

COMMITTEE REPORT

SENATE

2/10/76

Mr. President:

Date \_\_\_\_\_

The Committee on FINANCE has had SB 609 relating to creditable service in the Teachers' Retirement System under consideration. A Majority of the members of the Committee

- ( ) 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 THAT  
CS FOR \_\_\_\_\_ DO PASS
- ( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE
- ( ) reports it back WITHOUT RECOMMENDATION
- ( ) "other"

Members signing the Majority report:

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

COMMITTEE REPORT

2/5/76

SENATE

\*\*FINANCE\*\*

Mr. President:

Date 2-9-76

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had SB 609 relating to creditable service in the Teachers' Retirement System under consideration. A Majority of the members of the Committee

- 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 THAT CS FOR \_\_\_\_\_ DO PASS
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_ COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Members NOT concurring in the Majority report:

Jerguson recommends: DO PASS  
Colletta recommends: No rec.  
Brad Graddy recommends: No Pass  
 \_\_\_\_\_ recommends:  
 \_\_\_\_\_ recommends:

Jerguson Chairman

Introduced: 2/5/76  
Referred: Health, Education  
and Social Services and  
Finance

1 IN THE SENATE

BY SACKETT

2 SENATE BILL NO.609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to creditable service in the Teachers'  
7 Retirement System."

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

9 \* Section 1. AS 14.25.060(c) is amended to read:

10 (c) If a teacher has creditable outside service, [OR] Bureau of  
11 Indian Affairs (BIA) service or service as a full-time teacher in an  
12 approved or accredited nonpublic institution of higher learning in  
13 Alaska he is indebted, in addition to the contributions required by sec.  
14 50 of this chapter, as follows:

15 (1) If, at the time of becoming a member of the retirement  
16 system, a teacher has creditable outside service, Bureau of Indian  
17 Affairs (BIA) service and service as a full-time teacher in an approved  
18 or accredited nonpublic institution of higher learning in Alaska [NO  
19 MEMBERSHIP SERVICE], his indebtedness is seven per cent of the base  
20 salary paid at the time of first becoming employed as a teacher under  
21 this chapter, multiplied by the total number of these years of [HIS]  
22 creditable [OUTSIDE AND BIA] service [AT THE TIME OF BECOMING A MEMBER].  
23 The combined total nonmembership [OF OUTSIDE AND BIA] service claimed  
24 may not exceed 15 years; however, no more than 10 years outside service  
25 may be claimed. Compound interest at the rate prescribed by regulation  
26 shall be added to the indebtedness beginning July 1, 1963, or at the  
27 time of first becoming employed as a teacher, whichever is later, to the  
28 date of payment or the date of retirement, whichever occurs first.

29 (2) If a teacher, after becoming a member of this retirement

COMMITTEE COPY

1 system, discontinues active membership and subsequently desires to be re-  
2 instated and to receive credit for outside service accumulated in the  
3 interim, his indebtedness to the retirement fund for the additional  
4 credit shall be computed as seven per cent of the base salary received  
5 upon reinstatement multiplied by the number of years of interim outside  
6 and BIA service. Compound interest at the rate prescribed by regulation  
7 shall be added to the indebtedness beginning on July 1, 1963, or at the  
8 time of reinstatement, whichever is later, to the date of payment or the  
9 date of retirement, whichever occurs first.

10 \* Sec. 2. AS 14.25.220(3) is amended to read:

11 (3) "creditable service" means outside service, [AND] Bureau  
12 of Indian Affairs (BIA) service and service as a full-time teacher in  
13 an approved or accredited nonpublic institution of higher learning in  
14 Alaska not exceeding 15 years, with outside service limited to 10 years,  
15 plus all membership service as provided in (5) of this section;  
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ALASKA STATE LEGISLATURE

NINTH Legislature SECOND Session

SENATE BILL NO. 609

By SACKETT

"An Act relating to creditable service in the Teachers' Retirement System."

creditable service in the Teachers Retirement System

Introduced in the Senate 2/5, 1976

HISTORY IN THE SENATE

19 76

2

5

Read first time and referred to Committee on Health, Education and Social Services and Finance

Reported back with recommendation that *Hess: do pass to Finance*

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: Senate Bill 609  
 Title: An act relating to creditable service under IRS.  
 Requested by: Senate Finance Date: February 13, 1976  
 Return Date Requested: ASAP  
 Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U. of A., DOE and TRS Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	2.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	7.7	8.6	9.6	10.8	12.1
100 BENEFITS	0	1.5	1.7	1.9	2.1	2.4
<b>TOTAL</b>	<b>0</b>	<b>11.8</b>	<b>10.3</b>	<b>11.5</b>	<b>12.9</b>	<b>14.5</b>

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	9.2	10.3	11.5	12.9	14.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TRS	0	2.6	0	0	0	0

C. POSITIONS:

PERMANENT/TEMPORARY	0 / 0	0 / 1	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0


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

1. Estimated payroll for FY 77 is \$154,000,000.
2. Increase in Employer-State contribution rate is .01%.
3. It is estimated that covered payroll will increase @ 12% per annum.

