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SEVENTEENTH LEGISLATURE
SENATE JUDICIARY COMMITTEE BILL FILE

BILL NUMBER: SB 18
ABBREVIATED TITLE: AK PENSTON CORP
SPONSER: Pennington, Starn, Dunne ORIGINAL RECEIVED: 2-1 for state affairs
WRITTEN REQUEST TO SCHEDULE REC'D: 1-29-92 FROM: Pennington
SPONSER'S STATEMENT REC'D: 1-29 FROM: Pennington
SECTIONAL ANALYSIS RQST'D: _____ FROM: _____
SECTIONAL ANALYSIS RECEIVED: _____
FISCAL NOTE (ORIGINAL)
RQST'D OF: _____ REC'D FROM: Revenue DATE: With Bill
RQST'D OF: _____ REC'D FROM: Revenue DATE: With Bill
RQST'D OF: _____ REC'D FROM: Revenue DATE: With Bill
FISCAL NOTE (C.S.)
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
RQST'D OF: _____ REC'D FROM: _____ DATE: _____
FIVE DAY NOTICE GIVEN: _____ NOTICE OF HEARINGS GIVEN: _____
COMMITTEES OF REFERRAL: FIRST: SA SECOND: Legal THIRD: Finance

COMMITTEE ACTION

DATE: _____

PERSONS TO BE NOTIFIED OF HEARING

1. SPONSOR Pennington
2. AGENCY Rev
3. Finance
4. Legal
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____



Alaska State Legislature
Senate

Office of the Secretary

PO. BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

OFFICIAL BUSINESS

FOR YOUR IMMEDIATE ATTENTION

DATE: February 4, 1991

TO SENATE COMMITTEE: Judiciary (Sen. Halford)

FROM: Office of the Senate Secretary

The Chairman of the above-referenced Committee has waived the Committee referral on the following bill(s):

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 18

Alaska State Pension Corporation

2-5-91
File delivered to Messenger
Rachel copied books
WB

→ Please give the bill file(s) to the person delivering this message for forwarding to the next Committee of referral.

Thank you for your prompt attention to this request.

JR/s

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 18

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

Department Affected: Administration
 BRU: 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
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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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	0.0	0.0	0.0
Part-Time	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	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: *William Kelly* 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. SB 18

Revision Date: _____ Department Affected: Revenue
Title: Alaska State Pension Corporation BRU: Treasury
Component: _____

Sponsor: Pourchot
Requestor: Senate State Affairs COMPONENT SERIAL NO.

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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: (Attach a separate page if necessary.) 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: 1-25-91
Approved by Commissioner: Milton B. Barker for
Agency: Revenue Date: 1-25-91

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

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 18

Revision Date: _____ Department Affected: Alaska State Pension Corporation
 Title: Alaska State Pension Corporation BRU: _____
 Component: _____
 Sponsor: Pourchot
 Requestor: Senate State Affairs COMPONENT SERIAL NO.

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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: (Attach a separate page if necessary.) FY 92 - 97 are the amounts deleted from the Treasury budget on the attached fiscal note. Net incremental cost is zero.

Prepared By: Milton B. Barker ^{MB} Phone: 465-2350
 Division: Treasury Date: 1-25-91
 Approved by Commissioner: Milton B. Barker for
 Agency: Revenue Date: 1-25-91

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

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 561-7623
(H) (907) 338-2425

JUNEAU
P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

MEMORANDUM

TO: Senator Halford
Chair, Senate Judiciary Committee

FROM: Senator Pat Pourchot *Pat*

RE: Request for hearing SSSB 18

DATE: January 30, 1991

SSSB 18, An Act establishing the Alaska State Pension Corporation; relating to management and investment of state pension funds; and providing for an effective date, has been referred to your committee.

SSSB 18 establishes a public corporation to manage the Public Employees Retirement System (PERS), the Teachers Retirement System (TRS), the Judicial Retirement System, the Military Retirement System funds, Supplemental Benefits System (SBS) funds and other state funds upon mutual agreement. The corporation allows for beneficiary and employer representation and provides for an Investment Advisory Council to assist the board in investment decisions.

I would greatly appreciate your scheduling this bill for a hearing as early as possible.

Susie Barnett

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



Senator Pat Pourchot

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ANCHORAGE, AK 99510
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(H) (907) 338-2425

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STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

TO: Senator Rick Halford
Senate Judiciary Committee Chair

FROM: Senator Pat Pourchot

RE: SSSB 18, 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 30, 1991

Background Information: The state is responsible for \$4+ billion in retirement funds. Currently this money is being managed by one person, the Commissioner of Revenue. The issue of the Commissioner being the sole fiduciary was considered last legislative session and several bills were introduced that dealt with the management of state funds. In the final days of the session, the choices narrowed to two options: the "Permanent Fund Management" concept which was a corporation closely tied to the Permanent Fund and the "Corporation" concept, which set up a public corporation to manage the majority of state funds. After considerable debate, neither passed the legislature.

