

HB

37

HOUSE COMMITTEE REPORT

(7)
 Date Referred: January 21, 1991 FURTHER REFERRALS: Finance

Date of Committee Action: 2-13-91

The STATE AFFAIRS Committee considered: HB 37

HOUSE BILL NO. 37 INVESTMENT OF PENSION FUND

"An Act establishing the Alaska State Pension Corporation; relating to management and investment of state pension funds and other state funds; and providing for an effective date."

RECOMMENDATIONS:
 be replaced with C.S. HB. 37 (State Affairs) the same title
 a new 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 Revenue fiscal note(s) _____
 zero fiscal note Administration zero fiscal note(s) _____

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

	Check appropriate column:	Do Not Pass	No Rec	Amend
<u>Tom Moyer</u> <small>Moyer</small>				
<u>Chris Choquette</u> <small>Choquette</small>	<u>Mike Miller</u>		<input checked="" type="checkbox"/>	
<u>Frank Baker</u> <small>Baker</small>	<u>Mike Stassenberg</u>		<input type="checkbox"/>	
<u>Gene Beckman</u> <small>Beckman</small>	<u>Gene Kubina</u>		<input checked="" type="checkbox"/>	

Gene Kubina
 Chairman's Signature

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 37

Revision Date: _____
 Title: An Act Establishing the Alaska State Pension Corporation
 Sponsor: Ulmer
 Requestor: _____

Department Affected: Administration
 DRU: Retirement & Benefits
 Components: Retirement & Benefits
 COMPONENT SERIAL NO. 64

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING: (Thousands of Dollars)

General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	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: _____

ANALYSIS: (attach a separate page if necessary)
 There is no measurable fiscal impact to the Division from this bill.

Prepared By: Gary M. Bader, Director *Gary M. Bader* Phone: 465-4470
 Division: Retirement and Benefits Date: 1/25/91
 Approved By Commissioner: Milba Ulmer *Milba Ulmer* Date: 1/28/91
 Agency: Administration

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

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. HB 37

Revision Date: _____
Title: Alaska State Pension Corporation
Sponsor: Ulmer
Requestor: House State Affairs

Department Affected: Revenue
BRU: Treasury
Component: _____

Component Serial No.

	1	2	1
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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS	(9,846.2)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)
TOTAL OPERATING	(9,846.2)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER	(9,846.2)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)
TOTAL	(9,846.2)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)	(19,692.4)

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: Alaska State Pension Corporation is assumed to take over retirement fund investments January 1, 1992. FY 92 figures are half the amounts requested in Treasury's FY 92 budget for retirement funds. FY 93- 97 are the full amount of FY 92 budget for retirement funds.

Prepared by: Milton B. Barker MB

Phone: 465-2350

Division: Treasury

Date: _____

Approved by Commissioner: *[Signature]*

Agency: Revenue

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

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE FRAN ULMER

MEMORANDUM

TO: Rep. Gene Kubina, Chairman
House State Affairs Committee

FROM: Rep. Fran Ulmer *[Signature]*

RE: HB 37, an act establishing the Alaska State Pension Corporation; relating to management and investment of state pension funds and other state funds; and providing for an effective date.

DATE: January 29, 1991

HB 37 represents the latest in several attempts over the past several years to give the state's retirement funds greater security. Today, I believe this legislation is especially prudent considering the volatile condition of our financial markets and the recent spate of investment scandals that have put pension funds of other states and organizations in considerable peril.

Today the state is responsible for over a billion dollars in retirement funds that are managed by a single person, the Commissioner of Revenue. This bill would place those funds under the guidance of the Alaska State Pension Corporation, its board of trustees and a professional advisory council. Additionally, I believe this corporation will strengthen our management of retirement funds by giving the members of these programs representation. In the future HB 37 may also lead to the integration of benefit administration with investment duties.

District 4B — Juneau

PO. Box V • Juneau, Alaska 99801 • 907-465-4947

- Sponsor Statement -

January 29, 1991
Page Two

The Alaska State Pension Corporation

- 1) is a public corporation established to manage the PERS, TRS, Judicial and Military retirement system funds and other state funds, upon agreement.
- 2) allows for beneficiary and employer representation through a 7 member board of trustees, composed of: 3 elected members, 2 seats appointed by employers, the Commissioner of Revenue and 1 appointed member nominated by the other 6 trustees.
- 3) provides for an Investment Advisory Council, composed of 3 to 5 professionals, that would recommend investment policies, assist in the selection of performance consultants and advise on the overall financial well being of the Corporation.
- 4) requires that all named fiduciaries adhere to the Prudent Investor Rule and that all applicable transactions follow the General Accepted Accounting Principals.
- 5) requires the board to employ and fix compensation for an executive director. The executive director may appoint employees. All are exempt from the personnel code.
- 6) provides for legislative, executive, member and employer oversight through reporting and through use of outside performance evaluators and auditors.

Thank you for your prompt consideration of this important legislation. Please contact my office if you need any additional information.

a:hb37prep.mem

MEMORANDUM

January 29, 1991

TO: Rep. Gene Kubina Chair
House State Affairs Committee

FROM: Rep. Fran Ulmer

RE: Sectional Analysis of HB 37

The folling is a sectional analysis of HB 37, An act establishing the Alaska State Pension Corporation: relating to management and investment of state pension funds and other state funds: and providing for an effective date.

TITLE: Identifies that the retirement system funds, and other state funds upon agreement are to be managed and invested by the corporation.

SECTION 1/FINDINGS: recommendation that the ASPC should integrate the investment of pension funds with retirement benefit administration responsibilities for all state related pension funds, including EPORS, within two years of enactment of this legislation.

SECTION 2: creates the Alaska State Pension Corporation.

Sec. 37.10.210 establishes the corporation as a public corporation. Subsection (b) sets out the seven voting trustees, three of which are elected by members of the retirement systems, two of which are appointed by the governor from a list submitted by employers, one additional is appointed by the governor, from a list of nominees submitted by the other six trustees, and the commissioner of revenue serves as a trustee. Subsection (c) sets out staggered four year terms for trustees. Subsections (d) and (e) set out removal of trustees and filling of vacancy. Subsections (f)(g)(h) set out board organization: board elects chair annually, four trustees constitute a quorum and designees are not allowed. Subsection (i) requires trustees to participate in financial education training.

Sec. 37.10.220 sets out the powers and duties of the board, including establishing investment policies for the funds for which it is responsible, submitting investment reports to the legislature, employers, appropriate boards, contracting for external performance reviews, employing outside investment advisors, employing legal counsel, permitting trustees to enter agreement to assume responsibility for other state funds upon agreement with the managers of those funds.

Sec. 37.10.230 sets out conflict of interest provisions for the fiduciaries and allows the board to designate other staff who must comply with these provisions. Under this section, the board shall adopt regulations to restrict fiduciaries and any designated staff, from having a substantial interest in corporate assets. Subsection

- Sectional Analysis -

(c) identifies that failure to disclose conflicts is grounds for termination of employment.

Sec. 37.10.240 exempts the board from the Administrative Procedures Act but requires the board to comply with the open meetings law.

Sec. 37.10.250 sets the honorarium for trustees at \$150 per meeting day and states that those who are public employees shall serve without compensation but shall be granted administrative leave.

Sec. 37.10.260 requires the board to employ and fix the compensation for an executive director who must meet qualifications as set in statute. The executive director may appoint employees with approval of the board. Subsection (b) requires the board to adopt regulations restricting staff from financial interest in those companies which provide service to the corporation. All employees are exempt from the personnel act but are subject to the ethics act.

Sec. 37.10.270 requires the board to appoint an investment advisory council composed of at least three and not more than five members who must meet qualifications. Subsection (b) sets out staggered three year terms. Subsection (c) allows board to establish compensation for advisory members. Subsection (d) sets out duties of the council to include reviewing investments, recommending investment policy, advising on selection of consultants and auditors. Subsection (e) allows the council to contract with other state agencies to provide advice.

Sec. 37.10.280 requires the board to protect assets held in trust and its own assets, services and employees by purchasing insurance or arranging for self-insurance.

Sec. 37.10.290 exempts the corporation and property it owns, manages or holds in trust from all taxes and assessments in the state.

Sec. 37.10.300 permits banks to give sureties to the corporation or to enter collateral agreements on approved securities.

Sec. 37.10.310 prohibits the corporation from engaging in commercial banking activity, from acting as a depository or trustee for a private person and from acting as a lender to a private person of money from any source other than the money from the state funds under its own management.

Sec. 37.10.320 limits the states responsibility for liabilities of the corporation.

Sec. 37.10.390 defines board, corporation and retirement systems.

Section 3 AS 06.05.025 amends the banking code to allow the board of trustees or the legislative auditor to request an examination of the corporation by the Division of Banking, Securities and Corporations

SECTION 4: substitutes the corporation for the Commissioner of Revenue in reporting about the condition of the teachers retirement system (TRS) and requires the corporation provide the TRS board with an annual external performance review of the trust fund.

SECTION 5; makes the corporation fiduciary of the TRS fund in place of the Commissioner of Revenue.

SECTION 6; substitutes the corporation for the commissioner of revenue in management of the Judicial Retirement Trust.

SECTION 7; substitutes the corporation for the commissioner of revenue in management and investment of the Alaska National Guard and Alaska Naval Militia retirement fund, referred to as the Military fund or system.

SECTIONS 8 and 9 exempt the corporation from the procurement code but require the board of trustees to adopt comparable procedures.

