

SB

9

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/23/99

FURTHER: 3/31/99

DATE TURNED
IN TO OFFICE: 31 Mar 99

Finance Committee considered SENATE BILL NO. 9

PERS CREDIT FOR NONCERTIFICATED EMPLOYEES

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS SB 9 (HES)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to the _____ Committee

Senate Bill:
 same title
 new title
House Bill:
 same title
 technical title
 new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Pat E. Kelly</i>	✓	<i>Drew D. Roman</i>	✓		
<i>Lynne Brown</i>	✓	<i>Carole Wenzel</i>	✓		
<i>Pat Kelly</i>	✓				
<i>Al Adams</i>	✓				
<i>Greg White</i>	✓				
Co-Chair: <i>M. Johnson</i>	✓	Co-Chair:			
Co-Chair: <i>Thomas R. Howell</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
<i>DCF</i>	<i>3/24/99</i>		<i>72.4</i>

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

RECEIVED: 3/24/99
 NOT PUBLISHED
 Identical to No. 1
 Bill Version: CSSB 9/HES

STATE OF ALASKA
1999 LEGISLATIVE SESSION

3/31/99

Revision Date: March 24, 1999
 Title: An Act relating to the calculation of employee contributions and credited service in the public employees' retirement system ...
 Sponsor: Senator Wilken
 Requestor: (S) HES

Department Affected: Administration
 BRU: Centralized Administrative Services
 Component: Retirement and Benefits
 COMPONENT SERIAL NO. 64

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	72.4	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	72.4	0	0	0	0	0

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 (1029 P/E Retire)	72.4	0	0	0	0	0
TOTAL	72.4	0	0	0	0	0

Estimate of any current year (FY 99) 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 \$72.4 is needed to hire contractors to update the division's computer system 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: 465-4471
 Date: _____

Approved by Commissioner: Robert Poe, Jr.
 Agency: Department of Administration

Date: 3/24/99

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GARY WILKEN

SENATOR
Districts 29 & 30
West Fairbanks



Senate

During Session:
State Capitol, Room S10
Juneau, Alaska 99801-1182
(907) 465-3709 (v)
(907) 465-4714 (f)

[www: akrepublicans.org/wilken.htm](http://www.akrepublicans.org/wilken.htm)
E-mail: Senator_Gary_Wilken@legis.state.ak.us

Senate Standing Committees

Chairman: Health, Education,
and Social Services (HESS)
Vice Chairman: Transportation
Vice Chairman: Community and
Regional Affairs

Special Committee

Member: Administrative Regulation Review

Interior:
119 N. Cushman St., Room 213
Fairbanks, Alaska 99701
(907) 452-3421
Fax (907) 452-3426

SENATE BILL 9

SPONSOR STATEMENT

"An Act relating to the calculation of employee contributions and credited service in the public employees' retirement system for non-certificated employees of school districts, regional educational attendance areas, the Alaska Vocational Technical Center, and the state boarding schools, and providing for an effective date."

Senate Bill 9 is not a new proposal. For many years the question of whether support staff of our schools should have the same retirement benefits as their certified counterparts has gone unanswered. Senate Bill 9 will fix this inequity.

Approximately 6,600 Alaskan residents are dedicated, full-time, non-certified employees in our school systems. Non-certificated employees, also referred to in many school districts as "classified" employees, include custodians, cafeteria workers, teachers aides, and administrative staff. They typically work the same schedule as our teachers, from September to May, leaving their summer schedules open to the pursuit of other seasonal employment activities. However, those seasonal employment activities rarely provide for retirement considerations. Therefore, each working year contains a three-month gap where retirement benefits do not accrue. As a consequence, a non-certificated employee having worked for 30 years, and seemingly eligible to retire, is faced with only 22.5 years of accrued retirement benefits.

