

**HB**

**323**

(7)  
Date Referred to Committee: April 24, 1998

FURTHER REFERRALS:

Date of Committee Action: 4/30/98

The HEALTH, EDUCATION AND SOCIAL SERVICES Committee considered:

HB 323

HOUSE BILL NO. 323

PERS CREDIT FOR NONCERTIFICATED EMPLOYEES

"An Act relating to the calculation of credited service in the public employees' retirement system for noncertificated employees of school districts, regional educational attendance areas, and state boarding schools; and providing for an effective date."

recommends it be replaced with the following committee substitute CS HB 323 (HES)  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) Admin

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Frank...</i>			<input checked="" type="checkbox"/>	
<i>...</i>				<input checked="" type="checkbox"/>
<i>Con Bunde</i>	<input checked="" type="checkbox"/>			
<i>...</i>	<input checked="" type="checkbox"/>			
<i>...</i>	<input checked="" type="checkbox"/>			
<i>...</i>				

CHAIR'S SIGNATURE

*Con Bunde*

# FISCAL NOTE

STATE OF ALASKA  
1998 LEGISLATIVE SESSION

BILL NO. CSHB323 (L&C)

Revision Date: 4/28/98  
 Title: "An Act relating to credited service in the public employees retirement system."  
 Sponsor: Representative Brice  
 Requestor: (H) HES

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	116.5	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>116.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

CAPITAL EXPENDITURES	0	0	0	0	0	0
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CHANGE IN REVENUES ( )	0	0	0	0	0	0
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**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 - <del>#</del> 1029 PERS	116.5	0	0	0	0	0
<b>TOTAL</b>	<b>116.5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

The \$116.5 is needed to hire contractors to update the division's computer systems to accommodate the proposed changes. In addition to contractor time, division staff will dedicate time to make system changes and the impacted school districts may also need to update their systems.

This change would affect approximately 6,660 current PERS members.

Prepared by: Guy Bell  
 Division: Retirement and Benefits

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

Approved by Commissioner: Mark Boyer  
 Agency: Department of Administration

Date: 4/28/98

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# HOUSE COMMITTEE REPORT

(7)  
Date Referred to Committee: January 15, 1998

FURTHER REFERRALS:

HES

Date of Committee Action: 4/22/98

The LABOR AND COMMERCE Committee considered:

HB 323

HOUSE BILL NO. 323

PERS CREDIT FOR NONCERTIFICATED EMPLOYEES

"An Act relating to the calculation of credited service in the public employees' retirement system for noncertificated employees of school districts, regional educational attendance areas, and state boarding schools; and providing for an effective date."

recommends it be replaced with the following committee substitute CSHB 323(LHC)  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>John C. ...</i>	<input checked="" type="checkbox"/>			
<i>Mark ...</i>	<input checked="" type="checkbox"/>			
<i>Joe ...</i>	<input checked="" type="checkbox"/>			
<i>Lane ...</i>	<input checked="" type="checkbox"/>			
<i>Bill ...</i>	<input checked="" type="checkbox"/>			
<i>Jim ...</i>	<input checked="" type="checkbox"/>			

CHAIR'S SIGNATURE Jim ...  
HOUSE LABOR AND COMMERCE COMMITTEE REPORT

0-LS1350F

Cramer

4/29/98

## CS FOR HOUSE BILL NO. 323( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

Offered:

Referred:

Sponsor(s): REPRESENTATIVES BRICE, Kubias

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the calculation of employee contributions and credited service  
 2 in the public employees' retirement system for noncertificated employees of school  
 3 districts, regional educational attendance areas, and state boarding schools; and  
 4 providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 • Section 1. AS 39.35.160 is amended by adding a new subsection to read:

