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JUNEAU, ALASKA

# Alaska State Legislature

BLUE RIBBON COMMISSION ON THE  
STATE PERSONNEL ACT  
Pouch AG/Mail Stop 0123  
Juneau, Alaska 99811  
(907) 465-4442

Senator Bill Ray  
Chairman

## MEMORANDUM

April 3, 1981

TO: Senate State Affairs Committee

FROM: Teresa B. Cramer *TBC*  
Administrative Assistant

SUBJECT: SB 196 Relating to the Membership of the Public  
Employees Retirement Board.

This bill amends the Public Employees Retirement Act to change the membership of the Public Employees Retirement Board. The law presently requires that the three members who are appointed to the Personnel Board shall also serve on the PERB. AS 39.35.030. Those three individuals are also, by statute, appointed to the Labor Relations Agency, which is involved in collective bargaining issues. AS 23.40.250(3). The activities of both the LRA and the PERB have grown considerably recently. In the last legislative session, the PERB was made responsible for overseeing the supplemental employee benefit program and the deferred compensation program for state employees. AS 39.35.040(9) and (10). The increase in the number of state employees who are members of collective bargaining organizations has led to additional work for the LRA. The three members of the Personnel Board are citizen volunteers appointed by the Governor who are not employed by the state.

While the issues which are addressed by the Personnel Board are related to some of the issues addressed by the Labor Relations Agency, this is not the case with the subjects of concern to the Public Employees Retirement Board. Therefore, the Blue Ribbon Commission recommends that the members of the Personnel Board continue to serve as the members of the LRA and that they be removed from the PERB. The PERB should be composed of four elected members and one member appointed by the Governor. In addition, the commission recommends that one of the elected members should be a retired person to insure that those most directly affected by the system have a voice in the decision-making body.

Section 1 of the bill sets out the changes in membership of the PERS board which are discussed above.

Section 2 is a temporary measure to enable the board to continue to act until new members have been selected according to the new method.

TBC:lmk

FISCAL NOTE

**I. REQUEST**

Bill/Resolution No. Senate Bill No. 196  
 Title An Act Relating to the Membership of the Public Employees Retirement Board  
 Requested by Senator Fischer Date 4/03/81

**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						
200 TRAVEL						
300 CONTRACTUAL		14.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 STATE TRS MATCHING						
100 BENEFITS						
<b>TOTAL</b>	-0-	14.0	-0-	-0-	-0-	-0-

**FUNDING** (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
VETERAN'S FUND						
FISH & GAME FUND						
HIGHWAY FUND						
AIRPORT FUND						
CAPITAL FUND						
PERS		14.0				
TRS						

**POSITIONS** NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

Costs in FY82 are to conduct a PERS wide election of two Board members.

Term of office is six years.

IV. DATE 4/05/81 PREPARED BY Ken Humphreys, for Paul B. Arnold, Director  
 AGENCY Division of Retirement & Benefits  
 PHONE 365-4460

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) Senator Ray  
 Office of the Governor (Keith Specking)

Muller — no need to change composition;  
- members of PERS Board are also on Personnel  
board, ~~is that~~  
- ? members of system be board member for system?

Introduced: 2/20/81  
Referred: State Affairs

BY THE RULES COMMITTEE BY  
REQUEST OF THE LEGISLATIVE  
COUNCIL. (for the Blue Ribbon  
Commission on the State  
Personnel Act)

PERS Board  
opposed

1 IN THE SENATE

2 SENATE BILL NO. 196

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the membership of the Public  
7 Employees Retirement Board."

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

9 \* Section 1. AS 39.35.030(b) is amended to read:

10 (b) One [THREE] board member [MEMBERS] shall be appointed by the  
11 governor and shall serve at his pleasure [MEMBERS OF THE PERSONNEL  
12 BOARD OF THE DEPARTMENT OF ADMINISTRATION]. The remaining four [TWO]  
13 board members shall be members of the system [AND] elected by the  
14 members of the system, and at least one of the elected board members  
15 shall be retired.

16 \* Sec. 2. Notwithstanding AS 39.35.030(b), as amended by sec. 1 of this  
17 Act, a person serving on the Public Employees Retirement Board on the effec-  
18 tive date of this Act who was from the personnel board of the Department of  
19 Administration shall continue to serve until his successor is elected or  
20 appointed by the governor.

21  
22 Terry Cramer - Personnel board members  
23 taken off - retirement board duties  
24 heavy workload + ~~was~~ Personnel  
25 Bd tied down w/ labor relations

26  
27 Cherie - Bd overworked

28  
29 ? — same as TERS-1-?

REPORT OF THE  
BLUE RIBBON COMMISSION ON THE  
STATE PERSONNEL ACT  
TO THE  
TWELFTH ALASKA STATE LEGISLATURE  
FIRST SESSION

Senator Bill Ray  
Chairman

February, 1981

SB 196

SENATE BILL 196 : RELATING TO THE MEMBERSHIP OF THE  
PUBLIC EMPLOYEES RETIREMENT BOARD.

PURPOSE

This bill amends the Public Employees Retirement Act to change the membership of the Public Employees Retirement Board. The law presently requires that the three members who are appointed to the Personnel Board shall also serve on the PERB. AS 39.35.030. Those three individuals are also, by statute, appointed to the Labor Relations Agency, which is involved in collective bargaining issues. AS 23.40.250(3). The activities of both the LRA and the PERB have grown considerably recently. In the last legislative session, the PERB was made responsible for overseeing the supplemental employee benefit program and the deferred compensation program for state employees. AS 39.35.040(9) and (10). The increase in the number of state employees who are members of collective bargaining organizations has led to additional work for the LRA. The three members of the Personnel Board are citizen volunteers appointed by the Governor who are not employed by the state.

While the issues which are addressed by the Personnel Board are related to some of the issues addressed by the Labor Relations Agency, this is not the case with the subjects of concern to the Public Employees Retirement Board. Therefore, the commission recommends that the members of the Personnel Board continue to serve as the members of the LRA and that they be removed from the PERB.

the PERB should be composed of four elected members and one member appointed by the Governor. In addition, the commission recommends that one of the elected members should be a retired person to insure that those most directly affected by the system have a voice in the decision-making body.

#### SECTION BY SECTION ANALYSIS

Section 1. AS 39.35.030(b) is amended to read:

(b) One (THREE) board member (MEMBERS) shall be appointed by the governor and shall serve at his pleasure (MEMBERS OF THE PERSONNEL BOARD OF THE DEPARTMENT OF ADMINISTRATION). The remaining four (TWO) board members shall be members of the system (AND) elected by the members of the system, and at least one of the elected board members shall be retired.

#### Comment

Section 1 of the bill sets out the changes in membership of the PERS board which are discussed above.

Sec. 2. Notwithstanding AS 39.35.030(b), as amended by sec. 1 of this Act, a person serving on the Public Employees Retirement Board on the effective date of this Act who was from the personnel board of the Department of Administration shall continue to serve until his successor is elected or appointed by the governor.

#### Comment

Section 2 is a temporary measure to enable the board to continue to act until new members have been selected according to the new method.