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ASSOCIATION OF ALASKA SCHOOL BOARDS
326 Fourth St., Suite 510 • Juneau, Alaska 99801 • (907) 586-1083

TESTIMONY BEFORE SENATE STATE AFFAIRS COMMITTEE
CS for House Bill No. 238 (Judiciary) am
March 13, 1986

The Association of Alaska School Boards does not oppose the concept of crediting Leave Without Pay (LWOP) toward retirement eligibility. However we are opposed to removing decision-making and control regarding Parental Leaves Without Pay from the local school board and administration.

In our view HB 238 establishes, as a matter of state policy, approval of up to four months of Leave Without Pay for natural or adoptive parents who are certificated employees of school districts and credits that non-working time toward eligibility in the Teacher's Retirement System.

Currently, Leave Without Pay is collectively bargained between a school district and its certificated employees. However, the state's explicit approval of Leave Without Pay for parenting reasons undermines the district's bargaining position and weakens any attempt by school management to control leave useage.

Additionally, sixteen weeks doesn't appear to have any relation to the period of temporary disability connected with childbirth, for which employees are now entitled to use accrued sick leave. It simply represents an additional benefit of being able to count this non-working time for retirement. AASB is concerned that such a benefit may discriminate against non-parents since eligibility depends solely on whether the Leave Without Pay was for child rearing purposes.

We believe that the decline in state revenues will impact significantly on school district revenues. It is imperative that districts maximize their ability to manage and control costs at the local level. We believe this legislation would be detrimental to local control.

We thank the committee for the opportunity to submit this testimony.

Alaska State Legislature



Senator Mitch Abodo
CHAIRMAN

Senate Committee on State Affairs

CSHB 238 (Judiciary) am

The following amendments were drafted in response to Sen. DeVries request to make the language clear that adoption, and not foster parenting be included among the reasons for credit of service of leave without pay.

AMENDMENT # 1

Page 2, line 1. After "member" insert "in connection with adoption"

Page 3, line 5. After " judge" insert "in connection with adoption."

Page 4, line 13. After "employee" insert "in connection with adoption."

Alaska State Legislature

INTERIM OFFICE
1024 WEST SIXTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 274-2843

IN SESSION:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4714



Senator Mitch Abood
CHAIRMAN

Senate Committee on State Affairs

CSHB 238 (Judiciary) am

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OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION

KATHY MARSHALL
Executive Director

3601 "C" Street, Suite 742
Anchorage, Alaska 99503

4145-3568
(907) 561-4227



PHONE
(907) 561-4227

STATE OF ALASKA
OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION
1 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

MEMO

TO: Senator Mitch Abood

FROM: Kathy Marshall *KM*
Executive Director

SUBJECT: Proposed changes to CSHB 238

DATE: March 13, 1986

The Alaska Women's Commission would like to propose the following changes to CSHB 238 in response to objections discussed in Senate State Affairs, March 13, 1986:

- 1) "Amend the title to "An Act relating to personal leave for pregnancy, child birth and adoption".
- 2) Eliminate sections 1, 2, 3, 5, 6, 7, and 8.

These changes will remove all references to the ability of employees to purchase back retirement credit while on leave without pay for purposes due to pregnancy, birth or adoption. This eliminates any impact on the retirement systems for PERS, TERS and JERS and subsequently removes the basis of the fiscal note.

The remaining section 4, amends the personnel statute, AS 39.20.225(b)(4) to change maternity leave to parental leave and extend the leave without pay from 9 to 16 weeks. These provisions would affect only exempt employees and not bargaining units.

The Alaska Women's Commission believes this provision will set a state policy which recognizes the importance of parental involvement in the first four months of life without impacting the bargaining process.

Please feel free to contact me if you would like additional information about this proposal. Thank you for your consideration.

KM/dn

§ 39.20.200

§ 39.20.210

PUBLIC OFFICERS AND EMPLOYEES

§ 39.20.225

NOTES TO DECISIONS

Cited in State v. Worden, 7 Alas. L.J. No. 9, p. 641 (Sept., 1969).

Collateral references. — 63 Am. Jur. 2d, Public Officers and Employees, §§ 158, 403.