IV. ATTACHMENTS

Appendix I

V. DATE: 02/13/76

PREPARED BY: 

Robert S. Gates, Director  
Division of Retirement & Benefits

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) SENATOR SACKETT (1) CAP. RM 103  
SENATE FINANCE (1)  
COMMISSIONER'S OFFICE (1)

The Legislature of the State of Alaska  
FISCAL NOTE  
Second Session - Eighth Legislature

I. REQUEST

Bill Identification: Senate Bill 609  
Title: An act relating to creditable service under TRS.  
Requested by: Senate Finance Date: February 12, 1976  
Return Date Requested: ASAP  
Agency: Administration - Retirement Program: TRS

II. FISCAL DETAIL

Budget Request Unit(s) Affected: U. of A., DOE and TRS Match

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	2.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	7.7	8.9	9.6	10.8	12.1
100 BENEFITS	0	1.5	1.7	1.9	2.3	2.4
TOTAL	0	11.8	10.3	11.5	12.9	14.5

B. FUNDING: (Thousands of dollars)

	0	9.2	10.3	11.5	12.9	14.5
GENERAL FUND	0	9.2	10.3	11.5	12.9	14.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TRS	0	2.6	0	0	0	0

C. POSITIONS:

	0 / 0	0 / 1	0 / 0	0 / 0	0 / 0	0 / 0
PERMANENT/TEMPORARY	0 / 0	0 / 1	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0

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

1. Estimated payroll for FY 77 is \$154,000,000.
2. Increase in Employer-State contribution rate is .01%.
3. It is estimated that covered payroll will increase 0.12% per annum.

IV. ATTACHMENTS

Appendix I

V. DATE: 02/13/76

PREPARED BY:

  
Robert S. Gates, Director  
Division of Retirement & Benefits

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

**FISCAL NOTE**  
**Second Session - Eighth Legislature**

**I. REQUEST**

Bill Identification: Senate Bill 609  
 Title: An act relating to creditable service under TRS.  
 Requested by: Senate Finance Date: February 13, 1976  
 Return Date Requested: ASAP  
 Agency: Administration - Retirement Program: TRS

**II. FISCAL DETAIL**

Budget Request Unit(s) Affected: U. of A., DOE and TRS Match

**A. EXPENDITURES: (Thousands of dollars)**

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	2.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
600 LAND & STRUCTURES	0	0	0	0	0	0
700 GRANTS, CLAIMS, ETC.	0	7.7	8.6	9.6	10.8	12.1
100 BENEFITS	0	1.5	1.7	1.9	2.1	2.4
<b>TOTAL</b>	<b>0</b>	<b>11.8</b>	<b>10.3</b>	<b>11.5</b>	<b>12.9</b>	<b>14.5</b>

**B. FUNDING: (Thousands of dollars)**

GENERAL FUND	0	9.2	10.3	11.5	12.9	14.5
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TRS	0	2.6	0	0	0	0

**C. POSITIONS:**

PERMANENT/TEMPORARY	0 / 0	0 / 1	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0

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

1. Estimated payroll for FY 77 is \$154,000,000.
2. Increase in Employer-State contribution rate is .01%.
3. It is estimated that covered payroll will increase @ 12% per annum.

**IV. ATTACHMENTS**

Appendix I

V. DATE: 02/13/76

PREPARED BY: 

Robert S. Gates, Director  
 Division of Retirement & Benefits

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator [Name]  
Senate Finance (1)  
Commissioner [Name] (1)

**FISCAL NOTE**  
**Second Session - Eighth Legislature**

**I. REQUEST**

Bill Identification: Senate Bill 609  
 Title: An act relating to creditable service under TRS.  
 Requested by: Senate Finance Date: February 13, 1976  
 Return Date Requested: ASAP  
 Agency: Administration - Retirement Program: TRS

