

**HB**

**206**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: March 21, 1997

FURTHER REFERRALS:

Date of Committee Action: 2/12/98

The FINANCE Committee considered:

HB 206

HOUSE BILL NO. 206

PERS FOR VILLAGE PUBLIC SAFETY OFFICERS

"An Act relating to credit under the Public Employees' Retirement System for service as a village public safety officer."

recommends it be replaced with the following committee substitute CS HB 206 (Fin)  the same title  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_ APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_  
 fiscal note(s) DOA  fiscal note(s) \_\_\_\_\_  
 \_\_\_\_\_  
 zero fiscal note(s) \_\_\_\_\_  zero fiscal note(s) \_\_\_\_\_  
 \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Gene Therriault</i>	Therriault		✓	X	
<i>Pat Kelly</i>	Kelly	✓			
<i>Mark Hanley</i>	Hanley			X	
<i>Don Mulder</i>	Mulder	✓			
<i>Larry Martin</i>	Martin	✓			
<i>Eric Kehring</i>	Kehring	X			
<i>Paul Dawley</i>	Dawley	X			
<i>Ben Grosskopf</i>	Grosskopf	X			
<i>Carl G. Moses</i>	Moses	X			
<i>Henry L. Davis</i>	DAVIS	X			

CHAIR'S SIGNATURE *Gene Therriault* *Mark Hanley*  
 \_\_\_\_\_  
 A.C. #1: \_\_\_\_\_ The \_\_\_\_\_ act \_\_\_\_\_

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. CSHB 206

Revision Date: \_\_\_\_\_  
 Title: An Act relating to credited service in the public employees retirement system.  
 Sponsor: Representative Porter  
 Requestor: (H) FIN

Department Affected: Administration  
 BRU: Centralized Administrative Services  
 Component: Retirement and Benefits  
 COMPONENT SERIAL NO. 2271

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	.	.	.	.	.	.
TRAVEL	.	.	.	.	.	.
CONTRACTUAL	.	.	.	.	.	.
SUPPLIES	.	.	.	.	.	.
EQUIPMENT	.	.	.	.	.	.
LAND & STRUCTURES	.	.	.	.	.	.
GRANTS, CLAIMS	.	.	.	.	.	.
MISCELLANEOUS	.	.	.	.	.	.
<b>TOTAL OPERATING</b>	.	.	.	.	.	.

CAPITAL EXPENDITURES	.	.	.	.	.	.
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ( )	.	.	.	.	.	.
------------------------	---	---	---	---	---	---

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	.	.	.	.	.	.
1003 GF Match	.	.	.	.	.	.
1004 GF	.	.	.	.	.	.
1005 GF/Program Receipts	.	.	.	.	.	.
1037 GF/Mental Health	.	.	.	.	.	.
OTHER	.	.	.	.	.	.
<b>TOTAL</b>	.	.	.	.	.	.

Estimate of any current year (FY 98) cost: \$ 0

**POSITIONS:**

FULL-TIME	.	.	.	.	.	.
PART-TIME	.	.	.	.	.	.
TEMPORARY	.	.	.	.	.	.

**ANALYSIS:** (Attach a separate page if necessary.) Based on the amendment to HB206 that limits purchase of VPSO service to those who are not entitled to receive retirement benefits for the same service, this bill is estimated to have an unmeasurable impact in the PERS funding ratio. There is an increase to the unfunded liability of the PERS of approximately \$145,000. This would result in an employer contribution increase of approximately \$13,000 per year, unmeasurable as a percent of payroll.

This bill would also, for the first time, allow employees to claim credited service for non government employment. This would set a precedent and open the door for other non government forms of service.

If enacted this bill would have no effect on the PERS average employer contribution rate or the funding ratio.