Sec. 39.20.210. Determining years of service. In determining years of service for the purpose of computing personal leave, all service with the Territory and State of Alaska is included. A change in the rate of accrual of personal leave by an officer or employee takes effect upon the beginning of the monthly pay period following the monthly pay period in which the officer or employee completes the prescribed period of service. (§ 11-5-6 b ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 2 ch 136 SLA 1978)

Sec. 39.20.220. Requirement that employment be continuous. Notwithstanding AS 39.20.200, an officer or employee is entitled to personal leave only after having been employed currently for a continuous period of 30 days under one or more appointments without break in service. When an officer or employee completes a period of continuous employment of 30 days, an amount of personal leave is credited to the officer or employee equal to the amount which, but for this section, would have accrued under AS 39.20.200 during the period. (§ 11-5-6 c ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 3 ch 136 SLA 1978)

Sec. 39.20.225. Use of personal leave. (a) An officer or employee may take personal leave at any time business permits upon permission by the head of the department or agency for which the officer or employee works.

(b) An officer or employee may take personal leave for medical reasons, regardless of whether business permits, upon permission by the head of the department or agency for which the officer or employee works. A department or agency head shall grant personal leave for medical reasons if the department or agency head is satisfied that the officer or employee is absent for medical reasons. The taking of personal leave for medical reasons shall be reduced by the amount of wage continuation payments made under the Alaska Workers' Compensation Act (AS 23.30). The following constitute "medical reasons" and are subject to the conditions noted:

(1) Medical disability of an officer or employee is a medical reason for taking personal leave. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(2) Medical disability of a member of an officer's or employee's immediate family is a medical reason for taking personal leave if the disability is such that the attendance of the officer or employee is required. A department or agency head may require a doctor's certificate showing the disability if the absence exceeds three consecutive working days.

(3) A medical condition of an officer or employee that makes presence at work a danger to the health of fellow employees is a medical reason for taking personal leave. A department or agency head may require a doctor's certificate showing the condition if the absence exceeds three consecutive working days.

(4) Pregnancy and childbirth is a medical reason for a female officer or employee to take personal leave. A female officer or employee, otherwise qualified for a leave of absence, is entitled to take a maximum of nine weeks leave immediately preceding and following childbirth. If the officer's or employee's accrued personal leave is insufficient for this purpose, the officer or employee is entitled to take leave without pay for the balance of the nine-week period.

(5) Death of a member of an officer's or employee's immediate family is a medical reason for taking personal leave. No more than five days of personal leave may be taken for this purpose.

(c) Each officer and employee shall, during each 12-month period, take at least five days of personal leave. If the officer or employee does not take at least five days of personal leave during a 12-month period, the difference between five days and the amount of personal leave taken shall be canceled without pay unless the department or agency head certifies in writing that the officer or employee was denied the opportunity to take five days of personal leave during the 12-month period. (§ 4 ch 136 SLA 1978)

Sec. 39.20.230. When annual leave may be taken. [Repealed, § 15 ch 136 SLA 1978. For current law see AS 39.20.225.]

Sec. 39.20.240. Accumulation of personal leave. Except as provided in AS 39.20.225(c) personal leave that is not taken by an officer or employee during a 12-month period accumulates for use in succeeding 12-month periods. (§ 11-5-6 e ACLA 1949; am § 1 ch 182 SLA 1957; am § 1 ch 145 SLA 1960; am § 1 ch 37 SLA 1967; am § 1 ch 31 SLA 1971; am § 1 ch 151 SLA 1972; am § 5 ch 136 SLA 1978)

Sec. 39.20.245. Donation of personal leave. (a) An officer or employee may donate one or more days of personal leave a year to the memorial scholarship revolving loan fund, or to a scholarship account in the fund, under AS 14.43.250 — 14.43.325. The commissioner of administration shall pay to the account of the memorial scholarship revolving loan fund, or to a scholarship account in the fund, an amount equal to the value of the day or days of personal leave contributed by the officer or employee.

§ 14.20.320

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FOR HB 288

§ 14.20.330

EDUCATION

§ 14.20.345

accomplishments" in the first sentence, the second sentence, and substituted "the
substituted "returning" for "his return" in teacher" for "him" in the second sentence.

Sec. 14.20.330. Position, tenure, and retirement. (a) Unless it is otherwise agreed, a teacher returning from sabbatical leave shall return to the position occupied by that teacher when the sabbatical leave began.

(b) A sabbatical leave is not an interruption of the continuous service necessary to attain or retain tenure under AS 14.20.150, 14.20.155, or 14.20.160. However, the time spent on sabbatical leave may not be counted in determining when a teacher has sufficient service to enable the teacher to acquire tenure rights.

(c) A sabbatical leave is not a break in service for retirement purposes. Payment into the retirement fund shall be made on the basis of full salary. (§ 6 ch 134 SLA 1962; am § 32 ch 98 SLA 1966)

Editor's notes. — Subsection (a) was SLA 1982. The revisor also, in subsection rewritten by the revisor of statutes under (b), substituted "the teacher" for "him" the authority of AS 01.05.031 and in accordance with the directive in § 4, ch. 58, under the authority of AS 01.05.031 and ch. 58.

