

S B

557

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 557
Title An act relating to TRS, PERS, JRS, and NGRS
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 TRS, PERS, JRS, and NGRS

(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						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
800 BENEFITS						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
OTHER FUNDS						
OTHER (Specify Fund Source)						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 6/24/81 PREPARED BY Paul B. Arnoldt, Director
AGENCY Division of Retirement & Benefits
PHONE 465-4460
Original: Legislative Finance
Budget and Management
Prime Sponsor (First Legislator Name) Senator Fischer
Office of the Governor (Keith Spackling)

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 23, 1982

The Honorable Vic Fischer
Chairman, Senate State Affairs
Committee
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Chairman Fischer:

557
When your committee reported out a Committee Substitute for SB 813, the original language was gutted from the bill.

The Governor introduced SB 813, relating to post-retirement pension adjustments and retirement benefits for peace officers, marine transportation employees, and Department of Fish and Game employees; and providing for an effective date, to take care of a problem that exists in the Department of Fish and Game wherein an employee who is currently covered by "peace officer retirement benefits" (20-year retirement) cannot retain that coverage if he is moved to another position within the department which is not considered "qualifying" under that system. The language in the Governor's original bill, sections 5 and 6, would eliminate peace officer coverage for Fish and Game employees prospectively but would allow those employees with that coverage to take it with them as they are promoted or reassigned within the department.

I understand that your committee is working on a retirement housekeeping bill, and I would ask that you consider adding the language contained in the Governor's original SB 813 to that bill.

Thank you for your consideration.

Sincerely,

Keith W. Specking

Keith W. Specking
Legislative Assistant
to the Governor

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

POUCH C

JUNEAU, ALASKA 99811

Ph: 465-2200

March 24, 1982

The Honorable Vic Fischer
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator ~~Fischer~~ ^{V.F.}:

Senate Bill 813, as originally introduced by Governor Hammond, was supported by Commissioner Skoog and myself. Sections five and six of SB 813 would eliminate PERS peace officer coverage for all future employees of the Department of Fish and Game but would allow all current employees to retain their peace officer coverage whenever they hold a position with the Department of Fish and Game.

When the law was originally amended to include qualified Department of Fish and Game employees in peace officer coverage, it was felt that there was a need for the increased coverage because these employees had a unique situation. However, in defining "qualified employees of the Department of Fish and Game," the regulation (2 AAC 30.010, copy enclosed) became less and less restrictive in order to include the employees who were considered "qualified" for peace officer coverage. As now written, the regulation could easily apply to many employees in other departments.

The original premise (significant amount of field work, travel, or exposure to hazardous working conditions) for including Department of Fish and Game employees in peace officer coverage was a misconception. For your information I have enclosed a copy of a Division of Retirement and Benefits memorandum outlining the death and disability statistics, by department, for the period July 1, 1975 through December 10, 1981. These statistics show Fish and Game employees to be in no more danger than employees of other departments.

We are at the crossroads and must decide if we will extend peace officer coverage or curtail it. Already union representatives have made inquiries as to the possibility of extending peace officer coverage to additional groups of employees in other departments.

The cost of PERS peace officer coverage is an additional 10% of payroll over the cost of "all other" employees. Currently, approximately 60% of the Department of Fish and Game employees enjoy peace

The Honorable Vic Fischer

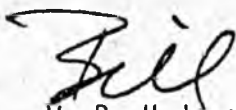
-2-

March 24, 1982

officer coverage--and it is expected to increase under the new regulations. Deletion of future Fish and Game employees from peace officer coverage is estimated to save the State \$232,000 in fiscal year 1983, with similar savings every year thereafter. On the other hand, if we continue to expand peace officer coverage we also create an unnecessary expansion of the State's budget. Assuming that 30% of state employees in other departments would be eligible for peace officer coverage, the additional cost in fiscal year 1983 alone would be \$8.8 million.

I respectfully request that you reconsider including sections five and six of the original SB 813 in your committee substitute for SB 557.

Respectfully,



W. R. Hudson
Commissioner

WRH/rwb
Enclosures
4/C3/9

MEMORANDUM

State of Alaska

TO: Paul B. Arnoldt, Director
 Division of Retirement & Benefits

DATE: January 15, 1982

J. K. Humphreys, Deputy Director
 Division of Retirement & Benefits

FILE NO:

TELEPHONE NO: 465-4473

FROM: Willard Church
 Benefits Specialist
 Division of Retirement & Benefits

SUBJECT: Occupational/Nonoccupational
 Deaths and Disabilities

Since my memorandum of December 9, 1981, we have audited our death records and have discovered that 18 records were not included previously and 5 records had been incorrectly included in the original report, which shows a net increase of 13 deaths. The conclusions generally remain the same, however, I am updating these figures for your information.