SECTION 10 substitutes the corporation for the Commissioner of Revenue in the section that sets out the powers and duties of the fiduciary that invests and manages state funds. In paragraph (a)(8) the bill requires accounting records to be kept in accordance with generally accepted accounting principles. Subsection (c) requires the fiduciary to exercise the Prudent Investor Rule in exercising powers and duties. Subsection (e) requires the state to defend and indemnify the fiduciary if fiduciary performed in good faith and was prudent. Subsection (f) defines fiduciary to include trustee, officer of the corporation and any other person who exercises control over corporation assets.

SECTION 11; places employees of the corporation in the exempt service.

SECTIONS 12 and 13; substitute the corporation for the Commissioner of Revenue in the management and investment of the public employees retirement (PERS) fund.

SECTION 14; adds the members of the Alaska State Pension Corporation to coverage of the conflict of interest statutes.

SECTION 15; amends the duties of the Department of Revenue to reflect the changes made by the bill.

SECTION 16; is a transition section.

SECTION 17; sets out the initial terms of the board and permits the board to hold organizational meetings as soon as a quorum has been appointed/elected.

SECTION 18; sets July 1, 1991 as the effective date for board organization.

SECTION 19; sets the earlier of July 1, 1992 or the date established by resolution of the trustees as the effective date for the corporation to begin managing and investing assets as well as other duties as defined in the bill.

Statutes cited: ASPC

- AS 09.25.110 Public Records/Code of civil procedure
- AS 09.25.120 Public Records/copy and inspection
- AS 14.25.035(d) TRS Board
- AS 14.25.180 Management/investment of TRS fund
- AS 22.25.048(c) Judicial Retirement Trust Accounting/Investing
- AS 26.05.228(c) Military Retirement " " "
- AS 36.30.850 Procurement Code/Public Contracts
- AS 36.30.990 Procurement Code/Exempt from agency definition
- AS 37.10 Public Funds
- AS 37.10.071 DOR Investment powers and duties
- AS 37.1071 (8) GAAP
- AS 37.10.071 (c) Prudent Investor
- AS 39.20.180 Transportation/Per Diem for Boards/Commissions
- AS 39.25.110 Exempt service/Public Officer & Employees
- AS 39.25.020 PERS/Administration
- AS 39.35.080 PERS/Duties of Commissioner of Revenue
- AS 39.35.110 Investments/Commissioner of Administration
- AS 39.37 EPORS
- AS 39.50 Conflict of Interest
- AS 39.50.200 Definitions
- AS 39.52 Ethics Act
- AS 44.25.020 Department of Revenue
- AS 44.62 Administrative Procedures Act

A M E N D M E N T

OFFERED IN THE HOUSE

TO: HB 37

BY REPRESENTATIVE ULMER

Page 1, lines 10 - 11:

Delete "within two years after enactment of this legislation"

Insert "when prudent"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE ULMER

TO: HB 37

Page 2, line 3, after "pension":

Insert "and benefits"

Page 11, following line 29:

Insert a new bill section to read:

** Sec. 12. AS 39.30 is amended by adding a new section to read:

Sec. 39.30.175. INVESTMENT OF BENEFIT PROGRAM RECEIPTS. The Alaska State Pension Corporation is the fiduciary of the receipts of the employee benefits program established under AS 39.30.150 - 39.30.180 and has the powers and duties concerning the management and investment in regard to those receipts that are provided under AS 14.25.180."

Renumber the following bill sections accordingly.

Page 14, line 2:

Delete "17"

Insert "18"

Page 14, line 4:

Delete "18"

Insert "19"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE ULMER

TO: HB 37

Page 2, line 5:

Delete "seven"

Insert "nine"

Delete "Three"

Insert "Four"

Page 2, lines 8 - 10:

Delete "one of the retirement systems, one must be receiving a benefit from one of the retirement systems, and one may be either an active member or receiving a benefit from one of the retirement systems."

Insert "the public employees' retirement system, one must be receiving a benefit from the public employees' retirement system, one must be an active member of the teachers' retirement system, and one must be receiving a benefit from the teachers' retirement system. A fifth elected member must be an employee who is making contributions to the supplemental employee benefits system under AS 39.30.150 - 39.30.180, and who is elected by employees making contributions to the supplemental employee benefits system. Nominations for this position shall be made by petition signed by at least 10 persons eligible to vote in that election. The division of retirement and benefits in the Department of Administration shall conduct the elections for all the elected positions."

Page 2, line 13:

Delete "six"

Insert "eight"

Page 2, line 26:

Delete "Four"

Insert "Five"

Page 13, line 29, after "(2)":

Insert "two elected members shall serve terms of three years;

(3)"

Page 13, line 30:

Delete "(3)"

Insert "(4)"

HOUSE BILL NO. 37

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ULMER, Koponen, B.Davis

Introduced: 1/21/91

Referred: State Affairs, Finance

A BILL**FOR AN ACT ENTITLED**

1 "An Act establishing the Alaska State Pension Corporation; relating to management and
 2 investment of state pension funds and other state funds; and providing for an effective
 3 date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. FINDINGS. The legislature finds that after the Alaska State Pension Corporation has
 6 been established and begun to manage the state pension funds, the state should develop a comprehensive
 7 retirement organization. This organization should integrate the investment of pension funds with
 8 retirement benefit administration responsibilities for all state related retirement systems, including the
 9 Elected Public Officers Retirement System (former AS 39.37). Retirement benefit administration
 10 responsibilities should be integrated into the corporation [within two years after enactment of this
 11 legislation.]

12 * Sec. 2. AS 37.10 is amended by adding new sections to read:

13 **ARTICLE 5. ALASKA STATE PENSION CORPORATION.**

14 **Sec. 37.10.210. ALASKA STATE PENSION CORPORATION. (a) There is established**

1 the Alaska State Pension Corporation. The corporation is a public corporation in the Department
2 of Revenue managed by a board of trustees. The purpose of the corporation is to provide
3 professional management and investment of state pension funds ^{and benefit} and of other state funds upon
4 agreement with the managers of those funds.

5 (b) The board consists of seven trustees. ~~Three of the trustees shall be elected by~~ the
6 members of the retirement systems. Nominations may be made by the teachers' retirement board,
7 the public employees' retirement board, or by petition signed by at least 10 persons eligible to
8 vote in the election. One of the elected trustees must be an active member of one of the
9 retirement systems, one must be receiving a benefit from one of the retirement systems, and one
10 may be either an active member or receiving a benefit from one of the retirement systems. ~~The~~

11 ~~governor shall appoint two trustees from a list of~~ nominees submitted by employers in the
12 retirement systems. ~~The governor shall appoint one additional trustee~~ from a list of nominees
13 submitted by the other ~~[six trustees]~~ ~~The commissioner of revenue serves as a trustee.~~

14 (c) The appointed and elected trustees shall serve for staggered terms of four years and
15 may be reappointed or reelected to the board.

16 (d) The governor may remove an elected or appointed trustee for just cause, including
17 failure to comply with AS 37.10.230, by written notice to the trustee. After a trustee receives
18 written notice of removal from the governor, the trustee may not participate in board business
19 and may not be counted for purposes of establishing a quorum.

20 (e) A vacancy on the board of trustees shall be promptly filled in the same manner as
21 the seat was originally filled. A person filling a vacancy holds office for the balance of the
22 unexpired term of the person's predecessor. A vacancy on the board does not impair the
23 authority of a quorum of the board to exercise all the powers and perform all the duties of the
24 board.

25 (f) The board of trustees shall annually elect a chair from among its members.

26 (g) ~~[Four]~~ trustees constitute a quorum for the transaction of business and the exercise of
27 the powers and duties of the board.

28 (h) A trustee may not designate another person to serve on the board in the absence of
29 the trustee.

30 (i) Trustees shall participate in financial education training.

31 Sec. 37.10.230. POWERS AND DUTIES OF THE BOARD. (a) The board shall

1 (1) hold regular and special meetings at the call of the chair or of at least four
2 members;

3 (2) establish investment policies for the funds for which it is responsible after
4 reviewing recommendations from the investment advisory council;

5 (3) submit long-range and quarterly investment reports to the Legislative Budget
6 and Audit Committee;

7 (4) report to the governor, the legislature, and employers participating in the
8 retirement systems by the first day of each regular legislative session concerning the investment
9 of funds for which the corporation is responsible including financial and investment policies
10 established by the board and enclose a summary of the most recent performance evaluations of
11 the funds managed by the corporation;

12 (5) contract with external performance evaluators to review the performance of
13 each fund for which the corporation is responsible and report each year on the fund's condition
14 to the board of trustees and to the other appropriate boards;

15 (6) engage independent certified public accountants to prepare an annual audit of
16 each of the funds for which the corporation is responsible and to report to the board with the
17 results of the audit.

18 (b) The board may

19 (1) employ outside investment advisors to review investment policies and make
20 recommendations to the board;

21 (2) employ legal counsel;

22 (3) enter into an agreement with the manager of another state fund to assume
23 fiduciary, administrative, or management responsibilities for investing the other state fund;

24 (4) provide for actuarial valuations of the retirement systems and other entities
25 whose funds the board manages;

26 (5) do all acts necessary, convenient, or desirable to carry out the powers
27 expressly granted or necessarily implied in this chapter.

28 Sec. 37.10.230. CONFLICTS OF INTEREST. (a) Trustees, the executive director,
29 investment officers, and other fiduciaries who are employees of the corporation are subject to the
30 provisions of AS 39.50. The board may designate other employees who are also subject to the
31 provisions of AS 39.50.

1 (b) If a trustee, officer, or employee of the corporation acquires, owns, or controls an
2 interest, direct or indirect, in an entity or project in which assets under the control of the
3 corporation are invested, the trustee, officer, or employee shall immediately disclose the interest
4 to the board. The disclosure is a matter of public record and shall be included in the minutes
5 of the board meeting next following the disclosure. The board shall adopt regulations to restrict
6 trustees, officers, and employees from having a substantial interest in an entity or project in
7 which assets under the control of the corporation are invested.