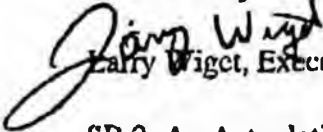
Certified teachers get one full year of credit toward retirement when they complete the nine-month school year. Non-certified employees receive credit for the actual time served in the system, usually nine months. They are not afforded the option of contributing to their retirement account to reflect a year's service. Senate Bill 9 affords them that option, at their expense. It would be a completely voluntary program, paid for by the members themselves, thus adding no on-going financial burden to the State or to the local school districts.

Please join me in endorsing this legislation. It speaks to fairness, and demonstrates the appreciation that all Alaskan schools' support staff deserve.



ASD Memorandum of Support: SB 9

To: Senator Gary Wilkens

From:  Larry Wiget, Executive Director, Public Affairs

Subject: SB 9: An Act relating to the calculation of employee contributions and credited service in the public employees' retirement system for non-certificated employees of school districts..."

Date: March 3, 1999

The Anchorage School District supports providing our non-certificated support employees who are members of the Public Employees Retirement System (PERS), and who work a full nine month school year, with an opportunity, at their own expense, to obtain a full year of retirement service credit.

Under current law, a support person in PERS working less than twelve months in our schools receives service credit only for those days worked during the nine month school year. A teacher, under the Teacher Retirement System (TRS), receives a full year's service credit for working the same nine month school year.

Lawrence A. Wiget, Ed.D., Executive Director, Public Affairs
Anchorage School District
4600 Debarr Rd.
Anchorage, Alaska 99519
(w) 907 - 269-2255 (f) 907 - 269-2340

For example, within one of my own departments, I have a non-certificated support person who has been employed by the Anchorage School District since 1977. From 1977 - 1992 she worked as a school secretary. During this period of time she earned 11.75 years of retirement service credit for the 9 1/2 months she worked each school year during this 15 year period of time. From 1992 to the present, she has been working in the district as a 12 month employee, earning a full year of retirement service credit for each of the last seven years. Her total earned retirement service credit during her time with the Anchorage School District through this year is 18.75 years.

By comparison, a teacher working in the Anchorage School District during this same time period would have earned 22 years of retirement service credit, a difference of 3.25 years.

An opportunity, at her own expense, to obtain a full year of retirement service credit for those years in which she worked during the nine month school year, would enable her to achieve the same level of retirement service credit as a teacher under TRS working the same length of time.

The Anchorage School District supports providing our non-certificated support employees in PERA, who work a full nine month school year, with an opportunity, at their own expense, to obtain a full year of retirement service credit.

2

Lawrence A. Wiget, Ed.D., Executive Director, Public Affairs
Anchorage School District
4600 Debarr Rd.
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EDUCATION SUPPORT STAFF ASSOCIATION
2118 Cushman Street
Fairbanks, Alaska 99701
(907) 456-4435

SB 9

February 18, 1999

Sen. Gary Wilken
Alaska Senate
State Capitol
Juneau, AK 99801-1182

Dear Sen. Wilken:

On behalf of the Executive Board of the Education Support Staff Association, I want to thank you sincerely for your sponsorship of SB 9 to provide nine and 10-month classified school district employees with credit for full-year retirement under the Public Employee Retirement System.

As you are well aware, this change would mean that classified and certified staff would be treated the same way for the first time when it comes to earning retirement credit. This is only fair to employees who work in the service of students and the public.

Your bill would benefit approximately 450 employees in the Fairbanks North Star Borough School District and approximately 6,000 statewide.

We hope that you will request a prompt hearing on the bill in the Labor & Commerce Committee. Our members will also be urging the chairperson to schedule hearings soon.

Again, thank you very much for your efforts to help school district classified staff to provide for a more secure retirement after their years of work for students.