Prepared by: Guy Bell  
 Division: Retirement and Benefits

Phone: 465-4470  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 2/27/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

For further distribution information, call the Governor's Legislative Office

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. HB 206

Revision Date: \_\_\_\_\_  
 Title: "An Act relating to credited service in the public employees retirement system."  
 Sponsor: Representative Porter  
 Requestor: (H) FIN

Department Affected: Administration  
 BRU: Centralized Administrative Services  
 Component: Retirement and Benefits  
 COMPONENT SERIAL NO. 2271

**Expenditures/Revenues:** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES	0	0	0	0	0	0
----------------------	---	---	---	---	---	---

CHANGE IN REVENUES ( )	0	0	0	0	0	0
------------------------	---	---	---	---	---	---

**FUND SOURCE:** (Thousands of Dollars)

1002 Federal Receipts	0	0	0	0	0	0
1003 GF Match	0	0	0	0	0	0
1004 GF	0	0	0	0	0	0
1005 GF/Program Receipts	0	0	0	0	0	0
1037 GF/Mental Health	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimate of any current year (FY98) : \$ 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

**ANALYSIS:** (Attach a separate page if necessary.)

This bill is estimated to have an unmeasurable impact in the PERS funding ratio. There is an increase to the unfunded liability of the PERS of approximately \$450,000. This would result in an employer contribution increase of approximately \$40,000 per year, unmeasurable as a percent of payroll.

(continued on next page)

Prepared by: Guy Bell  
 Division: Retirement and Benefits

Phone: 465-4460  
 Date: \_\_\_\_\_

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 2/11/98

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE  
 For further distribution information, call the Governor's Legislative Office

**FISCAL NOTE  
STATE OF ALASKA**

**1998 LEGISLATIVE SESSION**

**BILL NO. HB 206**

**ANALYSIS: (continued)**

This bill would also, for the first time, allow employees to claim credited service for non government employment. This would set a precedent and open the door for other non government forms of service.

Another point is that many VPSO's receive retirement as part of their employment. If past enacted legislation is an indicator, then the legislature does not support "double dipping" on retirement benefits.

If enacted this bill would have no effect on the PERS average employer contribution rate or the funding ratio.

Sec. 01.10.060. Definitions.

In the laws of the state, unless the context otherwise requires,

- (1) "action" includes any matter or proceeding in a court, civil or criminal;
- (2) "daytime" means the period between sunrise and sunset;
- (3) "month" means a calendar month unless otherwise expressed;
- (4) "municipality" means a political subdivision incorporated under the laws of the state that is a home rule or general law city, a home rule or general law borough, or a unified municipality;
- (5) "nighttime" means the period between sunset and sunrise;
- (6) "oath" includes affirmation or declaration;
- (7) "peace officer" means
  - (A) an officer of the state troopers;
  - (B) a member of the police force of a municipality;
  - (C) a village public safety officer;
  - (D) a United States marshal or deputy marshal; and
  - (E) an officer whose duty it is to enforce and preserve the public peace;

## Article 8. General Provisions.

Section  
660. Nonguarantee of employment  
670. Fraud  
675. Inclusion of cost-of-living differentials in compensation and benefits

Section  
680. Definitions  
690. Short title

**Sec. 39.35.660. Nonguarantee of employment.** This chapter is not a contract of employment between an employer and an employee, nor does it confer a right of an employee to be continued in the employment of an employer, nor is it a limitation of the right of an employer to discharge an employee with or without cause. (§ 38 ch 143 SLA 1960)

**Sec. 39.35.670. Fraud.** A person who knowingly makes a false statement, or falsifies or permits to be falsified a record of this system, in an attempt to defraud the system, is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500, or by imprisonment for not more than twelve months, or by both. (§ 41 ch 143 SLA 1960)

**Sec. 39.35.675. Inclusion of cost-of-living differentials in compensation and benefits.** (a) An employee shall make contributions to the system based on compensation including a cost-of-living differential.

(b) The amount of a cost-of-living differential may not be included in the employee's compensation for purposes of calculating benefits paid under this chapter unless the employee has received a cost-of-living differential in a comparable amount or of at least that many steps for at least 50 percent of the employee's credited service.