8 (c) Failure to comply with the requirements of this section or regulations enacted under
9 it is grounds for termination of employment.

10 Sec. 37.10.240. REGULATIONS. The board may adopt regulations under the Admin-
11 istrative Procedure Act (AS 44.62) to implement AS 37.10.210 - 37.10.390.

12 Sec. 37.10.250. COMPENSATION OF TRUSTEES. Trustees, other than trustees who
13 are employees of the state or a political subdivision of the state, receive an honorarium of \$150
14 for each day spent at a meeting of the board or at a meeting of a subcommittee of the board or
15 at a public meeting as a representative of the board. Trustees who are state employees are
16 entitled to administrative leave for service as a trustee. Trustees who are employees of a political
17 subdivision of the state are entitled to leave benefits provided by their employers comparable to
18 those provided to state employees for service as a trustee. Trustees are entitled to per diem and
19 travel expenses authorized for boards and commissions under AS 39.20.180.

20 Sec. 37.10.260. STAFF. (a) The board shall employ an executive director. The
21 executive director must be qualified by training and experience to manage, administer, and direct
22 the investment of funds. The board shall fix the compensation of the executive director and other
23 employees. The executive, administrative, and investment functions of the board are vested in
24 the executive director who serves under the supervision of the board. With approval of the
25 board, the executive director may appoint employees of the corporation as necessary.

26 (b) The board shall adopt regulations that restrict the executive director, investment
27 directors, other officers, and employees from having financial interest, directly or indirectly, in
28 firms or corporations that provide services to the corporation. Officers and employees of the
29 corporation are subject to AS 39.52.

30 (c) The executive director and each investment director shall file a bond for the faithful
31 performance of duties in the amount and with the sureties as required by the board.

1 (d) Officers and employees of the corporation are members of the exempt service under
2 AS 39.25.110.

3 (e) A deed, contract, or other document that must be executed by or on behalf of the
4 corporation shall be signed by the executive director.

5 Sec. 37.10.270. INVESTMENT ADVISORY COUNCIL. The board shall appoint an
6 investment advisory council composed of at least three and not more than five members.
7 Members of the council shall possess experience and expertise in financial investments and
8 portfolio management.

9 (b) Members of the council serve at the pleasure of the board for staggered terms of three
10 years.

11 (c) The board shall establish the compensation of members of the council. Members of
12 the council are entitled to per diem and travel expenses authorized for boards and commissions
13 under AS 39.20.180.

14 (d) The council shall

15 (1) review the investments made by the board;

16 (2) make recommendations to the board concerning the board's investment
17 policies, investment strategy, and investment procedures;

18 (3) advise the board on selection of performance consultants, auditors, and on the
19 form and content of annual reports;

20 (4) provide other advice as requested by the board.

21 (e) With approval of the board, the council may contract with other state agencies to
22 provide investment advice.

23 Sec. 37.10.280. INSURANCE. The corporation shall protect trusted assets and its own
24 assets, services, and employees by purchasing insurance or providing for self-insurance retention
25 in amounts recommended by the executive director and approved by the board to cover the acts,
26 including fiduciary acts, errors, and omissions of its board members, officers, employees, and
27 agents. Insurance must protect the corporation and the state from liability to others and from loss
28 of trusted assets and assets of the corporation.

29 [Sec. 37.10.290. EXEMPTION FROM TAXATION. The corporation and all properties
30 at any time owned by it, managed by it, or held by it in trust, and the income from those
31 activities, are exempt from all taxes and assessments in the state. All security instruments issued

1 by the corporation and income from them are exempt from all taxes and assessments in the state,
2 including transfer taxes.]

3 Sec. 37.10.300. SURETY OR DEPOSITS WITH BANKS. Banks, trust companies,
4 savings banks, and other persons carrying on a banking business are authorized to give sureties
5 to the corporation. The sureties shall be approved by the corporation to the effect that the banks
6 or banking institutions shall faithfully keep and pay over to the order of or upon the warrant of
7 the corporation or its authorized agent all money deposited with them by the corporation and
8 agreed interest, at the times or upon the demands agreed on with the banks or banking
9 institutions. In lieu of these sureties, a depository bank or other banking institution shall deposit
10 with the corporation or its authorized agent or a trustee as collateral, securities approved by the
11 corporation. The deposits of the corporation may be evidenced by agreements in the form and
12 upon the terms and conditions that are agreed upon by the corporation and the depository banks
13 or banking institutions.

14 Sec. 37.10.310. LIMITATIONS. The corporation may not engage in commercial banking
15 activity or private trust activity. The corporation may not act as a depository or trustee for a
16 private person, association, or corporation. The corporation may not act as a lender to a private
17 person, association, or corporation of money from any source except state funds under
18 management by the corporation.

19 Sec. 37.10.320. LIABILITY. A liability incurred by the corporation shall be satisfied
20 exclusively from the assets or revenue of the corporation and a creditor or other person may not
21 have a right of action against the state because of a debt, obligation, or liability of the
22 corporation. A liability of the corporation may not be satisfied from trust assets unless expressly
23 authorized by law.

24 Sec. 37.10.390. DEFINITIONS. In AS 37.10.210 - 37.10.390, unless the context
25 otherwise requires,

26 (1) "board" means the board of trustees of the corporation;

27 (2) "corporation" means the Alaska State Pension Corporation;

28 (3) "retirement systems" means the teachers' retirement system, the judicial
29 retirement system, the Alaska National Guard and Alaska Naval Militia retirement system, and
30 the public employees' retirement system.

31 * Sec. 3. AS 06.05.025 is amended by adding a new subsection to read:

1 (d) At the request of the board of trustees of the Alaska State Pension Corporation or of
2 the legislative auditor, the department shall make an examination of the corporation under this
3 section.

4 * Sec. 4. AS 14.25.035(d) is amended to read:

5 (d) The commissioner of administration shall report to the board concerning the condition
6 and administration of the system. The reports shall be distributed to the members of the system.
7 The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] shall provide
8 reports to the board on the condition and investment performance of the teachers' retirement trust
9 fund including a summary of an annual external performance review.

10 * Sec. 5. AS 14.25.180 is amended to read:

11 Sec. 14.25.180. MANAGEMENT AND INVESTMENT OF FUND. (a) The Alaska
12 State Pension Corporation [COMMISSIONER OF REVENUE] is the [TREASURER OF THE
13 SYSTEM AND THE] fiduciary of the fund. In managing the fund, the Alaska State Pension
14 Corporation [COMMISSIONER OF REVENUE] shall

15 (1) consider the status of the fund's investments and the system's liabilities on
16 both a current and a probable future basis;

17 (2) determine the appropriate investment objectives for the fund;

18 (3) establish investment policies aimed at achieving the objectives; and

19 (4) act only in regard to the best financial interests of the system's beneficiaries.

20 (b) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] may
21 invest the fund on the basis of probable total rate of return without regard to the distinction
22 between principal and income or to the generation of income.

23 (c) In carrying out investment duties under this chapter, the Alaska State Pension
24 Corporation [COMMISSIONER OF REVENUE] has the same powers and duties in regard to
25 the teacher's retirement trust fund as are provided in AS 37.10.071, except that the standard of
26 prudence that the corporation [COMMISSIONER] must obey under AS 37.10.071(c) shall be
27 in regard to the management of large trust investments rather than large investments.

28 * Sec. 6. AS 22.25.048(c) is amended to read:

29 (c) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] is the
30 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers
31 and duties under this section in regard to the judicial retirement trust fund as are provided in

1 AS 14.25.180.

2 * Sec. 7. AS 26.05.228(c) is amended to read:

3 (c) The Alaska State Pension Corporation [COMMISSIONER OF REVENUE] is the
4 [TREASURER OF THE SYSTEM AND THE] fiduciary of the fund and has the same powers
5 and duties under this section in regard to the fund as are provided under AS 14.25.180.

6 * Sec. 8. AS 36.30.850(b)(15) is amended to read:

7 (15) a contract that is a delegation, in whole or in part, of investment powers held
8 by the commissioner of revenue under [AS 14.25.180,] AS 14.40.400, AS 14.42.200, 14.42.210,
9 AS 18.56.095, [AS 22.25.048, AS 26.05.228,] AS 37.10.070, 37.10.071, or AS 37.14 [, or
10 AS 39.35.080];

11 * Sec. 9. AS 36.30.990(1) is amended to read:

12 (1) "agency"

13 (A) means a department, institution, board, commission, division,
14 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of
15 the executive branch of state government;

16 (B) does not include

17 (i) [, EXCEPT FOR] the University of Alaska;

18 (ii) [.] the Alaska State Housing Authority;

19 (iii) the [AND] Alaska Railroad Corporation;

20 (iv) the Alaska State Pension Corporation;

21 (v) [IT DOES NOT INCLUDE.] a regional Native housing
22 authority created under AS 18.55.996; [.] or

23 (vi) a regional electrical authority created under
24 AS 18.57.020;

25 * Sec. 10. AS 37.10.071 is amended to read:

26 Sec. 37.10.071. INVESTMENT POWERS AND DUTIES. (a) In making investments
27 under this section, the fiduciary of a state fund [COMMISSIONER OF REVENUE] shall

28 (1) act as official custodian of cash and investments by securing adequate and safe
29 custodial facilities for them;

30 (2) receive all items of cash and investments;

31 (3) collect and deposit the principal of and income from owned or acquired

1 investments;

2 (4) invest and reinvest the assets in accordance with this section;

3 (5) receive and spend appropriations to cover the cost of the exercise of duties
4 under this section;

5 (6) exercise the powers of an owner with respect to the assets;

6 (7) perform all acts, not prohibited by this section, whether or not expressly
7 authorized, that the fiduciary [COMMISSIONER] considers necessary or proper in administering
8 the assets;

9 (8) maintain accounting records in accordance with generally accepted
10 [INVESTMENT] accounting principles;

11 (9) engage an independent certified public accountant to conduct an annual audit
12 of the financial condition and investment transactions;

13 (10) enter into and enforce contracts or agreements considered necessary,
14 convenient, or desirable for the investment purposes of this section; and

15 (11) when choosing to acquire or dispose of investments, secure competitive
16 national or international market rates or prices, or the equivalence of those rates or prices in the
17 judgment of the fiduciary [COMMISSIONER].