During the interim, I met with the Permanent Fund Board of Trustees, they have since passed a resolution stating "that they have no interest in assuming responsibility for the Public Employees Retirement System (PERS) or Teachers Retirement System (TRS) funds". The Senate State Affairs Committee held a public hearing on the issue of investment of state funds in October, 1990. Additionally, I have researched many other states' systems. As a result of this work, I have developed legislation that will resolve current weaknesses in the management of retirement funds and would allow for the potential integration of retirement benefit administration responsibilities with investment responsibilities.

Senator Pourchot, 1991

The Alaska State Pension Corporation:

- 1) is a public corporation established to manage the PERS, TRS, Judicial, Military retirement system and Supplemental Benefit System (SBS) funds and other state funds, upon agreement.
- 2) allows for beneficiary and employer representation through an 8 member board of trustees, composed of: 4 elected member seats, 2 appointed employer seats, Commissioner of Revenue and 1 appointed member nominated by the other seven trustees.
- 3) provides for an Investment Advisory Council, composed of 3-5 professionals, that would recommend to the board investment policies, assist in 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 Generally Accepted Accounting Principles.
- 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.

Please contact my office if you would like additional information. Thank you for your interest in this important issue.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE,
CO-CHAIR



ANCHORAGE
P.O. BOX 104836
ANCHORAGE, AK 99510
(W) (907) 561-7623
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JUNEAU
P.O. BOX V
STATE CAPITOL
JUNEAU, AK 99811
(907) 465-3712

Senator Pat Pourchet

TO: Senator Halford
Chair, Senate Judiciary Committee

FROM: Senator Pat Pourchet *Pat*

RE: SSSB 18, establishing the Alaska State Pension Corporation

DATE: January 30, 1991

The following is a summary of the changes made to SB 18 that are now in the Sponsor Substitute for Senate Bill 18.

Section 2. AS 37.10 Article 5

Sec. 37.10.210 (b)

(Page 2 Lines 5-12) Changes the board from seven to eight trustees, four of the trustees to be elected by the members in the retirement systems. Elected seats are identified as:

- 1 Active PERS/Active SBS
- 1 Retired PERS
- 1 Active TRS
- 1 Retired from system other than PERS.

Sec. 37.10.210 (g) (Page 2, Line 28) Changes quorum from four to five.

Sec. 37.10.220 (a) (7) (Page 3, Lines 20,21) Under powers and duties of the board, adds a requirement that the board advise the commissioner of administration concerning the investment of funds held under the state DEFERRED COMPENSATION PROGRAM.

Section 9. AS 36.30.990 (1)

(Page 8, Line 24) Previous drafting error corrected. Updated statute now in bill, which includes AHFC.

Section 12. AS 39.30

Sec. 39.30.175 (Page 12, Lines 2-6) establishes the corporation as the fiduciary for the SUPPLEMENTAL BENEFITS SYSTEM (SBS).

Section 15. AS 39.45.030 (Page 13, lines 9-12) requires the commissioner of administration to consult with the corporation prior to investing DEFERRED COMPENSATION PROGRAM funds and to reimburse corporation for cost of advise.

Section 19. (Page 14, Line 10) under Organization of Trustees, sets out a 3 year term for the additional elected member.

M E M O R A N D U M

January 29, 1991

SUBJECT; ALASKA STATE PENSION CORPORATION (ASPC): Summary of Sponsor Substitute for SB 18 by Section

TO; Senator Pat Pourchot

FROM; Susan Barnett, Staff

I have prepared this sectional analysis of the SSSB 18, 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 eight voting trustees, four 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 seven 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, five 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. SSSB 18 requires the board advise the commissioner of administration concerning the investment of funds held under the state deferred compensation program.

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 (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.

SECTION 12: identifies the corporation as the fiduciary of the receipts of the employee benefits program.

SECTIONS 13 and 14: substitute the corporation for the Commissioner of Revenue in the management and investment of the public employees retirement (PERS) fund.

SECTION 15: requires the commissioner of administration to consult with the corporation before investing deferred compensation funds.

SECTION 16: adds the members of the Alaska State Pension

Corporation to coverage of the conflict of interest statutes.

SECTION 17; amends the duties of the Department of Revenue to reflect the changes made by the bill.

SECTION 18; is a transition section.

SECTION 19; 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 20; sets July 1, 1991 as the effective date for board organization.

SECTION 21; 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.