(c) When an employee receives a benefit, and if the employee's compensation for purposes of calculating the benefit does not include a cost-of-living differential, then the administrator shall refund to the employee the amount of contributions the employee made based on the differential.

(d) In this section "cost-of-living differential" means an adjustment to salary based on the cost of living in the geographic region where the employee works and includes a pay step differential under AS 39.27.020. (§ 40 ch 82 SLA 1996)

**Editor's notes.** — Section 68, ch. 82, SLA 1986, first hired under the Public Employees' Retirement System after December 31, 1986, provides that this section applies "only to members

**Sec. 39.35.680. Definitions.** In this chapter, unless the context otherwise requires,

(1) "active member" means an employee who is employed by an employer, is receiving compensation for seasonal, permanent full-time, or permanent part-time service, and is making contributions to the system;

(2) "actuarial adjustment" means equality in value of the aggregate expected payments under two different forms of pension payments, considering expected mortality and interest earnings on the basis of tables adopted from time to time by the board;

(3) "administrator" means the person appointed by the commissioner of administration under AS 39.35.050;

(4) "average monthly compensation" means the result obtained by dividing the compensation earned by an employee during a considered period by the number of months, including fractional months, for which compensation was earned; the considered period consists of (A) for employees first hired before July 1, 1996, the three consecutive payroll years during the period of credited service that yields the highest average, and (B) for employees first hired on or after July 1, 1996, the five consecutive payroll years during the period of credited service that yield the highest average, or if the employee does not have the required number of consecutive payroll years, the employee's period of credited

service; an employee must have at least 115 days of credited service in the last payroll year in order for that year to be used as part of the consecutive payroll years;

(5) "beneficiary" means a person designated by an employee to receive benefits that may be due from the system upon the employee's death;

(6) "board" means the Public Employees Retirement Board;

(7) "calendar year" means the period beginning on January 1 and ending on December 31;

(8) "compensation" means the total remuneration earned by an employee for personal services rendered to an employer, including employee contributions under AS 39.35.160, cost-of-living differentials only as provided in AS 39.35.675, payments for leave that is actually used by the employee, the amount by which the employee's wages are reduced under AS 39.30.150(c), and any amount deferred under an employer-sponsored deferred compensation plan, but does not include retirement benefits, severance pay or other separation bonuses, welfare benefits, per diem, expense allowances, workers' compensation payments, or payments for leave not used by the employee whether those leave payments are scheduled payments, lump-sum payments, donations, or cash-ins;

(9) "credited service" means the number of years, including fractional years, recognized for computing benefits that may be due from the system;

(10) "deferred vested member" means an inactive member who meets the five-year credited service requirement to qualify for a retirement benefit;

(11) "dependent child" means an unmarried child of an employee, including one adopted, who is dependent upon the employee for support and who is either (A) under 19 years old or (B) under 23 years old and registered at and attending on a full-time basis an accredited educational or technical institution recognized by the Department of Education; age restrictions set out in this paragraph do not apply to a child who is totally and permanently disabled;

(12) "disabled member" means an employee who is terminated, who has not received a refund from the system and is receiving a disability benefit from the system;

(13) "early retirement" means retirement for a member who is not eligible for normal retirement and who is at least 55 years old and is eligible to receive benefits under AS 39.35.370(b) or under AS 39.35.385(b) or (f);

(14) "elected official" means a person whose compensation results from personal services rendered to an employer as an elected representative;

(15) "employee contribution account" means the total maintained by the system of the employee's mandatory contributions, voluntary contributions, indebtedness principal, and interest contributions, interest credited to each of those accounts, and adjustments to the accounts in accordance with AS 39.35.100;

(16) "employee savings account" means the account maintained by the system to record the voluntary contributions of each employee, including interest and adjustments to the account in accordance with AS 39.35.100;

(17) "employer" means the State of Alaska or a political subdivision or public organization of the state that participates in the system;

(18) "fiscal year" means the period beginning on July 1 and ending on June 30 of the following calendar year;

(19) "former member" means an employee who is terminated and who has received a total refund of the balance of the employee contribution account, or who has requested in writing a refund of the balance in the employee contribution account, or who is eligible for a refund under AS 39.35.200(b);

