

H B

35

COMMITTEE REPORT

HOUSE

⁴
2/3/81

(5)

FURTHER: FINANCE

Date: _____

Mr. Speaker:

The Committee on STATE AFFAIRS has had HB 35

"An Act increasing retirement benefits under the public employees' retirement system; and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

P.O. Box 239
Kenai, Alaska 99611

March 31, 1981

Mike Miller, Chairman
State Affairs Committee
House of Representatives
Pouch V
Juneau, Alaska 99811

RE: Bills SB60, SB61, SB64, SB143, HB35, HB172

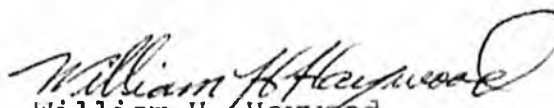
Dear Chairman Miller:

Would you please support the following bills in regards
to Retirement.

- SB60 -- In Labor/Commerce - PRPA, cost of living increase.
- SB61 -- In Labor/Commerce - Changes the multiplier from
2 to 2 1/2 percent. This is a public employee
bill and we would like to sponsor Senator Bill Ray.
- SB64 -- In Health, Education & Social Services - Relating
to labor relations between school boards and other
public employers/employees.
- SB143 -- In State Affairs - Allowing retirement credit for
public employees' unused sick leave.
- HB35 -- In State Affairs - Changes the multiplier from
2 to 2 1/2 percent.
- HB172 -- In State Affairs - Allowing retirement credit for
public employees' unused sick leave.

Thank you for your attention on these bills.

Sincerely,


William H. Haywood

730 Park Ave.
Ketchikan, Alaska
April 5, 1981

Rep. Mike Miller
Chairman State Affairs Committee
Juneau, Alaska

Dear Rep. Miller

I've read H.B. #121 and really feel this legislation is far past due. I would appreciate having your vote in favor of HB #121. The retired teachers, I feel, really deserve an improvement as provided in this legislation.

Also please give your support to the binding arbitration legislation in H.B. # 163.

Sincerely,
Mrs. Carmen Holm

61

MSG 81-00011261 PRY 3 04/06/81 16:17:31 ORIG: LA00 IN= 0025 OUT= 0072
FROM: CHARITY TO: JUNEUA INFO
TARGET: LJH2 SUBJ: PUBLIC OPINION MESSAGE PAGE 0001

TO: ALL LEGISLATE
FROM: ANCHORAGE MUNICIPAL EMPLOYEES
THRU TED MOORE ANCHORAGE TELEPHONE UTILITY 277-2561
3356 NEWCOMB DRIVE
ANCHORAGE, AK 99504

*THE FOLLOWING VOTING CITIZENS OF ALASKA ENCOURAGE YOU TO VOTE YES ON
HB35 AND SB 61*- ADJUSTMENTS IN RETIREMENT BENEFITS.
THEODORE A. MOORE DELWIN D. SPELLMAN RAYMOND A. GALLANT MILLIE LAZICH
HENRY J. WOLDSWORTH GEORGE E. OMAN CHARLES I. PECK ROBERT C. ALT
WILLIAM D. DOUCETTE JERRY D. NELSEN SALLIE L. NELSON NANCY HANSFORD
JOHN H. KERKSICK KENNETH R. ROCHELEAU ERNEST C. HOBS JOHN W. OSBORN
CHARLES P. CARPENTER GEORGE L. BROGDON LARRY J. HATHAWAY RANDALL BROWN
WILLIAM SCHAUPPNER KENNETH CLARK MICHAEL D. GOENS JAMES T. EDELGEN
LILLIAN W. GEER JUNE E. REAVIS BEVERLY A. SJOLIN PAMELA S. PARKHURST
JOHN L. HENDRICKS ELENA K. MILLIGAN ROBERT . METCALFE HOWARD G. FREMLIN

MSG 81 00011261 PRY 3 04/06/81 16:17:31 ORIG: LA00 IN= 0025 OUT= 0072
FROM: CHARITY TO: JUNEUA INFO
TARGET: LJH2 SUBJ: PUBLIC OPINION MESSAGE PAGE 0002

CON'D SB 61 HB 35 LIST OF NAMES

FRANK DEPIETRO W.C. BOCAST DALE L. WORMUS DIANE J. THOMAS
HOLLY R. RUNTER ERNEST M. CUZZOCREAD SUSAN C. STEPHENSEN WM. J. TERBECK
GILBERT G. SUMNER LOUISE M. MILLS

***THESE INDIVIDUALS HAVE SIGNED THE ABOVE PUBLIC OPINION MESSAGE AND THEIR
SIGNATURES ARE ON RECORD IN THE ANCHORAGE LEG. INFO OFFICE.

MRS. FRANK LAWSON
621 Northward Building
Fairbanks, AK 99701

March 6, 1981

House State Affairs Committee
Mike Miller, Chairman
Pouch V, Juneau, Alaska 99811

Dear Committee Members,

As a retired teacher, I have found that it is frustrating and unsatisfying to ask for increases in teacher retirement payments each year due to inflation.