Alaska State Pension Corporation (ASPC) Sponsor Substitute SB 18

A public corporation located in the
Department of Revenue to manage the following funds:
Public Employees Retirement System Fund \$2.74 billion
Teachers Retirement System Fund \$1.70 billion
Judicial Retirement System Fund \$28.67 million
Military Retirement Fund \$3.9 million
Supplemental Benefits System \$600 million
Elected Public Officers Retirement System*
(subject to annual appropriation)

ASPC Board of Trustees

4 Member Seats (Elected)
2 Employer Seats (Appointed)
1 Department Commissioner
1 Appointed Seat (Nominated by the Seven Trustees)

Executive Director

Investment
Advisory Council
3 - 5 Professionals

Chief Investment Officer

Chief Operations Officer*

Investment Staff

Operations Staff*

* Once System is integrated to include retirement related operations. Active employee services would remain in Department of Administration

Plans would re-direct management of pension funds

By RALPH THOMAS

THE JUNEAU EMPIRE

State officials would turn over management of more than \$5 billion in public employee retirement funds to a state-controlled board of directors under a legislative proposal to improve the funds' investments.

Senate bills aimed at changing management of the retirement funds received their first committee hearings this week, and a companion measure will get its first committee review Friday in the House.

Supporters of the bills say the retirement funds need closer attention from professional investors rather than state employees — for more security and better returns on investments.

The state Revenue commissioner is responsible for investing more than \$4.4 billion in state and municipal employee and teacher retirement funds, while the Department of Administration oversees almost \$1 billion in another benefit account.

Sen. Pat Pourchot, D-Anchorage, who introduced one of the two Senate bills, said, "Without strong, independent, full-time management of these funds ... we could at least be missing investment opportunities." He said the current system leaves too great a chance for mismanagement.

The measures are spin-offs of a bill that died last year in the Senate. And, as was the case last year, the bulk of debate on the issue is likely to

occur in the Senate.

Though Pourchot's measure — Senate Bill 18 — and a bill sponsored by Sen. Jay Kerttula, D-Palmer — Senate Bill 10 — have similar intents, there are significant differences.

A companion to Pourchot's bill — House Bill 37 — has been introduced by Rep. Frael Ulmer, D-Juneau.

Ulmer said she knows of no opposition to her bill in the House.

Officials in the Hickel administration said this week they want management of the retirement funds moved off the job duties of the Revenue commissioner, but it is unclear which approach they favor.

Key differences between the Pourchot and Kerttula bills include: what funds would be included in the plan, the makeup of the board that would oversee investments, and whether a separate corporation should be formed to do the job.

Pourchot's bill would establish the Alaska State Pension Corp. to invest money for the Public Employees Retirement System, Teachers Retirement System and the state's Supplemental Benefit System — established in 1980 when state employees dropped out of the federal Social Security program.

The Supplemental Benefits System is administered by the Department of Administration.

The corporation would have an eight-member board of trustees, an executive director and an advisory



SEN. PAT POURCHOT



SEN. JALMAR KERTTULA

panel of investment professionals. The board would include the Revenue commissioner, three other members appointed by the governor, and four seats elected by members of the retirement systems.

Kerttula's bill would not set up a separate corporation. Under his plan, the funds would continue to be managed by state employees, but under the direction of a nine-member board of trustees. The advisory board would have five governor-appointed members, including the commissioners of Revenue and Administration. The other four members

\$121 million held by California-based Executive Life was not lost, but the scare might have been avoided if a professional board had been guiding the investments, the senator said.

Changing the system might also boost returns, Pourchot said. "Our returns haven't been bad. They haven't been good, they've been average."

A 1989 state audit of the public employees and teachers retirement funds concluded that the "investment management oversight is severely lacking when compared to other larger, older, more experienced funds."

At a Senate State Affairs Committee hearing Monday, Gary Bader, director of the Administration department's Division of Retirement and Benefits, said the Hickel administration supports the legislation's intent. But it was not clear which, if either, bill the administration favors.

In an interview later, Bader said the composition of the board under either plan "should be such that the governor can be held accountable for the actions of the board." He said that meant the governor should appoint at least a majority of the board members.

He also said forming a separate corporation — as proposed in Pourchot's bill — would conflict with Gov. Walter J. Hickel's goal to reduce the number of state employees.

Revenue Commissioner Lee Fish-

er, however, said he favors forming a separate corporation. He said investing the retirement funds is an "onerous responsibility" that he would gladly relinquish.

Pourchot said he couldn't predict how the issue might fare in the Senate, and that he planned to meet with Kerttula to discuss possible compromises between the two proposals.

Both bills moved out of State Affairs on Wednesday. Pourchot's bill was sent to the Judiciary Committee, while Kerttula's measure went to Senate Finance.

A similar measure died last year in the Senate after passing the House 37-2. That bill would have set up a corporation similar to Pourchot's, but was killed because some senators believed the funds should be managed by the Alaska Permanent Fund Corp.

During the interim, however, the Permanent Fund board passed a resolution against such a move, and Pourchot said the Permanent Fund question is a dead issue this session.

Sen. Jim Duncan, D-Juneau, last year favored moving the funds to the Permanent Fund board, but agreed that is not an option this year. Duncan, a member of State Affairs panel, said a lot of work remains on the issue.

"I think we need to evaluate very carefully the formation of a separate corporation," Duncan said.