18 (b) Under this section, the fiduciary of a state fund or the fiduciary's
19 [COMMISSIONER OR THE COMMISSIONER'S] designee may

20 (1) delegate investment, custodial, or depository authority on a discretionary or
21 nondiscretionary basis to officers or employees of the state or to independent firms, banks, or
22 trust companies, by designation through appointments, contracts, or letters of authority;

23 (2) acquire or dispose of investments either directly, indirectly, or through
24 investment pools or trusts, by competitive or negotiated agreements, contracts, or auctions, in
25 public or private markets;

26 (3) concentrate or diversify investments as the fiduciary [COMMISSIONER]
27 considers appropriate to increase the probable total rate of return or to decrease the overall
28 exposure to potentially adverse market value risks;

29 (4) protect the market value or the rate of return of the investments by entering
30 into forward agreements to buy or sell assets at a future date as a hedge against existing held
31 assets or as a precommitment of future cash flows;

1 (5) lend assets, under an agreement and for a fee, against deposited collateral of
2 equivalent market value;

3 (6) borrow assets on a short-term basis, under an agreement and for a fee, against
4 the deposit of collateral consisting of other assets in order to accommodate temporary cash or
5 investment needs;

6 (7) hold investments in bearer or registered form in the name of the state, a fund,
7 or nominees authorized by the fiduciary [COMMISSIONER];

8 (8) utilize consultants, advisors, custodians, investment services, and legal counsel
9 for assistance in investment matters on either a continuing or a limited-term basis and with or
10 without compensation;

11 (9) declare records to be confidential and exempt from AS 09.25.110 and
12 09.25.120 if the records contain information that discloses the particulars of the business or the
13 affairs of a private enterprise, investor, borrower, advisor, consultant, counsel, or manager.

14 (c) In exercising investment, custodial, or depository powers or duties under this section,
15 the fiduciary of a state fund [COMMISSIONER] shall exercise the judgment and care under
16 the circumstances then prevailing that an institutional investor of ordinary professional prudence,
17 discretion, and intelligence exercises in managing large investments with consideration for the
18 purpose of the fund, the investment objectives, the continuing disposition of the fund's
19 investments, and the probable safety of the capital as well as the probable investment returns.
20 With respect to the Alaska State Pension Corporation, the fiduciaries of the corporation
21 shall apply the prudent investor rule and exercise their fiduciary duty in the sole financial
22 best interest of the funds entrusted to them and of the beneficiaries of those funds. The
23 trustees may not make or authorize investment decisions or the voting of shares for a
24 purpose other than the sole financial best interest of the funds or beneficiaries.

25 (d) In exercising investment, custodial, or depository powers or duties under this section,
26 the fiduciary or the fiduciary's [COMMISSIONER OR A] designee [OF THE
27 COMMISSIONER] is liable for a breach of a duty that is assigned or delegated under this
28 section, or under AS 14.25.180, AS 14.40.400(b), AS 37.10.070, AS 37.14.110(c), 37.14.160,
29 37.14.170, or AS 39.35.080. However, the fiduciary or the [COMMISSIONER OR THE
30 COMMISSIONER'S] designee is not liable for a breach of a duty that has been delegated to
31 another person if the delegation is prudent under the applicable standard of prudence set out in

1 statute or if the duty is assigned by law to another person, except to the extent that the fiduciary
2 [COMMISSIONER] or designee

3 (1) knowingly participates [PARTICIPATE] in, or knowingly undertakes to
4 conceal, an act or omission of another person, knowing that the act or omission is a breach of
5 that person's duties under this chapter;

6 (2) by failure to comply with this section in the administration of specific
7 responsibilities, enables another person to commit a breach of duty; or

8 (3) has knowledge of a breach of duty by another person, unless the fiduciary
9 [COMMISSIONER] or designee makes reasonable efforts under the circumstances to remedy the
10 breach.

11 (e) The state shall defend and indemnify the fiduciary [COMMISSIONER] or an officer
12 or employee of the state against liability under (d) of this section to the extent that the alleged
13 act or omission was performed in good faith and was prudent under the applicable standard of
14 prudence.

15 (f) In this section, "fiduciary of a state fund" or "fiduciary" ["COMMISSIONER OF
16 REVENUE" OR "COMMISSIONER"] means

17 (1) the commissioner of revenue for investments under [AS 14.25.180 OR]
18 AS 37.10.070; [OR]

19 (2) with respect to the Alaska State Pension Corporation, for investments
20 under AS 14.25.180,

21 (A) each trustee who serves on the corporation's board of directors;

22 (B) each officer of the corporation; and

23 (C) any other person who exercises control or authority with respect
24 to management or disposition of assets held by the corporation or who gives
25 investment advice to the corporation; or

26 (3) the person or body provided by law to manage the investments, for
27 investments not subject to AS 14.25.180 or AS 37.10.070.

28 * Sec. 11. AS 39.25.110(11) is amended by adding a new subparagraph to read:

29 (G) Alaska State Pension Corporation;

30 * Sec. 12. AS 39.35.020 is amended to read:

31 Sec. 39.35.020. ADMINISTRATION. The commissioner of administration is responsible

1 for the administration of the system and for carrying out this chapter. In addition the
2 commissioner shall

- 3 (1) maintain the accounts of the system;
- 4 (2) make payments for the various purposes specified;
- 5 (3) submit periodic reports or statements of account that are needed;
- 6 (4) issue a statement of account to an employee requesting it showing the amount
7 of the employee's contributions to the system;
- 8 (5) as soon as possible after the close of each fiscal year, and not later than six
9 months after the close of each fiscal year, send to the governor, the legislature, and the board an
10 annual statement on the operations of the system containing
 - 11 (A) a balance sheet;
 - 12 (B) a statement of income and expenditures for the year;
 - 13 (C) a report on an actuarial valuation of its assets and liabilities;
 - 14 (D) a summary of assets held in the pension fund listed by the categories
15 of investment, as provided by the Alaska State Pension Corporation [COMMISSIONER
16 OF REVENUE];
 - 17 (E) other statistical financial data that are necessary for a proper
18 understanding of the financial condition of the system and the result of its operations;
- 19 (6) establish a public employees retirement trust fund in which the assets of the
20 system shall be deposited and held;
- 21 (7) engage an independent certified public accountant to conduct an annual audit
22 of the system's accounts and the annual report of the system's financial condition and activity;
- 23 (8) report to the board concerning the condition and administration of the system
24 and distribute the report to the members of the system.

25 * Sec. 13. AS 39.35.080 is amended to read:

26 Sec. 39.35.080. DUTIES OF THE ALASKA STATE PENSION CORPORATION
27 [COMMISSIONER OF REVENUE]. The Alaska State Pension Corporation
28 [COMMISSIONER OF REVENUE] is the [TREASURER OF THE SYSTEM AND THE]
29 fiduciary of the fund. The corporation [COMMISSIONER] has the same powers and duties
30 established under this chapter in regard to the fund as are provided in AS 14.25.035(d) and
31 14.25.180.

1 * Sec. 14. AS 39.50.200(b) is amended by adding a new paragraph to read:

2 (52) Alaska State Pension Corporation (AS 37.10.210).

3 * Sec. 15. AS 44.25.020 is amended to read:

4 Sec. 44.25.020. DUTIES OF DEPARTMENT. The Department of Revenue shall

5 (1) enforce the tax laws of the state;

6 (2) collect, account for, have custody of, invest, and manage all state funds and
7 all revenues of the state except revenues incidental to a program of licensing and regulation
8 carried on by another state department and funds managed and invested by the Alaska State

9 Pension Corporation;

10 (3) register cattle brands;

11 (4) supply necessary clerical and administrative services for the Alcoholic
12 Beverage Control Board; and

13 (5) invest and manage the balance of the power development fund in accordance
14 with AS 44.83.386.

15 * Sec. 16. TRANSITION. All litigation, hearings, investigations, and other proceedings pending
16 under a law amended or repealed by this Act, or in connection with functions transferred by this Act,
17 continue in effect and may be continued and completed notwithstanding a transfer, amendment, or repeal
18 provided for in this Act. Orders and regulations issued or adopted under authority of a law amended
19 or repealed by this Act remain in effect for the term issued, or until revoked, vacated, or otherwise
20 modified under the provisions of this Act. All contracts, rights, liabilities and obligations created by or
21 under a law amended or repealed by this Act, and in effect on the effective date of this Act, remain in
22 effect notwithstanding this Act's taking effect. Records, equipment, and other property of agencies of
23 the state whose functions are transferred under this Act shall be transferred commensurate with the
24 provisions of this Act.