(20) "inactive member" means an employee who is terminated and who has not received a refund from the system or an employee on leave-without-pay status or layoff status;

(21) "member" or "employee"

(A) means a person eligible to participate in the system and who is covered by the system;

(B) includes

- (i) active member;
- (ii) inactive member;
- (iii) vested member;
- (iv) deferred vested member;
- (v) non-vested member;
- (vi) disabled member;
- (vii) retired member;
- (viii) an elected public officer under AS 39.35.381;

(C) does not include

- (i) former members;
- (ii) persons compensated on a contractual or fee basis;
- (iii) casual or emergency workers or nonpermanent employees as defined in AS 39.25.200;
- (iv) persons covered by the Alaska Teachers' Retirement System except as provided under AS 39.35.131 and 39.35.381, or persons covered by the optional university retirement program;
- (v) employees of the division of marine transportation engaged in operating the state ferry system who are covered by a union or group retirement system to which the state makes contributions;
- (vi) justices of the supreme court or judges of the court of appeals or of the superior or district courts of Alaska;
- (vii) the administrative director of courts appointed under art. IV, sec. 16 of the state constitution unless the director becomes a member under AS 39.35.158; and
- (viii) members of the elected public officers' retirement system (former AS 39.37);

(D) may include employees of the division of marine transportation excluded under (C)(v) of this paragraph provided that

- (i) the State of Alaska formally agrees to their inclusion through the process of collective bargaining; and
- (ii) no collective bargaining agreement has the effect of obligating contributions made by the state under AS 39.30.150 in the event the state resumes participation in the federal social security system;

(22) "military service" means active duty service in the armed forces of the United States;

(23) "nonoccupational disability" means a physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another position or job that an employer makes available and for which the employee is qualified by training or education, not including a condition resulting from a cause that the board, in its regulations has excluded;

(24) "non-vested member" means an active or inactive member who does not meet the five-year credited service requirement to qualify for a retirement benefit;

(25) "normal retirement" means retirement for a member who is eligible to receive benefits under AS 39.35.370(a) or under 39.35.385(a) or (f);

(26) "occupational disability" means a physical or mental condition that, in the judgment of the administrator, presumably permanently prevents an employee from satisfactorily performing the employee's usual duties for an employer or the duties of another comparable position or job that an employer makes available and for which the employee is qualified by training or education; however, the proximate cause of the condition must be a bodily injury sustained, or a hazard undergone, while in the performance and within the scope of the employee's duties and not the proximate result of the wilful negligence of the employee;

(27) "payroll year" means the period that includes the first pay period ending in January of a year through the last pay period ending in December of that year;

(28) "peace officer" or "fire fighter" means an employee occupying a position as a peace officer, chief of police, correctional officer, correctional superintendent, fire fighter, fire chief, or probation officer;

(29) "pension fund" or "fund" means the fund in which the assets of the system are deposited and held;

(30) "permanent full-time" means an employee who is occupying a permanent position that regularly requires working 30 or more hours a week;

(31) "permanent part-time" means an employee who is occupying a permanent position that regularly requires working at least 15 hours but less than 30 hours a week;

(32) "prescribed rate of interest" means the rate of interest used for computing employer contributions, for preparing actuarial tables used by the system and for crediting interest to employee contributions and savings accounts, and for charging interest on employee indebtedness accounts;

(33) "public organization" means an organization or entity

(A) created by the constitution or laws of the state for the purpose of administering state programs;

(B) whose officers and employees are paid by a method other than by the state payroll prepared by the Department of Administration; and

(C) whose employees are not required by law to participate in the system;

(34) "qualified domestic relations order" means a divorce or dissolution judgment under AS 25.24, including an order approving a property settlement, that

(A) creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a portion of the benefits payable with respect to an employee;

(B) sets out the name and last known mailing address, if any, of the employee and of each alternate payee covered by the order;

(C) sets out the amount or percentage of the employee's benefit, or of any survivor's benefit, to be paid to the alternate payee, or sets out the manner in which that amount or percentage is to be determined;

(D) sets out the number of payments or period to which the order applies;

(E) does not require any type or form of benefit or any option not otherwise provided by this chapter;

(F) does not require an increase of benefits in excess of the amount provided by this chapter, determined on the basis of actuarial value; and

(G) does not require the payment to an alternate payee of benefits that are required to be paid to another alternate payee under another order previously determined to be a qualified domestic relations order.