7 (c) An employee who has made an irrevocable election under AS 39.35.300(c)  
 8 or 39.35.310(c) to have the employee's years of service as a noncertificated employee  
 9 of a state boarding school or of a school district or regional educational attendance  
 10 area determined by reference to AS 14.25.220 shall pay a contribution surcharge for  
 11 that service. The amount of the surcharge is the difference between the amount the  
 12 employer would have had to contribute under AS 39.35.250 - 39.35.290 for the  
 13 employee when treating the employee's credited service as service earned under  
 14 AS 39.35.300(c) or 39.35.310(c) less the amount the employer would have had to

1 contribute under AS 39.35.250 - 39.35.290 without treating the employee's credited  
2 service as service earned under AS 39.35.300(c) or 39.35.310(c).

3 • Sec. 2. AS 39.35.300 is amended by adding a new subsection to read:

4 (c) A noncertificated employee of a state boarding school who first becomes  
5 a member of the system on or after the effective date of this Act may, within 90 days  
6 after the employee first joins the system, make an irrevocable election under this  
7 subsection to have the years of service that the employee earns in that employment  
8 determined using the table for service on or after July 1, 1969, that is set out in the  
9 definition of "year of service" in AS 14.25.220. A noncertificated employee of a state  
10 boarding school who is an active member of the system on the effective date of this  
11 Act may, within 180 days after the effective date of this Act, make the irrevocable  
12 election. A member of the system who is an inactive member on the effective date  
13 of this Act and who is later employed as a noncertificated employee of a state  
14 boarding school may, within 90 days after beginning the subsequent employment,  
15 make the irrevocable election. An election under this subsection shall be made in  
16 writing on a form provided by the administrator. The election applies to the  
17 employee's service earned on or after the date that the administrator accepts it. An  
18 employee who makes an election under this subsection shall pay the contribution  
19 surcharge as set out in AS 39.35.160(c).

20 • Sec. 3. AS 39.35.310 is amended by adding a new subsection to read:

21 (c) A noncertificated employee of a school district or regional educational  
22 attendance area who first becomes a member of the system on or after the effective  
23 date of this Act may, within 90 days after the employee first joins the system, make  
24 an irrevocable election under this subsection to have the years of service that the  
25 employee earns in that employment determined using the table for service on or after  
26 July 1, 1969, that is set out in the definition of "year of service" in AS 14.25.220. A  
27 noncertificated employee of a school district or regional educational attendance area  
28 who is an active member of the system on the effective date of this Act may, within  
29 180 days after the effective date of this Act, make the irrevocable election. A member  
30 of the system who is an inactive member on the effective date of this Act and who  
31 later is employed as a noncertificated employee of a school district or regional

1 educational attendance area may, within 90 days after beginning the subsequent  
2 employment, make the irrevocable election. An election under this subsection shall  
3 be made in writing on a form provided by the administrator. The election applies to  
4 the employee's service earned on or after the date that the administrator accepts it. An  
5 employee who makes an election under this subsection shall pay the contribution  
6 surcharge as set out in AS 39.35.160(c).

7 \* Sec. 4. This Act takes effect July 1, 1998.

# Representative Tom Brice

## ALASKA STATE LEGISLATURE

119 N. Cushman, Ste. 205  
Fairbanks, AK 99701  
907-456-7423 / Fax: 451-9293  
*While in Juneau*  
State Capitol  
Juneau, AK 99801-1182  
907-465-3466

### REPRESENTATIVE TOM BRICE SPONSOR STATEMENT for CSHB 323 (L&C)

Alaska has many noncertificated employees in our schools who work nine, ten or eleven months out of the year along with thier certificated counterparts. These noncertificated employees however are not allowed to receive the full year toward retirement as their counterparts.

This bill addresses the inequity in State law and PERS system by placing noncertificated school district employees who work a comparable amount of days in the same category of certificated employees. This bill will allow those noncertificated school district employees to receive the same amount of credit toward retirement as those certificated employees who work the same amount of time and receive a full year of credit toward retirement.