Sincerely,

Ray Eddy
Political Action Committee Chairperson



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters

ANCHORAGE, ALASKA 99503, 520 E. 34TH AVE. (907) 565-8122 FAX (907) 565-8265 GERALD L. HOOD, Secretary-Treasurer

FAIRBANKS, ALASKA 99707, P.O. Box 70609 (907) 452-2959 FAX (907) 452-5051
JUNEAU, ALASKA 99801, 308 Wilfoughby (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99811, P.O. BOX 3150 (907) 283-4498 FAX (907) 283-8030

March 8, 1999

Senator Jerry Mackie, Chair
Senator Tim Kelly, Vice Chair
Labor and Commerce Committee
State Capitol
Juneau, AK 99801

Re: SB 9 PERS Credit For Non-Certified Employees

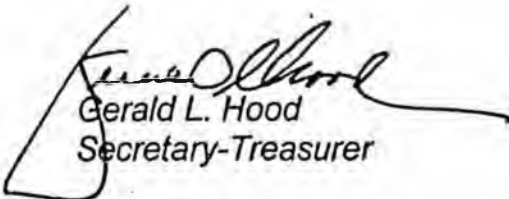
Dear Senator Mackie and Senator Kelly:

Teamsters Local 959 represents non-certified employees most predominantly in the Anchorage School District. Several hundred of those members actually work less than twelve months of the year due to the nature of their jobs. As we understand SB 9, it would allow those members, by individual choice, the opportunity to receive the same credited year as their certified counterparts for purposes of retirement. Any increased cost under this bill would be born by the employee, not the employer (Anchorage School District).

We urge your support and passage of this bill to allow, by employee choice, the opportunity to increase their credited service time as is currently the option for the certified employees.

Sincerely,

TEAMSTERS LOCAL 959


Gerald L. Hood
Secretary-Treasurer

/ijr

cc: Senator Dave Donley
Senator Loren Leman
Senator Lyman Hoffman



SPECIAL EDUCATION SERVICE AGENCY

2217 EAST TUDOR ROAD, SUITE 1 / ANCHORAGE, ALASKA 99507 / PHONE (907) 562-7372 / FAX (907) 562-0545

Good afternoon Mr. Chairman and members of the committee. My name is Christopher Robinson. I am the Executive Director of the Special Education Service Agency, otherwise known as SESA.

SESA is an instrumentality of the State of Alaska, created by the legislature in 1986 as a public organization, funded through the Department of Education.

(AS 14.30.600)

Under statute (AS 14.30.630), the duties of the agency include provision of special education services, including itinerant outreach services, to public school students and special education instructional support and training of local school district special education personnel. In addition, the SESA annual work calendar and job descriptions are similar to those found in public school districts.

On behalf of the SESA Board of Directors, I ask for your support of an amendment to Senate Bill 9 to include SESA as a participating employer.

In accordance with AS 14.30.620, "Employees of the agency are not in state service and are not subject to AS 39.25 (State Personnel Act). However, employees of the agency shall be members of either the Teachers' Retirement System (AS 14.25) or the Public Employees' Retirement System (AS 39.35)."

SESA entered into an AS 39.35.560, PERS participation agreement in September, 1986.

AS 39.35.600 states that eligible employees of a participating public organization are bound by the provisions of this system (PERS) and are entitled to the benefits provided under it.

All permanent part-time and full-time, non-certificated, SESA employees are members of PERS.

Inclusion of SESA in this legislation would provide individual SESA PERS members the benefit of choice related to how their credited service is calculated, comparable to other non-certificated public education employees.

PUBLIC EDUCATION EMPLOYEES FUNDED

A NON-PROFIT CORPORATION PROVIDING EDUCATIONAL SERVICES

VIA DOE.

POMS Main Menu



POMS for Senator Wilken

Who: Both Const and Non Message Status: All of Above

Date Range: 011999 to 032699 Must be in MMDDYY format, including leading zeros.

Bill Root: _____ Support: All or General Support only applies to Bill Root.

Subject: _____ Zipcode Range: 99000 to 99999

For Extract Button Only: Tab Separated Format

.....