I approve HB 121. I appreciate your efforts, and hope that the bill will pass.

Sincerely,
Mrs. Frank Lawson

P.O. Box 883
Palmer, AK 99645
April 3, 1981

The Honorable Mike Miller, Chairman
House State Affairs Committee
Pouch V
Juneau, Alaska 99811

Re: House Bill No. 121

Dear Representative Miller:

I am a retired teacher. The steady rise in the cost of living is viewed with concern by those of us who depend on a retirement income. I greatly appreciate your and Representative Duncan's introduction of HB 121 which addresses this matter.

I am not in a position to see all the pros and cons of passing this particular piece of legislation, but I feel it to be a step in the right direction. Your support will be sincerely appreciated. Thank you.

Very truly yours,

Harry L. Wimmer
Harry L. Wimmer

OVERALL LEGISLATIVE PACKAGE TRS AND PERS

- 75% - 50% - 25% PRPA Proposal
Total FY82 Cost - \$129 million.

Cost shares (in millions):	Total	PERS	TRS
State -	\$ 62	\$36	\$26
Polysubs & Districts -	\$ 51	\$32	\$19
Employees/Teachers -	<u>\$ 16</u>	<u>\$11</u>	<u>\$ 5</u>
Total -	\$129	\$79	\$50

- 2½/2½% Benefit Formula Increase
Total FY82 Cost - \$22 million.

Cost shares (in millions):	Total	PERS	TRS
State -	\$12.5	\$ 6	\$ 6.5
Polysubs & Districts -	\$ 9.5	\$ 5	\$ 4.5
Employees/Teachers -	<u>0</u>	<u>0</u>	<u>0</u>
Total -	\$22.0	\$11	\$11.0

- Overall Package
Total FY82 Cost \$151 million.

Cost shares (in millions):	Total	PERS	TRS
State -	\$ 74.5	\$42	\$32.5
Polysubs & Districts -	\$ 60.5	\$37	\$23.5
Employees/Teachers -	<u>\$ 16.0</u>	<u>\$11</u>	<u>\$ 5</u>
Total -	\$151.0	\$90	\$61

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3900

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 1, 1981

SUBJECT: Retirement
(Work Order No. 12-1673)

TO: Representative Mike Miller

FROM: Richard A. Bradley *R*
Legislative Counsel

The bill is provided to you essentially as requested.

Because of the short turn-around time that Jeff Petrich requested, we have not redone the bill as we would prefer. We offer some observations on the bill:

We have redone the title. It was not reflective of the contents of the bill. For example, Sec. 1 of the bill does not deal with "benefits".

We believe that Sec. 2 is unnecessarily difficult; it will, of course take time to make it clearer and more to the point.

We believe that it would be possible to make lines 11 - 12 on page 2 and lines 14 - 15 on page 4 less clumsy.

I suggest that the "lesser" phrase in line 14, page 2 does not work. Is the bill concerned with the lesser of paragraphs (1), (2), or (3) -- or the lesser of those and the subparts of those paragraphs?

Page 2, line 25: "person" is changed to "recipient" to conform to usage. See also page 4, line 28.

We have conformed the usage in the latter part of the amendments to AS 14.25.110(d) and AS 39.35.370(c).

You should realize that as written, Secs. 2 and 6 do not apply to persons presently or retirement. See AS 14.25.-177(a) and AS 39.35.547(a).

Representative Mike Miller
Page 2
May 1, 1981

If you wish a further review before introduction of the bill, we will seek to address the problems identified and perhaps others not identified yet.

RAB:ljb

Enclosure



Alaska State Legislature
House of Representatives
Juneau, Alaska 99811

March 31, 1981

The Honorable Mike Miller
Chairman
House State Affairs Committee

Dear Mike:

Several of my constituents have requested that I help get HB 35 through the House. I know that this is your bill and probably have plans to hold a hearing on it soon. Will you let me know when you plan to schedule it in your committee so that I can notify my constituents who wish to testify or simply be informed about action on the bill? I'd appreciate it.

Sincerely yours,

Rep. Thelma Buchholdt
District 9 (Spenard)

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill 35
 Title An Act Increasing Retirement Benefits Under The PERS
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits
 Program Category Affected Labor Services
 BRU, Program, or Subprogram(s) Affected 02-96-8-01-01 (PERS)
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		34.3				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		0.6				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS		15,839.2	17,423.1	19,165.4	21,082.0	23,190.2
TOTAL	-0-	15,874.1	17,423.1	19,165.4	21,082.0	23,190.2

FUNDING (Thousands of Dollars)

GENERAL FUND	12,972.4	14,269.5	15,696.4	17,266.0	18,992.8
FEDERAL FUNDS	728.6	801.5	881.6	969.8	1,066.7
VETERAN'S FUND	31.7	34.9	38.3	42.2	46.4
FISH & GAME FUND	95.0	104.5	115.0	126.5	139.1
HIGHWAY FUND	205.9	226.5	249.2	274.1	301.5
AIRPORT FUND	459.3	505.3	555.8	611.4	672.5
CAPITAL FUND	1,346.3	1,481.0	1,629.1	1,792.0	1,971.2
PERS	34.9				
TRS					

POSITIONS 3 employees for 6 months

FULL TIME					
PART TIME					
TEMPORARY		18 Mos.			