For the period July 1, 1975 through December 10, 1981, 142 State of Alaska active employees have died and have been processed through the division data processing system.

The following is a breakdown by department, as to total deaths and whether the death was from occupational or nonoccupational causes:

<u>DEPARTMENT</u>	<u>OCC</u>	<u>NON-OCC</u>	<u>TOTAL</u>	<u>NOV 1981</u>	
				<u>EMPLOYEE TOTAL</u>	<u>INCIDENCE PER 1000</u>
Transportation	3	49	52	2648	19.64
Health & Social Services	1	30	31	1967	15.76
State Operated Schools (TRS)		4	4		
Education		4	4	400	10.00
Labor		7	7	600	11.66
Administration		6	6	873	6.87
Fish & Game	2	7	9	1215	7.41
Natural Resources		7	7	919	7.62
Public Safety		4	4	903	4.43
Commerce		5	5	382	13.09
Revenue		5	5	309	16.18
Judicial		1	1	523	1.91
Governor's Office		3	3	223	13.45
Military Affairs		1	1	91	10.99
Community & Regional Affairs		1	1	173	5.78
Law		0	0	273	
Legislative		2	2	188	10.63
Environmental Conservation		0	0	209	
Ombudsman		0	0	15	

January 15, 1982

Since July 1, 1975, 55 State of Alaska employees have been appointed to receive disability benefits from PERS and TRS.

<u>DEPARTMENT</u>	<u>OCC</u>	<u>NON-OCC</u>	<u>TOTAL</u>	<u>NOV 1981 EMPLOYEE TOTAL</u>	<u>INCIDENCE PER 1000</u>
Transportation	9	14	23	2648	8.68
Public Safety	7	3	10	903	11.07
Health & Social Services		6	6	1967	3.05
Natural Resources		4	4	919	4.35
State Operated Schools (TRS)		4	4		
Administration		3	3	873	3.43
Labor	2		2	600	3.33
Commerce		1	1	382	2.62
Fish & Game		1	1	1215	.82
Legislative		1	1	188	5.32
Education			0	400	
Revenue			0	309	
Judicial			0	523	
Governor's Office			0	223	
Military Affairs			0	91	
Community & Regional Affairs			0	173	
Law			0	273	
Environmental Conservation			0	209	
Ombudsman			0	15	

UC/js

TO
W. R. Hudson
Commissioner
Department of Administration

DATE
February 19, 1982
FILE NO.
J99-152-81
TELEPHONE NO.



FROM
WILSON L. COODEN
ATTORNEY GENERAL

By: Arthur H. Peterson
Assistant Attorney General
and Regulations Attorney

AW

SUBJECT
Retirement and Benefits
Regulation on Qualified
Fish and Game Employees
(2 AAC 30.010)

Under AS 44.62.060, we have reviewed this regulation, and approve it for filing by the lieutenant governor. A duplicate original of this memorandum is being furnished the lieutenant governor, along with your regulation and related documents. In approving this, we understand that the language of 2 AAC 30.010(b) to the effect that an employee will be afforded peace officer coverage "as long as" he or she fills a qualifying position in the Department of Fish and Game is not intended to preclude a qualified employee from receiving appropriate peace officer benefits after disability or retirement. A contrary interpretation would make no sense in this context.

We note that this regulation is being adopted under AS 37.05.020 and 39.35.680(32). The latter provision, authorizing regulations to be adopted by you, requires consultation with the commissioner of fish and game. While neither the adoption order nor the public notice expressly mentions this consultation, correspondence in the file which is being submitted to the lieutenant governor indicates that there has in fact been a considerable amount of consultation with the Department of Fish and Game. We believe that the requirements of this statute have been satisfied.

In accordance with AS 44.62.125(b)(6), some corrections have been made in this regulation, as shown on the attached copy.

In addition, under AS 01.05.031(b)(5) (by way of AS 44.62.125(b)(6)), we are requesting the lieutenant governor to substitute the actual calendar date for the phrase "the effective date of this section" in two places in 2 AAC 30.010(b).