25 * Sec. 17. ORGANIZATION OF TRUSTEES. (a) Notwithstanding AS 37.10.210(c), enacted by
26 sec. 2 of this Act, the initial terms of the members, other than the commissioner of revenue, of the board
27 of trustees of the Alaska State Pension Corporation shall be as follows:

28 (1) one elected member and one appointed member shall serve terms of four years;

29 (2) one elected member and one appointed member shall serve terms of two years;

30 (3) one elected member and one appointed member shall serve one-year terms.

31 (b) The board of trustees of the Alaska State Pension Corporation may hold organizational

1 meetings as soon as a quorum of the board has been appointed to or selected for the board.

2 * Sec. 18. AS 37.10.210 and 37.10.230 - 37.10.390, enacted by sec. 2 of this Act, and sec. 17 of this
3 Act take effect July 1, 1991.

4 * Sec. 19. Except as provided in sec. 18 of this Act, this Act takes effect on the earlier of July 1,
5 1992, or the date established by resolution of the board of trustees of the Alaska State Pension
6 Corporation for the transfer to it of securities and assets of the retirement funds. The board shall
7 promptly provide the revisor of statutes and the lieutenant governor with a copy of this resolution.



NEA-ALASKA

AFFILIATED WITH THE NATIONAL EDUCATION ASSOCIATION

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January 28, 1991

To: Representative Kubina, Chair
Members; House State Affairs Committee

Re: HB 37; *An Act establishing the Alaska State Pension Corporation; relating to the management and investment of state pension funds and other state funds; and providing for an effective date.*

NEA-Alaska, representing members of both the TRS and PERS, supports the basic concepts contained in this legislation and commends the sponsor for this approach to the management of employee pension.

The transfer of this fiduciary responsibility from the Commissioner of Revenue to a public corporation will enhance constituent confidence in the integrity and security of their vested benefits.

We do have three (3) concerns which we wish to call to the attention of the Committee:

We recommend caution on the plan to assign, within two (2) years, responsibility for benefit administration to the ASPC. While it may be appropriate to have such a timeline as a goal it may also be wise to first attend to the management/investment responsibilities and defer the benefit administration to a later time. Both the TRS and the PERS currently have Boards with extensive benefit administration experience. Their present responsibilities in this area should continue for the time being.

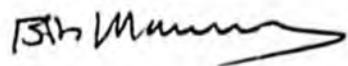
We feel very strongly that the composition of the ASPC board of trustees must consist of a majority of members who are constituents of the retirement systems. Historically, both the TRS and the PERS have been administered by Boards comprised primarily of constituent members. The system has worked effectively and we feel that it should be continued. Members will have a greater level of confidence in a new investment/management system if a majority of the board members come from their constituency and that they be both active members and those now drawing benefits from the systems.

Another concern which may only need clarification pertains to the language in Section 2, page 6, lines 19-23, Sec. 37.10.320. On its surface, this language appears to possibly diminish rights guaranteed under Article 12, Section 7 of the Alaska Constitution. NEA-Alaska would obviously oppose such a change.

- NEA Position -

Thank you for your consideration of our position. We look forward to working with the Committee on this critical legislation.

Respectfully submitted,



Bob Manners
Executive Director

cc: Representative Ulmer



Don Oberg
President

**ALASKA'S TEACHERS NEED AN INDEPENDENT PUBLIC CORPORATION
TO MANAGE OUR RETIREMENT FUND**

**--Charlie Arteaga
Chair, TRS Board**

You know that your retirement depends on the Teachers' Retirement trust fund. You may not realize that you own this retirement fund. You do, and it is time to take a hand in its management.

The Teachers' Retirement System (TRS) trust fund has now grown to more than \$1.6 billion in size. The State of Alaska and local school districts have contributed to this fund for your benefit, but no government owns this money. You own this money. By law, your pension rights are the private property of you, the individual beneficiary.

Unfortunately, some legislators do not understand this fact. Some think the State owns Teachers' Retirement and other pension funds, and some seem to think the fund could be taken or "borrowed" to help solve a fiscal crisis. To fight this kind of thinking, we need to take the TRS fund out of the political arena and put our retirement fund in an independent public corporation where we help run things.

There are other good reasons why we need to make this change now.

Right now, the Commissioner of Revenue, who is a political appointee, is in charge of your fund. (The TRS Board has no direct role in the investment of the funds, although the Board is responsible for administering retirement benefits.) The Commissioner of Revenue has divided loyalties, because the Department of Revenue must manage numerous other funds, collect state taxes, distribute Permanent Fund Dividends, and enforce child support obligations.

Investment of the TRS Fund and the other retirement and trust funds should be the only priority of the organization responsible for the funds. All these other jobs the Department of Revenue has to do tend to keep the TRS fund hidden from the public eye--and you and the other beneficiaries need to know how your retirement funds are being run.

We need to take the TRS fund out of the political arena. We also need to make sure the TRS fund gets more management attention and more visibility than it has under the present set-up. Establishing a separate public corporation for the investment of the TRS fund and other retirement and trust funds is the best way to achieve these goals. (The corporation would separately account for each of the funds, just as the Department of Revenue does now.)

This corporation should be governed by a strong board of directors which should include representatives of you, the beneficiaries, because you have your funds at stake. The board should also include professional investors, who will provide built-in expertise in the complicated world of finance. The corporation should have its own staff, which should be dedicated to achieving the best return for the beneficiaries and not be distracted by other duties.

The TRS Board believes that these changes are overdue. Only a few other states have a single person in charge of their teacher pension plans. A 1989 report by Legislative Audit recommended that the Alaska Legislature put a board of trustees in charge of TRS and PERS. Legislative Audit's recommendations included placing on the board both representatives of the beneficiaries and financial experts.

(See Page 4, TEACHERS NEED INDEPENDENT CORPORATION)

**WHAT'S HAPPENING IN
OTHER STATES ...**

New Jersey Retired Educators' Association is increasing its state life membership dues from \$150 to \$375 on August 31. Annual unified dues are \$35 and will increase annually with the cost-of-living adjustment.

California Teachers' Association-Retired (CTA-R) and California Retired Teachers' Association (CRTA) are joining forces as a result of an agreement between California Teachers' Association, the statewide active teachers' organization, and CRTA, the predominant association for retired teachers in California. With turf battles settled, the new organization should see rapid growth.

Arkansas Retired Educators' Association has experienced rapid membership growth since passage of legislation to permit dues transmittal through the state retirement system. Arkansas now has 1,960 NEA-R members and is eligible for two official delegates at the annual meeting.

Washington Education Association Retired has life membership dues of \$75 and annual dues of \$10. One of the goals of the organization is to up the maximum of the three percent cost-of-living adjustment for retirees.

Michigan Education Association-Retired has as a part of its pre-retirement seminars a computerized program for use in determining retirement benefits and retrieving information about specific programs in the retirement system.

NEA-AK/R NEWSLETTER

The official organ of NEA-Alaska/Retired, the Newsletter is published quarterly at Anchorage, Alaska.

Editor: Dr. Merritt C. Olson

ALASKA'S TEACHERS NEED INDEPENDENT CORPORATION

(Continued from page 1)

Legislation to accomplish this came very close to being enacted during the last session of the legislature. The bill was called Senate Committee Substitute for Committee Substitute for House Bill 580 (State Affairs). The only thing that prevented the passage of this legislation was the belief of some legislators that mixing the management of the TRS fund and other retirement funds in with the management of the Permanent Fund was a better approach. It is not.

The Permanent Fund is owned by all Alaskans. The retirement funds are owned by you and other beneficiaries. Getting mixed up with the Permanent Fund will confuse the point we need to make--that the retirement funds are our property, not the property of all Alaskans and every legislator.

Mixing the retirement funds in with the Permanent Fund would create a complicated, unwieldy creature just when we are on the verge of establishing a strong management structure for the retirement funds that will give those funds high visibility and clarity of purpose. TRS and the other retirement funds have been buried at the Department of Revenue for years. Why would we bury them now in the Permanent Fund?

The management of the retirement funds will be an important issue during next year's legislative session. I urge you to tell your legislator--and all those who want to be your legislator--that you support an independent public corporation to run your retirement fund. The Teachers' Retirement System fund belongs to you and other teachers, active and retired. Creating an independent public corporation will allow you to have a say in the management of your money, and will make the system more accountable to you. You and your money deserve nothing less.

ALASKA TRS SAYS 'NO' TO DUES CHECK-OFF

The Alaska Teachers' Retirement System recently denied NEA-Alaska/R's request for a membership check-off for dues payments. Sally Smith, director of the Division of Retirement and Benefits, indicated that the check-off would involve expenses in compiling lists that "would impact an already stretched operation at a cost to everyone--not just those who express interest."

Last year the Arkansas legislature enacted a measure that mandated the retirement system of the state to provide a dues check-off for the Arkansas Retired Educators' Association. It has resulted in a marked increase in membership for the Arkansas retired group.

MEDICARE MAKES CHANGES IN CLAIMS REPORTING

Beginning September 1, 1990, doctors providing medical treatment must prepare and submit Medicare claims for all Part B services, Medicare officials recently announced. Details of the announcement include:

- The physician, surgeon or medical supply company **MUST** prepare and submit the claim even if assignment is not accepted. A charge cannot be made for handling the claim.
- If the provider of medical services does not agree to accept the Medicare approved amount as payment in full, the patient is responsible for paying the entire bill. Medicare payment for the approved amount will be mailed directly to the patient.
- If the provider of medical services refuses to prepare and submit the Medicare claim, the patient should contact the Medicare carrier.

NEA-ALASKA PRESIDENT'S MESSAGE . . .

--Don Oberg

The 1989-90 success of NEA-Alaska was due to a great extent to the support and leadership of the members of NEA-AK/Retired. Your organizational talents were perhaps most evident in the political arena as we were able to gain significant improvements in our retirement programs and other NEA-Alaska legislative priorities.

