defined in AS 39.35.680 is part of that department for  
3 purposes of this paragraph; and

4 (B) the Office of the Governor;

5 (2) "office of management and budget" means the office of  
6 management and budget in the Office of the Governor.

7 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section  
8 to read:

9 INSTRUCTION TO REVISOR. The revisor of statutes is requested to renumber  
10 AS 14.25.210 and 14.25.220 so that they appear at the end of AS 14.25 and to renumber  
11 AS 39.35.660 - 39.35.690 so that they appear at the end of AS 39.35.