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HOUSE COMMITTEE REPORT

(7)

Date Referred: May 8, 1991

FURTHER REFERRALS:

Finance

Date of Committee Action: 2/10/92

The STATE AFFAIRS Committee considered:

HB 323

HOUSE BILL NO. 323

PERS CREDIT FOR BIA SERVICE

"An Act relating to credited service in the public employees' retirement system for certain employment with the Alaska Bureau of Indian Affairs."

RECOMMENDATIONS:

be replaced with _____ the same title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal impact _____

fiscal note(s) _____

zero fiscal note Admin ALL STATE

zero fiscal note(s) _____

	SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
	<i>Eugene G. Kukina</i>	X				
Mayer	<i>Tom Lower</i>	X				
Brook	<i>E. Bunch</i>	✓				
Baker	<i>Tom Walker</i>	✓				
Miller	<i>Mike Hillier</i>	✓				
Clayton	<i>David ...</i>	✓				

Eugene G. Kukina
CHAIRMAN'S SIGNATURE

FISCAL NOTE

BILL NO. HB 323

STATE OF ALASKA
1992 LEGISLATIVE SESSION

Revision Date: _____

Department Affected: ALLSTATE

Title: An act relating to credited service in the PERS for employment with the BIA.

BRU: ALLSTATE

Component: ALLSTATE

Sponsor: Grussendorf

COMPONENT SERIAL NO. _____

Requestor: House State Affairs Committee

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS

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

Estimate of current year impact: \$0

ANALYSIS: (attach a separate page if necessary.) We expect that this bill will advantage less than ten people, so there will be no measurable impact to the employer's PERS contribution rate with the passage of this bill.

Prepared By: Gary Bader *Gary M. Bader*
Division: Retirement and Benefits

Phone: 465-4460
Date: January 31, 1992

Approved by Commissioner: Nancy Bear Usery
Agency: Department of Administration

Date: 2/6/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB & Impacted Agency(ies).

Albert W. Wilson
P. O. Box 597
Sitka, Alaska 99835

February 27, 1990

Rec'd
3-1-90

The Honorable Ben Grussendorf
Alaska State Legislature
House of Representatives
P. O. Box V
Juneau, Alaska 99811

Dear Mr. Grussendorf:

Thank you for working to submit a bill that would allow former Bureau of Indian Affairs non-teaching staff to claim credited service for time worked at a BIA school.

When Mt. Edgecumbe School was being closed by the BIA we were aware that teachers entering the state system from the BIA were entitled to this credited service. We were also aware that HCS CSSB (469), at the time, was being worked through the legislature and had the belief this bill would allow non-teaching staff the same entitlements. For myself, I was offered a different job by the BIA and also to continue on in the same job with the State. I elected to go with the state in essence betting the legislation in process would treat us fairly. You can imagine our disappointment when the end result of the legislation was watered down to the point no one here would receive any benefit from it. I attribute this to a more effective lobby effort by the teachers than any intentional disregard for the merits of our jobs by the legislature. Nonetheless it was a severe setback for everyone here.

The state picked up several highly qualified mid-career employees when this school transferred from the BIA. When these persons are eligible to retire from the state it will be ten years before they can receive any annuity from Civil Service. The majority will not be able to afford to do this and will work for the additional ten years. From a management standpoint, this is less than desirable considering most of these employees work in the labor, trades and crafts industry. Additionally, much has been said about Mt. Edgecumbe School becoming a separate REAA. One of the attractions of becoming a separate school district is to opt out of the expensive state employee system. Where would that leave us then? Although we have committed our careers to one job we would have a patchwork retirement program that hasn't been allowed to reach the full benefits of maturity in any one system. Whether Mt. Edgecumbe School becomes a separate REAA or not, the passage of this bill would do much to allay the uncertainties of our position.