Sec. 14.20.340. Military service and previous leaves of absence. To determine eligibility for sabbatical leave, tours of military service and leaves of absence granted before July 1, 1963, are not considered years of active service. (§ 7 ch 134 SLA 1962; am § 2 ch 62 SLA 1964)

Sec. 14.20.345. Leave of absence without pay. (a) A teacher may be granted a leave of absence without pay for the purposes which may be approved by the governing body of the district if

(1) the teacher's application is approved by the governing body of the district; and

(2) the teacher agrees to return to employment in a public school not later than the beginning of the school year following termination of the period for which the leave of absence was granted.

(b) A leave of absence is not an interruption of the continuous service necessary to attain or retain retirement or tenure rights according to AS 14.20.150, 14.20.155, or 14.20.160. However, the time spent on leave of absence may not be counted in determining when a teacher has sufficient service to enable the teacher to acquire retirement or tenure rights.

(c) The leave of absence is not a break in service for retirement purposes.

(d) The governing body of the district may agree to continue the teacher's retirement contributions if the teacher agrees to pay the required seven per cent of the salary the teacher would have received during the leave of absence and reimburse the district for the district's required retirement contribution. Each year of leave of absence then would count as a year of retirement service.

(e) The governing body of the district may advance the teacher on the district salary schedule when the teacher returns to employment if the governing body determines that the teacher's leave of absence was educationally or professionally beneficial to the teacher or the district.

(f) A teacher may make contributions to the retirement fund for each year or portion of a year of leave of absence taken. The contribution shall include the required per cent of the salary the teacher would have received had the leave of absence not been taken, plus the required employer and state contributions that would have been made. Compound interest at the rate prescribed by regulation shall be added as computed from the beginning date of the leave of absence to the date the teacher pays the contribution. (§ 5 ch 104 SLA 1965; am §§ 33, 34 ch 98 SLA 1966; am § 1 ch 44 SLA 1971; am § 1 ch 184 SLA 1972; am § 2 ch 99 SLA 1974)

Editor's notes. — The revisor of statutes, pursuant to AS 01.05.031 and § 4, ch. 58, SLA 1982, substituted "the teacher's" for "his" in subsection (a)(1); substituted "the teacher" for "he" in subsections (a)(2), (d), (e), and (f); substituted "the teacher"

for "him" in subsection (b); substituted "the" for "his" in subsection (d); and, in subsection (f), substituted "the leave of absence not been taken" for "he not taken the leave of absence."

Sec. 14.20.350. Definition. In AS 14.20.280 — 14.20-350 "teacher" means a certificated member of the teaching, supervisory, or administrative corps in the public schools of the state. (§ 8 ch 134 SLA 1962)

Revisor's notes. — This section was rewritten to eliminate former paragraph (2) which defined "department" by the

revisor of statutes under AS 01.05.031 because of the redundancy in light of AS 14.60.010(4).

Article 5. Professional Teaching Practices Act.

Section

- 370. Teaching profession
- 380. Creation of a commission
- 390. Appointment and qualifications
- 400. Composition of the commission
- 410. Selection of members
- 420. Term of office
- 430. Dismissal
- 440. Reimbursement

Section

- 450. Responsibilities of commission
- 460. Duties of commission
- 470. Powers of commission
- 475. Applicability of the Administrative Procedure Act
- 480. Effect of standards
- 500. Support
- 510. Short title

Sec. 14.20.370. Teaching profession. Teachers required by Alaska law to be certificated, instructors in institutions of higher learning, school administrators, school program administrators, and school counselors are within the teaching profession. (§ 35 ch 98 SLA 1966)

(b) When a school operated by a federal agency is transferred to or absorbed into a new or existing school district the teachers shall also be transferred if mutually agreed by the teacher or teachers and the school board of the new or existing district. A teacher transferred from a federal agency school, which does not have an official salary schedule or teacher tenure in the same manner as a public school district in the state, shall be placed on a position on the salary schedule of the absorbing district; the salary may not be less than the teacher would have received in the federal agency school. If the teacher taught two or more years in the federal agency school and, at the time of transfer, had a valid Alaska teaching certificate, that teacher shall be placed on tenure in the absorbing district.

(c) On the first day of service in the absorbing school district, a teacher transferred from a federal agency school shall be allowed the actual number of days of accumulated sick leave that the teacher has earned while teaching in Alaska. Consistent with the established district policy the absorbing district may allow credit for any other type of leave. Credit for retirement shall be allowed in accordance with AS 14.25.060. (§ 1 ch 53 SLA 1972; am § 1 ch 150 SLA 1975)

Legislative history reports. — For report on ch. 150, SLA 1975 (CSSB 128 am), see 1975 Senate Journal, p. 712.