Your adoption order states that this action is not expected to require an increased appropriation. Therefore, AS 44.62.125 does not require a fiscal note.

Title 2. ADMINISTRATION

Chapter 30.
PUBLIC EMPLOYEES' RETIREMENT SYSTEM.

Section

10. Qualified Fish and Game Employees.

2 AAC 30.010. QUALIFIED FISH AND GAME EMPLOYEES. (a) Any person who is a permanent, full-time employee (including a seasonal employee) of the Department of Fish and Game, who fills a position which has been certified by the Commissioner of Fish and Game and approved by the Commissioner of Administration as having duties which necessitate a significant amount of field work, travel, or exposure to hazardous working conditions, is ~~deemed to be~~ a "qualified employee of the Department of Fish and Game" under AS 39.35.680(32) and ~~shall~~ ^{will} be afforded peace officer coverage in the Public Employees' Retirement System.

(b) ~~Other provisions of this regulation~~ ^{section,} ~~Notwithstanding~~ any person within the Department of Fish and Game who, ~~before~~ ^{before} the effective date of this ~~regulation~~ ^{section,} filled a position which was treated by the Division of Retirement and Benefits as qualifying for peace officer coverage, ~~shall~~ continue to be afforded peace officer coverage after the effective date of this ~~regulation~~ ^{section,} as long as the person fills that position or any other position within that department that qualifies under this ~~regulation~~ ^{section.}

(c) AS 39.35.160 ~~requires~~ ^{for} each peace officer in the system to contribute five percent of ~~compensation~~ ^{net pay} to the Public Employees' Retirement System. Therefore, any person who receives credit as a peace officer for service already rendered must contribute an amount equal to the difference between the contributions which have been made and the contributions that are required for peace officer coverage for the same period of service. Public Employees' Retirement System Board Regulation 81-2 sets the rate of interest to be charged on an indebtedness to the system. Therefore, interest at the rate prescribed by that regulation ~~shall~~ ^{accrue} on any unpaid contributions commencing ~~90~~ ⁹⁰ days ~~from~~ ^{from} the date of notification of the amount of unpaid contributions.

(d) In this ~~regulation~~ ^{section}:

(1) "a significant amount" means at least five percent of an individual's working time;

(2) "field work" means working outside of a permanent structure and does not include work within or in proximity to a permanent residential community;

(3) "travel" means going to and from a place of duty as a passenger or operator in a plane, bus, train, automobile, boat, or any other form of mechanized transportation; It does not include travel primarily for the purpose of going from one established city, town, village, or community to another;

⁴
(A) "exposure to hazardous working conditions" means actively engaged in fish and game conservation or protection work which involves a demonstrated high risk of serious bodily injury or death, and includes:

- (A) aerial surveys in small aircraft,
- (B) working on vessels on the open sea,
- (C) travel in small skiffs over open water or in remote locations, *gr and*
- (D) conducting stream surveys or other work where contact with dangerous wild animals is likely.

AM

(Eff. / / , Register)

Authority: AS 37.05.020
AS 39.35.680(32)

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

LEGISLATIVE REPORTING SERVICE

ANN GARDINER METCALFE

KIMBERLY M. HELMAR

510 KENNEDY STREET
JUNEAU, ALASKA 99801

(907) 586-6672

May 18, 1981

REPORT NO. 18

IN THE SENATE: Honorable Jalmar Kerttula, President

Senator Rodey, Majority Leader
Senator Bradley, Whip

INTRODUCTION OF BILLS (Senate)

Public Emp.
Benefits

SENATE BILL NO. 557, by Senator Fischer. Makes amendments to statutes regarding teachers', public employees', judicial, and national guard benefits. Similar to CSHB 121(SA) offered by House State Affairs last week (see page 881). Does not include: sections increasing the amount of retirement contributions to be made by teachers and public employees; section which would allow a peace officer or fireman to irrevocably relinquish his peace officer or fireman status; section revising monthly amounts of retirement benefits for members of PERS; and section excluding certain Fish & Game employees from receiving peace officer & fireman retirement benefits.

Bill would limit increases in post retirement pensions for teachers and public employees to "the lesser of (1) the increase in the cost of living since the date of retirement; or (2) four percent of the retirement benefit compounded for each year of retirement." (Currently increases are limited to the "greater" of these two factors.) Amends AS 14.25.143(b) and AS 39.35.475(b).

