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AMENDMENT

No. 2

OFFERED IN THE SENATE
TO: CSSB 141(FIN)

BY SENATOR OLSON

1 Page 46, line 14, through page 47, line 24:

2 Delete all material and insert:

3 "(b) The Alaska Retirement Management Board consists of nine trustees. The
4 commissioner of administration and the commissioner of revenue shall serve on the
5 board. Four trustees shall be appointed by the governor and three shall be elected
6 from the membership of state retirement systems.

7 (c) The governor shall appoint four trustees who meet the eligibility
8 requirements for an Alaska permanent fund dividend and who are professionally
9 credentialed or have recognized competence in investment management, finance,
10 banking, economics, accounting, pension administration, or actuarial analysis as
11 follows:

12 (1) two trustees shall be appointed from the general public; a trustee
13 appointed under this paragraph may not hold another state office, position, or
14 employment and may not be a member or beneficiary of a retirement system managed
15 by the board;

16 (2) one trustee shall be employed as a finance officer for a political
17 subdivision participating in the public employees' retirement system;

18 (3) one trustee shall be employed as a finance officer for a political
19 subdivision participating in the teachers' retirement system.

20 (d) Two trustees shall be members of the public employees' retirement system
21 elected by members of the public employees' retirement system. One trustee shall be a
22 member of the teachers' retirement system elected by members of the teachers'
23 retirement system. Elections shall be conducted by the board. A candidate shall be

1 professionally credentialed or have recognized competence in investment
2 management, finance, banking, economics, accounting, pension administration, or
3 actuarial analysis. The candidate who receives the most votes cast in the election is
4 elected to the seat. If two seats are to be filled at the election, the candidate who
5 receives the highest number of votes cast and the candidate who receives the second
6 highest number of votes cast are elected to the seats. The term of office of an elected
7 member is three years. The governor shall fill a vacancy in an unexpired elective term
8 by appointment for the period remaining before the next regularly scheduled election
9 held under this subsection. The term limitations of (e)(1) of this section do not apply
10 to trustees elected under this subsection.

11 (e) The trustees appointed under (c) of this section

12 (1) shall serve for staggered terms of three years and may be
13 reappointed to the board for a total of three consecutive terms; a person who has
14 served three consecutive terms may not be reappointed to the board for at least one
15 year;

16 (2) may be removed by the governor for cause by written notice; after
17 a trustee receives written notice of removal, the trustee may not participate in board
18 business and may not be counted for purposes of establishing a quorum.

19 (f) A vacancy on the board of trustees appointed to the board under (e)(2) of
20 this section shall be promptly filled. A person filling a vacancy holds office for the
21 balance of the unexpired term of the person's predecessor, and the balance of the
22 unexpired term served is not included in the three-term limitation under (e)(1) of this
23 section. A vacancy on the board does not impair the authority of a quorum of the
24 board to exercise all the powers and perform all the duties of the board.

25 (g) Five trustees constitute a quorum for the transaction of business and the
26 exercise of the powers and duties of the board.

27 (h) A trustee may not designate another person to serve on the board in the
28 absence of the trustee.

29 (i) The board shall provide annual training to its members on the duties and
30 powers of a fiduciary of a state fund and other training as necessary to keep the
31 members of the board educated about pension management and investment.

1 (j) The board shall elect a trustee to serve as chair and a trustee to serve as
2 vice-chair for one-year terms. A trustee may be reelected to serve additional terms as
3 chair or vice-chair."
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5 Page 105, lines 19 - 26:

6 Delete all material and insert:

7 "* **Sec. 132.** The uncodified law of the State of Alaska is amended by adding a new section
8 to read:

9 **TRANSITION: INITIAL STAGGERED TERMS OF TRUSTEES OF THE**
10 **ALASKA RETIREMENT SECURITY AND PORTABILITY BOARD.** (a) Notwithstanding
11 AS 37.10.210(e), as repealed and reenacted by sec. 59 of this Act, in making the initial
12 appointments under AS 37.10.210(c), as repealed and reenacted by sec. 59 of this Act, the
13 governor shall appoint one member for one year, one member for two years and two members
14 for three years.

15 (b) Notwithstanding AS 37.10.210(d), as repealed and reenacted by sec. 59 of this
16 Act, the initial term of the candidate who receives the highest number of votes cast in a two-
17 seat election shall be elected to a three-year term, and the candidate in a two-seat election who
18 receives the second highest number of votes cast shall be elected to a one-year term. The
19 initial term of a candidate who receives the highest number of votes cast in a one seat election
20 shall be two years."