At the time Mt. Edgecumbe School was transferred to the state, the utilities systems to the school also provided water, sewer, electricity and road service to the Public Health Service Hospital, U.S. Coast Guard, Sitka Telephone Company, Shee Atika Corporation, Sitka Community Association with all of the residential units on Charcoal and Alice Island, Sitka Council on Alcohol and Other Drug Abuse, Sitka School District and City and Borough of Sitka's waste water treatment plant and airport. As the facility manager here, I can attest that it would not have been possible to operate these World War II utility systems with all of their peculiarities with anyone other than the persons selected to do the job slated to be done by the state. It would not have been possible to

The Honorable Ben Grussendorf

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February 27, 1990

terminate the BIA employees one day and hire a totally new crew and operate the systems the next without jeopardizing or interrupting critical services provided by other agencies, not to mention the safety of the school facilities themselves. These same persons were essential to the design and orderly transition of the newly constructed utility systems that followed which could then be operated by any standard crews found in similar industry. Moreover, the congressional legislation providing for the total upgrade of the Mt. Edgecumbe School facility carried with it an almost impossible deadline to open the doors for operating the school. It would not have been possible to make this deadline working with anyone that did not already have a thorough and complete knowledge of the entire complex.

For sure, on October 1, 1983, after the BIA closed this school we were glad to have jobs, however, this was a two way street as we were essential to the operation of this facility and certainly equally as important to this facility as would be the teaching staff. We are merely requesting similar treatment.

Thank you again for addressing this matter.

Sincerely, .



Albert W. Wilson

February 27, 1990

Statement from Roger L. Howard, Sr., Carpenter and Locksmith, concerning the inclusion of BIA years of employment to the State of Alaska Retirement System.

I feel that the years I worked for the BIA Mt. Edgecumbe School should be credited towards my State retirement.

Legislation allowed the teachers to buy back their BIA retirement time, but didn't allow me to. My BIA employment time is 12 years, enough to be vested but not enough to be of monetary value, so I am one of the many who was recommended to cash out of the retirement system.

It would seem unfair to work at the same job and school for 32 years, yet only have 20 years credited to me. Our positions were important to keep the school ready in case the State did start up the school again. There was absolutely no break in service from the time that I worked for the BIA and the time I began working for the State of Alaska

Roger L. Howard Sr.

STATEMENT FROM HARVEY KITKA, ELECTRICIAN
CONCERNING THE INCLUSION OF BIA RETIREMENT TIME
TO THE STATE RETIREMENT SYSTEM

I feel very strongly that my BIA time should be added to my State retirement time for the following reasons:

1. The rules should be the same for me as for the teachers. The first bills allowed some people to buy back their retirement time, but did not allow me to. My BIA time was 8 years--enough time to be vested but not enough to be of monetary value, so I was recommended to cash out of the retirement system.

2. It is unfair to work at the same job and school for 28 years and yet only have 20 years credited to me. Our jobs are just as important and necessary as the teachers who were given their BIA time to add to their State time.

3. The State of Alaska benefited by keeping us on the job. We kept the building and equipment in working order. There was a deadline to meet which could not have been met if it were not for us.

Harvey Kitka

MT Edgcumbe school

DATE: February 27, 1990

PROM: ROBERT OZAWA, Groundskeeper, Glassman, Painter and
other jobs.

CONCERNING: INCLUSION OF MY BIA RETIREMENT TIME TO THE STATE RETIREMENT
SYSTEM

The reasons I strongly believe that my BIA time should be added to my State
retirement time are as follows:

1. The teachers were able to have their BIA service added to their State
service. I should have this same opportunity. Up to the time the
State took over the school, I had 13 years in. I was forced to
take reduction in force and cash out of the BIA retirement system.
2. If I am unable to get credit for these 13 years, I will have worked
at the same employment in the same location for 33 years and yet be
credited only for 20 years.
3. We stayed on the job even when it was very uncertain that the school
would continue and kept everything in good working condition and were
there when the contractors needed to have information.

Robert Ozawa

P.O. Box 1144
Sitka, Alaska 99835

February 13, 1990

The Honorable Ben Grussendorf
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

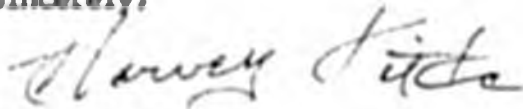
Dear Representative Grussendorf:

I would like to thank you for the work you have done on the bill concerning credited service in the public employees' retirement system for certain employment with the Alaska Bureau of Indian Affairs.