1552 Messages Selected

250 Messages Relating to, and in Support of,

Senate Bill 9



Classified Employees' Association
MATANUSKA - SUSITNA BOROUGH SCHOOL DISTRICT

PETITION IN SUPPORT OF "A YEAR FOR YEAR CREDIT"

Page 1 of 30
 containing
 340 signatures

We the undersigned support the concept of non-certified school employees receiving a year's credit for working a school year for the purpose of retirement within PERS. We are willing to share the increased cost to provide this benefit. We are also willing to work twelve months for this credit but we are being told that there is not either work for us or the district can't afford to employ us year round. This bill would create parity for all school employees. We are asking our Legislators to support HB 323 or the concepts contained within this bill.

Print Name	Address	Signature	Work Site
1. <u>Louie Miner</u>	<u>PO Box 870968 Wasilla</u>	<u>Louie Miner</u>	<u>PHS</u>
2. <u>Janet V. Meineny</u>	<u>PO Box 1564 Palmer AK</u>	<u>Janet V. Meineny</u>	<u>PHS</u>
3. <u>NEDRA Olson</u>	<u>900 Snowhill, Wasilla</u>	<u>Nedra M. Olson</u>	<u>PHS</u>
4. <u>Chris Drashner</u>	<u>Box 68 Palmer</u>	<u>Chris Drashner</u>	<u>Ud PE / PPK</u>
5. <u>Keresa Rhode</u>	<u>PO Box 186 Palmer</u>	<u>Keresa Rhode</u>	<u>P-H-S</u>
6. <u>Jude Johnson</u>	<u>Box 3086</u>	<u>Jude Johnson</u>	<u>PHS</u>
7. <u>Andy Cass</u>	<u>POB 3384</u>	<u>Andy Cass</u>	<u>PHS</u>
8. <u>Cure Amy</u>	<u>P.O. Box 870449</u>	<u>Cure Amy</u>	<u>PHS</u>
9. <u>STACY PATIAN</u>	<u>PO BOX 871256</u>	<u>Stacy Patian</u>	<u>PHS</u>
10. <u>CYNTHIA DEBART</u>	<u>P.O. BOX 903 PALMER</u>	<u>Cynthia DeBart</u>	<u>PHS</u>
11. <u>Pamela Folkestad</u>	<u>PO BOX 1495 Palmer</u>	<u>Pamela Folkestad</u>	<u>PHS</u>
12. <u>Norma Brown</u>	<u>P.O. BOX 194 PALMER</u>	<u>Norma Brown</u>	<u>P.H.S.</u>
13. <u>Julie Brown</u>	<u>P.O. Box 3444 Palmer</u>	<u>Julie Brown</u>	<u>PHS</u>
14. <u>Jeff Odum</u>	<u>629 E. Beaver Palmer</u>	<u>Jeff Odum</u>	<u>PHS</u>
15. <u>Norma McCaskill</u>	<u>P.O. Box 808 Palmer</u>	<u>Norma M. McCaskill</u>	<u>PHS</u>
16. <u>JAMES D. ERWIN</u>	<u>P.O. BOX 871011 WASILLA</u>	<u>James D. Erwin</u>	<u>PHS</u>
17. <u>William J. Hamilton</u>	<u>434 N. C146404 ST. PALMER</u>	<u>William J. Hamilton</u>	<u>PHS</u>
18. <u>Michael R. Gortup</u>	<u>P.O. Box 390 Palmer Ak.</u>	<u>Michael R. Gortup</u>	<u>P.H.S.</u>
19. <u>BLAKE LIVINGSTON</u>	<u>S.P.A. Box 6536 Wasilla, AK</u>	<u>Blake Livingston</u>	<u>P.H.S.</u>
20. <u>Angela Phillips</u>	<u>5360 Duane Dr - Wasilla</u>	<u>Angela Phillips</u>	<u>PHS</u>
<u>DONNA AFFINITO</u>	<u>HCO2 Box 7405A Palmer</u>	<u>Donna J. Affinito</u>	<u>PHS</u>
<u>Jennifer Brstick</u>	<u>PO Box 1126 Palmer AK</u>	<u>Jennifer K. Brstick</u>	<u>PHS</u>

