

COMMITTEE REPORT
SENATE

FURTHER:

4/17/85

Date 5/7/85

Mr. President

The Committee on FINANCE considered CSHB74 (SA) am

participation of certain former BIA employees in the Teachers' Retirement System.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

**MEMBERS SIGNING
DO PASS**

Paul Hendon

John ...

...

**MEMBERS HAVING
OTHER RECOMMENDATIONS**

Chairman

Chairman recommendation

Offered: 2/8/85
Referred: Health, Education &
Social Services and Finance

Original sponsors: Gruenberg, Taylor,
Grussendorf and Binkley

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE
2 CS FOR HOUSE BILL NO. 74 (State Affairs) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act relating to participation of certain former
7 BIA employees in the Teachers' Retirement System."

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

9 * Section 1. AS 14.25.220(8) is amended to read:

10 (8) "BIA service" means service, including partial years,
11 as a teacher, a certificated person employed in a full-time position
12 requiring a teaching certificate as a condition of employment, or a
13 Bureau of Indian Affairs professional educator in a school or school
14 system operated by the Bureau of Indian Affairs in Alaska;

15 * Sec. 2. A member qualified under amendments made by sec. 1 of this
16 Act may claim prior service if the member pays the arrearage indebtedness
17 in accordance with AS 14.25.060.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____ Page 1 of 2

REQUEST (State) FISCAL DETAIL
 Bill/Resolution No.: C5HB 74 Affairs Agency Affected: Department of Education
 Title: "...Participation of Former Professional Educators..." Program Category Affected: TRS
 Sponsor: Gruenberg BRU, Program or Subprogram(s) Affected: _____
 Requestor: Hurley _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

Operating	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
100 Personal Svcs						
100 Ptmnt & Bnfts		12.4	13.4	14.5	15.6	16.9
200 Travel						
300 Contractual						
400 Supplies						
500 Equipment						
600 Land & Struct						
700 Grants, Claims						
700 TRS Match		72.2	78.0	84.2	91.0	98.2
TOTAL OPERATING	-0-	84.6	91.4	98.7	106.6	115.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		84.6	91.4	98.7	106.6	115.1
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	84.6	91.4	98.7	106.6	115.1

POSITIONS:	-0-	-0-	-0-	-0-	-0-	-0-
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

J.K. Humphreys

Prepared By: J.K. Humphreys, Director Phone: 465-4470
 Division: Retirement & Benefits Date: 2/11/85

Approved by Commissioner: Lisa Rudd *A. Edmunds* Date: 2-15-85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Offered: 2/8/85
Referred: Health, Education &
Social Services and Finance

Original sponsors: Gruenberg, Taylor,
Grussendorf and Binkley

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A/B

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Approved by Commissioner: Lisa Rudd Date: 2-15-85
 Agency: Department of Administration

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CS for House Bill 74 (State Affairs)
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration

February 11, 1985

Analysis:

Passage of this bill would allow those former BIA employees acting in the capacity of a BIA professional educator to claim that service in the Teachers' Retirement System (TRS) establishing a date, January 1, 1986, for interest to accumulate on any unpaid balance. The BIA administrative office has advised us that this would involve approximately 20 people having an average of 6½ years of qualified service.

This bill would result in an estimated .0347% increase in the TRS Employer contribution rate. The FY 86 TRS State Match estimated payroll is \$416,297,654.00.

The State cost of \$84.6 is calculated as follows:

one half of the change in TRS contribution rate [(.0347% divided by 2) = .01735%] times the estimated FY 86 State TRS salaries (\$71,490,744.00) equaling	\$12,400.00
plus one half of the change in TRS contribution rate (.01735%) times the estimated FY 86 State Match Payroll (\$416,297,654.00) (equaling \$72,200.00).	<u>\$72,200.00</u>
	<u>\$84,600.00</u>

The estimated costs to school districts are as follows:

<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
\$59.8	\$64.6	\$70.8	\$76.5	\$82.6

The present value of the cost of this bill is \$1,300,000.00; this would produce a .15% decrease in the TRS funding ratio.

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

4/4/85

Date

4-16-85

Mr. President

The Committee on HESS considered CSHB 74(SA) am
participation of certain former BIA employees in the Teachers' Retirement
System.

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the following recommendations:

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MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna G. Vining

Joe Rosen

Arthur Sturgis

Dutton Johnson
Chairman
Do Pass
Chairman recommendation