Rewrites definitions of "compensation" for purposes of teachers' and public employees' retirement (amends AS 14.25.220(9) and AS 39.35.680(8)). Makes other miscellaneous amendments to AS 14.25, and AS 39.35. Provides Act effective July 1, 1981.

Introduced May 11 and referred to State Affairs, Health, Education & Social Services and Finance.

Prisoners
(care & confinement of)

SENATE BILL NO. 558, by the Health, Education & Social Services Committee. Amends AS 33.30.060(a) (Commissioner May Contract for Care & Confinement of Prisoners) to allow the Commissioner of Health & Social Services to "enter into an agreement with appropriate public or private agencies [THE PROPER AUTHORITIES OF THE UNITED STATES, ANOTHER STATE, OR A POLITICAL SUBDIVISION OF THIS STATE] to provide for the safekeeping, care, subsistence, proper government, discipline



Alaska State Legislature

Senate Committee on State Affairs

Vic Fischer, Chairman • Pouch V • Juneau, Alaska 99811 • (907) 465-4954

Official Business

SENATE STATE AFFAIRS COMMITTEE SCHEDULE

ROOM 423 CAPITOL

TUESDAY

Feb. 23

1:30 p.m.

- SJR 13 D.C. voting rights
- SJR 62 MX missiles in Alaska
- SJR 75 Martial law in Poland
- SB 637 Historical Commission
- HB 708 Capital Site Planning Commission appropriation
- S. 630 Sunset legislation
- SB 632 Games of chance

THURSDAY

Feb. 25

1:30 p.m.

- SB 557 Retirement
- SB 753 Retirement

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
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Introduced: 2/18/82
Referred: State Affairs and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 813

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to post-retirement pension adjustments
7 and retirement benefits for peace officers, marine
8 transportation employees and Department of Fish and
9 Game employees; and providing for an effective date."

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

11 * Section 1. AS 14.25.143 is repealed and reenacted to read:

12 Sec. 14.25.143. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the
13 administrator determines that the cost of living has increased and that
14 the financial condition of the retirement fund permits, he may increase
15 benefit payments to eligible disabled members and persons age 55 or old-
16 er who both received benefits in the preceding calendar year and are re-
17 ceiving benefits under this system at the time the increase is granted.

18 (b) The increase in benefit payments applies to total benefit pay-
19 ments except for the cost-of-living allowance under AS 14.25.142. The
20 amount of the increase is a percentage of the current benefit and may
21 not exceed

22 (1) the lesser of 75 percent of the increase in the cost of
23 living in the preceding calendar year or nine percent for recipients who
24 are at least 65 years old on July 1;

25 (2) the lesser of 50 percent of the increase in the cost of
26 living in the preceding calendar year or six percent for recipients who
27 on July 1 are at least 60 but less than 65 years old and for members re-
28 ceiving disability benefits who are less than 65 years old; or

29 (3) the lesser of 25 percent of the increase in the cost of

1 65 years old on July 1; or

2 (3) the lesser of 25 percent of the increase in the cost of
3 living in the preceding calendar year or three percent of the current
4 benefit for recipients who are at least 55 but less than 60 years old on
5 July 1.

6 (c) If a recipient was not receiving benefits during the entire
7 preceding calendar year, the increase in benefits under this section
8 must be adjusted by multiplying it by the fraction whose numerator is
9 the number of months for which benefits were received in the preceding
10 calendar year and whose denominator is 12.

11 (d) If, at the time of first receiving a retirement benefit, a
12 member was receiving a disability benefit under this system, the admini-
13 strator shall, at the time the member is appointed to retirement, in-
14 crease the retirement benefit by a percentage equal to the total cumula-
15 tive percentage increase which has been applied to the member's disabili-
16 ty benefit under this section.

17 (e) When computing a spouse's pension under AS 14.25.164, adjust-
18 ments granted to the deceased member under this section must be in-
19 cluded.

20 (f) An increase in benefit payments under this section is effec-
21 tive July 1 of each year and the limit on the increase is based on the
22 percentage increase in the consumer price index for urban wage earners
23 and clerical workers for Anchorage, Alaska during the previous calendar
24 year as determined by the United States Department of Labor, Bureau of
25 Labor Statistics.