(35) "retired member" means an employee who is terminated, who has not received a refund from the system and is receiving a benefit other than disability, from the system;

(36) "retirement" means that period of time from the first day of the month following (A) the date of termination and (B) application for retirement, in which a person is appointed to receive a retirement benefit, other than occupational or nonoccupational disability benefit;

(37) "seasonal" refers to an employee who is occupying a position for less than 12 months each year where it is anticipated that the same employee will return to the position when needed and includes a temporary employee of the legislature if part of the service for the legislature during each calendar year is performed during a legislative session;

(38) "surviving spouse" means the spouse of an employee who has been married to the employee for at least one year at the time of the employee's death; the one-year marriage requirement does not apply when the employee's death was an occupational or accidental death;

(39) "system" means the Public Employees' Retirement System of Alaska;

Adopted

c

AMENDMENT 3

OFFERED IN THE HOUSE

TO: HB206

Page 2, line 8  
After "retirement."

Insert new subsection to read:

"(d) An employee is not entitled to credited service under this section if the employee is entitled to receive retirement benefits from another employer for the same service."

Adopted

AMENDMENT 2

OFFERED IN THE HOUSE

TO: HB206

Page 1, line 7

After "AS 18.65.670."

Insert "An employee is not entitled to credited service for employment as a village public safety officer unless the employee was employed as a village public safety officer for at least 1 year."

Failed

A

AMENDMENT |

OFFERED IN THE HOUSE

TO: HB206

Page 1, line 5

After "A vested employee"

~~and~~ <sup>or</sup> fire fighter

Insert "who has at least 5 years of credited service as a peace officer" - defined

under AS 39.25.200.(28)

Sec. 39.35.340. Military service.

(a) A vested employee is entitled to credited service for active military service in the armed forces of the United States, either by enlistment or induction, if the employee received a discharge under honorable conditions and is not entitled to receive retirement benefits from the United States government for the same service. The credited service allowed may not exceed an aggregate period of five years. Benefits are not payable on credited service for military service unless the employee makes retroactive contributions to the system for the period of time that service credit is claimed. However, if the employee was in the employ of an employer on the date of entry into the armed forces and returned to the employ of an employer within 90 days after the date of discharge from military service, the employee is not required to make retroactive contributions under this system for the period of credited service.

(b) In order to obtain credited service under this section, an employee shall make an election to do so and shall verify the period of military service. When eligibility for credited service for military service has been established, an indebtedness shall be determined as follows: (1) the employee's actual compensation, or the calculated annual compensation for those employees working less than 12 months, during the calendar year 1976 or the year in which an employee first becomes vested under this chapter, whichever is later, multiplied by (2) the number of years of military service credited under this section, and this product multiplied by (3) six percent for members who are first eligible to claim this military service before January 1, 1987, or eight and one-half percent for members who are first eligible to claim this military service on or after January 1, 1987. Interest as prescribed by regulation accrues on this indebtedness beginning on July 1, 1977, or one year following the date a person first becomes vested, whichever is later. Any outstanding indebtedness that exists at the time a person is appointed to retirement necessitates an actuarial adjustment to the benefits payable based upon that military service.

(c) A retired employee on July 1, 1976, is eligible to receive increased benefits based upon military service as described in (a) of this section. To receive credited service for military service, a retired employee shall verify the military service. When verified, a retired employee is entitled to receive an increased benefit that shall be actuarially adjusted to reflect the employee's indebtedness for that credit. The indebtedness shall be calculated in the same manner as described in (b) of this section except that it shall be based on the average monthly compensation used in calculating the benefit. The effective date of this increased benefit is the beginning of the month following that in which eligibility has been established.