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

1. This bill provides increased benefits to active, deferred vested and retired PERS members.
2. The increased benefit formulas affect both future and past credited service.
3. The increase in State contribution rate would be 5.34% of covered State payroll (FY82 = \$296,614,000) increasing at 10% annually.
4. The cost to political subdivisions is estimated to be \$13.6 million in FY82 increasing at 10% each year thereafter.

Paul B. Arnoldt

IV. DATE 2/18/81 PREPARED BY Paul B. Arnoldt, Director
 AGENCY Division of Retirement & Benefits

Original: Legislative Finance PHONE 465-4460
 cc: Budget and Management

Prime Sponsor (First Legislator Named) Senator Ray
 Office of the Governor (Keith Specking) *gc*

1	POSITION TITLE Retirement & Benefits Technician			RANGE/STEP 12A	BARG. UNIT. G	LOCATION Juneau	GOV	APPROV	DISAPP
2	TYPE OF POSITION Project	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
3	TYPE OF EXPENDITURE			AMOUNT		JUSTIFICATION: Three (3) Project employees for six (6) months to recalculate the benefits for approximately 2,650 people who are receiving benefits from the PERS. (This estimate is based upon the actual time required to calculate the \$25 minimum benefit for approximately 1,016 individuals-- Chapter 146 SLA 1980.)			
	1	2	3						
4	PERSONAL SERVICES:								
	SALARY	\$1,761/Month	\$10,566						
5	BENEFITS	2.21%	234						
6	FICA SBS	6.13%	648						
7	HEALTH INS.								
8	TOTAL PERSONAL SERVICES		01	\$11,448					
9	TRAVEL		02						
10	CONTRACTUAL		03						
11	COMMODITIES		04	\$ 200					
12	EQUIPMENT		05						
13	OTHER								
14	TOTAL COST			\$11,648					
	CODE	FUNDING SOURCE							
15		FED RCPTS. 1002							
16		GF MATCH. 1003							
17		GEN. FUND 1004							
18		I-A RCPTS. 1005							
19		PGM RCPTS 1028							
20		OTHER	PERS	\$11,648					
21	CONTINUATION		FOR B&M USE ONLY						
22	ADDITION								
1A KEY NUMBER				COLUMN NO.					

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

Page 2 of 4

REVISED DATE

FY 82

1	POSITION TITLE Retirement & Benefits Technician			RANGE/STEP 12A	BARG. UNIT. G	LOCATION Juneau	GOV.	APPROV.	DISAPP.
2	TYPE OF POSITION Project	STAFF MONTHS. 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.		
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9	TRAVEL	02							
10	CONTRACTUAL	03							
11	COMMODITIES	04	\$ 200						
12	EQUIPMENT	05							
13	OTHER								
14	TOTAL COST		\$11,648						
	CODE	FUNDING SOURCE							
15		FED RCPTS.	1002						
16		GF MATCH.	1003						
17		GEN. FUND	1004						
18		I-A RCPTS.	1005						
19		PGM RCPTS	1028						
20		OTHER PERS	\$11,648						
21	CONTINUATION								
22	ADDITION			FOR B&M USE ONLY					
AA KEY NUMBER				COLUMN NO.					

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AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION.

FY 82

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2	TYPE OF POSITION Project	STAFF MONTHS 6	RP No.	PCN No.	PRIORITY	FORM 12 PAGE/LINE	LEG.							
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9	TRAVEL		02											
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4A KEY NUMBER				COLUMN NO.										

AGENCY Administration PROGRAM Labor Services

BRU Retirement & Benefits

COMPONENT PERS

13 REQUEST FOR NEW POSITION

FY 82

ALASKA STATE LEGISLATURE

HISTORY IN THE HOUSE

HISTORY IN THE SENATE

HISTORY IN THE HOUSE

TWELFTH Legislature FIRST Session

HOUSE BILL NO. 35

By MILLER, ~~AND~~ DUNCAN, and ZHAROFF

19 81	Read first time and referred to Committee on										
Feb 4	State Affairs and Finance 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> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
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PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed Signed by Speaker Sent to Senate										
CHIEF CLERK OF THE HOUSE											

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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PASS	Effective Date										
Yeas	Yeas										
Nays	Nays										
Absent	Absent										
Excused	Excused										
	Reported correctly engrossed Signed by President Returned to House										
SECRETARY OF THE SENATE											

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

"An Act increasing retirement benefits under the public employees retirement system; and providing for an effective date."

Retirement benefit increase

Introduced in the House 2/4, 19...01

1981
4/26/81
6605

Proposed Comm Sub
Bill 4H.

Introduced: 2/4/81
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY MILLER AND DUNCAN

2

HOUSE BILL NO. 35

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act increasing retirement benefits under the
public employees' retirement system; and providing for
an effective date."

7

8