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF RETIREMENT AND BENEFITS

TONY KNOWLES, GOVERNOR

P.O. BOX 110203
JUNEAU, AK 99811-0203
PHONE: (907) 465-4460
FAX: (907) 465-3096
TDD: (907) 465-2805

550 WEST 7TH AVENUE, SUITE 1325
ANCHORAGE, AK 99501-3565
PHONE: (907) 269-0333
FAX: (907) 269-0280

March 17, 1999

The Honorable Gary Wilken
State Capitol
Juneau, AK 99801-1182

Dear Senator Wilken:

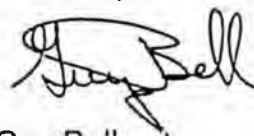
I am sending this letter to correct testimony I gave on Senate Bill 9 last week at the Senate Labor and Commerce Committee hearing.

In my testimony, I stated that non-certificated employees electing to have their service credit determined under the TRS schedule would be required to pay an additional 4.33 percent of compensation.

In discussions with our actuary late last week, we realized that different assumptions were used to calculate the 4.33 percent rate than those provided for in Senate Bill 9. The correct surcharge rate required by employees electing the increased service credit option will be 1.25 percent of compensation. Therefore, these employees would pay a total contribution of 8 percent of compensation.

I apologize for the inadvertent inaccuracy of the information presented at the Senate Labor and Commerce committee hearing.

Sincerely,



Guy Bell
Director

cc: Representative Tom Brice
Senator Kim Elton
Pat Pourchot, Legislative Director
Juanita Hensley



General Teamsters Local 959 State of Alaska

Affiliated with International Brotherhood of Teamsters

ANCHORAGE, ALASKA 99503, 520 E. 34TH AVE. (907) 565-8122 FAX (907) 565-8265 GERALD L. HOOD, Secretary-Treasurer

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JUPITER, ALASKA 99801, 306 Willoughby (907) 586-3225 FAX (907) 586-1227
KENAI, ALASKA 99611, P.O. BOX 3150 (907) 283-4498 FAX (907) 283-8030

March 30, 1999

VIA TELEFAX

Senator John Torgerson, Co-Chair
Senator Sean Parnell, Co-Chair
Senate Finance Committee

Re: SB 9 PERS Credit For Noncertificated Employees

Dear Senator Parnell and Senator Torgerson:

Teamsters Local 959 represents noncertificated employees, most predominantly in the Anchorage School District. Several hundred of those members actually work less than twelve months of the year due to the nature of their jobs; included are bus drivers, food service workers and some maintenance employees. If passed, SB 9 would allow those members, by individual choice, the opportunity to receive the same credited year as their certificated counterparts for purposes of retirement. Any increased cost under this bill would be borne by the employee, not the employer (School District).

We urge your support and passage of this bill to allow, by employee choice, the opportunity to increase their credited service time as is currently the option for the certificated employees.

Sincerely,

TEAMSTERS LOCAL 959

Gerald L. Hood
Secretary-Treasurer

cc: Senator Donley, Vice-Chair
Senator Phillips
Senator Wilken
Senator Pete Kelly
Senator Leman
Senator Green
Senator Adams

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03/31/99
08:08:25

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM
PARTICIPANT LIST (ALL PARTICIPANTS)
TCN:90496 SCHEDULED FOR:03/31/99 08:00 TO 09:00
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LTN1150
BY:ANC
FOR:ANC

LOCATION:ANCHORAGE
SB 85

BARBARA

HUFF TUCKNESS

SB9

TESTIFY