(d) The credited service granted under this section may not be used to satisfy the credited service requirements for normal retirement.

# Alaska State Legislature

**Representative Brian S. Porter**

HOUSE MAJORITY LEADER



**DISTRICT 20**

SESSION  
STATE CAPITOL, ROOM 210  
UNEAAL ALASKA, 99506-1182  
PHONE: 907-465-4900  
FAX: 907-465-3804

INTERIM  
716 W 4TH AVE, SUITE 900  
ANCHORAGE, AK 99501-2104  
PHONE: 907-258-8197  
FAX: 907-258-8510

MEMBER  
HOUSE JUDICIARY COMMITTEE  
HOUSE SENIORS COMMITTEE  
HEALTH CARE & SOCIAL SERVICES COMMITTEE  
LEGISLATIVE COUNCIL JOINT COMMITTEE

## Sponsors Statement

for

**HB 206 PERS For Village Public Safety Officers**

Throughout the State the **Village Public Safety Officer Program** has provided a very important means of maintaining peace and harmony in the villages. Most of these individuals were not covered by a retirement program. Now some of these former officers are working for other organizations that are covered by the State PERS program. The work experience these individuals obtained by participating in this program has proven to be an invaluable asset in their present endeavors.

This bill would allow them to obtain retirement credit for the service rendered under the VPSO program. The eligible participant could receive credit for up to 5 years of service in the VPSO. Once their service had been verified, an indebtedness would be determined, and the vested employee would have to arrange to buy this time back into the State PERS system. The provisions of this bill will help in the recruiting and the retention of participants of the VPSO program in the villages. Turnover and a lack of qualified applicants has been a historic problem for the VPSO program.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

March 21, 1997

**SUBJECT:** Sectional Summary of HB 206. (Credit in PERS for village public safety officers)

**TO:** Representative Brian Porter  
Attn: Joel Lounsbury

**FROM:** Teresa B. Cramer *TBC*  
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1 permits an employee who is a vested member of the Public Employees' Retirement System (PERS) to receive up to five years' credit for employment as a village public safety officer (VPSO). (Under AS 39.35.680(40), a vested member is defined as one who meets the five-year requirement to qualify for a retirement benefit.) Under subsection (b), the member is required to contribute the full actuarial cost of providing benefits based on VPSO employment. Under subsection (c), the credited service granted for VPSO employment may not be used to satisfy the credited service requirements for normal retirement. (Under AS 39.35.370(a)(2), a member of PERS with at least 20 years of credited service as a fire fighter or peace officer is eligible for a normal retirement. Under paragraph (3) of that subsection, an employee with at least 30 years of credited service can take a normal retirement.)

TC:jdr  
97-207.jdr

**Major Changes and Key Issues**

**Children's Initiative**

AST Detachments would receive \$1,518.8 under the children's initiative to address child protection issues. This increment will permit filling of approximately twenty trooper recruits attending the fall 1998 and spring 1999 Alaska Law Enforcement Training (ALET) academies. VPSO contracts would receive \$428.0 to fill at least five vacant VPSO's and some equipment so that rural Alaska has more staff to address children's issues.

Alaska Public Safety Information Network (APSIN) would receive \$181.2 to provide the automated access needed for existing staff in all related agencies to do their jobs more effectively.

**Court Security**

The Alaska Court System has included \$1,417.0 in its FY99 operating budget request for twenty-two new Court Security Officers. If the issue remains unaddressed, the Chief Justice of the Supreme Court may order the department to take Troopers off the street to assign them courtroom duties. AST Detachments would receive \$691.3 to partially restore trooper enforcement. This increment will permit filling of approximately eight trooper recruits attending the fall 1998 and spring 1999 ALET academies.

**Fish and Wildlife Protection**

To increase FWP enforcement, \$312.0 will be used to fill existing Trooper positions that would otherwise be kept vacant.