NOTES TO DECISIONS

Back pay is not a benefit for the purpose of subsection (a) of this section. Aleutian Region R.E.A.A. v. Wolansky, Sup. Ct. Op. No. 2380 (File No. 5098), 630 P.2d 529 (1981).

Quoted in Northwest Arctic Regional Educ. Attendance Area v. Alaska Pub. Serv. Employees, Local 71, Sup. Ct. Op. No. 1811 (File Nos. 3360, 3362), 591 P.2d 1292 (1979).

Sec. 14.20.148. Intradistrict teacher reassignments. When a teacher is involuntarily transferred or reassigned to a position for which the teacher is qualified, within the district, the teacher's moving expenses shall be paid unless the one-way driving distance is 20 miles or less from the teacher's present place of residence, or unless otherwise mutually agreed by the teacher and chief school administrator of the district. (§ 1 ch 136 SLA 1972)

Editor's notes. — The revisor of statutes, pursuant to AS 01.05.031 and § 4, ch. 58, SLA 1982, substituted "the teacher" for "he" and "the teacher's" for "his."

Collateral references. — Power of school authorities to transfer teacher from one school or district to another, 103 ALR 1382.

Sec. 14.20.150. Acquisition of tenure rights. (a) A teacher acquires tenure rights in a district when the teacher

(1) possesses a standard teaching certificate;

(2) has been employed for two full years immediately preceding the effective date of the contract. The teacher shall be placed on the salary schedule of the district during the school year.

Editor's notes, pursuant to AS 1982, SLA 1982

Purpose of laws are intended to protect the interests of those who have not experienced the reasons. State 755 (File No. 755)

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(2) has been employed as a teacher in the same district continuously for two full school years and is reemployed for the school year immediately following the two full school years.

(b) The tenure rights acquired under (a) of this section become effective on the first day the teacher performs teaching services in the district during the school year immediately following the two full school years. (§ 1 ch 92 SLA 1960; am § 17 ch 98 SLA 1966)

Editor's notes. — The revisor of statutes, pursuant to AS 01.05.031 and § 4, ch. 58, SLA 1982, substituted "the teacher"

for "his" in the introductory language of subsection (a).

NOTES TO DECISIONS

Purpose of tenure laws. — Tenure laws are intended to give job security to experienced teachers and to ensure that they will not be discharged for inadequate reasons. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

A system of tenure has as its objective the retention of able personnel after they have undergone an adequate period of probation with the concomitant result that more talented personnel will be attracted to enter the teaching profession. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

The law does not require that teachers shall teach every day, or every hour of every day. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

The supreme court fails to find any provision of Alaska statutes concerning education which requires, or to perceive of any persuasive policy reasons why, a

teacher must work full days throughout the school year in order to attain tenure rights. No legislative intent to exclude a teacher who works less than full days is manifest from a study of the applicable statutes. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

Duties regular and substantial enough to afford intelligent evaluation are sufficient. — When a teacher's duties are regular and substantial enough to afford intelligent evaluation, there is little in the way of persuasive policy considerations for excluding such service from the ambit of Alaska tenure laws. State v. Redman, Sup. Ct. Op. No. 755 (File No. 1431), 491 P.2d 157 (1971).

Cited in Skagway City School Bd. v. Davis, Sup. Ct. Op. No. 1216 (File No. 2265), 543 P.2d 218 (1975); Crisp v. Kenai Peninsula Borough School Dist., Sup. Ct. Op. No. 1771 (File No. 3318), 587 P.2d 1168 (1978).

Collateral references. — What amounts to waiver of status or rights under teachers' tenure statute. 145 ALR 1078.

Construction and effect of tenure provi-

sions of contract or statute governing employment of faculty member by college or university. 66 ALR3d 1018.

Who is "teacher" for purposes of tenure statute. 94 ALR3d 141.

Sec. 14.20.155. Effect of tenure rights. (a) A teacher who has acquired tenure rights has the right to employment within the district during continuous service.