We look forward to another productive and rewarding year working together to improve our Alaskan schools as well as benefits to members of our profession--past and present.

PRE-RETIRED SEMINAR FEATURED AT NEA-AK ISSUES CONFERENCE

NEA-Alaska/R gave two pre-retirement seminar sessions at the NEA-Alaska Issues Conference held at the Anchorage Hilton Hotel on August 9 and 10. The first sectional covered financial planning and TRS pension and Social Security coverage. The second session dealt with choosing a retirement location.

Don Schulz, Hank Harrison and Merritt Olson conducted the sessions which were attended by 35 teachers and educational support personnel from all parts of Alaska.

MEMBERSHIP DUES:

NEA-R Life	\$100
Annual	\$ 10
NEA-AK/R Life	\$200
Annual	\$ 25

To: The members of the Senate State Affairs Committee, the Honorable Pat Rodey, Chair

From: Terry Elder, Secretary-Treasurer
Alaska State Employees Association

Date: January 28, 1991

Re: SB 18

Mr. Chairman, and members of the committee, thank you for the opportunity to speak with you today to share with you the position of the Alaska State Employees Association on investment management legislation.

By way of introduction, I am the secretary-treasurer of ASEA. I am a ten-year state employee, have a Ph.D. in economics, and work as an economist for the department of labor. I also have a background in investment management. I have about 12 years of experience in the investment business with major money managers in Chicago, mostly managing employee benefit portfolios. I have an M.B.A. in finance, am a Chartered Financial Analyst, and periodically teach financial management at the University of Alaska. So I speak to you both as a representative of ASEA and as a person with some expertise in investment issues.

ASEA appreciates the concern and the hard work of the legislature on this issue, last session, during the interim, and now at the beginning of a new session. This is an issue that is a vital concern to our members, and also to you. We are all members of one of these retirement systems, and we all have an interest in improving their management.

We appreciate also the past and continuing willingness of many legislators to work with us in a cooperative and positive manner on this issue. We recognize that the current version of SB 18 already reflects some of our input during the past year. We thank you for that.

In reviewing SB 18, however, we find that we have a serious concern which we believe the legislation should address. Our concern is that SB 18 does not include the Supplemental Benefits System fund. This is the fund with the most serious and immediate management problem. This is the fund which the administration calls a defined contribution fund, which implies that losses could be charged directly to member balances. Yet, this is also the fund which has been managed by the department of administration and now is managed by the PERS Board, neither of which has any representation of SBS members.

Our position is that SBS is a retirement plan, just as surely as are the Teachers Retirement System and the Public Employees Retirement System. In Senator Pourchot's letter on this legislation, mailed during the interim, called SBS a "program established to replace the state's participation in the federal social security system." This is true. It is absolutely a retirement plan, just as much as individual retirement accounts are. The only difference is that the program is not voluntary. Many employers allow employees the option to withdraw their contributions to retirement funds on termination. This option does not make these funds savings plans.

Therefore, SBS is a retirement fund. It should be managed professionally, and it should be managed by the board which has oversight of other retirement funds. We hope that you will agree, and, in a committee substitute, will transfer the responsibility of SBS from the department of administration to the Alaska State Pension Corporation, created by SB 18.

If you do that, we would suggest you also deal with the question of participant representation. You could do that in one of two ways:

If you were willing to increase the number of trustees from seven to eight, you could add to Section 2 (b) a fourth trustee to be elected by members of SBS. This trustee should be active, since 85% of SBS members are, but that is not as critical as it is simply to have representation. This trustee should be elected by SBS members. This would be our preferred solution, since we believe an even division of the board between employer and employee representatives would be fair.

If you want to keep the number of trustees at seven, you could change the second sentence of Section 2 (b) to read: **ONE OF THE ELECTED TRUSTEES MUST BE AN ACTIVE MEMBER OF ONE OF THE RETIREMENT SYSTEMS, ONE MUST BE RECEIVING A BENEFIT FROM ONE OF THE RETIREMENT SYSTEMS, AND ONE [MAY] MUST BE EITHER AN ACTIVE MEMBER OR RECEIVING A BENEFIT FROM [ONE OF THE RETIREMENT SYSTEMS] THE SUPPLEMENTAL BENEFITS SYSTEM.**

We note that the other two participant representatives may not be members of SBS. They could both be members of TRS. Why should SBS members specifically be given representation?

1. Since SBS is a defined contribution plan, this is the only fund in which the participants' balances may be affected adversely by decisions of the managers.
2. The PERS Board, which currently is responsible for SBS, contains only two elected members, both are retired, and neither is a member of SBS. In contrast, 85% of SBS members are active.

If the legislature includes SBS in SB 18, and provides for SBS participant representation, we could endorse SB 18 enthusiastically. While we appreciate, sympathize and support the objectives of ~~SBS~~^{SBI/P} as it is currently presented, we believe the SBS situation is so serious that our full support of SB 18 depends on the inclusion of SBS.

Re: SB 10

We note that SB 10 does include SBS (see Section 22). In that respect, we like SB 10. It also has appeal to some, we are sure, in that it seeks to ensure professional management of all types of investment funds with which the state must deal. That is a goal with which we sympathize.

We do not believe, however, that it is a preferred approach to SB 18. We like SB 18 because it focuses on employee benefit funds, and creates a board which includes participant and employer representatives. By mixing the types of funds with which the State Investment Board would deal, the board structure becomes confused.

In dealing with employee benefit plans, there is no reason to have representation for anyone who is not an employee or an employer. Specifically, there is no reason to have general public membership. The employers generally represent the public.

We appreciate the willingness of the sponsor of SB 10 to change the board structure to provide for better employee representation. There is no point in changing its structure, however, since employees do not need to tell the state how to manage funds like the general fund any more than employees need public members telling anybody how to invest their SBS funds. The difference is that employees own the assets of SBS, and, as a minimum, own the benefits provided by the assets of retirement funds. Employees do not own the general fund.

We would suggest that the committee use SB 18, with the changes outlined above, to deal with employee benefit funds. Separately, if so desired, the legislature could

establish a State Investment Board to manage strictly state assets. If they are only state assets, and do not impact employees, there is little reason to include employee representatives on such a board.

Before concluding, I would like to make a couple of comments generally about the situation concerning SBS. Your legislation deals only with the investment management. We support your objectives. However, we would also point out that it has been over a year since the department of administration has been able to give you, me, or my Union's members an accounting of their SBS balances. Frankly, the investment management and the administrative management of the department of administration has been a disgrace. If you do not want to deal with that through legislation, I urge you to do it through the budget review process.

Also, I want to point out that the department, with the agreement of the PERS board, is proceeding with the development of an RFP for investment management services for SBS. They also seek to develop an investment strategy for the fund. If they insist on going forward with this, we hope they will work with participant representatives, since participants will probably pay for what the department does. However, we hope that the legislature's actions to include SBS in the management structure of a State Pension Corporation will convince the PERS board and the department of administration to not do anything which locks us in to something that the new managers may want to change. They should do all things necessary to protect the assets, but, given their track record of contracting for investment services we are not anxious for them to do much else.

Thank you.

Representative Gene Kubina, Chair, House State Affairs Committee:

In response to the Committee's request for more definitive information on a number of items that were part of my testimony this morning, I submit the following:

- Sec. 2(b) Election of Board Members: 1) Elected trustees should be elected by their respective constituencies, i.e., PERKS trustees elected by PERS members; TRS trustees by TRS members; SBS trustee elected by SBS beneficiaries.
- 2) Nominations for elected trustees probably should be by petition only since nomination by PERS and TRS Boards would cease with the integration of benefits administration under the Independent Corporation. (Integration of benefits would result in the elimination of the PERS and TRS boards, I believe.)
- Sec. 2(d) Removal by the Governor: In testimony I indicated my concern about elected trustees' removal by the governor for "just cause" as too vague and open to whimsical or political reasons. The consensus of the five persons testifying today from Anchorage was that removal should be by recall by the electors--members of the retirement system who were eligible vote for the trustee. That would remove the elected trustees from political influence that might be exerted by the executive branch.

I was pleased with the changes that Representative Ulmer outlined today for HB 37, and appreciated the opportunity extended by the Committee for interested parties to express their views. Thank you.

Herritt C. Olson
President, NEA-Alaska/R

Representative Gene Lubina, Chair, House State Affairs

Re HB 37: Another alternative to recall in the removal of trustees is: "The governor may remove an elected or appointed trustee for misconduct, malfeasance, or nonfeasance in office or incapacity." This is the language in statute 14, 200, 130 for removal of PT PC members (1966). It's less vague than "just cause."

Merritt C. Olson

Professionals on Board

1

2

MR. MALONE: Thank you. I think

3

Mr. Ennis commented on what I was going to ask about, and that is how to use or get access to or integrate the professional investors in the board operation.

4

5

6

And we were fortunate to have lunch with these

7

folks. And one of the things we talked about,

8

apparently there's two models or two general ways to

9

do this. One is to have, maybe a couple people on

10

the board who are in the investment business, and the

11

other is to have a somehow formally constituted, also

12

small group of advisors to the board. And apparently

13

people kind of do that both ways.

14

And I guess I would -- my question was

15

going to be really, is, how does that work in

16

practice and what sort of issues arise there? Do you

17

find if you have the advisors separate from the

18

board, do they report -- sit with the board, do they

19

sit with a staff? How does that work? What are the

20

pros and cons of those different approaches is what

21

I'd like to ask.

22

MS. MARSHALL: I can start on that and

23

then maybe Carl or Richard can further comment.