**Village Public Safety Officer (VPSO) Turnover**

With a 43% turnover rate the past five years, it is difficult to maintain trained veterans in rural Alaska where the VPSO is typically the sole first responder to any type of public safety emergency. With \$508.2 for a 12% salary increase, VPSO retention should improve.

**Improved Technology for Law Enforcement Statewide**

The Crime Lab will receive \$238.5 to implement DNA testing and to maintain DWI testing capability now that federal funding sources are exhausted.

Records and Identification will receive \$116.0 to locate Alaska's criminal fingerprint records with the Western Identification Network (WIN) to improve Alaska's ability to identify criminals.

**Criminal Justice Policy Initiatives**

Criminal justice and social service agencies will have direct electronic access to a domestic violence protective order file, and a new flagging feature allowing to identify criminal convictions involving domestic violence.

Key to addressing juvenile crime, law enforcement and youth justice agencies require efficient access to juvenile criminal history information which is driving an initiative to explore how to best capture and automate these records.

Legislation to adopt an amendment to the Interstate Compact on Juveniles will be pursued to permit law enforcement officials in Alaska to participate in a national system to notify all states on wanted Alaska juveniles in the event wanted juveniles are detained by another state.

**Fire Safety**

Fire fatalities in Alaska are three times the national per capita average. During the first eleven months of 1997, there have been thirteen deaths due to fire. DPS is reviewing with the fire prevention industry ways to strengthen fire education, early detection and early intervention to help reduce loss of life and property.

**Commercial Fisheries Enforcement**

Beginning with FY98, criminal fines and forfeitures are being used to strengthen detection and prosecution of criminal violations of Alaska's fish and game laws. The Department has purchased a 156' patrol vessel to enhance commercial fisheries enforcement in western Alaska.

<b>Budget Summary</b>	<b>FY97 Actual</b>	<b>FY98 Authorized</b>	<b>FY99 Governor</b>
Designated/Statutory Program Receipts	\$862.8	\$0.0	\$388.3
General Funds	\$76,694.5	\$75,776.5	\$80,168.8
Federal Funds	\$6,065.4	\$9,010.2	\$8,807.3
Other Funds - Interagency receipts, etc.	\$4,956.8	\$6,022.5	\$7,011.6
<b>TOTAL BUDGET</b>	<b>\$88,579.5</b>	<b>\$90,809.2</b>	<b>\$96,376.0</b>
Positions - Full-time	738	736	760
Part-time and Non-Permanent	31	33	30
<b>KEY PROGRAM AREAS (All Fund Sources)</b>			
Justice Enforcement and Public Safety	\$73,333.4	\$75,163.2	\$80,407.3
Fish and Wildlife Protection	\$15,246.1	\$15,646.0	\$15,968.7

**PUBLIC SAFETY EMPLOYEES ASSOCIATION**  
**"REPRESENTING ALASKA'S FINEST"**

4300 Boniface Parkway, #116  
Anchorage, AK 99504-4387  
(907)337-1979 FAX:(907)337-1753

Representative Bryan Porter  
State Capitol  
Juneau, AK 99801-1182

April 15, 1997

Dear Representative Porter:

On behalf of the Public Safety Employees Association I would like to personally thank you for sponsoring House Bill 206.

PSEA fully supports HB206. This bill allows Village Public Safety Officers(VPSO's) to buy up to five years of credited PERS retirement time for that time served as a VPSO.

As you already know VPSO's are not paid a lot and receive very minimal retirement benefits through the Native Regional Corporations. HB206 provides a greater incentive for VPSO's to stay at the job and then, if opportunities exist, to become a state or city law enforcement officer.

We also believe that VPSO's can make excellent future state or municipal law enforcement officers. Some of the best training for any Alaska State Trooper is time spent in villages as a VPSO.

Again, I would like to thank you for taking your time to put this piece of legislation together. If you have any further questions please do not hesitate to call me.