(b) A teacher who has acquired tenure rights may agree to a new contract at any time. However, if the teacher fails to agree to a new contract, the provisions of the previous contract are continued subject to AS 14.20.158. (§ 18 ch 98 SLA 1966)

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§ 39.35.270

§ 39.35.280

PUBLIC OFFICERS AND EMPLOYEES

§ 39.35.300

Sec. 39.35.280. Determination and payment of state contributions. The total amount of contributions required under AS 39.35.250 — 39.35.290 to be made by the state into the system shall be ascertained by the department of administration as soon as practicable after the end of each calendar month and shall be paid from the general fund of the state, except as provided in this section. If an employee is paid wages by the state during the month from a special or administrative fund provided by law, the payment to the system shall be made from that special or administrative fund. If the wages of an employee include both wages for state employment paid from the general fund of the state and wages for state employment paid from special or administrative funds, the amount to be paid into the system shall be prorated among the state funds in proportion to the wages paid to the individuals from each fund. However, payment may not be made from the special or administrative fund if the statute covering the special or administrative funds prohibits it. (§ 10 d ch 143 SLA 1960)

Sec. 39.35.290. Regulations governing transmittal of employer contributions. The board shall adopt regulations to ensure the orderly and efficient transmittal of employer contributions. (§ 10 e ch 143 SLA 1960)

Article 5. Service.

| Section | Section |
|--------------------------------------|--|
| 300. Employment with the state | 345. Temporary service credit |
| 310. Employment with other employers | 350. Reinstatement of credited service |
| 330. Leave of absence | 360. Earlier service |
| 340. Military service | |

Sec. 39.35.300. Employment with the state. (a) An active employee is entitled to credited service for periods of employment with the state after January 1, 1961, regardless of the office, department, division, or agency of the state in which the person was employed. For purposes of this chapter, the University of Alaska is not an office, department, division, or agency of the state. Service credit may not be granted under this chapter for service that is creditable under the teachers' retirement system, AS 14.25.

(b) A permanent part-time employee of the state receives credited service on a pro rata basis to that which would have been earned as a permanent full-time employee. (§ 11 ch 143 SLA 1960; am § 4 ch 155 SLA 1966; am § 4 ch 27 SLA 1976; am § 26 ch 128 SLA 1977; am § 29 ch 13 SLA 1980)

Effect of amendments. — The 1980 amendment added the present second and third sentences in subsection (a).

MF

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Handwritten initials and date: 11/31/85

Page 1 of 2

Revision Date: _____

REQUEST Bill/Resolution No.: CSHB 238 (JUD) FISCAL DETAIL Agency Affected: All State
Title: "An Act relating to credited service. . ." BRU: Retirement & Benefits

Sponsor: Rules Components: PERS, TRS, JRS
 Requestor: _____
 Date of Request: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 | FY 91 |
|-------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | | | | | | |
| RTMNT & BNFTS | | 85.4 | 92.2 | 99.6 | 107.6 | 116.2 |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| TRS MATCH | | 45.7 | 49.4 | 53.3 | 57.6 | 62.2 |
| TOTAL OPERATING | -0- | 131.1 | 141.6 | 152.9 | 165.2 | 178.4 |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-------|-------|-------|-------|-------|
| GENERAL FUND | | 123.6 | 133.5 | 144.2 | 155.7 | 168.2 |
| FEDERAL FUNDS | | 3.6 | 3.9 | 4.2 | 4.6 | 4.9 |
| OTHER | | 3.9 | 4.2 | 4.5 | 4.9 | 5.3 |
| TOTAL | -0- | 131.1 | 141.6 | 152.9 | 165.2 | 178.4 |

POSITIONS: -0- -0- -0- -0- -0- -0-

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|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: Attach a separate page if necessary

See attached

Prepared By: J.K. Humphreys, Director Phone: 465-4470
 Division: Retirement & Benefits Date: 1/24/86

Approved by Commissioner: Eleanor Andrews Date: 1/24/86
 Agency: Department of Administration

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

CSHB 238 (JUDICIARY)
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration

January 24, 1986

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a sixteen week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0133% in FY 87. The state PERS payroll is estimated to be \$590,176,728 in FY 87 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .01% for FY 87. The state TRS payroll is estimated to be \$68,569,578 in FY 87 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .01% in FY 87. The TRS State Match salary is estimated to be \$456,833,417 for FY 87 and to increase by 8% each year thereafter.