**II. FISCAL DETAIL**

Budget Request Unit(s) Affected: U. of A., DOE and TRS Match

**A. EXPENDITURES: (Thousands of dollars)**

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	0	2.6	0	0	0	0
200 TRAVEL	0	0	0	0	0	0
300 CONTRACTUAL	0	0	0	0	0	0
400 COMMODITIES	0	0	0	0	0	0
500 EQUIPMENT	0	0	0	0	0	0
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GENERAL FUND	0	9.2	10.3	11.5	12.9	14.5
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OTHER	0	0	0	0	0	0
TRS	0	2.6	0	0	0	0

**C. POSITIONS:**

PERMANENT/TEMPORARY	0 / 0	0 / 1	0 / 0	0 / 0	0 / 0	0 / 0
MAN MONTHS (P./T.)	0 / 0	0 / 2	0 / 0	0 / 0	0 / 0	0 / 0

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

1. Estimated payroll for FY 77 is \$154,000,000.
2. Increase in Employer-State contribution rate is .01%.
3. It is estimated that covered payroll will increase @ 12% per annum.

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V. DATE: 02/13/76

PREPARED BY: 

Robert S. Gates, Director  
 Division of Retirement & Benefits

Original: Legislative Finance  
 Budget and Management

cc: Prime Sponsor (First Legislator Named) Senator Sacks (1) Com. 103  
SENATE FINANCE (1)  
COMMISSIONERS OFFICE (1)

FILE WITH  
BILL

1581 Alder Drive  
Anchorage, Alaska 99504  
November 15, 1975

Senator John Sackett  
527 3rd Avenue  
Fairbanks  
Alaska 99701

Dear Senator John:

It has been many years since you were one of my students at Sheldon Jackson and Eleanor and I have watched your activities in Alaska politics with interest and a measure of pride.

Since our days at SJ I have continued in teaching and about two more years will be retiring. Right now both Mrs. Rosevear and I are teaching on Elmendorf AF Base under the Anchorage School District.

John, I need your help in a matter of contact with the Alaska Teachers Retirement System.

As it now stands, teachers in BIA schools are given an additional 5 years credit towards retirement over and beyond the 10 years allowed to be brought in from out of state. Of course we have to pay for each year of such credit. Teachers at SJ are not able to take advantage of any outside experience beyond the 10 years. At the least this part of the retirement regulations is discriminatory for SJ, in the high school days provided a great service to the State of Alaska by providing accredited education to many of its young people, including yourself and many Alaskans who are now in responsible positions in state affairs.

I know of at least one former SJ teacher who has been given additional credit and when I brought this to the attention of the TRS, one Field Representative threatened to withdraw this credit from an already retired person. When I received this letter, I did not pursue the matter any further as I would not want to penalize anyone.

Another former SJ teacher, Fred Koschmann, received credit for his SJ service because he moved into the state University system. This is under the Alaska retirement system I believe.

Last year I attempted to have the NEA-Alaska submit a bill that would correct this inequity in the retirement law but when it was brought up, Mr. Bob Gates of the TRS said that such action would not be necessary as it was a "house keeping measure".

I wrote to Mr. Gates and did not receive any answer. Later, however, after correspondence with Earl E. Wischmeier and a discussion with him at the Teachers convention in Anchorage, he did grant me some credit for SJ experience. A short time later I received a letter from Mr. Wischmeier recinding the action.

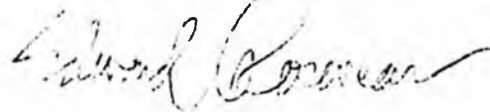
John, through your many contacts in Juneau, would you be willing to check into this matter, and if it is, as Bob Gates says, a housekeeping action, find out why my request has been handled as it has been? I would hate to in any way cause any already retired SJ teacher to loose retirement benéfits because of me.

If additional service credit cannot be received under present law, do you think the many former SJ students in the Legislature might be willing to seek to amend the law to include certified teachers of accredited private schools under the same benéfits as the BIA schools. I do not believe such a change would effect many teachers as SJ dropped the High School department some years back.

Anything that you can do in my behalf' would certainly be appreciated.

If you want copies of my correpondence or would want to talk with me concerning this matter, please let me know.

Very sincerely,



Edward W. Rosevear

Introduced: 2/5/76  
Referred: Health, Education  
and Social Services and  
Finance

1 IN THE SENATE

BY SACKETT

2 SENATE BILL NO.609

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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16 system, a teacher has creditable outside service, Bureau of Indian  
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18 or accredited nonpublic institution of higher learning in Alaska [NO  
19 MEMBERSHIP SERVICE], his indebtedness is seven per cent of the base  
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