Sincerely,



Keith Perrin  
PSEA President

**TANANA CHIEFS CONFERENCE, INC.**

122 First Avenue, Suite 600  
Fairbanks, Alaska 99701-4897  
Tele: 907/452-8251x3236 & Fax: 907/459-3851

April 21, 1997

Brian Porter  
Rm: 216, State Capital  
Juneau, Alaska 99801  
Tele: 907/465-4930  
Fax: 907/465-3834

Dear Representative Porter:

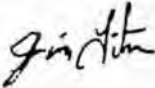
This letter is in regards to House Bill 206. I am very troubled by the House Finance Committee's drastic cuts to services in Rural Alaska. The areas of concern that Tanana Chiefs Conference would like to see considered by the Senate Finance Committee during their deliberations over the operating budget.

(VPSO) Village Public Safety Officer.

The Village Public Safety Officer has provided law enforcement service in rural Alaska for nearly (20) years, and within those twenty years there has been a drastic change in Rural Alaska, towards declining incidents; drowning, fire, alcohol related incidents. The VPSO provide a broad range of public safety services in rural Alaska, including but not limited to health and safety situations. With the existing retirement plan, and to implement our VPSO's into the State Pers, it would enable our program to recruit qualified, dedicated Police Officers. Although we do receive good qualified VPSO's, but they don't stay long, because of the low pay and not much of a retirement system, along with a heavy work load. With that, I encourage you and your staff to fully support House Bill 206. This will ensure that they will continue to play a crucial role in protecting the life, health and safety needs of our rural residents.

Sincerely,

TANANA CHIEFS CONFERENCE, INC.

Jim D. Titus   
VPSO Coordinator

John Terrel  
P.O. Box 245  
Naknek, Alaska 99633  
(907) 246-4222

February 6, 1998

Representative Brian Porter  
State Capitol, Room 214  
Juneau, Alaska 99801

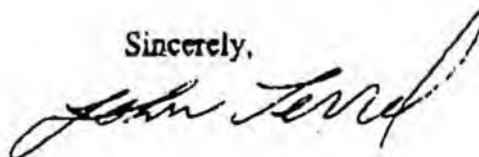
Dear Representative Porter:

This is to let you know that I support your efforts with House Bill 206. It is my understanding that this bill allows time spent as a Village Public Safety Officer (VPSO) to be entered into the PERS retirement system if the VPSO leaves the program but continues as a law enforcement officer. I was a VPSO for over two years and was in the First VPSO/Municipal Police Transition Academy. I became one of the first VPSO Sergeants in the program. When I became a municipal police officer and found out that time spent as a VPSO was not counted in PERS I was angry and very disappointed. I have now been a Police Officer for the Bristol Bay Borough Police Department for over eight years.

I owe the VPSO program a lot for allowing me to become a Municipal Police Officer, but VPSO's are treated as step children as it is. Not allowing this time on PERS is adding insult to injury. This Bill would be a good incentive to keep people in the VPSO program, instead of quitting to find a job with real benefits.

Thank you very much for this thoughtful and much needed bill.

Sincerely,



John Terrel

Representative Brian Porter  
Alaska Legislature  
FAX #465-3834

February 6, 1998

RE: HB206

Representative Porter,

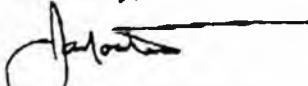
It is my understanding that HB206 is going before the legislature next week. I wanted to take a moment to express my support for this bill.

This bill provides an incentive for Village Public Safety Officers to remain serving their villages and also encourages them to later to seek employment with departments that are under the PERS system. This is a WIN WIN, for both the VPSO, the village, and future employers because it allows the VPSO's to serve with out feeling like they are "spinning their wheels" when it comes to retirement.

I, myself started as a VPSO. This bill will benefit me personally very little since I was looking toward my future when I was making employment decisions, and stayed as a VPSO a short time before moving onto another agency that offered a good retirement plan (the Troopers). I feel if this bill would have been in place back then, I could have stayed much longer.

Thank you for hearing me, and I hope that this bill passes.

Sincerely,



Joseph A. Masters