The State FY 87 cost of \$131.1 is calculated as follows:

The increase in State PERS contribution rate (.0133%) times the estimated FY 87 State PERS salary (\$590,176,728) equals; \$78,500.00

The increase in State TRS contribution rate (.01%) times the estimated FY 87 State TRS salary (\$68,569,578) equals; \$ 6,900.00

The increase in TRS State Match contribution rate (.01%) times the estimated FY 87 TRS State Match salary (\$456,833,417) equals; \$45,700.00

Total cost \$131,100.00

We have also estimated that Political Subdivision and School Districts costs (TRS and PERS) would increase as follows:

| <u>FY 87</u> | <u>FY 88</u> | <u>FY 89</u> | <u>FY 90</u> | <u>FY 91</u> |
|--------------|--------------|--------------|--------------|--------------|
| \$102.7 | \$110.0 | \$110.0 | \$120.4 | \$120.7 |

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Alaska State Legislature





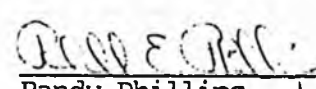
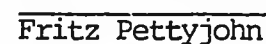
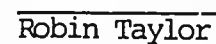


House of Representatives House Judiciary Committee

Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465

HOUSE JUDICIARY COMMITTEE
INTENT FOR CSHB 238 (Jud) am

It is the intent of the Committee that, when a position providing vital government services to the public is temporarily vacated because of parental leave authorized under CSHB 238 (Judiciary) am the supervisor should immediately fill the position with a temporary employee so that those services to the public are not interrupted.

| | |
|---|---|
|  M. Mike Miller, Chairman |  John Sund, Vice-Chairman |
|  Don Clocksin |  Max Gruenberg |
|  Randy Phillips |  Fritz Pettyjohn |
|  Robin Taylor | |

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

oc
1403.2.57

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the state's retirement systems. This bill amends statutes pertaining to the teachers', judicial, and public employees' retirement systems to allow credit for service for certain approved leave without pay.

The bill allows for credited service to be obtained for up to nine weeks of approved leave of absence without pay taken in connection with pregnancy, birth, or adoption of a child, and care of a child immediately after the birth or adoption of the child. Once an employee returns to work after such a leave of absence, the employee may obtain credited service by paying the full actuarial cost of providing benefits for the service claimed. Any unpaid indebtedness for the service claimed at the time of retirement will result in an actuarial reduction in benefits.

The bill requires the commissioner of administration to inform retirement system participants of the changes accomplished by this bill.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield
Governor

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Page 1 of 2

Revision Date: _____

Page 1 of 2

REQUEST

Bill/Resolution No.: HB 238

Title: "An Act Relating to
Credited Service..."

Sponsor: _____

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: All State Agencies

Program Category Affected: Elementary &
Secondary Education, Labor Services

BRU, Program or Subprogram(s) Affected:
PERS, JRS & TRS

EXPENDITURES/REVENUES: (Thousands of Dollars)

| Operating | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|--------------------|-------|-------|-------|-------|-------|-------|
| 100 Personal Svcs | | | | | | |
| 100 Rtmnt & Bnfts | | 44.8 | 48.4 | 52.3 | 56.3 | 60.9 |
| 200 Travel | | | | | | |
| 300 Contractual | | | | | | |
| 400 Supplies | | | | | | |
| 500 Equipment | | | | | | |
| 600 Land & Struct | | | | | | |
| 700 Grants, Claims | | | | | | |
| 700 TRS Match | | 23.3 | 25.2 | 27.2 | 29.4 | 31.7 |
| TOTAL OPERATING | -0- | 68.1 | 73.5 | 79.4 | 85.8 | 92.6 |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|------|------|------|------|------|
| GENERAL FUND | | 64.2 | 69.3 | 74.9 | 80.9 | 87.3 |
| FEDERAL FUNDS | | 1.9 | 2.1 | 2.2 | 2.4 | 2.6 |
| OTHER | | 2.0 | 2.2 | 2.3 | 2.5 | 2.7 |
| TOTAL | -0- | 68.1 | 73.5 | 79.4 | 85.8 | 92.6 |

Prepared By: J.K. Humphreys, Director

Phone: 465-4470

Division: Retirement & Benefits

Date: 2/21/85

Approved by Commissioner: Lisa Rudd

Date: 2-22-85

Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Elem. & Secondary Educ.

HB 238 : Maternity Credit Bill
 Fiscal Note Analysis
 Prepared by Division of Retirement & Benefits
 Department of Administration

February 21, 1985

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a nine week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0075% in FY 86. The state PERS payroll is estimated to be \$544,046,592 in FY 86 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .0056% for FY 86. The state TRS payroll is estimated to be \$71,490,744 in FY 86 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .0056% in FY 86. The TRS State Match salary is estimated to be \$416,297,654 for FY 86 and to increase by 8% each year thereafter.