The change in the PERS system, under this bill, will be supported by the employees, rather than increasing the burden to school district's.

Thank you for your consideration.





# JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 463-1700

March 2, 1998

To: Rep. Tom Brice  
Rep. Gene Kubina

From: The non-certificated staff  
at Juneau Douglas High School

Re: House Bill 323 & 322

We, the undersigned wholeheartedly  
support this bill

We thank you for finally  
addressing this disparity under  
which we work.

Patricia Whiting  
Linda Johnson  
Stephen Callaghan  
D.P. Stalaheer

John Massey  
Virginia M. Spivey  
Mary L. Bellamy  
W. Snyder  
Tara Cloutros

THE CITY AND BOROUGH OF JUNEAU SCHOOL DISTRICT IS AN AA/EO EMPLOYER AND EDUCATIONAL INSTITUTION



# JUNEAU SCHOOL DISTRICT

CITY AND BOROUGH OF JUNEAU

10014 CRAZY HORSE DRIVE • JUNEAU, ALASKA 99801-8529 • (907) 463-1700

John Spind  
Felix Suorak  
Jim Schlegel  
Chad Derard

Melinda C. Curtain  
Barbara Linart  
Benjamin Jackson  
Junie M. Paris

Ta Lisa

Donna Woodrow  
Judy K. Hansen  
Ode Blum

Myron Wellby

Carol Allan

Quinn Lee

Linda Craig

Abby Perkins

Carl Gunn

Judy T. Gibson

Marybeth Kille

Debra R. Hayes

Marty RaganP. O. Box 7592

Dillingham, Alaska 99535

February 10, 1998

House Labor & Commerce Committee  
Juneau, AlaskaRE: H. B. #323  
"Year for School Year Retirement Credit"

Dear Legislator:

I ask for your support on the passage of H.B. #323.

I have been a secretary for the Kenai Peninsula Borough School District for the past fourteen (14) years.

During this time I have witnessed the dedication and selflessness displayed by the secretaries in the school district. Overtime is a thing of the past - but the work load keeps increasing. Many secretaries are putting in endless hours of overtime just to keep things flowing and on an even keel - while still having time to deal with students, parents, and various community and intervention agencies. There have been many times that I've put in 10-12 hour days. Some times to complete scheduling, or do grades for Parent/Teacher Conferences so the report cards will be ready for them. But mostly, it is just to keep up with the day-to-day work. (Approximately 50 hours/week - sometimes even more.)

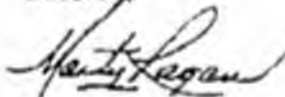
I contacted the Public Employees Retirement System recently. After deducting for the supplemental health care & indebtedness for the RIP, I would receive approximately \$270 per month. (Under PERS my credited service is 11 years towards retirement.)

A little known fact is that while we may elect to have our salaries distributed to us over twelve months instead of nine, (contrary to popular belief) we are not paid for the summer months, nor are we eligible to draw unemployment.

It is time that these dedicated professionals be given credit for their service and contribution to our students, schools, and communities by giving them a full years retirement credit for each school year served.

I would like to thank Rep. Tom Brice for sponsoring this bill and the rest of the committee for giving me a chance to voice my support for H.B. #323.

Sincerely,



Marty Ragan  
Counseling Secretary  
Nikiski High School  
Nikiski, Alaska  
(907) 776-9435

02-11-98P02:57 RCVD

2/11/98

I SUPPORT HOUSE BILL 323

Murphy & Peterson ~~En~~

INSTRUCTIONAL AIDE

NODEVIK SCHOOL

I Support House Bill 323

02-11-98 11:02 REC'D

Parolee Ballot  
Custodian  
Moore School

02-11-98P02:58 RCYS

February 11, 1998

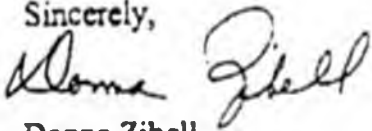
Re: House Bill 323

I would like to express my support of House Bill 323 regarding calculating credit for noncertificated employees.