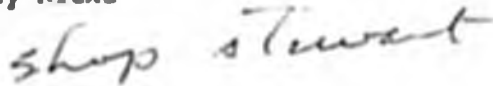
This bill would affect all BIA transfers in the State. I was very concerned when it seemed we were to be left out again. Some of us were told we didn't have enough time in Federal service to leave the money in their retirement system. Their Personnel Department was not very helpful; they seemed more interested in closing the Mt. Edgecumbe School.

For this reason, I thank you for all your help.

Sincerely,



Harvey Kitka



ALASKA LEGISLATURE COMMITTEE FILES 1991-1992 8672
7259 HOUSE STATE AFFAIRS

REPRESENTATIVE
BEN GRUSSENDORF

1821 HALEBUT POINT ROAD
SIKKA, ALASKA 99503
(907) 747-8408

RULES COMMITTEE
LEGISLATIVE COUNCIL

DISTRICT 3
SUPHI COVE
PELICAN
PORT ALEXANDER
SIKKA
SENATOR

Alaska State Legislature



House of Representatives
SPEAKER OF THE HOUSE

WHELE IN JUNEALU
P.O. Box V
JUNEALU, ALASKA 99811

(907) 485-0824
(907) 485-3700

MEMORANDUM

To: Rep. Gene Kubina
Chairman
House State Affairs Committee

From: Rep. ^B Ben Grussendorf

Date: February 4, 1992

Re: House Bill 323
"An Act relating to credited service in the public employees retirement system for certain employment with the Alaska Bureau of Indian Affairs"

Thank you for honoring my request to hold a hearing on House Bill 323, of which I am the prime sponsor.

The bill would allow all non-certificated school employees in the Public Employees Retirement System (PERS) to receive credit for years in which they were employed in non-teaching positions in Bureau of Indian Affairs (BIA) schools.

The original version of the legislation that brought these employees into PERS (Senate Bill 469, which became law as Chapter 170 SLA 1984) would have treated them in the same manner as the former BIA teachers: state retirement credit for all the years of BIA service. Unfortunately, the bill that finally passed during the 1984 session had been amended to the point where only two classes of employees could claim BIA service: those who did not have enough BIA service to be vested in the federal system and those who had so much BIA service they were less than three years away from retirement. This result naturally caused much consternation among those employees who were excluded from those classes.

House Bill 323 would rectify the inconsistent treatment of former BIA employees and put them on the same footing as former BIA teachers for purposes of state retirement credit. As with the teachers, any benefit paid through PERS would be reduced by the amount of the benefit they are paid by the federal retirement system for the same years of service.

This issue is of great concern to former BIA employees in my district, specifically a number of non-teacher workers at Mt. Edgecumbe school. I have attached to this memorandum copies of letters received from some of those employees.

Again, thank you for your courtesy in scheduling House Bill 323 bill for hearing before the State Affairs Committee.



House State Affairs Committee

Representative Gene Kubina, Chair

DATE: February 10, 1992

PLACE: Capitol Room 102

SUBJECT OF MEETING:
 *HCR 43 - Relating to the Twenty-Fourth Annual Girls' State
 *HCR 44 - Relating to the Twenty-Six Annual Boys' State
 *HB 61 - Relating to Childcare Centers in Public Buildings

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ Don Valasco	Local 71	2516 Arctic Bldg Anch	99503	346-3821	2767211	(Y) N	HB 323
✓ Harvey Kitta	Local 71	Box 1199 Sittka AK	99830	747-8930	966-3246	(Y) N	HB 323
Deborah Fehr	Dept of Law	P.O. Box K Juneau AK	99801		465-3600	Y (N)	HB 320
Bob Benyhill	AAAP	157 Robinson Ave JUNO	99801			Y (N)	
Dugan Petty	Deputy Director of Admin	State Office Bldg, 700 2nd 99501	99501	465-2000	465-2200	Y N	HB 61 if needed
Anne McLeod	Retiree	State Office Bldg	99501		2253	Y (N)	HB 61
Bob STALNAKER	RETIREMENT BENEFIT	PO Box 1102103 DEPT OF ADMIN 99811		4	4470	(Y) N	HB 323 IF NEEDED
Dugan Petty	POA				2250	(Y) N	HB 61
						Y N	
						Y N	
						Y N	

C.