The State FY 86 cost of \$68.1 is calculated as follows:

| | |
|---|--------------------|
| contribution rate (.0056%) times the estimated FY 86 TRS State Match salary (\$416,297,654) equals; | <u>\$23,300.00</u> |
| Total cost | <u>\$68,100.00</u> |

We have also estimated that Political Subdivision and School Districts costs would increase as follows:

| <u>FY 86</u> | <u>FY 87</u> | <u>FY 88</u> | <u>FY 89</u> | <u>FY 90</u> |
|--------------|--------------|--------------|--------------|--------------|
| \$51.4 | \$55.5 | \$60.0 | \$64.7 | \$69.9 |

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

Page 1 of 2

REQUEST
Page 1 of 2
Bill/Resolution No.: CSHB 238 (Jud)
Title: "An Act relating to credited
service..."
Sponsor: Rules
Requestor: Miller
Date of Request: 4/29/85

FISCAL DETAIL
Agency Affected: All State
Program Category Affected:
Labor Services
BRU, Program or Subprogram(s) Affected:
PERS, TRS

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|--------------------|-------|-------|-------|-------|-------|-------|
| Operating | | | | | | |
| 100 Personal Svcs | | | | | | |
| 100 Rtmnt & Bnfts | | 79.5 | 85.9 | 92.7 | 100.1 | 108.2 |
| 200 Travel | | | | | | |
| 300 Contractual | | | | | | |
| 400 Supplies | | | | | | |
| 500 Equipment | | | | | | |
| 600 Land & Struct | | | | | | |
| 700 Grants, Claims | | | | | | |
| 700 TRS Match | | 41.6 | 44.9 | 48.5 | 52.4 | 56.6 |
| TOTAL OPERATING | -0- | 121.1 | 130.8 | 141.2 | 152.5 | 164.8 |
| CAPITAL | | | | | | |
| REVENUE | | | | | | |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|-----|-------|-------|-------|-------|-------|
| GENERAL FUND | | 114.2 | 123.3 | 133.2 | 143.9 | 155.4 |
| FEDERAL FUNDS | | 3.3 | 3.6 | 4.8 | 4.2 | 4.5 |
| OTHER | | 3.6 | 3.9 | 4.2 | 4.4 | 4.9 |
| TOTAL | -0- | 121.1 | 130.8 | 141.2 | 152.5 | 164.8 |

Prepared By: J.K. Humphreys Director Phone: 465-4470
Division: Retirement & Benefits Date: 4/29/85

Approved by Commissioner: Lisa Rudd Date: 5/7/85
Agency: Department of Administration

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Labor Services
Rev. 7/1/84

CSHB 238 (JUDICIARY)
Fiscal Note Analysis
Prepared by Division of Retirement & Benefits
Department of Administration

April 29, 1985

IV Analysis:

Passage of this bill will allow members of the Public Employees (PERS), Judicial (JRS) and Teachers' (TRS) Retirement Systems to claim and purchase service for periods of authorized Leave Without Pay which resulted from pregnancy, birth of a member's child, adoption or care of the child immediately following birth. The bill also establishes a sixteen week limit on the amount of Leave Without Pay which may be claimed.

To fund this bill, the state PERS contribution rate would be increased by .0133% in FY 86. The state PERS payroll is estimated to be \$544,046,592 in FY 86 and to increase by 8% each year thereafter.

The state TRS contribution rate must be increased by .01% for FY 86. The state TRS payroll is estimated to be \$71,490,744 in FY 86 and to increase by 8% each year thereafter. The TRS State Match contribution would increase by .01% in FY 86. The TRS State Match salary is estimated to be \$416,297,654 for FY 86 and to increase by 8% each year thereafter.

The State FY 86 cost of \$121.1 is calculated as follows:

| | |
|---|----------------------------|
| contribution rate (.01%) times the estimated FY 86 TRS State Match salary (\$416,297,654) equals; | <u>\$41,600.00</u> |
| Total cost | <u><u>\$121,100.00</u></u> |

We have also estimated that Political Subdivision and School Districts costs would increase as follows:

| <u>FY 86</u> | <u>FY 87</u> | <u>FY 88</u> | <u>FY 89</u> | <u>FY 90</u> |
|--------------|--------------|--------------|--------------|--------------|
| \$91.4 | \$98.7 | \$106.6 | \$115.1 | \$124.3 |



STATE OF ALASKA

OFFICE OF THE GOVERNOR

ALASKA WOMEN'S COMMISSION
3601 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

February 20, 1986

Senator Mitch Abood
Alaska State Legislature
Pouch V (MS 3100)
Juneau, Alaska 99811

Dear Senator Abood:

Suzanne Lombardi, a member of the Alaska Women's Commission, met with you on February 19th to discuss HB 237, Pension Reform, and HB 238, Parental Leave. These two bills were introduced by the Governor at the Alaska Women's Commission's request. Commissioner Lombardi asked me to respond to several concerns you raised about the bills in your meeting with her.