26 " Sec. 39.35 is amended by adding a new section to read:

27 Sec. 39.35.305. CREDITED SERVICE FOR EMPLOYMENT WITH THE DIVISION
28 OF MARINE TRANSPORTATION. (a) A vested employee who is a member of the
29 system on July 1, 1981 is entitled to service credit for periods of em-

1 employment before January 1, 1977 with the division of marine highways of
2 the Department of Transportation and Public Facilities for which the em-
3 ployee received service credit under the Northwest Marine Retirement
4 Trust. The service credit allowed under this section may not exceed an
5 aggregate of nine years. Benefits are not payable on service credit un-
6 der this section unless the employee makes retroactive contributions to
7 the system for the period of time for which service credit is claimed.

8 (b) In order to obtain service credit under this section, an em-
9 ployee shall make an election to do so and shall verify the period of
10 service. When eligibility for service credit has been established, an
11 indebtedness shall be determined as follows: (1) the employee's actual
12 compensation, or the calculated annual compensation for an employee
13 working less than 12 months, during the calendar year 1981 or the year
14 in which an employee first becomes vested under this chapter, whichever
15 is later, multiplied by (2) six percent, and this product multiplied by
16 (3) the number years of service credited under this section. Interest
17 as prescribed by regulation accrues on this indebtedness beginning on
18 July 1, 1981, or one year following the date a person first becomes
19 vested, whichever is later. Any outstanding indebtedness that exists at
20 the time a person is appointed to retirement will necessitate an actuar-
21 ial adjustment to the benefits payable based upon service credited under
22 this section.

23 * ~~Sec. 2~~ AS 39.35.370 is amended by adding a new subsection to read:

24 (g) A member may not receive retirement benefits under this sec-
25 tion based on a period of employment for which the member received ser-
26 vice credit under AS 39.35.305 if the member is receiving retirement
27 benefits from a marine retirement trust based on the same period of em-
28 ployment.

29 * ~~Sec. 4~~ AS 39.35.475 is repealed and reenacted to read:

1 Sec. 39.35.475. POST-RETIREMENT PENSION ADJUSTMENT. (a) When the
2 administrator determines that the cost of living has increased and that
3 the financial condition of the retirement fund permits, he may increase
4 benefit payments to eligible disabled members and persons age 55 or old-
5 er who received benefits in the preceding calendar year and also are re-
6 ceiving benefits under this system at the time the increase is granted.

7 (b) The increase in benefit payments applies to total benefit pay-
8 ments except for the cost-of-living allowance under AS 39.35.480. The
9 amount of the increase is a percentage of the current benefit and may
10 not exceed

11 (1) the lesser of 75 percent of the increase in the cost of
12 living in the preceding calendar year or nine percent of the current
13 benefit for recipients who are at least 65 years old on July 1;

14 (2) the lesser of 50 percent of the increase in the cost of
15 living in the preceding calendar year or six percent of the current
16 benefit for recipients who are at least 60 but less than 65 years old on
17 July 1 and for members receiving disability benefits who are less than
18 65 years old on July 1; or

19 (3) the lesser of 25 percent of the increase in the cost of
20 living in the preceding calendar year or three percent of the current
21 benefit for recipients who are at least 55 but less than 60 years old on
22 July 1.

23 (c) If a recipient was not receiving benefits during the entire
24 preceding calendar year, the increase in benefits under this section
25 must be adjusted by multiplying it by the fraction whose numerator is
26 the number of months for which benefits were received in the preceding
27 calendar year and whose denominator is 12.

28 (d) If, at the time of first receiving a retirement benefit, a
29 member was receiving a disability benefit under this system, the admini-

1 strator shall, at the time the member is appointed to retirement, in-
2 crease the retirement benefit by a percentage equal to the total cumula-
3 tive percentage increase which has been applied to the member's disabil-
4 ity benefit under this section.

5 (e) When computing a joint and survivor benefit under AS 39.35.450
6 or a survivor's benefit under AS 39.35.420 or 39.35.440, adjustments
7 granted to the deceased member under this section must be included.

8 (f) An increase in benefit payments under this section is effec-
9 tive July 1 of each year and the limit on the increase is based on the
10 percentage increase in the consumer price index for urban wage earners
11 and clerical workers for Anchorage, Alaska during the previous calendar
12 year as determined by the United States Department of Labor, Bureau of
13 Labor Statistics.

14 * Sec. 5. AS 39.35.680(27) is amended to read:

15 (27) "peace officer" or "fireman" means an employee occupying
16 a position as a peace officer, chief of police, correctional officer,
17 correctional superintendent, [QUALIFIED EMPLOYEE OF THE DEPARTMENT OF
18 FISH AND GAME,] fireman, or fire chief;

19 * Sec. 6. A person who has held a position on or before June 30, 1982, as
20 a "qualified employee of the Department of Fish and Game" shall be treated as
21 a peace officer under AS 39.35 whenever employed by the Department of Fish
22 and Game on or after July 1, 1982.