Having been employed in the school system since August 1974, I favor any recognition and benefits that can be afforded noncertificated employees since they are a vital support system in our schools.

Thank you for your consideration in this matter.

Sincerely,

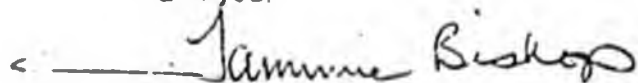


Donna Zibell  
Secretary  
Noorvik Schools

Please submit this comment to the House Labor and Commerce Committee.  
Norm Rokeberg Chair  
John Cowdry  
Bill Hudson  
Joe Ryan  
Jerry Sanders  
Tom Brice  
Bene Kubina

I urge you to support HB 323 recalculating the retirement credits for the educational support staff to receive a **FULL** year of credit for one year of work. The support staff at the schools are full time employees. We are not eligible to apply for unemployment while we are off during the summer. Teachers, administrators and School Board Members receive a **FULL** year of credit to their retirement account for each school year ~~that~~ that they work. I feel that is in only fair and equitable for the support staff in public service to receive a **FULL** year of credit in PERS. I thank you for your consideration to this bill and for passing HB 323.

Thank you.



Tammie Bishop  
PO Box 453  
Homer, AK 99603  
235-1520

wk - 235-7186

Please submit this comment to the House Labor and Commerce Committee.  
Norm Rokeberg Chair  
John Cowdry  
Bill Hudson  
Joe Ryan  
Jerry Sanders  
Tom Brice  
Bene Kubina

I strongly urge you to support HB 323 recalculating the retirement credits for the educational support staff to receive a full year of credit for one year of work. The support staff at the schools are full time employees. We are not eligible to apply for unemployment while we are off during the summer. School Board Members receive a full year of credit to their retirement account for each school year. I feel this is grossly unfair. I thank you for your consideration to this bill and for passing HB 323.

Thank you.

Emma Borok (Morris)  
PO Box 1410  
Homer, Alaska 99603  
235-8024

*Emma Borok*

*wk 235-8986*

Please submit this comment to the House Labor and Commerce Committee  
Norm Rokeberg Chair  
John Cowdry  
Bill Hudson  
Joe Ryan  
Jerry Sanders  
Tom Brice  
Bene Kubina

Please support HB 323 to recalculate retirement credits for educational support staff to receive one years credit for one years work. School support staff are full time employees that are not eligible for unemployment while not working in the summer. All other school staff receive a full years credit to their retirement for each school year worked. Also School Board members receive this credit for each school year. For each year in public service, we would like a full years credit in PERS. Thank you for passing HB 323 from your committee.

Thank you. Cindy Farrens  
PO Box 3821  
Homer, AK 99603  
235-2166

*Cindy Farrens*

The following comment is in regards to HB 323. Please submit to the house Labor and Commerce Committee:

Norm Rokeberg, Chair

John Cowdry

Bill Hudson

Joe Ryan

Jerry Sanders

Tom Brice

Bene Kubina

I urge you to support HB 323 which would allow school district employees who are under PERS to get one year's credit for each school year worked. All other PERS employees get a full year's credit for each school year worked. Also, other seasonal school district employees can apply for unemployment when they are not working. That is not an option for school support staff.

We would like a full year's credit in PERS for each year in public service. Thank you for passing HB 323 from your committee.