HB 237, The Pension Reform bill is based on the federal legislation, the Retirement Equity Act of 1984. HB 237 reforms the public sector retirement plans to conform to the private sector plans modified by the Retirement Equity Act. The bill covers three major areas:

- 1) Spouses become the automatic beneficiaries on retirement plans for death benefits. Under the current system an employee may elect a larger monthly retirement and no survivor benefits. In fact, only 20% of employees elected survivor benefits last year.
- 2) Consent of the employees spouse is required in writing if an employee chooses to waive survivor benefits. This provision would permit families to waive survivor benefits but would also insure the spouse could prepare before the time of death for no survivor benefits.
- 3) Retirement benefits become assignable to former spouses if stipulated in the divorce decree. Currently, retirement benefits are frequently considered a marital asset and a portion of the value of the benefits awarded to the spouse. With the passage of this bill, retirement benefits could be assigned at the time of retirement rather than a lump sum value being awarded at the time of the divorce. The former spouses would only be eligible for the portion of the benefits

awarded at the time of divorce. If, for example, a state employee was married for ten years and got a divorce and later remarried to a second spouse for five years prior to dying, the first spouse would be entitled to ten years worth of benefits and the second spouse would only be entitled to five years worth of benefits.

This bill at both the federal and state level has received wide support. It has been recognized that many people, especially women, fall into poverty upon the death of their spouse. This bill ensures a measure of protection to women during the retirement years.

The second bill, HB 238, changes maternity leave to parental leave, increases the amount of leave without pay from 9 to 16 weeks and allows employees on leave without pay to purchase back their retirement credit. Under current law only women can take maternity leave. However, there are often circumstances under which the husband may need to take the leave to care for a newborn. Currently this is not possible.

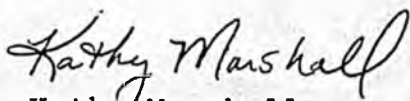
HB 238 increases the amount of leave without pay available to employees from 9 to 16 weeks. A leading pediatrician, T. Berry Brazelton, has argued that children suffer irreparable harm if they are not cared for by either a parent or grandparent during the first four months of life. He states that "only a parent or grandparent can provide the irrational love needed by an infant to reach their full emotional intellectual and physical capacity during the first four months". This bill would at least provide parents the opportunity to be at home, at no expense to the state, during this critical period.

One concern which has been articulated by several legislators in the House was that if this extra time were given to employees, the state would be left with one to continue the jobs for 16 weeks. However, since this is leave without pay, the state would have the financial capability of hiring temporary employees to replace the employee on parental leave. Another important factor is that less than 1/2% of the time spent on leave without pay last year was taken for maternity purposes. Not many individuals can afford to be out of work without pay for lengthy periods of time.

In general the bill has received good support since it promotes the welfare of Alaska's children and is perceived as pro family.

The Alaska Women's Commission hopes you will support these bills. If we can provide you with any additional information, please don't hesitate to contact us.

Sincerely,

A handwritten signature in cursive script that reads "Kathy Marshall".

Kathy Marshall
Executive Director

KM/dn



OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION

KATHY MARSHALL
Executive Director

3601 "C" Street, Suite 742
Anchorage, Alaska 99503

445-3568
(907) 561-4227



PHONE
(907) 561-4227

STATE OF ALASKA
OFFICE OF THE GOVERNOR
ALASKA WOMEN'S COMMISSION
1 C STREET - SUITE 742
ANCHORAGE, ALASKA 99503

MEMO

TO: Senator Mitch Abood
FROM: Kathy Marshall *KM*
Executive Director
SUBJECT: Proposed changes to CSHB 238
DATE: March 13, 1986

The Alaska Women's Commission would like to propose the following changes to CSHB 238 in response to objections discussed in Senate State Affairs, March 13, 1986:

- 1) "Amend the title to "An Act relating to personal leave for pregnancy, child birth and adoption".
- 2) Eliminate sections 1, 2, 3, 5, 6, 7, and 8.

These changes will remove all references to the ability of employees to purchase back retirement credit while on leave without pay for purposes due to pregnancy, birth or adoption. This eliminates any impact on the retirement systems for PERS, TERS and JERS and subsequently removes the basis of the fiscal note.

The remaining section 4, amends the personnel statute, AS 39.20.225(b)(4) to change maternity leave to parental leave and extend the leave without pay from 9 to 16 weeks. These provisions would affect only exempt employees and not bargaining units.

The Alaska Women's Commission believes this provision will set a state policy which recognizes the importance of parental involvement in the first four months of life without impacting the bargaining process.

Please feel free to contact me if you would like additional information about this proposal. Thank you for your consideration.

KM/dn