24

At the -- the Minnesota example is an

25

interesting one. It's one of the few advisory

DEPARTMENT OF REVENUE

1 councils that -- when I was at Cal State of
2 California we called around to pretty much all of
3 the states and asked the investment people whether
4 they had advisory councils and whether they worked
5 or not.

6 And the Minneapolis advisory council is
7 always one that is cited as being one of the most
8 effective advisory councils. And they advised more
9 to the staff than they do to the actual board
10 members.

11 They also have the differentiating
12 characteristic in that they are not the top people
13 at the local corporations. And Minneapolis was very
14 fortunate in having a number of large, well-run
15 companies in the twin cities area that they could
16 call on.

17 But the people who were on this advisory
18 council are the investment manager types at these
19 corporations. So several levels down, assistant
20 treasurer type levels, and these are people who are
21 involved on a day-to-day basis with investments and
22 yet are not at the level where it becomes a -- you
23 know, a power thing or sort of another trophy of I'm
24 on this advisory council. And from people who may be
25 very talented about managing companies or who may

DEPARTMENT OF REVENUE

1 have reached the top of companies but are not
2 involved on a day-to-day basis with making investment
3 decisions.

4 Having said that, we tried an advisory
5 council in California and it was not terribly
6 successful. It did have staff reporting to it so it
7 could ask for information, and we suggested different
8 topics that the board might like to have their advice
9 on and they did report to the board.

10 They were compensated, I have forgotten
11 what the compensation was now, but I remember it was
12 a big issue at the time. And I don't think the
13 compensation ever amounted to a great deal. But
14 there was never a close relationship established
15 between that advisory council and the board, and so
16 they were never effective and they finally were just
17 sort of dropped or faded away.

18 I don't think anybody make a deliberate
19 effort to eliminate them, but they just stopped
20 calling meetings. And it disappeared.

21 I feel strongly that the advisors ought
22 to be on the board and have fiduciary
23 responsibility. Then you have to be careful that
24 it's clearly understood that they're not going to use
25 that position in order to get business in the future,

DEPARTMENT OF REVENUE

1 and certainly during the time they're serving on the
2 board, they should not have any fee based income from
3 that particular -- from that board or any other
4 related boards.

5
6 the TRS chair. And I guess I was thinking in terms
7 of our existing situation, where you have the TRS
8 board and TRS board, and I envision in my own vision
9 of a new structure with the company, public company
10 to handle the trust, I guess I envision the boards as
11 they currently are composed serving that function,
12 continuing in that function as advisory council, if
13 you will. Representation from the boards to that as
14 constituent representation.

15 And then as an offshoot to the main
16 question, I guess in my mind, there's a selection of
17 a CEO and then the creation of the investment group,
18 if you will, and the selection of brokerage firms and
19 what have you. Typically, I guess the question I
20 have, typically, what size are we looking at? Once
21 you've got the board itself in place and decided
22 whether it's going to be seven or nine members, and
23 then you said okay now we hire a CEO to oversee
24 this. After that, what would be the typical type
25

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171

ORGANIZATION AND FUNCTION

The Department of Revenue, Division of Treasury (Treasury) is responsible for, and has sole discretion over, the prudent investment and management of the Public Employees' Retirement Fund (PERS) and the Teachers' Retirement Fund (TRS).

Chapter 141, SLA 1988 amended PERS and TRS statutes by designating the funds as retirement trust funds and appointing the commissioner of Revenue as treasurer of the retirement systems and fiduciary of the funds. Under the amending legislation, the commissioner of Revenue shall:

1. Consider the status of the funds' investments and the system's liabilities on both a current and a probable future basis.
2. Determine the appropriate investment objectives for the funds.
3. Establish investment policies aimed at achieving the objectives.
4. Act only in regard to the best financial interests of the system's beneficiaries.

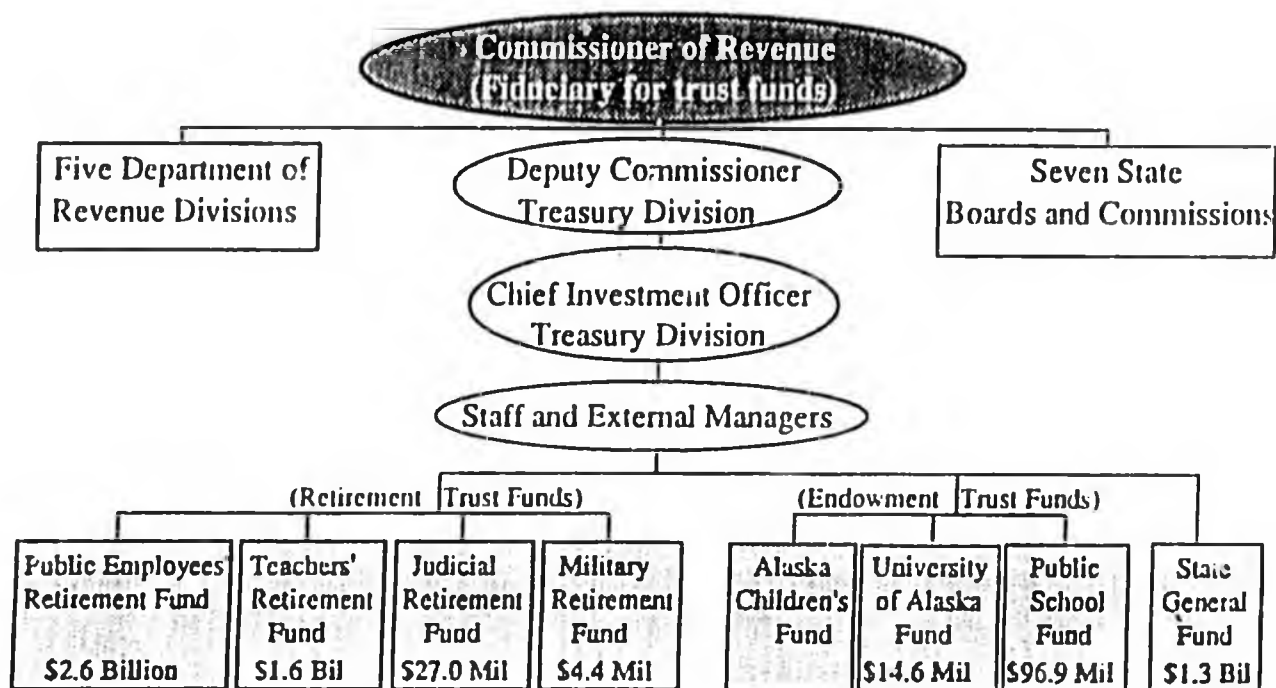
The amendments also repealed the "legal list" of investments the retirement funds were restricted to and placed upon the commissioner of Revenue, or his designee, the responsibility of fund fiduciary. Treasury also employs external investment managers who manage a substantial portion of the retirement funds.

Additionally, there are two boards which oversee the administrative aspects of the retirement systems. The Public Employees' Retirement Board is composed of five members, three of whom are members of the Department of Administration personnel board and two who are members of the system and elected by the membership of the system. The Teachers' Retirement Board consists of five members appointed by the governor. Both boards are mostly administrative in nature, being responsible for governing the regulatory aspect of the retirement systems.

The Alaska Permanent Fund is managed by an executive director, who reports to a six-member board of trustees appointed by the governor.

CURRENT LAW
(FIGURE 1)

INVESTMENT OF STATE FUNDS



ONLY 6 STATES STILL HAVE A SOLE INDIVIDUAL AS FIDUCIARY.

INVESTMENT OF STATE FUNDS

<u>ISSUE</u>	<u>HB 37.</u> <u>ASPC</u>
1. Number of board members	7
2. # of governor appointed seats	4
3. # of elected seats	3
4. Board members are fiduciaries	yes
5. Board make-up:	
PERS/TRS representation	yes
Access to trustee seats by other fund participants	yes
Commissioner of Revenue	yes
Commissioner of Administration	no
Employer representation	yes
6. "Just cause" required for removal from board.	yes
7. Financial training required for board members	yes
8. Board honorarium	yes
9. Board terms by years	4
10. Designees allowed for trustees	no
11. Funds to be managed:	
PERS	yes
TRS	yes
Judicial Retirement	yes
Military Retirement	yes
U of A Endowment	no
AHFC	no
Budget Reserve Fund	no
AK Marine Vessel Replace Fund	no
Public School Trust Fund	no
Childrens Trust Fund	no
SRS	no
PFD fund	no
AEA fund	no
HESS self sufficiency fund	no
General Fund/residual	no

- | | |
|--|-----|
| 12. Professionals on board | no |
| 13. Professional advisory council | yes |
| 14. Separate corporation | yes |
| 15. Executive director hired by board | yes |
| 16. Accountability to: | |
| LB & A | yes |
| Governor | yes |
| Legislature | yes |
| Employers | yes |
| Appropriate fund boards | yes |
| 17. Required to provide outside performance evaluation | yes |

Board of Trustees
Marc Langland,
Chairman
Charles H. Parr,
Vice-Chairman
Douglas B. Baily
John T. Kelsey
Byron I. Mallott
Hugh Malone



Alaska Permanent Fund Corporation
P.O. Box 4-1000 Juneau, Alaska 99802-4100
(907) 463-2047

October 2, 1990

The Honorable
Pat Pourchot
Alaska State Senator
3111 "C" Street, Suite 545
Anchorage, Alaska 99503

Re: Position of the Board of Trustees of the Alaska Permanent Fund Corporation on the Management of the PERS/TRS Funds.