Daryl Farrans

PO Box 3821

Homer, AK 99603

235-2166

tel. 235-6090

Karson D. Dorvall  
Leobof A. Dorvall  
PO Box 5022  
Nikolaevsk, AK 99556-5022  
February 10, 1998

House Labor & Commerce Committee  
Representative Norman Rokeberg - Chairman  
Juneau, AK

Mr. Chairman & Committee

I write to you today to voice my support for HB323. I feel it is past time that this unfairness in the Public Employees Retirement System (PERS) is made right. I call it unfair for a number of reasons:

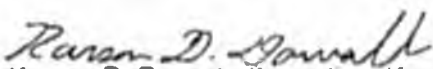
- Myself, a support employee of the Kenai Peninsula Borough School District (KPBSD), I must work 24 school years to earn a 20 year retirement. Many of my coworkers must work longer (26 - 28 years) to earn a 20 year retirement. Those employees who work less than 8hrs a day, (6 -7) even longer. I say 8 hour employees, but ask any of them and they'll tell you they put in a lot more than that, in which they receive no compensation at all.
- Being a 9 - 10 month employee it is difficult if not impossible to find work during the summer break. Conflicts with starting dates, and dates we must report back for work, make us an unlikely candidate for hire. (not all school employees run charter boats or are commercial fishers)
- Being a school district employee, we cannot collect unemployment compensation during this down time, even though we have it deducted from our checks. This period is in actuality a forced layoff, and should qualify.

The school district employees have suffered for years with minimal wage increases, while the cost of living has eroded their purchasing power. Myself, my wife and I both work, over half of my wife's paycheck goes to pay for child care, I have to work another part time job to make ends meet. Depriving my children of the quality time they deserve with their parents.

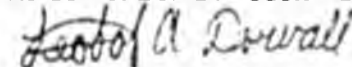
HB 323 will not solve all the problems of public employees, but it will go a long way in setting this right.

I ask that you support this Bill.

Respectfully



Karson D. Dorvall - Custodian, Kenai Peninsula Borough School District



Leobof A. Dorvall - Bilingual Instructor, Kenai Peninsula Borough School District

Author: danluba@xyz.net (Karson Dorvall) at CC2MHS1

Date: 4/28/98 6:56 PM

Priority: Normal

TO: Representative Gail Phillips at LAA\_CAP

Subject: CSHB 323

Dear Representative Gail Phillips,

Its been a while since we've been in contact with each other, Hope some time you can get away from your busy schedule and come out to Nikolaevsk for a visit. In the meantime I'd like to submit the following as written testimony on CSHB 323 which goes before the House HESS Committee tomorrow (Wednesday) at 3 pm.

Dear Committee Members,

CSHB 323 if passed will require Educational Support Employees (ESP's) employed less than 12 months to purchase retirement service credit equal to a year. The employee pays for all the costs associated with the purchase of the additional time.

This bill is not fair to the ESP's. We are the only state employee group that I know of that does not get a years credit on their retirement for a calendar year worked. A 10 month 8 hour a day employee must work 24 years to earn a 20 year retirement under the current rules in PER's.

Now its being offered (year for year) and we'll be the only group that has to pay for it. The average teacher works approximately 9 months and gets credit for a full year on their retirement, and they don't have to pay for the additional time. Why should we? It could be said that teachers have a high degree of education, so they deserve better. I mean no disrespect to the certified educational profession, But I submit that a great many ESP's have college degrees, and/or work experience that is equal to or surpasses the qualifications of the educational professionals.

The schools could not function as well as they do without the tireless efforts of Educational Support Employees, many of which put in many hours after their workday is done, receiving no compensation for it. We, by state law, can't even collect unemployment during the summer down time, even though its taken from our paychecks. Ever try to find a job when the employer knows you'll have to leave in a few weeks or months to return to your regular job? Any job that pays well enough doesn't seem interested in hiring. Construction employees collect unemployment benefits when between jobs, even if their on call. Is this fair? I say NO!

ESP's always seem to be on the bottom of the ladder in every sector of employee benefits. It is good that the state is looking to improve the situation of ESP's in their retirement program, but to charge them for it when others already get the benefit at no cost to them is unfair, and wrong.

Thank you for your time,

Sincerely,

Karson D. Dorvall

PO Box 5022

Nikolaevsk, AK 99556-5022