

HB

159



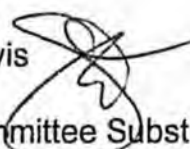
ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

MEMORANDUM

April 13, 2000

TO: Senator Jerry Ward
Senate State Affairs Committee

FROM: Representative Gary Davis 

RE: Hearing Request for Committee Substitute for House Bill 159 (Fin) am

Please schedule a hearing before the Senate State Affairs Committee for CSHB 159(Fin) am at your convenience. Attached for inclusion in the committee packet are the sponsor statement, sectional analysis and zero fiscal note from the Division of Retirement and Benefits.

Letters of support from employees of the correctional facilities listed below are on file in my office and are available for inclusion in the packet if you prefer.

Palmer Correctional Center	Health Care officers and nurses
Anvil Mountain Correctional Facility	Medical Department
Wildwood Correctional Center	Food Service Department
Spring Creek Correctional Center	Medical Department
	Trades Leadman
	Maintenance Department
	Administrative Department

If you have any questions or would like additional information, please contact Deb Davidson of my staff.

Thank you for your assistance.

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. CSHB 159(FIN)

Revision Date/Time _____	Dept. Affected <u>Administration</u>	
Title <u>An act granting certain employees in state</u>	<u>BRU</u>	<u>Centralized Administrative Services</u>
<u>correctional facilities status as peace officers...</u>	Component <u>Retirement and Benefits</u>	
Sponsor <u>Representative Davis</u>		
Requester <u>House Finance</u>	Component No. <u>64</u>	

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

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

The Public Employees' Retirement System (PERS) allows peace officers to retire with 20 years of service and non-peace officers to retire with 30 years of service, regardless of age. The Finance Committee substitute to HB 159 would allow a non-correctional officer with 20 years of PERS state correctional facility service to convert that service to service as a peace officer, thereby allowing the individual to retire. The individual would be required to pay the full actuarial cost of this conversion, either in a lump sum or through a lifetime retirement benefit reduction. Since the full actuarial cost is paid by the employee, this legislation has no fiscal impact to the State of Alaska or other PERS employers.

Prepared by: Guy Bell
 Division: Retirement and Benefits
 Approved by Commissioner: Robert Poe Jr.
 Agency: Department of Administration

Phone: 465-4471
 Date/Time: 2/24/00 11:17 AM
 Date: 2/24/00

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ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

Committee Substitute to House Bill 159 (FIN) am Sponsor Statement

Correctional officers, like police officers, parole officers and fire fighters have the opportunity to retire after acquiring 20 years of service. This opportunity is offered primarily as an employment incentive. The state recognizes that these individuals are in a highly stressful and dangerous type of employment and offers the 20-year retirement as an inducement to remain with their careers.

Correctional officers, however, are not the only employees at Alaska's facilities faced with stressful, dangerous situations. Most other employees also have consistent contact with inmates on a daily basis. It doesn't matter whether they are working in the kitchen, in the infirmary, in maintenance, in the library or in the administrative offices. These employees work alongside of inmates every day. If there is a problem requiring a "lock down" situation, these employees are included in that lock down. It is this type of stress that can and does lead to high employee turnover. Allowing them to retire after 20 years of service instead of the current 30-year requirement can provide the incentive needed to keep them on the job.

House Bill 159 provides non-correctional officer employees this opportunity and incentive. It allows individuals to retire after 20 years of credited service at a correctional facility provided they pay the full actuarial cost of converting their service to service as a peace officer or agree to take an actuarial reduction in their retirement benefits.

House Bill 159 recognizes that any type of employment at correctional facilities can be stressful and dangerous. It provides individuals who work there an incentive to remain at their jobs. It can also result in benefits to the state. With less employee turnover, fewer funds are needed to train new employees. These savings can revert to the general fund, or they can be used to provide additional on-going training for existing personnel.

Additionally, HB 159 enables Department of Corrections employees in management positions of the division responsible for institutions or for community corrections to convert their service in the management positions to service as a peace officer. Often these positions are best filled by former correctional facility superintendents who have participated in the peace officer retirement system. When promoted to the departmental position, they are placed in the normal 30-year retirement system. This can cause a hardship on the department when recruiting for vacant positions because it is a deterrent to those most qualified for the positions. Allowing individuals to convert their management position service to that of a peace officer removes this deterrent and allows the department to more easily obtain those individuals most qualified for those positions.

HB159SS04/13/00



ALASKA STATE LEGISLATURE

REPRESENTATIVE GARY DAVIS

Committee Substitute for House Bill 159(Fin) am

Sectional Analysis

"An Act granting certain employees in correctional facilities or employed in the Department of Corrections to convert their credited service under the public employees retirement system to credited service as peace officers"

Section 1: Allows non-correctional officer employees of a state correctional facility as defined in AS 33.30.901 to convert their credited service in that position to credited service as a peace officer upon retirement. Requires an employee who converts this service to service as a peace officer to pay the full actuarial cost of the conversion or to take an actuarial adjustment to the benefits payable based upon the conversion.

Allows Department of Corrections employees in management positions in the division responsible for institutions or for community corrections to convert their credited service in that position to credited service as a peace officer upon retirement. Requires an employee who converts this service to service as a peace officer to pay the full actuarial cost of the conversion or to take an actuarial adjustment to the benefits payable based upon the conversion. Management positions include division director, deputy director and assistant director.

AS 33.30.901(4) states

"correctional facility" or "facility" means a prison, jail, camp, farm, half-way house, group home, or other placement designated by the commissioner for the custody, care, and discipline of prisoners; a "state correctional facility" means a correctional facility owned or run by the state

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Senator Ward,

I discussed the amendment of HB 335 with Department of Administration who indicated the title is very specific and it would be better to add the attached Amendment onto Senate/House Bill #230 (L&C). It is my understanding that the aforementioned Bill is in the Senate Rules Committee at this time. I would like to have a short discussion with you sometime on Thursday, April 6, 2000, at your convenience.

Thank You.

Allen J. Cooper

AMENDMENT TO SENATE CS FOR CS F OR HOUSE BILL #230 (L&C)

*SEC.2. AS 39.35.370 (g)

When an employee who was employed by the Department of Corrections in the public employees' retirement system as Assistant Director, Deputy Director, or Director applies for appointment to retirement, the employee may convert the credited service for that position to credited service as a peace officer and shall be treated as a peace officer for purposes of this chapter. When the member claims this credited service as peace officer service, an indebtedness of the member to the system shall be established. The indebtedness is equal to the full actuarial cost of the conversion of the credited service to treatment as peace officer service. Any outstanding indebtedness that exists at the time the member is appointed to retirement will require an actuarial adjustment to the benefits payable based upon the conversion of the credited service.

SEC. 3. This Act takes effect immediately under AS 01.10.070 (c).