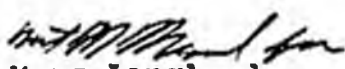
Dear Senator Pourchot:

At your request, the Board of Trustees discussed and voted on its position concerning the possible management of the PERS/TRS funds by the Alaska Permanent Fund Corporation. It was the unanimous vote of the Board that the Trustees have no interest in assuming responsibility for the management of PERS/TRS and other state investment funds that have actuarial and different liability obligations than the Alaska Permanent Fund.

In general, it is the view of the Trustees, as well as staff, that the management of the Alaska Permanent Fund involves very different management philosophies and policies than are involved in the management of retirement funds. The potential mixing of the two types of policies in one organization was felt to be detrimental for both types of funds.

I have enclosed the verbatim transcript of the portion of the Board meeting where the Trustee position was raised, discussed, and voted upon. If you have any questions, please do not hesitate to call.

Sincerely,


Marc Langland
Chairman

Alaska Municipal League

Policy Statement 1991

Adopted at the Business Meeting
of the 40th Anniversary Local Government Conference
of the
Alaska Municipal League
Anchorage, Alaska
November 16, 1990



AML/AARP/AAF Positions

retirement benefits. Additionally, in order to assist municipalities and the Legislature in evaluating changes to the retirement systems, fiscal notes accompanying such legislation should include an analysis of the fiscal impact on each of the participating municipalities.

2. Separate PERS/TRS Corporation: **The League supports the establishment of a separate corporation for** the management and investment of state trust funds, including the trust funds of the Public Employees' Retirement System and the Teachers' Retirement System, insofar as the board of the corporation includes representatives of trust beneficiaries and employers. The League urges that legislation establishing such a corporation include a provision that foreclosed real property held as assets by funds managed by the corporation be subject to municipal property taxes.

Alaskan municipalities make over half of all employer contributions to the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) and are directly affected by the performance of these funds because of the effect fund earnings have on employer contribution rates and, thus, on local tax rates. At present, both PERS and TRS funds are managed by the Department of Revenue, with the Commissioner of the Department as the sole fiduciary.

Creation of a separate corporation would give visibility to and strengthen the trust status of these trust funds. It would increase accountability, continuity, and public disclosure for the investment management of the funds by establishing a board of directors as fiduciary, incorporating professional investment managers and trust administrators, as well as representatives of beneficiaries, on the corporation's board, and providing for the exercise of fiduciary powers through the forum of regularly scheduled public meetings rather than administrative actions. A corporation would give management the authority to act in a timely manner and compete fully with other professional institutional investors. It would also allow the trust fund managers to have direct access to various Federal Reserve System services, increasing the security, earnings, and efficiency of trust fund investments and reducing the costs for intermediary custodian bank services.

In keeping with the League's general policy opposing exemption from taxation of foreclosed real property held as assets by state and federal agencies, the League supports inclusion of a provision making such assets held by the new corporation subject to municipal taxation.

E. GOVERNMENT MANDATES

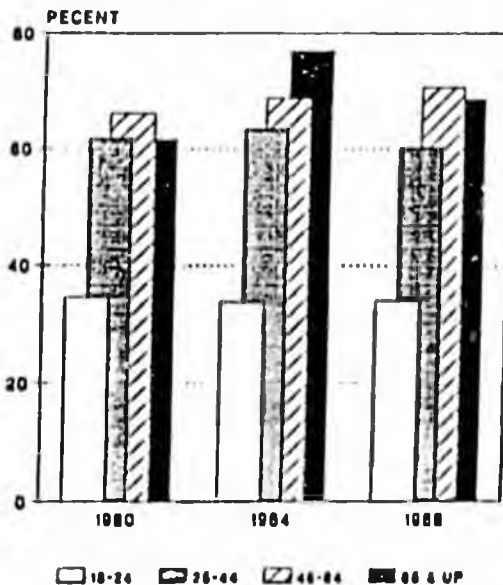
The League urges passage of legislation that would require a government agency unilaterally transferring responsibility for a program to a municipality or imposing regulations on a municipality to reimburse the municipality for the costs of the transferred responsibility or regulations.

OLDER VOTERS

Older people are generally eager to participate in all facets of political life. Older persons are often involved in registering voters, assisting voters in traveling to polls, and actually conducting poll operations on election day. They believe in the Eisenhower adage, "Politics should be the part-time profession of every citizen."

The voter turnout graph illustrates the participation rate of four age groups of Alaska voters in elections held between 1980 and 1988.

VOTER TURNOUT GRAPH



Prepared for AARP by Election Data Services

1991 ALASKA LEGISLATIVE PROGRAM

PRIORITIES

HEALTH

- Increase access to appropriate and affordable health care for all Alaskans by:
 - advocating formulation of a health policy for Alaska
 - supporting concept of state-mandated insurance for the uninsured
 - seeking legislation and appropriations for a comprehensive and coordinated program of home-, community-, and institutionally-based services throughout the state
 - supporting availability of adequate health insurance for all, including those uninsured

ECONOMIC SECURITY AND BUDGET

- Strengthen programs which will provide economic security for all Alaskans by:
 - supporting legislation to stabilize the Longevity Bonus Program
 - advocating recognition of the economic and social value of the retirement community by supporting programs to encourage retirees to remain in Alaska
 - supporting full funding of present property tax relief to senior citizen homeowners and renters

SUPPORT ITEMS

- Support legislation to provide separate management of public pension funds
- Support efforts to improve availability of insurance by means of tort reform and/or increased regulations consistent with adequate consumer protection

SL1003AK(1090)

ALASKA

State Legislative Committee

1991 FACTS & LEGISLATIVE PRIORITIES



American Association
of Retired Persons

The UAF Staff Council approved the following at its Meeting #29 on December 7, 1990:

MOTION PASSED (unanimous approval)

The UAF Staff Council moves to endorse the following position paper regarding the PERS/TRS fund:

1. PERS funds should be managed and invested by a separate public corporation. This corporation should be developed for the specific purpose of managing the investment and benefit administration of public pension funds within the state of Alaska.
2. The Corporate Board of Trustees should have fiduciary responsibility for the PERS fund and any other public pension fund managed by the corporation.
3. The Board should be composed of: elected representatives of the beneficiaries of the various funds; the Commissioner of Revenue (nonvoting); and gubernatorial appointees from fund employers. There should be equal representation between employers and employees.
4. An Advisory Council of investment experts should be established by the Board. The purpose of the Council should be to provide information to the Board based on its cumulative expertise in investment matters.
5. The Board should be responsible for hiring an Executive Director for the corporation who in turn should hire his/her staff for administration of operational and investment matters.
6. Under no circumstances should the PERS funds be co-mingled with the Alaska Permanent Dividend Fund.

RATIONALE: PERS funds are currently managed by the Commissioner of Revenue, a gubernatorial appointee. This places the fund in possible jeopardy because of political pressure. Fiduciary responsibility for funds of this magnitude should not be placed in the hands of just one person. The management board for the PERS/TRS fund should be separate from the Permanent Fund



House State Affairs Committee Representative Gene Kubina, Chair

DATE: February 13, 1991

PLACE: Capitol, Room 102

SUBJECT OF MEETING:

- HB 22 - Relating to Certain Legislative Info
Confidential
- HB 37 - Relating to Investment of Pension
Fund
- *HB 86 - Relating to Year-End Campaign Finance
Reports

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Michelle Buckner	Budget & Audit				3878	Y	(N) HB 37
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N
						Y	N



House State Affairs Committee

Representative Gene Kubina, Chair

SUBJECT OF MEETING:

HB 37 - Relating to Investment of the Pension Fund

DATE: Feb. 06, 1991

PLACE: Room 102, Capitol

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Louise Dawson	JRTA	2880 FRITZ Cove Rd Juno	99801	9-9655	-	Y <input checked="" type="radio"/> N	
Dick Spaziani	JRTA	8452 Kimberly Juno	99801	9-7394	-	Y <input checked="" type="radio"/> N	
Jeanne Spaziani	JRTA	8452 Kimberly St., Juno ⁹⁹⁸⁰¹	99801	9-7394	-	Y <input checked="" type="radio"/> N	
Willie Anderson	IVETA	105 Municipal Way Juno 99801	99801	6-3070		<input checked="" type="radio"/> Y N	
Bill Nelson	ASCA	240 Main St. Suite 202 Juno 99801	99801	3-4949		Y <input checked="" type="radio"/> N	HB 37 - CIVILIAN 705711009 already submitted
Scott Burgess	AML	217 Second St. Ste 200 Juno	99801	6-1325		<input checked="" type="radio"/> Y N	HB 37
						Y N	
						Y N	
						Y N	
						Y N	
						Y N	



House State Affairs Committee

Representative Gene Kubina, Chair

SUBJECT OF MEETING:

HB 37 - Relating to Investment of the Pension Fund

DATE: February 1, 1991

PLACE: Room 102 Capitol

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
Elizabeth Lucas	AARP/NRTA	2880 Fritz Cove Rd, Juno	99801	789-9655		Y <input type="radio"/> N <input checked="" type="radio"/>	
Louise Dawson	RTA (Juno)	" " " " " "	" "	" "		Y <input type="radio"/> N <input checked="" type="radio"/>	
Scott Burgess	AML	Juneau			6-1325	Y <input checked="" type="radio"/> N <input type="radio"/>	HB 37
GARY BADER	DEPT OF ADMIN	DIVISION OF RETIREMENT & BENEFITS	99811		X4460	Y <input type="radio"/> N <input checked="" type="radio"/>	
LEE E. FISHER	D.O.K.	Box 5, JUNO			7300	Y <input checked="" type="radio"/> N <input type="radio"/>	HB 37
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	
						Y <input type="radio"/> N <input type="radio"/>	