23 * Sec. 7. AS 39.35.680(32) is repealed.

24 * Sec. 8. This Act takes effect July 1, 1982

MEMORANDUM

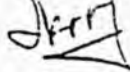
State of Alaska

TO: Jay S. Hammond
Governor

DATE: February 4, 1982

FILE NO

TELEPHONE NO: 465-4100

FROM: Ronald O. Skoog 
Commissioner
Department of Fish and Game

SUBJECT: Request for
Legislation
Fish and Game
Retirement

The recent failure of HB 121 is of continuing consequence to the Department of Fish and Game. The bill contained a provision (Section 54) which would have provided continuing peace officer retirement coverage to this Department's employees in the case of their transfer or promotion within the Department. Although I do not agree with the Department of Law's interpretation of the existing law in regard to the promotional positions, the Department of Fish and Game appears forced to accept the implementation of that interpretation by the Department of Administration.

The effect of the regulations being promulgated is that any employee presently covered by "peace officer retirement benefits" can retain that coverage only if he remains in his present position or moves to another position that can be determined as qualifying. Of particular problem are an array of supervisory and other positions that probably would not qualify under the intended "qualification regulations." Most of these we want to fill with experienced personnel from within the Department. Instead it is quite likely that none of these positions will be sought by existing employees presently in the peace officer's retirement system for fear of losing that benefit. Recruitment will continue, of course, but will be limited to "newcomers", who lack the experience of managing fish and wildlife in Alaska and lack experience in this Department.

I doubt the Legislature ever intended to design a retirement system that would divide one Department into two groups, while maintaining the same retirement system uniformly in other Departments. The 1976 amendment was proposed by this Administration and enacted by the Legislature in an effort to overcome that problem. However, if the Department of Law's interpretation of the present law is to be followed, I believe it necessary that Section 54 of SCSCSB 121, or similar language, be proposed to and enacted by the Legislature.

Governor Hammond

-2-

February 4, 1982

I propose that the following language--taken directly from Section 54--to be added to AS 39.35.680(32):

"A person holding a position as a 'qualified employee of the Department of Fish and Game' shall continue to be treated as a peace officer under AS 39.35 until that person

(1) terminates employment with the Department of Fish and Game before eligibility for or appointment to retirement or disability; or

(2) elects to irrevocably relinquish peace officer status under AS 39.35.527."

I urge you to seek this necessary amendment.

cc: Keith Specking
Wilson L. Condon
William R. Hudson
Division Directors
Section Chiefs

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SR 813
 Title An Act Relating to Retirement Benefits...(PERS)...and Providing for an Effective Date
 Requested by _____ Date _____

II. FISCAL DETAIL
 Agency Affected Administration - Division of Retirement & Benefits
 Program Category Affected Centralized Administrative Services
 BRU, Program, or Subprogram(s) Affected Retirement & Benefits
 (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 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
100 RETIREMENT BENEFITS		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		(228.0)	(506.5)	(838.3)	(1,231.4)	(1,694.7)

FUNDING (Thousands of Dollars)

GENERAL FUND		(186.7)	(414.8)	(686.6)	(1,008.5)	(1,388.0)
FEDERAL FUNDS		(10.5)	(23.3)	(38.6)	(56.6)	(78.0)
VETERAN'S FUND		(.5)	(1.0)	(1.7)	(2.5)	(3.4)
FISH & GAME FUND		(1.4)	(3.0)	(5.0)	(7.4)	(10.1)
HIGHWAY FUND		(3.0)	(6.6)	(10.9)	(16.0)	(22.0)
AIRPORT FUND		(5.5)	(14.7)	(24.3)	(35.7)	(49.1)
CAPITAL FUND		(19.3)	(43.1)	(71.2)	(104.7)	(144.1)
PERS						

POSITIONS NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

1. Provision to provide PERS service credit for certain Marine transportation service is estimated to cost \$4,000 per year.
2. Cost savings as a result of curtailing peace officer coverage within the Department of Fish and Game are estimated at \$232,000 in FY 83 and increasing in subsequent years.

IV. DATE February 23, 1982 PREPARED BY Paul B. Arnoldt
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 cc: Budget and Management
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